

2025 Annuity Trends:

Navigating
the Future

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As we look forward into 2025, the forces shaping the annuity industry — economic uncertainty, rapid technological advancements, evolving consumer expectations, and demographic shifts — are creating both challenges and opportunities for financial professionals. Against this backdrop, annuities are emerging as an essential tool for navigating the complexities of modern retirement planning.

In this comprehensive report, **2025 Annuity Trends: Navigating the Future**, we explore how the annuity industry is responding to these dynamic forces.

Through a lens of adaptability, innovation, and foresight, we uncover the strategies carriers and financial professionals are using to enhance retirement outcomes for their clients.

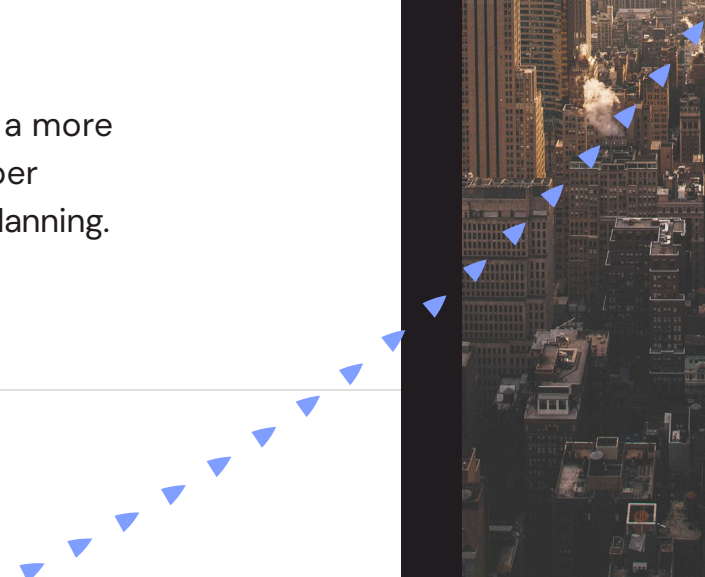
Introduction




This report identifies **four key themes** driving change in the industry:

1. **The Democratization of Annuities:** Making these products more accessible to advisors and consumers alike.
2. **Downside's Up:** The continued rise of solutions offering both protection and growth.
3. **Personalization Nation:** Harnessing technology and human interaction to deliver tailored retirement solutions.
4. **Future Inherit-Tense:** Opportunities emerging from the largest generational wealth transfer in history.

Each section highlights actionable insights and emerging opportunities, paving the way for a more inclusive and resilient annuity industry. We invite you to explore this report and gain a deeper understanding of how financial professionals and carriers are shaping the future of retirement planning.





About the Author

JP Soltesz

Senior Competitive
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JP Soltesz is a strategist, innovator, data interpreter, and futurist. He brings decades of experience from a variety of industries, including the life and annuity space, where he has worked at Prudential Financial, Pacific Life, and Kuvare Holdings directing Corporate Strategy and Annuity Market and Competitive Intelligence. He also has advised leadership on adopting product innovation and Insurtech into the organizations he has been a part of. JP has authored thought leadership work on disruptive forces in the insurance industry, how insurers can better serve the needs of retirees, the U.S. housing and labor markets, and the impact Advanced Manufacturing techniques will have on the Future of Work.



2025 Trend Theme 1

The Democratization of Annuities

Financial professionals and consumers will increasingly see the value of annuities in their financial plans, and sales of products across the annuity spectrum are expected to rise.

A combination of factors is driving the adoption of annuities into more financial plans. Judging by the recent earnings season for publicly traded carriers, industry leaders believe these factors are increasing the addressable market for annuities.

Financial professionals across distribution channels are expanding their comfort level with recommending annuities to their retail clients. The availability of in-plan annuities is helping create more informed consumers. Furthermore, both financial professionals and consumers are showing growing interest in lifetime income solutions.

The Employee Benefit Research Institute (EBRI) asked workers what they felt were the most valuable improvements to their retirement savings plans. Two of the top three responses revolved around income in retirement:

29%

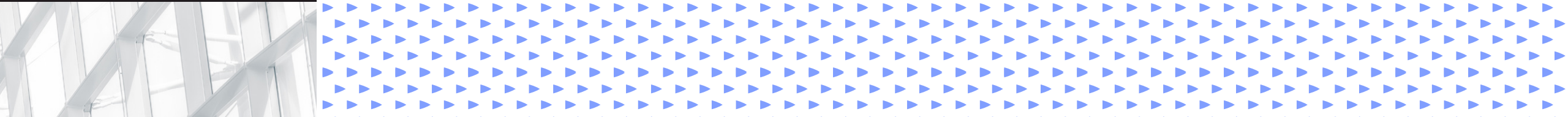
29% of workers want clear explanations of how much income their savings will produce in retirement

32%

32% of workers said they value investment options that provide guaranteed lifetime income in retirement

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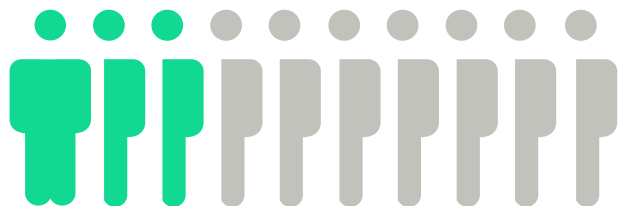
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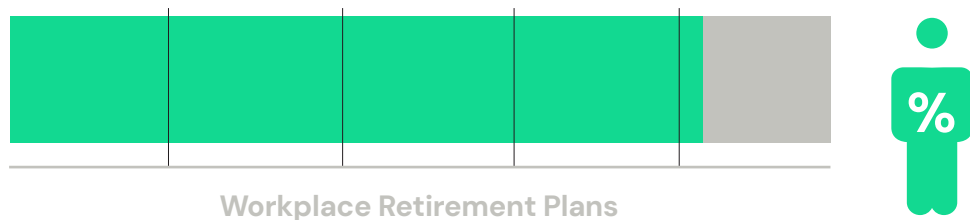


This trend is translating into action:

Three in 10 workers contributing to their workplace retirement plan expect to use their savings to purchase a product that guarantees lifetime income, according to EBRI



83% of workers in workplace retirement plans express interest in converting their savings into guaranteed monthly income, EBRI also reported



“As the demand for guaranteed income solutions continues to grow, we are witnessing a significant shift in how both consumers and financial professionals are approaching retirement planning. The data speaks for itself—Americans are increasingly prioritizing products that offer the security of lifetime income, and financial professionals are responding by incorporating annuities more broadly into their clients’ plans.”



Joe Wieser,
President of Guaranty
Income Life





“With growing concern about Social Security falling short, annuities continue to stand out as a critical solution. The industry is well-positioned to meet this need, and we believe this trend will only accelerate in 2025 and beyond.”



Carlos Sierra,

Chief Operating Officer at Kuvare
and President of Lincoln Benefit Life

While these findings focus on in-plan investments, they signal a broader interest in planning for income in retirement. In fact, EBRI data shows more than half of workers expect a guaranteed income product to be a source of income in retirement, yet only 28% of current retirees report having a source of guaranteed income. This reflects a growing interest among the next generation of retirees in the income that annuities can provide.

Coupled with the perception that Social Security will not provide enough income in retirement, the disparity becomes even clearer — **62% of retirees** report Social Security as a major source of income, compared to just 35% of work who expect it to be, according to EBRI. As consumers increasingly look to annuities for that retirement paycheck, the industry has an opportunity to build on its momentum and continue breaking sales records in 2025 and beyond.



2025 Trend Theme 2

Downside's Up

Annuities offering guaranteed returns or downside protection will continue to take market share from traditional annuity products while also expanding the total addressable market.

Products like Fixed Indexed Annuities (FIAs) and Registered Index-Linked Annuities (RILAs) are growing in popularity due to their ability to protect investments while offering growth potential. Initially seen as hedges against market volatility, their appeal has endured beyond economic shocks like the global financial crisis, and pandemic-induced inflation. Even as markets stabilize, FIAs and RILAs have become cornerstones of modern annuity portfolios.

Sales trends have shown that even with a stronger, more consistent stock market and other volatility triggers subsiding, a return to the days of traditional full-risk variable annuities being the bellwether of the industry is unlikely.



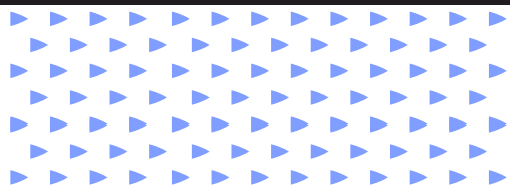
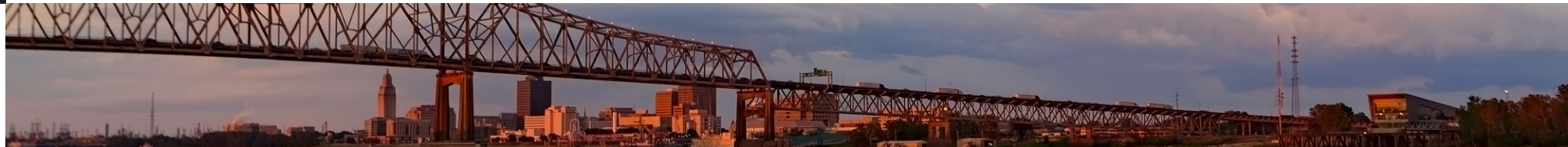
FIA sales hit a record \$35.2 billion in Q3 2024 — a 56% increase year-over-year, according to LIMRA



Year-to-date FIA sales reached \$95.1 billion, up 34% from 2023, LIMRA reported

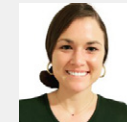
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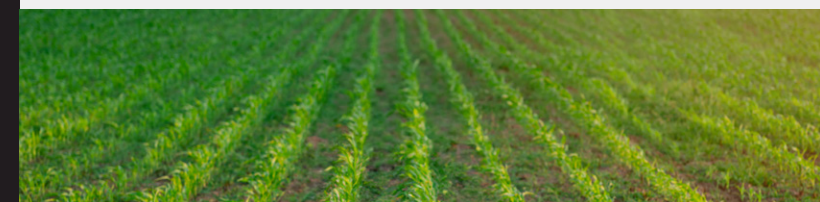
Index-linked annuities are also attracting new money — **70% of RILA sales came from new sales**, not exchanges. These new customers bring growth opportunities for carriers offering other annuity products, as customers familiarize themselves with how annuities work. When it's time to surrender or exchange that annuity, the rate of external exchanges — money moving from one carrier to another, is significantly higher than internal exchanges — swapping one annuity for another at the same carrier, these new customers will be target prospects for annuity carriers offering other products.

“The growing interest in more diverse indices, from traditional options like the S&P 500 to AI-driven custom indices, will further shape the landscape. Ultimately, the simplicity of the offering will be key, as advisors and consumers continue to seek clarity in their retirement solutions.”



Bethany Ball,

Director of Product
and Pricing at Kuvare



“The growth of fixed indexed annuities represents a clear shift in investor preference toward products that offer both protection and growth. This trend underscores the demand for stability in a volatile market.”

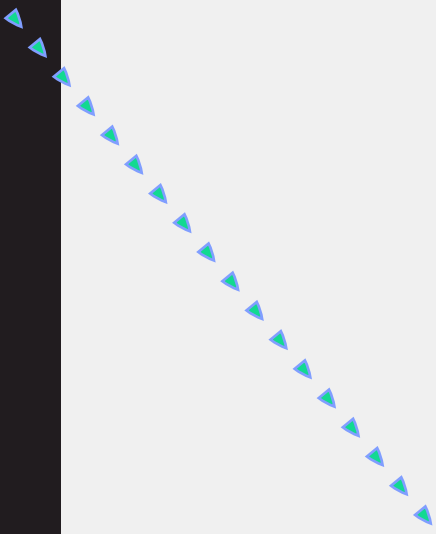


Bethany Ball,
Director of Product
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This data reflects growing interest in indexed annuities and carriers’ efforts to expand offerings. Over 2025, it will become clearer whether investors prefer simpler, safer indices (e.g., the [S&P Dynamic Intraday TCA Index](#), which uses embedded volatility controls) or more targeted investment opportunities such as international or sector-focused indices.

There is divergent research on this topic. While 47% of carriers surveyed by Goldman Sachs believe [AI-driven custom indices](#) will grow in popularity, a plurality of respondents indicated the most important consideration when choosing an index provider is a simple message for agents and advisors.

As more entrants into the FIA and RILA space emerge, including private equity investors, product differentiation and innovative riders will be critical for capturing market share.



2025 Trend Theme 3

Personalization Nation

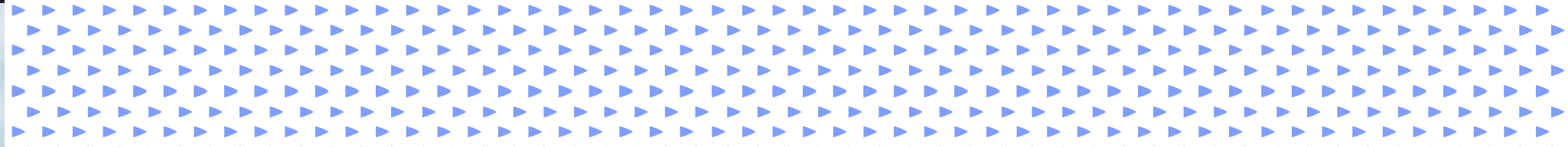
The expectation of personalization has grown more rampant in all aspects of consumers lives. Carriers and advisors will have to optimize the partnership between brains and bytes – combining human interaction and AI-driven technology to improve the customer experience.

T. Rowe Price found that increased personalization of the customer experience leads to **identifiable behavioral changes** in individual consumers that in turn lead to **improved retirement outcomes**. Further, they have identified an increasing shift in the knowledge level of investors, saying retirees have graduated from an 'educational or exploratory' stage of investing to an 'implementation' stage.



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Advancements in technology — including **AI and generative AI (GenAI)** — are making mass personalization possible. McKinsey estimates that technology's impact on the insurance sector could total between \$50 billion and \$70 billion, with marketing and sales seeing some of the highest impact.

Technology is transforming both ends of the customer service spectrum:

▶ On the **front end**, carriers and financial professionals can use AI-driven tools to collect more accurate and actionable customer data

▶ On the **back end**, data visualization apps and fintech startups are making the delivery of retirement advice more accessible, providing deeper insights

Innovations in AI and data connectivity also allow carriers to work more closely with distribution partners, sharing insights to enhance the customer experience. By strengthening this collaboration, carriers can create technology-driven touchpoints with customers while simultaneously building more opportunities for face-to-face interactions.



“The need for personalized retirement planning is becoming more critical than ever. By combining AI-driven technology with meaningful human interactions, we can ensure clients’ unique needs are met and improve their retirement success.”



Brad Rosenblatt,
Chief Revenue Officer at Kuvare
and President of United Life



The time is ripe to move forward with these advancements, as business and consumers are ready to embrace new capabilities. Gartner reports that 85% of customer service leaders plan to explore and pilot a customer-facing conversational GenAI solution in 2025. This partnership between brains and bytes is essential for optimizing customer experiences.

Most annuity carriers exist within business models where they work closely with financial professionals to market products to consumers — they do not always have a direct line to the consumer during the sales process. Because of this, carriers must work closely with their distribution partners to better understand the needs of investors at an individualized personal planning level. Data connectivity — sharing data on an ongoing basis with third party distribution partners is an essential next step to ensuring a world class customer experience.



2025 Trend Theme 4

Future Inherit-Tense

Over \$120 trillion dollars is projected to transfer between generations over the next two decades. This Great Wealth Transfer presents a significant opportunity for financial professionals to engage both Baby Boomers and their heirs.

As Baby Boomers age into their 80s, this wealth transfer to heirs will accelerate. Financial services companies will begin developing strategies to work with aging clients and their heirs to put this transferred wealth to work.

The second half of the 2020s will usher in a time of unprecedented wealth transfer. While this shift has already begun with the Silent Generation — and was pulled forward due to the pandemic — it will grow significantly as Baby Boomers (born between 1946 and 1964) enter their octogenarian years. The Baby Boomer generation has had an outsized impact on the U.S. economy throughout their lives. For example:

The expansion of **home ownership** in the 1970s occurred as Baby Boomers began forming households

The **tight labor market** since 2011 has been influenced by Baby Boomers retiring en masse upon turning 65



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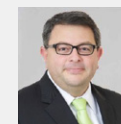
As the sunsetting of the Baby Boomer generation accelerates over the next decade, two major areas of the economy are poised for significant change:

► **Residential Real Estate:** A potential housing market recession may emerge as first, second, and vacation homes owned by Baby Boomers are transferred to heirs who could liquidate the real property for cash. Coupled with reduced household formation due to a slowdown in immigration, this could shift the supply/demand balance and place downward pressure on home prices by the early 2030s

► **Financial Services:** The financial sector has a unique opportunity to guide Baby Boomers and their heirs by recommending solutions for the trillions in wealth being transferred

“We are in the middle of an unprecedented opportunity for the financial services industry. With an estimated \$124 trillion set to be transferred over the next two decades, financial professionals have a crucial role in guiding Baby Boomers and their heirs to make informed decisions. Two things are critical to success: first, providers should offer solutions that protect and grow wealth, particularly through annuities and lifetime income products. These strategies can secure heirs’ futures and help preserve family wealth across generations. And second, carriers need to make the process easy: easy to research, easy to apply, easy to issue, and easy to service.

The time to start these conversations is now, as the financial landscape is about to experience a transformative shift.”



Carlos Sierra,

Chief Operating Officer at Kuvare
and President of Lincoln Benefit Life

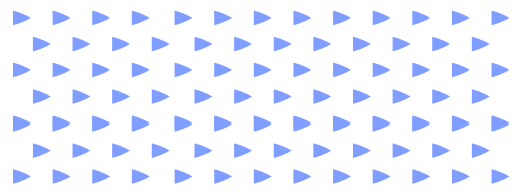
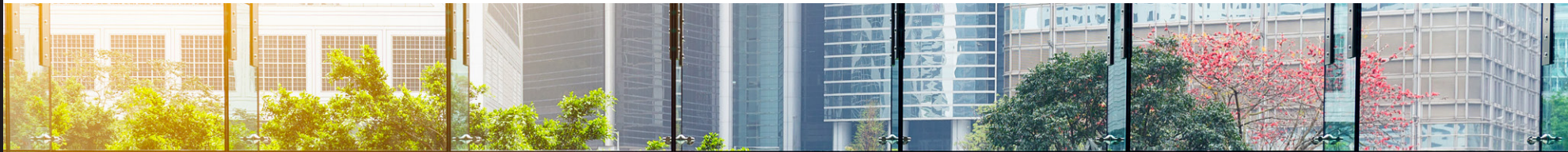


In 2022, Cerulli and Associates estimated that \$86 trillion would transfer to heirs by 2045. However, in late 2024, Cerulli revised their projection and now estimate that \$124 trillion will be transferred between 2024 and 2048.

Here is how this wealth will change hands:

- ▶ High-net-worth households will account for **more than half** of all wealth transferred in the coming quarter century
- ▶ Widowed women in the Baby Boomer generation will inherit a **significant portion** before passing it down to children and charities
- ▶ Millennials and Gen X households will both inherit **substantial amounts**, with Millennials receiving more over the next 25 years
- ▶ Philanthropic causes will receive **nearly 15%** of the total transfer from 2024–2048

To put this in perspective, over \$5 trillion will be transferred annually on average over the next 24 years — nearly three times the total stimulus injected into the economy during the global financial crisis (\$1.8T from 2008–2012).



While not all of wealth will be reinvested, the [2020 SECURE Act introduced provisions](#) requiring qualified IRA funds to be distributed within 10 years. Previously, “stretch IRAs” allowed beneficiaries to spread required minimum distributions over their lifetimes, but this change means heirs must act relatively quickly to empty these accounts of the initial inheritance and any subsequent gains within 10 years.

Carriers and financial professionals must collaborate now to provide educational resources about the benefits of annuities and guaranteed lifetime income. This is essential not only for Baby Boomers planning their legacy but also for their heirs receiving their portion of The Great Wealth Transfer. Such strategies can help ensure family wealth is preserved for generations.





About Kuvare

Kuvare is a financial services company offering innovative and reliable retirement savings and income solutions through its flagship retail carriers, Guaranty Income Life Insurance Company and United Life Insurance Company. In partnership with leading financial firms, they provide annuity and life insurance products designed to meet the long-term needs of consumers and the financial professionals who serve them. Focused on risk management, wealth preservation, and sustainable retirement income, the Kuvare family of companies are committed to helping individuals confidently secure their financial futures.

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