



Insured Retirement Institute

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Annuity Assets Regain Pre-Crisis Levels

*After Five Quarters of Decline in Comparison to Prior Years,
Assets Post Year-to-Year Increase*

WASHINGTON, D.C. – The Insured Retirement Institute (IRI) today announced third quarter results for the variable annuity industry. The net assets of United States variable annuities posted an increase in year-to-year quarter comparisons for the first time in five quarters, advancing at a rate of 1.2 percent. The last time this comparison posted an increase was in March 2008, at a rate of 1 percent.

“The growth in asset value from this time last year marks a significant turning point for the entire financial industry, signaling a welcome expansion of investment value as the market regains strength,” said Cathy Weatherford, President and CEO of IRI. “With this new data we see that annuity asset values have regained their pre-market decline values, reporting the largest worth in 15 months. We are encouraged by this progress, as it bolsters the comprehensive value of insured retirement strategies.”

Variable annuity sales for the third quarter were \$31 billion, down slightly from \$31.8 billion in the previous quarter. Third quarter 2009 net sales were \$2.8 billion, compared to second quarter net sales of \$6.1 billion. There were \$20.8 billion in qualified sales and \$10.2 billion in non-qualified in the third quarter.

Table 1. Variable Annuity Net Assets

(Dollars in Millions)	9/30/09	6/30/09	3/31/09
Total Net Assets	1,311,387	1,187,614	1,066,076

Source: Morningstar, Inc

Table 2. Variable Annuity Premium Sales¹

(Dollars in Millions)	9/30/09	6/30/09	3/31/09
Total Sales	31,015	31,765	30,446
Net Sales	2,844	6,137	5,085

Source: Morningstar, Inc.

¹Total Premium Sales, also called Total Premium Flows, represents the sum of new sales [all first-time buyers of a contract, including inter- and intra-company exchanges] and additional premiums from existing contract owners. Net Sales, also called Net Flows, represents Total Premium Sales minus surrenders, withdrawals, inter- and intra-company exchanges, and benefit payments.



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Table 3. Quarterly Variable Annuity Total Premium & Net Sales

(\$ Millions)	Quarter Ended				
	9/30/09	6/30/09	3/31/09	12/31/08	9/30/08
Total Sales	31,015	31,765	30,446	33,321	37,850
Net Sales	2,844	6,137	5,085	4,153	4,944
<i>Net Sales as % of total sales</i>	9.2%	19.3%	16.7%	12.5%	13.1%

Source: Morningstar, Inc.

Table 4. Variable Annuity Assets by Asset Class

(As a percent of total assets)	9/30/09
Equity	47.9%
Fixed Accounts	22.6
Allocation	14.6
Bonds	11.4
Money Market	3.6

Source: Morningstar, Inc.

About Annuities: With people living longer, the decline in traditional sources of retirement income (pensions and Social Security) and the responsibility of retirement funding shifting to the individual, annuities are critical components of a retirement plan. It is a long-term retirement investment vehicle offering a combination of insurance benefits, guaranteed lifetime income payments and tax-deferred savings. Variable annuities allow individuals to invest in a variety of underlying fixed and equity funds and provide returns based on the performance of these funds. Only insured retirement solutions such as annuities protect retirement assets against market volatility and guarantee retirement income that cannot be outlived.

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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