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## **Robust Regulation, High Consumer Satisfaction Surround Sales of Fixed Annuities**

### **NAFA Highlights Facts about Annuities, Contrary to Recent Report**

**WASHINGTON** (Nov. 2, 2015) — With only 22 percent of American workers very confident that they'll have enough money to live comfortably throughout their retirement<sup>1</sup>, there is a clear need for trusted insurance advisors and products that can generate guaranteed lifetime income. A fixed annuity is the only product that allows individuals to accumulate retirement savings, protect those savings from market losses and guarantee income that lasts a lifetime. However, a report released last week by Senator Elizabeth Warren (D – Mass.) ignores the benefits of these products and their growing popularity among consumers. In particular, it contains misstatements and unsupported conclusions about fixed annuities and annuity sales professionals that might create unnecessary worry and confusion for consumers.

“While we do not doubt the Senator’s sincerity in her concern for retirees, we fear that the inaccuracies in the report will deter consumers from securing the benefits of fixed annuities,” said Chip Anderson, NAFA’s Executive Director. “In truth, fixed annuities offer excellent consumer value and are the only financial product available that provides guaranteed income for life – with no downside risk to the client’s principal. They are supported by rigorous and comprehensive regulations that protect consumers and which have resulted in extremely high owner satisfaction rates.”

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<sup>1</sup> 2015 Retirement Confidence Survey, Employee Benefit Research Institute/Greenwald & Associates. Released April 2015, available online: [http://www.ebri.org/pdf/briefspdf/EBRI\\_IB\\_413\\_Apr15\\_RCS-2015.pdf](http://www.ebri.org/pdf/briefspdf/EBRI_IB_413_Apr15_RCS-2015.pdf).

In fact, according to research compiled by Jack Marrion, NAFA's Director of Research, customer complaint data from 2014 indicates that 99.99991 percent of annuity customers are satisfied with their purchase. Fixed annuity sales for 2014 totaled approximately \$90 billion.

Fixed annuities are insurance products that offer guaranteed interest and the potential for additional interest, either declared by the insurance company or determined by the calculation of positive gains in a market index. They guarantee protection of principal and have no market risk because the owners of fixed annuities do not participate in the underlying markets upon which the annuity interest performance is based. These benefits have led to record-high sales in recent years, as a growing number of Americans look for ways to supplement their income to meet a variety of retirement needs.

"As Americans look for ways to protect and provide for their retirement future, it's critical they have access to professional insurance advisors and to fixed annuity products so they may make informed, confident decisions," said Anderson. "Fixed annuities can be an important part of an individual's retirement income strategy. Life insurance carriers, distribution companies and annuity sales professionals will continue to work together to provide these products and services, and we at NAFA will continue to champion their significant efforts."

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#### **About NAFA**

NAFA, the National Association for Fixed Annuities, is the premier trade association exclusively dedicated to fixed annuities. Our mission is to promote the awareness and understanding of fixed annuities. We educate annuity salespeople, regulators, legislators, journalists, and industry personnel about the value of fixed annuities and their benefits to consumers. NAFA's membership represents every aspect of the fixed annuity marketplace covering 85% of fixed annuities sold by independent agents, advisors and brokers. NAFA was founded in 1998. For more information, visit [www.nafa.com](http://www.nafa.com).