



Insured Retirement Institute

IRI 2012 Summary Prospectus Survey Key Findings

Preference for a Summary Prospectus:

- Demand for a summary prospectus remains strong. Ninety-five percent of investors agreed with the statement, “I would prefer to receive a shorter paper summary prospectus instead of a 150 – 300 page full prospectus containing the full detail, if details are online or upon request.”
- Fifty-nine percent of individuals stated having a short summary prospectus written in easy to understand language has a positive impact on their decision to consider a variable annuity as part of their investment portfolio or to discuss it with their financial advisor.

Utilization of a Prospectus:

- Only 17 percent of individuals reported they read the 150 – 300 page prospectus in 2012, with 14 percent reporting most of the time and only 3 percent always. This is a decline of 5 percentage points from 2011 when 22 percent reported they read the 150 – 300 page prospectus (17 percent most of the time and 5 percent always). Data shows that among this small percentage of individuals who said they did read the prospectus, only 7 percent to 16 percent of the document is being read.
- When asked how often individuals read the prospectuses, most (72 percent) responded that they never or rarely did in 2012. This was a slight increase from 2011, when 70 percent of individuals stated they never or rarely read the prospectus.
- The prospectus is not viewed as a resource for managing a variable annuity product. Most individuals do not refer back to the prospectus after they have purchased a variable annuity. In fact, 90 percent of individuals stated they never or rarely use the prospectus to answer questions about their variable annuity.

METHODOLOGY: The investor survey, conducted for IRI by Cogent Research, gauged the perspectives of 709 (in 2011) and 255 (in 2012) retirees and pre-retirees with at least \$100,000 in investable assets, including workplace plans but excluding the value of any real estate. The surveys in both years contained a representative sample of both annuity owners and non-owners.