

# Annuity sales soared again in third quarter



Total annuity sales rose 27% to \$79.6 billion in Q3, Limra reported, while fixed-rate deferred annuity sales came in 159% higher than in the same quarter last year.

October 27, 2022 [By Gregg Greenberg](#)



Annuity sales broke another record in the third quarter as investor interest in guaranteed income and protection remained robust.

Total U.S. annuity sales increased 27% to \$79.6 billion in the third quarter, the highest quarterly sales recorded since **Limra** began tracking annuity sales and nearly \$9 billion above the previous record, which was set in the fourth quarter of 2008 during the Great Recession.

Fixed-rate deferred **annuity sales** totaled \$29.8 billion in the third quarter, 159% higher than in the third quarter of 2021, and the best sales quarter for fixed-rate deferred annuities ever recorded, according to Limra. Over the first nine months of 2022, fixed-rate deferred annuity sales totaled \$74.4 billion, a 77% increase versus the same period last year.

Fixed indexed **annuity sales** also took off, totaling \$21.4 billion in the third quarter, up 25% from the prior year. Year-to-date, FIA sales were \$57.4 billion, a 22% increase from last year, according to Limra.

“Continued equity market declines and rising interest rates drove investors to continue seeking protection and purchase fixed-rate deferred and fixed indexed annuities at record levels in the third quarter,” Todd Giesing, assistant vice president of annuity research at Limra, said in a statement.

The report also revealed that registered index-linked annuity sales improved 13% in the third quarter to \$10.5 billion. In the first nine months of 2022, RILA sales were \$30.9 billion, 9% higher than prior year.

Giesing noted that fixed indexed annuities’ growth has come at the expense of RILA product sales. After three years of more than 30% annual growth, Limra is projecting RILA sales will be flat or increase less than 5% in 2022.

On the flip side, traditional variable annuity sales continued to struggle. In the third quarter, traditional VA sales fell 37% to \$13.7 billion, the lowest quarterly results since the third quarter of 1995, the survey said. So far this year, traditional VA sales totaled \$48.5 billion, down 25% from the same period in 2021.

Finally, Limra said income annuities have rebounded to pre-pandemic levels. Single premium immediate annuity sales were \$2.5 billion in the second quarter, a year-over-year increase of 58%, and year-to-date SPIA sales were \$6 billion, 28% higher than the same period last year.

“The combination of very attractive rates in fixed annuity products and the ongoing desire of investors for portfolio protection have been driving annuity sales,” said David Lau, founder and CEO of DPL Financial Partners. “I expect this is just the beginning of a very long-term trend.”

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