

**Summary:** Digital First for Annuities – Driving Annuity Growth Through Modernization, Innovation, and Seamless Integration

The Digital First for Annuities initiative is gaining momentum and having early successes addressing key friction points in the annuity space. The goal is to attract more of the 93% of financial professionals who are not yet meaningfully leveraging annuities for their clients with a strategy that focuses on these three objectives:

- Eliminating friction in the annuity process; from presale through payout.
- Ensuring annuities integrate seamlessly into financial professionals' tools.
- Making it easier for firms to incorporate annuities, scale, and innovate in a cost-effective way.

## Momentum and Early Wins

In 2023, IRI conducted a financial professional survey with 800 advisors and found that 90% of financial professionals say they would transact more annuities if the experience was seamless, with 65% saying they would do a lot more business. The sentiment is clear, the experience needs work.<sup>1</sup> To address this, in 2023, the Insured Retirement Institute's (IRI) Digital First for Annuities initiative addressed the following areas:

### 1. Activity Status Implementation

One of the most pressing frustrations for financial professionals is lack of visibility into annuity transactions—orders often disappear into a “black hole” with no transparency. With Activity Status, the insured retirement industry is addressing this challenge head-on, delivering real-time status updates. IRI members can implement this standard to enhance the financial professional experience and drastically reduce the inefficiencies.

### 2. Paperless Replacements

Transfers and replacements, historically taking an average of 18 days, are now being completed in 24 hours for early implementors. The quotes from distributors across the industry are saying that this is transforming efficiency

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<sup>1</sup> IRI 2023 Financial Professional survey

and making annuities a more attractive option for financial professionals and their clients.

### 3. **Holistic Financial Planning**

Through the Holistic Financial Planning Subcommittee, IRI has enhanced tools that help financial professionals model annuity products more effectively. This is a critical step in supporting Fixed Indexed Annuities (FIA) and Registered Index-Linked Annuities (RILA)—the top-selling annuity products. The work is aimed at attracting more financial professionals to consider annuities and get annuities into the planning conversation.

Our early implementors are already seeing transformative results:

- ✓ 80% Reduction in Operations Specialists' involvement (calls & emails).
- ✓ 2-day faster resolution for “Not in Good Order” submissions.
- ✓ 94.4% decrease in Transfer & Replacement Cycle Time (from 18 days to 24 hours) across two carriers.
- ✓ 83% Reduction in Distributor Cycle Time (submission to review to fund receipt).
- ✓ 50% Reduction in errors related to replacements and transfers.
- ✓ 66% of the top financial planning tools now model annuity products.

### **Tracking Progress and Scaling Impact**

With the IRI Digital First Dashboard, members can track implementation milestones and success metrics, ensuring transparency and accountability in adoption. By 2026, IRI's planned implementations include:

- 36 firms implemented with Activity Status
- 18 carriers live with Paperless Replacements
- All top three financial planning tools supporting RILAs and FIAs

### **Looking Ahead: 2025 and Beyond**

The momentum continues in 2025 as we tackle additional high-impact projects including:

- Reducing errors in the training process
- Bringing annuity income into portfolio management and reporting tools
- Enabling seamless service changes across contracts

### **Conclusion**

Digital First for Annuities is delivering measurable results, removing barriers, streamlining adoption, and driving annuity growth.

IRI is accepting Business Cases for experiences that you want to champion and solve. Submit your business cases now. This is the first step in helping to define and shape the industry's standards that will enable a more efficient, data-driven experience. With continued collaboration, IRI is shaping the annuity marketplace to be efficient, scalable, and accessible.

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