

Sales of fixed annuities trailed off in the third quarter

NY Life the top FA seller during the quarter, while Pacific Life finally cracked the top 10

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Sales of fixed annuities fell during the third quarter to \$21.9 billion, reflecting a decline of 21% from the year-ago period, according to data from Beacon Research.

During the first three quarters, total sales of fixed annuities were \$84.5 billion, up 16% from the first three quarters of 2008.

Third-quarter book value annuity sales were down 30% year over year, with a total of \$9.9 billion. Meanwhile, market-value-adjusted annuity sales dropped to \$2.7 billion, a decrease of 37% from the third quarter of 2008.

Book-value annuities pay a declared rate of interest for a certain period, while their market-value-adjusted cousins allow customers to choose and fix the time period and interest rate for the annuity's growth.

Income annuities also took a dive, bringing in \$1.9 billion in sales, reflecting a 16% decline year over year.

Indexed annuities, on the other hand, rose 6% during the third quarter, compared with the year-ago period. Sales increased to \$7.3 billion.

Year-to-date figures for each annuity type were rosier. Book-value annuity sales hit \$43 billion for the first three quarters, an 18% increase from the same period a year earlier. Indexed-annuity sales grew by 16% during the first three quarters, compared with the year-ago period, reaching \$22.6 billion. Market-value-adjusted annuities hit \$12.8 billion, up 25% from a year earlier. Income annuities fell, however, down 3%, bringing in \$6 billion in sales.

New York Life Insurance Co. was the sales leader during the third quarter, selling \$1.7 billion in fixed annuities.

Allianz Life Insurance Co. of North America ascended to second place from third place, bringing in \$1.4 billion in fixed-annuity sales.

Pacific Life Insurance Co. brought in \$1.4 billion in sales, cracking the list of the top 10 fixed annuity sellers for the first time.