
Our First Annual VA Special Editions

By Editor Test *Wed, Jun 16, 2010*

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We're devoting the bulk of this week's and next week's issues of *Retirement Income Journal* to the variable annuity market. This week, we focus on the latest products and sales trends. Next week, we'll delve into some of the issues that cloud the variable annuity industry's future.

Later, we'll combine all of the articles and data in a microsite within our website, to serve as an ongoing resource for annuity manufacturers, advisors and others who have an interest in this product category. Each year, we'll conduct an industry review.

The VA industry is searching for new directions, new markets and new story lines. The confidence that the industry used to draw from bull markets has largely been missing in the past year, despite the re-inflation of equity prices. Some companies are enjoying immense sales, but even they would prefer to see the whole industry thrive.

The future may yet belong to variable annuities or to their income guarantees. Five years from now, millions of plan participants might routinely add a guaranteed lifetime withdrawal benefit (or "stand alone living benefit") to their 401(k) assets, and millions of new retirees might rollover their defined contribution money to a variable annuity in an IRA.

Or maybe not. The variable annuity with a GLWB might become a niche product or perhaps even a relic, as quaint as a Hummer or a video camera that's so big and bulky you have to rest it on your shoulder. It will depend in part on the economy, both domestic and global. It may also depend on which political party controls Congress, or on who runs the Department of Labor.

The survivability of a particular product is not the most important goal, however. The important thing, at least for those who have a stake in perpetuating the success of insurance companies, is to adapt to circumstance, to continually improve, and to keep all eyes on the prize: designing and marketing tools that help the Baby Boom generation manage its financial risks in retirement.

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