

CEO says Athene ‘better positioned’ to stay No. 1 in volatile annuity climate

By John Hilton

As a tumultuous first quarter ground on, life insurance companies and annuity sellers reacted in different ways: some pulled back and some continued business as usual.

Athene Life & Annuity took a different approach, CEO Jim Belardi said Monday.



“With the presence of market volatility, we made the strategic decision to accelerate new business volumes, which resulted in \$26 billion of gross inflows,” he said during the insurer’s Investor Day conference call with Wall Street analysts.

While first-quarter annuity sales data is not yet available, it is expected that Athene will again be on top. The insurer finished 2024 with nearly \$36 billion in total annuity sales.

Athene is a wholly owned subsidiary of Apollo Global Management, which reported total assets under management of \$785 billion at the end of Q1, a 17% year-over-year increase. Fee-related earnings grew to \$559 million in the quarter, up 21% from the same period last year, Apollo executives said in the firm’s May 2 call with analysts.

Spreads are tight, volatility is high, and new entrants are making the annuity market more competitive. But the Apollo-Athene formula gives them an advantage, explained Grant Kvalheim, president of Athene Holding. “We’re better positioned to compete in the time of somewhat tightening spreads for a lot of reasons,” he said. “We have lower overhead costs. We also have significantly lower distribution costs in retail than our peers. We have Apollo managing our assets. We think we have a great product suite, so we think we’re well positioned to continue to compete, and we are meeting our returns.”

Embracing technology

Athene is investing heavily in technology to make annuity sales faster and simpler, Kvalheim said.

“When compared to CDs or money market funds, annuities offer meaningfully better returns, tax deferral and protections, but are not as widely sold,” he said. “We believe there is a big opportunity to unlock demand across the industry by improving the customer experience with policyholders and financial advisors, by making annuities easier to understand and access.”

Athene is now processing “more than 90%” of annuity applications electronically, he added. Applications “in good order” are issued the same day.

The insurer was among the first to buy into a Digital First effort led by the Insured Retirement Institute. IRI members and The Depository Trust and Clearing Corporation collaborated for more than two years to build a digital framework to support a real-time processing of transfers, including money settlement.

IRI rolled out its first digital priority in November, a paperless, carrier-to-carrier replacement annuity process. Athene was the first company to sign up for the effort.

“Transfers account for approximately 40% of Athene’s volumes, in line with the industry, and this initiative is already having a positive impact on producers and clients,” Kvalheim said. “Innovations such as these are increasingly important as the secular demand for guaranteed income continues to grow, with 11,200 individuals reaching retirement age every day.

‘Three building blocks’

Athene reported \$804 million in spread-related earnings for the quarter and ended March with \$69 billion in available liquidity. Post-quarter, Athene reported \$10 billion in organic inflows for April.

The company builds success off three building blocks, Belardi explained: asset returns, cost of funds, and an efficient cost structure.

As Athene soared to the top of annuity sales charts, it also attracted scrutiny for its private equity ties and offshore reinsurance program. But the insurer maintains an A+ financial strength rating from the leading ratings services. Belardi said the company is unencumbered by traditional burdens.”

We built Athene with a very high degree of efficiency and productivity, making our cost structure advantage a significant value driver,” he said. “Athene does not have legacy liabilities or systems, does not have multiple layers of management, and does not operate on business lines with high overhead.” •



InsuranceNewsNet Senior Editor John Hilton has covered business and other beats in more than 20 years of daily journalism. John may be reached at john.hilton@innfeedback.com. Follow him on X @INNJohnH.