



## Insured Retirement Institute

**FOR IMMEDIATE RELEASE**  
**Tuesday, August 25, 2009**

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### **Annuity Sales Climb As Investors Re-enter Market** *Net Assets Post Record Growth Over Previous Quarter*

**WASHINGTON, D.C.** – The Insured Retirement Institute (IRI) today announced second quarter results for the variable annuity industry. The combined net assets of United States variable annuities rose more than 11 percent over the previous quarter, totaling more than \$1.19 trillion. This increase marks the highest quarter-to-quarter boost in at least the past 17 quarters.

“As the economy begins to show signs of stability, consumers continue to be thoughtful about their investments as they come back to the market,” said Cathy Weatherford, President and CEO of IRI. “The growth in the annuity industry underscores this emerging trend, demonstrating the security and peace of mind insured retirement strategies provide to consumers. With the personal savings rate remaining high, we’re likely to see this renewed investment in annuities continue in the months to come.”

Variable annuity sales for the second quarter were \$31.8 billion, up from \$30.4 billion in the previous quarter. Second quarter 2009 net sales were \$6.1 billion, compared to first quarter net sales of \$5.1 billion. There were \$23.4 billion in qualified sales and \$8 billion in non-qualified in the second quarter.

**Table 1. Variable Annuity Net Assets**

<u>(Dollars in Millions)</u>	<u>6/30/09</u>	<u>3/31/09</u>	<u>12/31/08</u>
Total Net Assets	1,187,614	1,066,076	1,126,800

Source: Morningstar, Inc

**Table 2. Variable Annuity Premium Sales<sup>1</sup>**

<u>(Dollars in Millions)</u>	<u>6/30/09</u>	<u>3/31/09</u>	<u>12/31/08</u>
Total Sales	31,765	30,446	33,321
Net Sales	6,137	5,085	4,153

Source: Morningstar, Inc.

<sup>1</sup>Total Premium Sales, also called Total Premium Flows, represents the sum of new sales [all first-time buyers of a contract, including inter- and intra-company exchanges] and additional premiums from existing contract owners. Net Sales, also called Net Flows, represents Total Premium Sales minus surrenders, withdrawals, inter- and intra-company exchanges, and benefit payments.



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**Table 3. Quarterly Variable Annuity Total Premium & Net Sales**

(\$ Millions)	Quarter Ended				
	6/30/09	3/31/09	12/31/08	9/30/08	6/30/08
Total Sales	31,765	30,446	33,321	37,850	41,953
Net Sales	6,137	5,085	4,153	4,944	7,506
<i>Net Sales as % of total sales</i>	19.3%	16.7%	12.5%	13.1%	17.9%

Source: Morningstar, Inc.

**Table 4. Variable Annuity Assets by Asset Class**

(As a percent of total assets)	6/30/09
Equity	45.4%
Fixed Accounts	25
Allocation	13.7
Bonds	11.5
Money Market	4.4

Source: Morningstar, Inc.

**About Annuities:** With people living longer, the decline in traditional sources of retirement income (pensions and Social Security) and the responsibility of retirement funding shifting to the individual, annuities are critical components of a retirement plan. It is a long-term retirement investment vehicle offering a combination of insurance benefits, guaranteed lifetime income payments and tax-deferred savings. Variable annuities allow individuals to invest in a variety of underlying fixed and equity funds and provide returns based on the performance of these funds. Only insured retirement solutions such as annuities protect retirement assets against market volatility and guarantee retirement income that cannot be outlived.

**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.

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