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## How Annuity Owners Behave in a Storm

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By Editorial Staff    *Thu, Mar 19, 2020*

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*A new report from actuaries at Ruark Consulting considers how factors like 'moneyness,' crediting rates, adverse selection, and the heightened vulnerability of seniors to COVID-19 might affect the way people use their existing annuities.*

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Based on its own studies of annuity policyholder behavior since 2007, Connecticut-based actuarial firm Ruark Consulting published a report yesterday on the responses that annuity issuers can expect from policyholders amid the current volatility.

According to the [report](#), “Market Turmoil: What Does It Mean for Annuity Policyholder Behavior,” variable annuity writers should expect:

- Greater persistency overall, but elevated surrenders for at-the-money GLWB
- Greater income utilization, especially for GLWB after the deferral incentive period and “hybrid” GMIB
- Greater GMIB annuitization elections, especially on traditional “pro-rata” benefit forms

Fixed indexed annuity writers should expect:

- Greater persistency for GLIB, and lower persistency without GLIB
- Greater income utilization for GLIB

In addition, the impact of COVID-19 on mortality will likely depend on the level of containment among the general population at retirement ages, with potential differences between those with and without living benefit guarantees.

To access the report, click [here](#).

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