

**NEWS RELEASE**

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**ABIA ANNOUNCES 2009 AND Q4 FIXED ANNUITY SALES IN BANKS**

*Fixed Indexed and Income Annuity Sales Rise Significantly*

WASHINGTON – U.S. sales of fixed annuities by banks and other depository institutions decreased by 7.5 percent in the fourth quarter compared to 2008. Estimated indexed annuity sales more than doubled, and income annuities were up 44 percent year-to-year. But fixed rate annuity results were down significantly due to their falling credited rates and diminishing rate advantage over bank certificates of deposit.

Similar interest rate trends drove fourth quarter 2009 results. Estimated bank sales of \$6.1 billion were 43 percent behind the year-ago quarter, when a major flight to safety along with a significant rate advantage over CDs sent sales skyrocketing. But indexed and income annuities were ahead by 70 percent and 12 percent, respectively. Sales dropped 16 percent quarter-to-quarter. Market estimates are based on findings from the Beacon Research *Fixed Annuity Premium Study*.

Western National Life<sup>[1]</sup> continued as the leading bank channel company among participants in the Beacon study. Comparing fourth to third quarter, two annuity issuers dropped out of the top 10. Taking their places were Principal Financial Group and W&S Financial Group Distributors<sup>[2]</sup>. Fourth quarter 2009 results for the top 10 companies were as follows:

<b>Company Name</b>	<b>Bank Channel Sales (in thousands)</b>
Western National Life	1,823,128
Pacific Life	651,792
New York Life	589,346
AEGON/Transamerica Companies	549,282
Jackson National Life	334,517
Protective Life	197,959
W&S Financial Group Distributors	193,965
Lincoln Financial Group	138,576
Principal Financial Group	131,595
Hartford Life	112,119

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<sup>[1]</sup> Formerly AIG Annuity.

<sup>[2]</sup> W&S Financial Group Distributors is the wholesale distributor for Western & Southern Financial Group. It distributes annuities from Western & Southern Life, Integrity Life and National Integrity Life (New York).

Although bank sales were down overall, more than one-third of the bank channel carriers participating in Beacon's study reported improved quarter-to-quarter results. Among them was Protective Life.

"Compared to the volatile upswing that occurred in the fourth quarter of 2008, we had steady growth in our bank annuity sales throughout 2009," said Michael Korthaus, Protective's vice president of financial institutions. "Our best-selling fixed annuities were book value single premium products with six- and seven-year surrender charge periods and multiple rate guarantee periods. We offer liquidity in terms of nursing home, terminal illness and unemployment waivers along with 15 percent free annual withdrawals." About 80 percent of Protective's bank sales came from advisors and 20 percent from licensed bankers.

Pacific Life's Pacific Explorer continued as the top bank channel fixed annuity in fourth quarter 2009. Four of the top 10 products were issued by Western National, the quarter's leading company. All 10 were book value annuities, up from seven in third quarter.

<b>Rank</b>	<b>Company Name</b>	<b>Product Name</b>	<b>Product Type</b>
1	Pacific Life	Pacific Explorer	Book Value
2	Western National Life	Flex 5	Book Value
3	Western National Life	Proprietary Bank Product F	Book Value
4	AEGON/Transamerica Companies	Proprietary Bank Product 7	Book Value
5	AEGON/Transamerica Companies	Transamerica Capital Builder	Book Value
6	New York Life	NYL Preferred Fixed Annuity	Book Value
7	Western National Life	Proprietary Bank Product B	Book Value
8	Western & Southern Life	MultiRate Annuity	Book Value
9	Western National Life	Proprietary Bank Product I	Book Value
10	Western National Life	Flex 7	Book Value

"We expect that bank sales of fixed annuities will be down from fourth quarter results and remain at reduced levels until the interest rate environment normalizes," said Jeremy Alexander, president and CEO of Beacon Research. "When credit spreads widen, fixed annuities will have an improved rate advantage and sales to bank customers will improve as well because underlying demand for conservative investments remains strong."

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*Beacon Research is an independent research company and application service provider founded in 1997 and based in Evanston, IL. Beacon tracks fixed and variable annuity features, rates and sales. Its quarterly Fixed Annuity Premium Study is the first and only source to analyze fixed annuity sales at the product level. Beacon lowers compliance risk and increases fixed annuity sales with 100% carrier-approved, comprehensive product profiles, spreadsheets and search tools for the advisor/rep websites of banks, TPMs, broker-dealers and marketing organizations. Financial institutions use its systems at [www.annuitynexus.com](http://www.annuitynexus.com) for compliance review of 1035 exchanges, sales support, conservation and product research. Beacon also licenses information to other platforms, including Ebix, Ibbotson, Insurance Technologies, Interactive Data Corporation and Lipper (Thomson Reuters) . Beacon is a member of National Financial's Alliance program. Directly and through its licensees, Beacon information can be accessed by hundreds of financial institutions and distributors.*