2020 Mid-Year Report
The Insured Retirement Institute (IRI) is the leading association for the entire supply chain of insured retirement strategies, including life insurers, asset managers, and distributors such as broker-dealers, banks and marketing organizations. IRI members account for 90 percent of annuity assets in the U.S., include the top 10 distributors of annuities ranked by assets under management, and are represented by financial professionals serving millions of Americans.

**IRI Mission**
To champion retirement security for all Americans through leadership in advocacy, awareness, research, and advancement of technology solutions within a collaborative industry community.

**IRI Vision**
To lead the retirement income industry as the premier advocate, trusted voice, and thought leader.
Table of Contents

4  CEO Corner

5  COVID-19 — IRI Delivers Crisis Leadership

6  Advocacy

8  Operations & Technology

10  Member Engagement

12  Research

14  Communications

15  A Look Ahead — The Rest of 2020

17  IRI Board of Directors

19  IRI Leadership Team
Who would have predicted a year like this? Back in January, IRI roared into 2020 with an aggressive agenda following a highly successful 2019.

The SECURE Act was law and we were identifying implementation issues and opportunities. Regulation Best Interest (Reg BI) was six months from becoming effective. By February, the National Association of Insurance Commissioners (NAIC) finalized enhancements to its annuity sales practices model regulation that aligned with Reg BI and reflected significant contributions from IRI, and we started advocating for uniform adoption across the states.

We launched our federal and state Retirement Security Blueprints outlining our 2020 advocacy goals. Our operations and technology initiative to drive digital solutions was gaining momentum and we were already planning for our annual conference in September.

But by mid-March, the world changed. A pandemic swept across the globe. Everyone had to rewrite the rulebook on work, health care, advocacy, and business practices. Virus mitigation strategies caused many businesses to close and interactions that normally occurred in-person became virtual or phone only almost overnight.

Crisis demands leadership — and IRI stepped up. We convened our Board of Directors to create a strategic pivot for 2020. The enormous challenges posed by COVID-19 required a plan and action. And we have been executing on that plan.

Since March, we adapted our advocacy strategy to create a five-point legislative plan to help retirement savers. The new virtual-focused world provided an opportunity to accelerate our first-of-its-kind operations and technology initiative to advance digital solutions for annuity transactions.

With travel and in-person meetings turning to virtual engagement solutions, we substantially increased our member communications and our content offerings through webinars. In short, we are meeting the challenges and advancing the industry’s agenda on your behalf.

At the end of 2019, I said that our industry and our association was at an inflection point. That is truer today than it was then. Associations exist to serve their members. When crisis hits, they are needed more than ever. We are working hard to deliver results and value to IRI members every day, and we are honored to rise with you to meet the challenges our industry faces today and in the future.
IRI took a proactive role not only to deliver on our strategic objectives but also to address challenges posed by COVID-19. In full cooperation and partnership with the IRI Executive Committee and Board of Directors — who have shown great leadership — we developed guiding principles that enabled IRI to quickly realign our 2020 agenda to lead the industry through the challenges posed by the pandemic.

**IRI COVID-19 Guiding Principles**

As our industry quickly transitioned to remote work conditions to protect the safety and health of employees and clients, IRI developed a response plan focused on helping retirement savers overcome the challenges posed by COVID-19 while continuing our ongoing efforts to propel the industry forward.

**Operations & Technology**

A unique strategic objective for IRI is to lead the industry in the modernization of the annuity transaction process. This initiative gained urgency given the adverse effect that social distancing has had on members’ operations and sales. With in-person interactions restricted, the adoption of alternate solutions became critical to maintaining business operations. In response, IRI announced Guiding Principles deemed best practices for functioning in a remote environment, began measuring our members’ progress toward adopting those guiding principles, and initiated outreach to other groups to expand the reach of the initiative.

**Advocacy**

IRI launched a campaign to advocate for legislation to provide assistance to workers and retirees whose retirement savings had been economically impacted because of COVID-19. IRI proposed a five-point plan that offered ways for workers and retirees to keep their tax-deferred savings longer and help them save more money now as our nation begins its journey on the road to recovery.
IRI Five-Point Recovery Plan for Retirement Savers

IRI developed a five-point plan to help retirement savers recover from the pandemic’s economic impact on workers and retirees. The plan boosts individual retirement savers’ ability to keep tax-deferred savings longer and offers opportunities to save more for retirement once they return to work. IRI submitted a letter to Congress and the Administration calling for action on the five-point plan, garnered support from four industry trade groups, and conducted meetings with 125 congressional offices to discuss the plan.

Retirement Security Blueprints

IRI is working to advance several legislative and regulatory proposals in 2020. These priorities are detailed in IRI’s annual federal and state blueprints. IRI’s 2020 public policy objectives are:

» Expand opportunities to save for retirement
» Facilitate and encourage greater access to and use of lifetime income products
» Preserve and promote access to professional financial guidance, education, information
» Encourage policies to safeguard Americans from financial exploitation and fraud
» Maintain and augment the current tax treatment of retirement savings

February Congressional Fly-In

The IRI Board of Directors met with 26 congressional offices including 22 meetings with Members of Congress to express our thanks for passing the SECURE Act and to highlight the industry’s top policy priorities in IRI’s Federal Retirement Security Blueprint.

Regulation Best Interest
IRI played a key role in the development of Regulation Best Interest (Reg BI) by the U.S. Securities and Exchange Commission (SEC). The rule closely aligns with principles advocated by IRI and will substantially enhance consumer protections. Over the past year, IRI worked with members to implement the substantial new compliance requirements created by this new rule.

NAIC Model Regulation
IRI led the industry’s engagement with the NAIC on enhancements to the NAIC’s annuity sales practices model regulation. The revised model establishes a workable best interest standard for insurance producers in alignment with Reg BI. IRI developed and successfully advocated for a safe harbor for producers who comply with comparable standards. Through IRI’s efforts, the revised model was finalized in February and has already been adopted in Arizona and Iowa.

Variable Annuity Summary Prospectus
IRI’s decade-long pursuit of a more effective and efficient disclosure framework for variable annuities came to fruition when the SEC finalized a new rule allowing insurers to deliver important information about these products using a summary prospectus. As a result, consumers will soon begin receiving more streamlined and simplified materials to help them better understand and evaluate variable insurance products.

SECURE Act Implementation
The SECURE Act’s late December 2019 passage gave our industry only 12 days to implement several provisions of the new law. IRI leapt into action with letters to the U.S. Treasury Department and Internal Revenue Service (IRS) seeking guidance and additional time to comply. Over the first six months of 2020, Treasury and the IRS issued guidance on several key provisions of the Act.

E-Delivery Rule
IRI successfully advocated for modernized guidance from the U.S. Department of Labor (DOL) on the use of electronic means of delivery for certain required disclosures to retirement plan participants from plan administrators and employers.

COVID-19 Response
Far-reaching pandemic effects have sparked numerous government actions affecting businesses. IRI has tracked hundreds of instances of guidance, rules, and directives for their impact on the retirement income industry, including those initiated by SEC, DOL, IRS, and FINRA. Additionally, IRI has evaluated more than 650 state actions and initiated nearly 20 state regulatory contacts while coordinating actions with other industry trade groups.

Outreach to SEC and FINRA
To advance our top priorities, IRI held a myriad of virtual meetings with senior officials including SEC Commissioners Hester Peirce, Elad Roisman, and Allison Herren Lee, and FINRA President and CEO Robert Cook (pictured far right at February IRI Board meeting).
Advancing Digital Solutions

IRI is leading the retirement income industry with a unique strategic objective to modernize the annuity transaction process. With the onset of the COVID-19 pandemic, this initiative gained a new sense of urgency. Social distancing is having an adverse effect on day-to-day functionality of IRI members’ operations and sales, requiring the adoption of alternate processes, especially immediate digital solutions. After strong collaboration with our members we presented four Guiding Principles where IRI could lead our members and the industry toward practical, digital solutions that will improve the advisor-client experience across the annuity lifecycle. The IRI Board of Directors approved the Guiding Principles in April (below).

Driving Adoption

IRI is hard at work implementing the initiative with the goal of driving universal adoption across all IRI members while encouraging other industry partners to follow suit. Our primary focus will be on e-Signature and e-Delivery capabilities that facilitate transactions in a manner that is safe from both a public health and an information security perspective. We also will advocate for long-term use beyond the duration of social distancing measures. Since announcing our Guiding Principles, IRI has worked with member companies to establish a baseline adoption rate. This baseline shows where IRI members stand on the road to full adoption of the Guiding Principles and what opportunities for improvement remain. Early survey results indicate a positive starting point with many member firms already making strides to meet the outlined criteria.

1. Utilize e-Signature solution capabilities on all possible transactions
2. Move to a risk-based transaction supervision model in absence of an e-Signature solution
3. Suspend Medallion Signature Guarantee (MSG) requirements
4. Adopt alternative means of delivery for policy and supporting documents as the pathway to e-Delivery

Fully meets criteria
Partially meets criteria
Does not yet meet criteria
Overcoming Regulatory Hurdles

IRI’s operations and technology and government affairs communities are collaborating to encourage policymakers to permanently adopt the temporary measures implemented to provide relief during the pandemic. IRI will continue to advocate for modernization of regulatory requirements so our members can leverage technology to significantly improve the advisor and customer experience.

Gathering Momentum Through Partnerships

As we push forward with our 2020 agenda, IRI has sought collaborative efforts to bring value to our community. Our partner relationships with the Association for Cooperative Operations Research and Development (ACORD), Operations Managers’ Roundtable (OMR), and Depository Trust & Clearing Corporation (DTCC) have helped to align efforts to drive efficiencies and best practices within the industry.

Building a Stronger Operations & Technology Community

The IRI Operations and Technology Working Groups provide collaborative environments for distributor, carrier, and vendor partners within the insurance operations biosphere. Their focus is on driving out inefficiencies and creating a consistent customer experience throughout the policy lifecycle.

Working Groups Making Progress

IRI has organized select working groups comprised of leaders and experts from our operations and technology community. The IRI working groups are focused on delivering enhanced advisor and customer outcomes while driving efficiency across the product lifecycle.

Our New Business Regulation Working Group is working to capture signature requirements for replacement forms to create a best practice document. The group will also be taking on the task of determining the viability of a more standardized set of replacement forms.

An Inforce Transactions (IFT) Working Group task force is working to suspend the use of MSG and will be working toward finding an alternative acceptable means of identification. The IFT e-Signature Task Force will be working to promote the usage of e-Signature solutions for Inforce Transactions.

The Licensing & Appointments (L&A) Working Group is partnering with OMR to bring uniformity to the Just-In-Time Appointment Process. The L&A Working Group has provided a valuable forum for members to discuss state regulatory changes that impact the onboarding process. The L&A Working Group will continue to focus on bringing consistency to the onboarding experience.

The Replacement Automation Working Group successfully partnered with the DTCC to bring a pilot group of carriers together that will be utilizing the DTCC Attachment process to electronically transmit replacement paperwork between carriers. This group has also worked to increase ceding carrier replacement e-Signature acceptance by 24% since April.
Member Engagement

IRI member engagement focuses on delivering timely, valuable information and content to help members navigate marketplace, regulatory, and legislative challenges. IRI began 2020 with a proactive plan to deliver more webinar content. Beginning in early January we featured webinars around SECURE Act implementation and standard of conduct issues and then pivoted to create and deliver content focused on the business challenges posed by COVID-19.

**SECURE Act Webinar Series**
Enactment of the SECURE Act in late 2019 represented the most meaningful retirement-related action by Congress in 14 years. IRI offered a series of webinars in the first half of 2020 to help our members understand and prepare for the opportunities and challenges presented by the wide variety of measures included in the SECURE Act.

**Standard of Conduct Webinar Series**
Federal and state policymakers have been working for more than a decade to establish appropriate standards of conduct for financial professionals. These efforts continued as 2020 began, and IRI launched a series of webinars to quickly help members understand how new rules in this space will shape their compliance programs and impact their businesses.

**COVID-19 Webinar Series**
The COVID-19 pandemic represents an unprecedented disruption to communities and markets worldwide as well as to the operation of our business. IRI hosted a series of webinars that provided timely, informative content on the issues and challenges arising from the pandemic.
IRI Quarterly Town Hall

IRI provides quarterly high-level and late-breaking updates on key issues, strategic objectives, and news, and allows members to engage in a dialogue to provide feedback.

Industry Engagement

Cooperative efforts with other trade groups add value to IRI membership. Our leadership has participated in roundtable discussions, provided expertise to joint research projects, formed partnerships to advance operations and technology initiatives, and bolstered advocacy efforts by working with coalitions. Additionally, we have worked with several IRI members to deliver informative webinar content to financial advisors and IRI’s membership.

Fostering Collaboration

To better understand the challenges that IRI members and the industry face due to the COVID-19 pandemic, IRI organized a group of key committee chairs to meet regularly with the Retirement Research Committee to ensure inclusive input from all IRI communities on issues such as returning to office workplaces, maintaining safe and healthy offices, and client acquisition issues in a socially-distant environment.

Industry Leader Roundtable

Wayne Chopus participated in a webcast moderated and hosted by National Association of Insurance and Financial Advisors (NAIFA) CEO Kevin Mayeux on COVID-19’s impact on the economy, the industry, and how association leaders can help main street Americans, families, and businesses. Also featured were American Council of Life Insurers (ACLI) President and CEO Susan Neely and SIFMA President and CEO Ken Bentsen.

IRI Committee Participation

A bedrock of IRI member engagement is our committee structure. IRI’s ability to represent member companies is greatly enhanced by consistent input on key initiatives. The nearly 4,500 member representatives who sit on IRI’s 42 committees and working groups provide valuable perspective and input.

IRI Wins Industry Marketing Award

The American Society of Association Executives (ASAE) awarded IRI with a 2020 Gold Circle Award in the convention/meetings marketing campaign category. The award recognized IRI’s efforts for our 2019 annual event marketing. The event saw attendance improve by 44 percent and sponsorship revenue increase by 23 percent. An attendee survey found high levels of satisfaction.
IRI research provides data-driven information to generate IRI thought leadership, analyzes consumer survey data, and harnesses the collective information analysis of IRI members. This helps to establish policy foundations for sound legislation and regulation to advance retirement security. With the COVID-19 pandemic, we have delivered timely information on new challenges that our industry now faces.

Work Posture Survey
IRI initiated the first in a series of member surveys to develop an understanding of when and how companies are planning to return their workforces to office environments, and what policies and procedures firms plan to implement, or are considering, to mitigate COVID-19 risk.

Joint Industry Low-Interest Rate Executive Task Force
IRI worked with ACLI, LIMRA and Oliver Wyman to study and address industry challenges due to low interest rates. IRI assisted the task force in the construction of an insurer survey on steps planned and taken to mitigate the impact of the low interest rate environment. With the advent of COVID-19, the task force pivoted its efforts and IRI helped to construct survey research on distributors and financial advisors to determine the impact of social distancing and remote work postures on sales and marketing efforts. The resulting findings provide insights that members can use to provide more effective support to wholesalers, advisors, and consumers.

An Industry At Home

50% FULLY REMOTE

46% ONLY ESSENTIAL STAFF IN OFFICE
Financial Strength of Annuity Insurers

IRI developed an advisor-facing report summarizing mechanisms in place to ensure life and annuity insurers are well regulated and well capitalized, as well as other consumer protections such as separate accounts and state guaranty associations.

COVID-19 and Retirement Readiness

IRI collaborated with Jackson to survey 200 financial advisors on their perception of the impact of COVID-19 on clients.

State of the Industry Report

Includes trends, market data, and significant events in 2019 and explores 2020 expected themes, including demographic trends and developments in public policy and the regulatory environments.

IRI Insight

Winter and Spring issues featured articles and content from Equitable, Lincoln, Nationwide, New York Life, PIMCO, Prudential, and Transamerica, as well as content developed by IRI. Each edition distributed to more than 124,000 advisors.
IRI Communications is a strategic hub of organization activities that streams information to essential stakeholder audiences — members, media, policymakers, industry allies, and consumers. This occurs through media relations efforts, member communications, and social media channels.

**Media Outreach by the Numbers**

**SINCE JANUARY 1, 2020**

840
IRI MEDIA MENTIONS

1.1
BILLION POTENTIAL AUDIENCE REACH

34
PRESS RELEASES AND STATEMENTS

41
MEDIA INTERVIEWS

20%
INCREASE IN LINKEDIN FOLLOWERS

**Highlights**

Secured a Wayne Chopus bylined op-ed placement on CNBC.com to promote IRI’s five-point recovery plan for retirement savers.

IRI’s Paul Richman was featured in a Broadcast Retirement Network segment on IRI’s five-point recovery plan for retirement savers.

Held media teleconferences to tout the IRI Retirement Security Blueprints and the IRI five-point recovery plan for retirement savers. Teleconferences attended by a total of 15 reporters and generated 10 positive stories.

IRI was featured in two MarketWatch articles on IRI’s five-point recovery plan for retirement savers and on the U.S. Department of Labor’s electronic delivery rule.
A Look Ahead – The Rest of 2020

Crisis Leadership

COVID-19 challenges will continue as governments, businesses and individuals balance critical health and safety issues with phased efforts to reopen the economy. IRI will continue to lead the retirement income industry through this crisis following our COVID-19 guiding principles to ensure that we deliver value and results to IRI members under safe working conditions for our team.

Taking a Stand

IRI is taking a stand against inequality and inequity within our industry. With the strong support of our Board of Directors, we are embarking on a mission to inspire change. IRI will lead an effort among our members to create Diversity, Equity, and Inclusion (DEI) best practices that we will drive to advance significant adoption throughout our industry. IRI has convened a steering committee of industry DEI leaders whose dedication and knowledge will be essential to the success of this movement.

Driving Adoption of Digital Solutions

The IRI-led effort to drive adoption of digital solutions is making progress, and we expect more in the coming months. The effort includes continued measurement, outreach, and education to drive adoption. We will report progress on efforts to advance industry usage of e-Signature and e-Delivery both in the face of the current crisis and as a long-term measurable solution.

Five-Point Plan

IRI will continue to advocate for our plan to help retirement savers recover from the economic effects of the pandemic. We have made great progress so far in educating Members of Congress and will continue to press Congress to act.

Leading Industry Advocate

IRI is committed to the public policy objectives in our Federal and State Retirement Security Blueprints and is moving forward on many of them, including new retirement security legislation that builds upon the SECURE Act that IRI worked to enact last year.

Enhanced Consumer Protection

Reg BI took effect on June 30, ushering in a new regulatory regime that will enhance consumer protection while ensuring that consumers can continue to access the products and services they need to plan for and achieve a secure and dignified retirement. State rules will soon follow as the revised NAIC annuity sales practices model regulation is adopted and takes effect across the nation. IRI will continue to pursue uniform adoption of the NAIC model and to obtain regulatory guidance as needed to address any issues or challenges identified by members as they implement these new best interest rules.
A Look Ahead – The Rest of 2020

Pursue Common Sense Regulation

IRI expects significant rulemaking activity from federal and state policymakers. The DOL recently published a proposal intended to set rules for financial professionals who work with ERISA retirement plans in alignment with Reg BI and the revised NAIC model regulation. The DOL and IRS will likely issue additional guidance and rules to implement the various provisions of the SECURE Act. The SEC may consider taking action to update its decades-old guidance on the use of electronic means for delivery of required disclosures, and to address the need for disclosure forms that are properly tailored to innovative products being developed by IRI members.

Staying Connected

IRI rapidly adapted its member engagement to a virtual world. IRI is committed to delivering valuable content on breaking policy developments, strategies to help clients navigate toward retirement security, and leadership and change management. We are working to develop additional virtual programs to adapt to pandemic mitigation strategies that protect health but do not sacrifice opportunities for important member interaction.

Cooperation Yields Higher Value

IRI will be working with industry groups in pursuit of our advocacy, operations and technology, and membership engagement objectives. Advocacy coalitions, strategic partnerships to advance industry solutions, and cooperative education opportunities with other trade associations mean more service, efficiency, and value for IRI members.

Thought Leadership

We are developing a position paper on policies for evaluating the appropriate concentration of annuities within a client’s pool of investible assets. We also are collaborating on a study of changes in risk perception and the desirability of certain investment characteristics in relation to distance from retirement age. We will continue to survey members on their ongoing efforts to consider return to workplace strategies.

2020 Election

This year’s election promises to be highly consequential for the nation and the retirement income industry. IRI is developing a webinar preview of the 2020 elections and will provide a synopsis of federal and state election results and their potential effect on our industry and our public policy agenda.
### Board of Directors Executive Committee

- **Drew Bowden** — Chairman  
  Executive Vice President, General Counsel  
  Jackson National Life Insurance Company

- **John Kennedy** — Vice Chairman  
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  Lincoln Financial Distributors

- **Paula Nelson** — Treasurer/Secretary  
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- **Benjamin Huneke** — Immediate Past Chair  
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- **Peter Cieszko**  
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- **Scott Stolz**, CFP, RICP  
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Ian MacEachern
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Wells Fargo Advisors

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Shani Armon
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Chief Legal & Regulatory Affairs Officer

Christina Brady
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