

# 2022 saw an annuity explosion: Limra

*Total annuity sales surged to \$310.6 billion last year, a 22% spike from 2021 results and 17% above the record set in 2008.*

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- By Gregg Greenberg



2022 may go down as the year of the annuity. According to preliminary results from Limra, total annuity sales surged to \$310.6 billion in 2022, a 22% spike from [2021](#) and 17% above the record set in 2008.

The yearly total was helped by a scorching fourth quarter. [Total annuity sales](#) were \$87.2 billion in the fourth quarter, a 39% increase from the fourth quarter of 2021. That marked the third consecutive quarter in which annuity sales set a new record, Limra said.

The preliminary fourth-quarter 2022 annuity industry estimates are based on monthly reporting representing 83% of the total market, according to Limra.

“Investors seeking [guaranteed growth and downside protection](#) drove extraordinary fixed annuity sales of \$208 billion, 49% above the record set in 2019,” Todd Giesing, assistant vice president at Limra Annuity Research, said in [a statement](#).

“Fluctuating interest rates in the fourth quarter prompted investors to lock in crediting and [payout rates](#) while they were high,” Giesing added. “Our forecast suggests that

protection products will continue to boost growth in the annuity market for the next several years.”

“The prospect of running out of money during retirement has always been a fear among older Americans and it has been multiplied with recent market volatility negatively affecting investment performance and [inflation](#) sending living expenses soaring,” said David Scranton, founder and CEO of Sound Income Group. “Annuities, such as fixed-rate ones, can provide a steady stream of income for those in retirement, so it’s no surprise they have risen in popularity in recent years. I don’t expect that to change as investors are now becoming more familiar with this type of asset class.”

Breaking the results down by product type, fixed-rate deferred annuity sales totaled \$37.5 billion in the fourth quarter, 241% higher than fourth quarter 2021 sales. This is the best sales quarter for fixed-rate deferred annuities ever documented, Limra said. For the full year of 2022, fixed-rate deferred annuities totaled \$112.1 billion, more than double (111%) the sales in 2021, and 38% above the previous annual high of \$80.8 billion set in 2002.

Fixed indexed annuity sales also posted records for both the quarter and the year. FIA sales totaled \$21.9 billion in the fourth quarter, a 32% increase from the fourth quarter of 2021. For the full year, FIA sales were \$79.4 billion, up 25% from 2021, and 8% higher than the record set in 2019.

On the flip side, registered index-linked annuity sales were \$9.9 billion in the fourth quarter, down 4% from the fourth quarter of 2021. Still, RILA sales totaled \$40.9 billion for 2022, 6% higher than in 2021, marking an all-time high for sales of the product, according to Limra.

Traditional variable annuity sales continued to slide. In the fourth quarter, traditional VA sales dropped 42% to \$12.6 billion. In 2022, traditional VA sales totaled \$61.7 billion, down 29% from 2021 results, Limra said.

Finally, rising rates have spurred growth in income annuities. Limra said single premium immediate annuity sales were \$3.1 billion in the fourth quarter, a year-over-year increase of 94%. In 2022, SPIA sales were \$9.1 billion, 44% higher than 2021 results. Meanwhile, deferred income annuity sales in the fourth quarter rose 59% to \$720 million. DIA sales were \$2.1 billion for the year, up 24%.

“These results are not surprising,” said Michael Nakanishi, financial advisor at Kingswood US.

“Annuities are, after all, insurance products, and insurance products shift risk away from consumers to insurance companies for a cost or premium – whether that risk is loss of property, life, casualty, or in this case, market volatility and/or loss of asset base/future income,” Nakanishi said. “It’s neither good, nor bad, it’s simply human nature.”