

# Beacon's Fixed Annuity Premium Study Reports First Quarter's Fixed Annuity Sales

<http://www.insurancenewsnet.com/article.asp?n=1&id=106717>

## *Results Set a Record for the Fourth Consecutive Quarter*

**Evanston, IL, May 27, 2009**—U.S. sales of fixed annuities were an estimated \$34.9 billion in first quarter 2009 according to new data from the **Beacon Research Fixed Annuity Premium Study**, based on sales of 53 insurance companies representing an estimated 86% of the market (1). Overall quarterly sales were 78% above those of first quarter 2008, up 2% from the previous quarter (which also set a record), and the highest since the Study began in 2003.

By product type, estimated sales in first quarter 2009 were: book value(2) - \$19.2 billion; indexed - \$7.1 billion; market value-adjusted (MVA) - \$6.5 billion, and; immediate – \$2.1 billion. These estimates reflect increases from first quarter 2008 in all product types. MVA results nearly tripled and book value sales almost doubled. Indexed and immediate annuities were up 24% and 15%, respectively. Compared to the previous quarter, book value sales rose 12%. But there were decreases in the other product types. MVAs were down 12%, immediates dropped 10% and indexed annuities fell 1%.

MetLife retained its overall sales leadership among Study participants, with New York Life and Aviva USA remaining in second and third place, respectively. RiverSource Life moved up to fourth from eighth place, bumping AEGON/Transamerica down a notch to fifth. First quarter results for the top 10 Study participants were as follows:

### **Total Fixed Annuity Sales (in thousands)**



In terms of results by product type, New York Life reclaimed book value sales leadership from AEGON/Transamerica and was once again tops in immediate annuities. Aviva and MetLife remained leaders in indexed and MVA sales, respectively.

RiverSource Life's Rate Bonus 1 (a book value annuity) leaped all the way from 23rd place to become first quarter's bestseller. The New York Life Fixed Annuity (also a book value product) moved to second from fourth place. Last quarter's top product, MetLife Investors Fixed annuity FA (an MVA) came in third. Income Select Bonus 10, an indexed annuity issued by Aviva-American Investors Life, moved from third to fourth place. MetLife Target Maturity (an MVA) shifted from second to fifth place.



All five top products were also distribution channel sales leaders. Rate Bonus 1 became the new captive agent bestseller, replacing State Farm's Future Income Plus. The New York Life Fixed Annuity again took top bank channel honors. Fixed Annuity FA continued as the bestselling I B-D and wirehouse product. Among independent producers, Aviva's Income Select Bonus 10 again posted top sales. MetLife Target Maturity remained the large/regional B-D sales leader.

Credited rates generally fell during first quarter. By mid-February, it was hard to find 5% on a product issued by a strong company. There was again little rate benefit in committing to longer rate terms. Book value sales continued to cluster in rate terms of five to seven years. But MVAs moved to rate terms of less than five years.

### **About the Beacon Research Fixed Annuity Premium Study**

The quarterly Study is the first and only source to track and analyze product-level fixed annuity sales on an ongoing basis. Providing timely market intelligence of the highest quality, it's designed to report what's moving in each channel and why. The extent of Study participation is testimony to the need for this information.

### **About Beacon Research**

Beacon Research is an independent research organization founded in 1997. It compiles market intelligence on fixed annuity products for subscribers to its web-based systems at [www.annuitynexus.com](http://www.annuitynexus.com). Carriers access these systems to support product development, rate setting and competition research. Distributors use them for product analysis and selection. The AnnuityNexus Sales Support System is an important resource for retention teams and sales desk staff throughout the distribution chain. Beacon also licenses information and software tools to other platforms, including websites for sales representatives and EbixExchange's AnnuityNet annuity automation platform. Beacon's fixed annuity benchmark series -- the industry's first - is available through Ibbotson Associates. Directly and through strategic alliances, Beacon information can be accessed by hundreds of financial institutions and distributors.

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