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**Benchmark Variable Annuity Experience Study from  
Ruark Consulting Helps Insurance Companies Manage Risk and Capital**

**SIMSBURY, CT/January 20, 2010** – A major benchmark Variable Annuity Benefit Utilization Study, conducted by Ruark Consulting LLC, a Connecticut actuarial consulting firm, offers two key findings:

- Among owners whose annuity includes a Guaranteed Lifetime Withdrawal Benefit, only 1 in 5 are actually taking partial withdrawals.
- Among these owners who are making partial withdrawals, only 1 in 3 are taking the maximum amount allowed.

Both of these levels are below what many insurance companies would expect. These study results will enable the participating insurance companies to more accurately manage their risk profile. If sustained into the future, these results could also have a favorable impact on reserve and capital levels that are appropriate for insurance companies to establish.

The study was conducted during the second half of 2009. Seven major insurance companies contributed over 3 million policy years of experience data covering January 2005 through June 2009. “The large quantity of data allowed us to draw credible conclusions regarding the key drivers of behavior,” said Peter Gourley, vice president of Ruark Consulting LLC.

Gourley added, “Guaranteed Lifetime Withdrawal Benefits that provide lifetime income to the owner have been the most popular form of guarantee over the last few years. Owners have significant discretion to choose if and when they will use the partial withdrawal benefits that they have purchased. Because of the

newness of these products, the insurance industry has had relatively little experience to evaluate, until now.”

“Following our mortality study in 2007 and surrender study in 2008, the insights provided by this benefit utilization study will allow insurance companies to develop realistic expectations, which will enable them to design and manage their products, and manage their risk and capital, more efficiently,” said Gourley. Having these realistic expectations is vitally important now, following the financial pressures of the last two years.

Ruark Consulting is strongly positioned to continue and expand these studies and expects that the insights from the resulting series will be even more significant than those from each individual study.

**An Executive Summary is available upon request.**

#### **ABOUT RUARK CONSULTING LLC**

**Ruark Consulting LLC** ([www.ruarkonline.com](http://www.ruarkonline.com)), based in Simsbury, CT, is a professional organization of 12 actuaries, combining actuarial and data management skills with creativity, integrity, and transparency. The company is a recognized expert providing leadership in experience studies and competitive intelligence spanning the annuity and health industries. The company also has a successful track record of providing reinsurance intermediary services to clients through an affiliated broker, Ruark Insurance Advisors, Inc., having assisted in nearly 40 treaty placements collectively accounting for more than \$200 million of reinsurance premium annually.