

FOR IMMEDIATE RELEASE**Contact**Tamiko Toland
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ttoland@sionline.com**GUARANTEED RETIREMENT INCOME INNOVATION EMERGES
INSURING MANAGED ACCOUNT AND MUTUAL FUND ASSETS***Strategic Insight Report Examines the Standalone Living Benefit
Key Features and Potential as a Novel Retirement Income Solution*

NEW YORK, NY – March 17, 2009 – In the face of growing concerns about the effects of market uncertainty on retirement income, there is a new option available for investors. The standalone living benefit (SALB) takes the popular income guarantees offered on variable annuities (VAs) and makes them available on mutual funds and managed accounts.

Strategic Insight just published an in-depth report containing detailed information on SALBs based on proprietary document research and extensive interviews. “Guaranteed Retirement Income Beyond Annuities: Standalone Living Benefit, A Novel Product Solution for Mutual Fund and Managed Account Investors” provides insurers, mutual fund companies, managed account providers and broker/dealers with key information for analyzing and understanding this new product.

“There are tax and other differences between SALBs and VAs,” said Tamiko Toland, principal researcher and author of the report and editor of Annuity Insight, a leading research and competitive intelligence provider for the VA industry. “However, the real innovation with these products is the extension of lifetime income guarantees to assets outside of annuities. The availability of additional options means that more investors will have access to predictable and sustainable income in retirement.”

The number of Americans aged 65 and older is set to double to 81 million by 2040, generating tremendous demand for solutions designed to provide guaranteed retirement income. Today’s economic uncertainty only underscores the growing need for innovation.

Today, there are four insurance companies offering SALBs, which are a contract offered separately from the guaranteed accounts. Phoenix launched the first approved product, *Guaranteed Income Edge*, which covers managed portfolios offered through Pershing/Lockwood. Allstate launched a contract that guarantees individual mutual funds, several of Allstate’s *ClearTarget* target date fund series. At the end of 2008, the managed money industry had nearly \$1.4 trillion in assets under management, with \$389 billion of that in managed portfolios (investing in either mutual funds or ETFs). At the end of 2008, there were nearly \$300 billion of assets in lifecycle mutual funds, which include target date and risk-based funds. Strategic Insight estimates that there are around \$700 billion of assets already in place that could have a guarantee added with no change in assets.

“The need for income guarantees and a broad array of solutions for investors is only growing,” Toland said. Annuity Insight has been tracking SALBs since their inception and recently enhanced its services to

include research on these contracts. “Companies are making strategic decisions about what direction their businesses are moving in over these next few years, which will be critical. SALBs are so new that there isn’t even a single accepted term within the industry for them, yet many people realize that they have the potential to become an important new product.”

The report includes:

- Design and marketing of currently available products and those awaiting approval
- Market potential
- Comparison with VAs
- Implementation strategies
- Risk management and design issues
- Regulation and taxation
- Broker/dealer appetite
- Context for delivery in the fee-based advisory space, and more

The SEC approved the first SALB in March 2008 and four different contracts are on the market today. The guarantees are similar to guarantee lifetime withdrawal benefits (GLWBs) on VAs, though they are generally simpler, in part because they are intended to be sold through financial advisors who may not be as familiar with the features currently available. Policyholders retain full control of the assets covered by the guarantee. However, the contract establishes a guaranteed stream of lifetime income if the value of the covered account is depleted through withdrawals or poor market performance.

About Strategic Insight

Founded in 1986, Strategic Insight (SI) is a leading research firm for the mutual fund and wealth management industry, providing clients with in-depth studies, consultation, and electronic decision support systems. SI assists over 250 organizations worldwide, including the largest mutual fund management companies operating in the U.S. and the largest insurance companies serving the VA business. SI’s AnnuityInsight.com is a leading research and competitive intelligence tool in the variable annuity and standalone living benefit market, offering daily SEC research and weekly industry analysis. For more information, please visit us at www.sionline.com or www.annuityinsight.com.

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Additional information on the report and a downloadable copy of the executive summary with table of contents are available at <http://www.annuityinsight.com/annuityinsight/published/2009-SALB/main.aspx>.

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