VA sales drop in 3Q2017 despite equities rally

By Editorial Staff *Thu, Dec 14, 2017*

Ameriprise Financial and Allianz, ranked eighth and ninth in quarterly sales, saw sales increases in 3Q2017. Thanks largely to its Index Advantage structured variable annuity, Allianz enjoyed a 26% increase in new sales from the previous quarter.

New variable annuity sales slipped 11.55% in the third quarter of 2017 to $20.6 billion from $23.3 billion in the second quarter. Sales were down 17.47% from the same quarter in 2016, according to Morningstar's latest Variable Annuity Sales and Asset Survey.

Variable annuity assets under management (AUM) were $1.924 trillion in the third quarter, down about one percent (0.95%) from the second quarter but up about two percent (1.95%) from the third quarter a year ago.

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Index Advantage moved to 6th from 17th in new sales rank among VA contracts. The contract offers both buffered-crediting options or subaccount investment selections.

The remaining eight of the top 10 issuers experienced declines in new sales from second quarter 2017, however. Jackson National Life, TIAA, and AXA remained the top three issuing companies for new sales in the third quarter.

Jackson National posted new sales of $3.8 billion (18.89% market share); TIAA earned new sales of $2.6 billion (12.68% market share); and AXA generated $2.1 billion in new sales (10.28% market share). The top 10 issuers accounted for almost 81% of new sales.

Captive agents finished the third quarter in a near dead-heat with independent advisors in terms of VA market share. The captive channel, where TIAA, AXA and Ameriprise Financial dominate, accounted for 37.1% of sales. The independent channel, where Jackson National, Lincoln Financial and Prudential Financial stand out, accounted for 37.0%. Other channels represent less than 10% of the market with declines from second quarter results of one percent or less.

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