

VA sales up, fixed annuities down, in first quarter

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Variable annuity sales increased during the first quarter, while sales of fixed annuities slipped.

Net sales of variable annuities topped \$31.4 billion, up 3% from the year-earlier period, according to Morningstar Inc. Just \$2.9 billion of that total, however, were new sales, down from \$5.09 billion in the first quarter of 2009.

Sales of fixed annuities hit \$16.7 billion, down 51.9% from a year ago, according to Beacon Research. Customers likely waited for rising interest rates and did not want to lock in today's low rates, which led them to shy away from book-value and market-value-adjusted fixed annuities, according to Jeremy Alexander, chief executive of Beacon Research.

Overall annuity sales for the first quarter were \$47.4 billion, off 27% from a year earlier, according to data from the Insured Retirement Institute and Beacon Research Publications Inc.

Indexed-annuity sales also fell slightly, to \$6.74 billion from \$6.88 billion, according to Beacon Research.

During the first quarter, Allianz Life Insurance Company of North America held on to its position as the top indexed-annuity carrier, garnering 20% of the market share, according to AnnuitySpecs.com. Its MasterDex X was the top-selling indexed annuity for the fourth consecutive quarter.

Aviva USA came in second, followed by American Equity Investment Life Insurance Co. and Jackson National Life Insurance Co. ING USA Annuity and Life Insurance Co. rounded out the top five, according to AnnuitySpecs.com.