



## Study Shows Annuity Industry Poised for Growth

Cambridge, Mass., (November 15, 2011) – Two major changes are taking place in the annuity industry today. According to a new report released by [Cogent Research](#) and the [Insured Retirement Institute](#) (IRI), conversations with advisors have become more emotional and are heavily geared toward securing retirement income as opposed to accumulating assets. In fact, nearly two-thirds (65%) of advisors currently selling annuities indicate that guaranteed income options are expected to increase in importance over the next five years – more so than any other factor. This and other insights can be found in a new report, [The Evolution of the Annuity Industry](#), which outlines the opportunities and challenges with annuities through the eyes of financial advisors, investors, broker/dealer gatekeepers and insurance carriers.

Eight in 10 advisors who sell annuities report that they are having more client discussions about retirement income planning than they did five years ago. “Increased market volatility, shrinking retirement savings, and the disappearance of pensions have investors taking a long hard look at the value of annuities in their portfolios,” said Marie Rice, Custom Research Practice Director at Cogent Research. To further support this paradigm shift towards the need for retirement income and the emotional security that comes with it, over one-third of investors (34%) report the main reason for purchasing an annuity is guaranteed income; and two-thirds (68%) of advisors report that they have received at least one client request for an annuity in the last 12 months.

Overall, the annuity industry has seen significant growth over the past couple of years. Assets in both variable and fixed annuities has reached a record high of nearly \$2.2 trillion in 2010, which is a 10% increase from the previous year. “Opportunities abound for the financial services industry to not only meet the growing investor demand for insured retirement strategies, but also to develop business practices that support the continued acceptance and use of these products,” said IRI President and CEO Cathy Weatherford. “Our research has found that the most important retirement income goal, for all investors – annuity owners and non-owners

alike – is to ensure they do not run out of money. With the market being ripe for insured retirement strategies, the industry is in an extraordinary position to exponentially grow.”

### **About Cogent Research**

[Cogent Research](#) helps clients gain clarity, obtain perspective, and formulate direction on critical business issues. Founded in 1996, Cogent Research provides custom research, syndicated research products, and evidence-based consulting to leading organizations in the financial services, life sciences, and consumer goods industries. Through quality research, advanced analytics, and deep industry knowledge, Cogent Research delivers data-driven solutions and strategies that enable clients to better understand customers, define products, and shape market opportunities in order to increase revenues and grow the value of their products and brands.

### **About the Insured Retirement Institute**

The Insured Retirement Institute (IRI) is a not-for-profit organization that for twenty years has been a mainstay of service, commitment and collaboration within the insured retirement industry. Today, IRI is considered to be the authoritative source of all things pertaining to annuities, insured retirement strategies and retirement planning. IRI proudly leads a national consumer education coalition of nearly twenty organizations and is the only association that represents the entire supply chain of insured retirement strategies: our members are the major insurers, asset managers, broker dealers and more than 75,000 financial professionals. 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 and the consumers that rely on their guarantees. Visit [www.IRIONline.org](http://www.IRIONline.org) today to experience the vast resources of the Insured Retirement Institute for yourself.

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