



Insured Retirement Institute

FOR IMMEDIATE RELEASE
Wednesday July 28, 2010

Contact: Chris Paulitz or Danielle Holland
dholland@irionline.org or 202.469.3007

IRI Releases Second Quarter Product Trend Update for U.S. Variable Annuity Market

Carrier Filings Reflect a Swing toward More Generous Benefits

WASHINGTON, D.C. – The Insured Retirement Institute (IRI) today released a report on product trend updates within the U.S. variable annuity market for the second quarter. Compiled by Advanced Sales & Marketing Corporation, the report found that while the vast majority of changes to contracts were minor, carrier filings during this period reflect a swing toward more generous benefits. Among those filings, benefit withdrawal percentages were enhanced anywhere from .25 percent to .50 percent.

Overall, carriers filed more than 70 changes in the first quarter, compared to 140 in the previous quarter. In addition, year-to-year quarterly product changes decreased by 33 percent, dropping from a near-record setting pace of 213 changes in the second quarter in 2009.

“While the pace of carrier filings slowed during the second quarter, many of the changes that did occur resulted in enhanced withdrawal percentages for investors,” said Insured Retirement Institute President and CEO Cathy Weatherford. “The year-to-year decline in new filings was anticipated by many within the industry, as the second quarter of 2009 was one of the most active on record. However, as evident from the first quarter sales of variable annuities, the sales of products offering enhanced living benefit guarantees remains strong. The continued innovation and expansion of more generous benefits is poised to attract new consumers looking to maximize their investment in guaranteed lifetime income.”

The report also found that the popularity of living benefits remained strong, especially the Lifetime GMWB. Six out of the seven new benefits released this quarter were lifetime withdrawal benefits, with a typical lifetime withdrawal percentage for a 65-year old coming in at 5 percent. Additionally, the number of new contracts for the quarter was 15, compared to 26 filed in the first quarter.

The entire report and analysis can be found [HERE](#).

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

1331 L Street, NW • Washington, D.C. 20005 • 202-469-3000 • Fax: 202-898-5786



Insured Retirement Institute

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.