



## Insured Retirement Institute

**FOR IMMEDIATE RELEASE**  
Wednesday, December 9, 2009

**Contact: Chris Paulitz or Danielle Holland**  
[dholland@irionline.org](mailto:dholland@irionline.org) or 202.469.3007

### **IRI Letter to SEC Chairman Schapiro on Variable Annuity Summary Prospectus**

**WASHINGTON, D.C.** – Insured Retirement Institute (IRI) President and CEO Cathy Weatherford today sent U.S. Securities and Exchange Commission (SEC) Chairman Mary Schapiro a letter concerning their work on a Variable Annuity Summary Prospectus. The letter follows (contact IRI for PDF of letter):

December 9, 2009

Mary L. Schapiro, Chairman  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

Dear Chairman Schapiro:

Thank you for your recent remarks confirming the work of your staff on developing a simplified summary prospectus for variable annuities. We also appreciate the recent public acknowledgement by Director Donohue of the Insured Retirement Institute's (IRI) rulemaking petition and other efforts on this important initiative. We would like to acknowledge the constructive dialogue and valuable input provided to the industry by Associate Director Susan Nash and Assistant Director Bill Kotapish throughout this process.

Our membership consists of all segments of the annuity industry including insurers, broker/dealers, asset managers, solution providers, and financial advisors. Our members emphatically agreed with you when you said that the "investor in that Main Street office just wants to know the facts" and "he needs this information when it is most meaningful – at the time he is making his investment decision."

We believe that a variable annuity summary prospectus would significantly enhance the information available to the millions of Americans who rely on variable annuities as an important part of their retirement program. In addition, we believe it would facilitate and



## Insured Retirement Institute

encourage comparison shopping and would help to reduce the significant costs and other burdens associated with delivering a printed statutory prospectus.

We would like to help move this initiative forward by making our industry research and expertise available to you and your staff so that the best possible variable annuity summary prospectus can be delivered to consumers as quickly as possible. We will follow up with your staff to schedule a meeting. Thank you for including the development of a simplified variable annuity summary prospectus among the Commission's priorities at this time.

Sincerely,

Cathy Weatherford  
IRI President and CEO

Cc: Andrew J. Donohue  
Cc: Susan Nash  
Cc: William J. Kotapish

**FOR IMMEDIATE RELEASE**  
**Friday, December 4, 2009**

**Contact: Chris Paulitz or Danielle Holland**  
**[dholland@irionline.org](mailto:dholland@irionline.org) or 202.469.3007**

## **SEC HEEDS IRI'S CALL FOR VARIABLE ANNUITY SUMMARY PROSPECTUS**

*Chairman Schapiro confirms her staff is developing the 'long-overdue and much-anticipated' document*

**WASHINGTON, D.C.** – U.S. Securities and Exchange Commission (SEC) Chairman Mary Schapiro yesterday in a speech confirmed her staff is developing a long-overdue and much-anticipated variable annuity summary prospectus – something the Insured Retirement Institute (IRI) has long called for and officially petitioned the SEC to develop.

“We are very pleased Chairman Schapiro has confirmed the SEC is moving forward on something that will mean so much for consumers,” said Cathy Weatherford, President and CEO of IRI. “This long-overdue and much-anticipated summary prospectus will give consumers easy-to-understand language without a mountain of jargon to pore through. Investors most often find a prospectus to be lengthy and confusing – and unfortunately then choose to forgo reading the



## Insured Retirement Institute

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.”

Chairman Schapiro’s direct comments follow:

***“Our staff ... is developing a simplified ‘summary prospectus’ for variable annuities, which are widely regarded as one of the most difficult-to-understand products on the market. It is precisely in this type of product where simplicity of disclosure is essential. At the end of the day, our investor in that Main Street office just wants to know the facts, so he is not taken advantage of by hidden fees or questionable motivations. And he needs this information when it is most meaningful — at the time he is making his investment decision.”***

Chairman Schapiro’s comments come less than a month after Andrew J. “Buddy” Donohue, SEC Director of the Division of Investment Management, publicly recognized the leadership of the IRI for its efforts to help simplify prospectus language for consumers. Director Donohue said on November 9:

***“... 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,



## Insured Retirement Institute

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 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.

To read Chairman Schapiro's speech, click [HERE](#). To read Donahue's speech, click [HERE](#). Consumers and financial advisors looking for retirement planning resources can find information, tips and interactive tools online at [www.IRIONline.org](http://www.IRIONline.org). To get a copy of the IRI's petition, please email [cpaulitz@irionline.org](mailto:cpaulitz@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](http://www.IRIONline.org) to experience the new, vast resources of the new Insured Retirement Institute for yourself.

– END –