



To: NAIC Annuity Buyer's Guide (A) Working Group

September 18, 2026

Via email to jcook@naic.org

RE: NAIC Annuity Buyer's Guide (A) Working Group Draft Edits to the Annuities Buyer's Guide

On behalf of the Insured Retirement Institute (IRI), the American Council of Life Insurers (ACLI), the Committee of Annuity Insurers (CAI) and the National Association for Fixed Annuities (NAFA), we appreciate the significant time and effort the NAIC Annuity Buyer's Guide (A) Working Group ("Working Group") has devoted to revising the latest draft Annuities Buyer's Guide ("the Buyer's Guide"). The current draft includes many revisions that, if adopted, would significantly improve the Buyer's Guide.

We are encouraged by the substantial progress reflected in the current exposure draft and appreciate the Working Group's thoughtful consideration of stakeholder feedback provided during earlier stages of this project. Many of the revisions improve the organization of the Buyer's Guide, enhance readability, and more clearly explain key annuity concepts for consumers. These changes are responsive to several concerns previously raised by industry participants and represent meaningful progress toward a consumer-focused educational resource.

We support the Working Group's objective of providing consumers with a clear, balanced, and accessible guide to understanding annuity products and evaluating whether an annuity may help meet their financial goals. This new Buyer's Guide appropriately reflects the various annuity types currently available in the marketplace. To that end, **we request clarification on the scope of the new Buyer's Guide.** The NAIC has previously maintained three separate buyer's guides, and over time, it has become unclear which buyer's guides are active publications for use versus those that may be considered outdated and no longer valid. **We request that the Working Group confirm that this new guide, once finalized, is intended to replace any and all previous versions of the guide and to make this clear on the NAIC website.**

We'd also note that the Buyer's Guide requirements differ by state, and insurers must track these requirements individually. For example:

- Several states reference a specific version, such as the 2013 NAIC Buyer's Guide for Deferred Annuities, with no language allowing use of any future versions.
- Some states reference a specific guide title, such as the Buyer's Guide for Deferred Annuities – Variable, which is no longer available on the NAIC's website, with no language allowing an alternative.
- Some states permit use of whichever guide is most relevant to the product recommended, which offers flexibility but still requires insurer interpretation.

Confirmation from this Working Group that this new guide is intended to replace any and all versions and to satisfy any annuity buyer's guide requirements will be helpful in addressing these implementation inconsistencies.

In regard to the current exposure draft, we have identified several areas in which additional refinements would further enhance accuracy, consistency, and consumer understanding. Accordingly, our attached redlines are intended to provide targeted suggestions that build upon the Working Group's efforts and help ensure that the Buyer's Guide reflects how annuity products are designed, regulated, and used in today's marketplace.

Below is a high-level summary of the changes we've made in our attached redline:

- **Annuitization and Lifetime Income Discussion**
 - We strongly recommend that the following statement regarding annuitization rates be removed: "Historically, fewer than 5% of annuity owners choose to convert their annuities into a stream of annuitized payments." Consumers may view this statement and conclude that annuitization is an oddity and that annuitization is something nearly everyone thinks should be avoided. There is no context around the statement, no reference or summary of the plethora of academic research that strongly supports annuitization, nor is the statement accompanied by a supporting citation or source. In addition, the statement does not fully reflect the ways consumers utilize annuities to generate retirement income. For example, many consumers access guaranteed lifetime income through living benefit riders and other contractual income features rather than traditional annuitization. We urge the Working Group to remove the statement entirely. In its place, we recommend additional discussion of lifetime income benefits within the Buyer's Guide.
- **Consumer Education Regarding Lifetime Income Features**
 - Consistent with the evolution of the annuity marketplace, we recommend expanding discussion of lifetime income benefits, particularly within the section addressing how consumers may access funds from their annuity contracts. These

revisions would provide consumers with a more complete understanding of the range of income options that may be available under annuity products.

- **Consumer Clarity and Readability**

- We made several edits intended to:
 - simplify explanations;
 - remove potentially confusing wording;
 - shift terms, concepts, and questions to different locations depending on their appropriate applicability to products;
 - avoid repetition; and
 - improve overall readability for consumers.

- **Glossary and Terminology Consistency**

- We recommend a comprehensive review of the glossary to ensure that key terms used throughout the Buyer's Guide are consistently defined and that terminology aligns across sections. We also identify several opportunities to reduce duplicative definitions, to remove terms not referenced elsewhere in the guide. and clarify the use of related terms.

Our recommendations are consistent with the Working Group's objective of creating a clear, accurate, and consumer-friendly educational resource. We appreciate the significant progress reflected in the current draft and offer these suggestions in the spirit of collaboration and with the shared goal of ensuring that consumers receive balanced and comprehensive information regarding annuity products and their features. We look forward to continuing to work with the Working Group as this important project moves forward. Please reach out to us for questions about our feedback.

Sincerely,

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