



Insured Retirement Institute

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SEC Director Recognizes IRI Efforts to Help Simplify Prospectus Language for Consumers

Donohue States 'time is right for summary prospectus' for Variable Annuities

WASHINGTON, D.C. – Andrew J. “Buddy” Donohue, Director of the Division of Investment Management at the U.S. Securities and Exchange Commission (SEC), today recognized the leadership of the Insured Retirement Institute (IRI) for its efforts to help simplify prospectus language for consumers. In comments made today during remarks to the American Law Institute -- American Bar Association Conference on Life Insurance Company Products, Director Donohue said:

“... the Commission has received a rulemaking petition from the Insured Retirement Institute (IRI) with a proposal specific to variable annuity contracts that follows the same ‘layered approach’ to disclosure followed in the Summary Prospectus for funds. I believe this is a positive step toward the creation of a variable annuity short form disclosure document, consistent with our goal of providing variable annuity investors key information presented in plain English in a standardized format that will facilitate and encourage comparisons among annuities. ... It is interesting that the very complexity of these products which makes clear, concise disclosure so important also makes the goal that much more difficult to accomplish. But I am confident that it is doable and I look forward to working with the industry toward that goal.”

If adopted, the proposed changes would significantly improve the information available to the millions of Americans who rely on variable annuities as an important part of their retirement program. The proposed changes would provide consumers with key information in a clear, concise, and standardized format that would facilitate and encourage comparison shopping. The proposed changes also would help to reduce the significant costs and other burdens associated



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with delivering a printed statutory prospectus. IRI is seeking the proposed changes to advance the interests of the investing public and to reduce the burden placed on our members to produce lengthy documents that consumers traditionally ignore because of their complexity.

“We share Director Donohue’s sentiment that the time is right to move forward on efforts to simplify prospectus language, by offering clear and concise information to consumers,” said Cathy Weatherford, President and CEO of IRI. “Investors most often find a prospectus to be lengthy and confusing – and unfortunately then choose to forgo reading the materials completely. By reducing the length of the information and presenting it in a more consumer friendly format, investors will have a better opportunity to become more informed about an insured retirement strategy. We thank Director Donohue for acknowledging IRI’s work on this important subject, and look forward to continuing to work with him to provide useful information to consumers.”

To read Donahue’s full speech, click [HERE](#). Consumers and financial advisors looking for retirement planning resources can find information, tips and interactive tools online at IRIonline.org

About the Insured Retirement Institute: The Insured Retirement Institute (IRI) is a not-for-profit organization and is the authoritative source of all things pertaining to annuities, insured retirement strategies and retirement planning. IRI exists to vigorously promote consumer confidence in the value and viability of insured retirement strategies, bringing together the interests of the industry, financial advisors and consumers under one umbrella. IRI’s mission is to: encourage industry adherence to highest ethical principles; promote better understanding of the insured retirement value proposition; develop and promote best practice standards to improve value delivery; and to advocate before public policy makers on critical issues affecting insured retirement strategies. Visit www.IRIonline.org to experience the new, vast resources of the new Insured Retirement Institute for yourself.

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