

For Immediate Release:

Largest Bank Broker Dealers Dominate Bank Annuity Market

Top 25 Firms Account for More Than Half of All Financial Institution Annuity Sales

CHAPEL HILL, NC SEPTEMBER 18, 2015: According to new Kehrer Bielan research released this week, the 25 largest bank broker dealers produced almost \$22 billion in fixed and variable annuity premium last year, 57% of the total sold by all banks and credit unions.

The ten largest third party broker dealers, which support annuity and investment sales in 2,559 banks and credit unions, accounted for 38% of the total annuity premium sold through financial institutions. The remaining 3% was sold in the smaller bank broker dealers or the community banks and credit unions that work with the smaller third party broker dealers.

The large bank BDs account for somewhat more of the total fixed annuity sales than variable annuity sales. They produced \$11.7 billion in fixed annuity premium (58.0% of the financial institutions channel total) compared to \$10.2 billion in variable annuities (56.5%).

“Many large bank broker dealers supplement their Financial Advisors with licensed platform bankers, whose sales are skewed toward fixed annuities,” commented Tim Kehrer, senior research analyst at Kehrer Bielan. “The banks and credit unions affiliated with the third party BDs are much less likely to license customer facing bank and credit union staff to sell annuities.”

The ten largest TPMs accounted for 36% of all fixed annuity premium sold in financial institutions, but 41.2% of variable annuity premium. “Even as firms take steps towards more financial planning and advisory activities, a significant amount of fixed and variable annuities are distributed to their client base,” noted Peter Bielan, a principal of the firm. “We find that variable annuities are more popular in banks and credit unions that still do mostly transaction business.”

About Kehrer Bielan Research & Consulting. KBR&C provides the financial advice industry with insights based on a melding of research and experience in managing the delivery of investment, insurance, and wealth management services. The firm provides

performance assessment and benchmarking, human resource management and development, due diligence, consumer insights, and interpretation of industry trends through its original research, unbiased consulting, and peer study groups.

Please visit us at www.KehrerBielan.com or e-mail info@kehrerbielan.com for more information.