

Brian K. Atchinson
President and CEO



**INSURANCE MARKETPLACE
STANDARDS ASSOCIATION**

June 15, 2010

*Committed to honesty,
integrity and ethics*

The Honorable Herb Kohl
Chairman, US Senate Special Committee on Aging
G31 Dirksen Senate Office Building
US Senate
Washington, DC 20510

Re: Testimony Submitted for the Record
Insurance Marketplace Standards Association
June 16, 2010 Hearing – The Retirement Challenge – Making Savings Last A
Lifetime

Dear Senator Kohl:

The following written testimony is submitted on behalf of The Insurance Marketplace Standards Association ("IMSA"), an independent nonprofit organization comprised of life insurance companies committed to high ethical practices in the sale of individual life insurance, annuity and long-term care insurance products sold in the United States concerning the June 16, 2010 hearing before the U.S. Senate Special Committee on Aging regarding The Retirement Challenge – Making Savings Last a Lifetime. We appreciate this opportunity to provide testimony concerning the important role that annuity products can play in providing lifetime income options for participants in defined contribution plans.

IMSA was created by the life insurance industry in 1996 to promote and monitor ethical business practice standards in the annuities, life insurance and long term care insurance marketplace. IMSA and its qualified companies achieve this objective by agreeing to abide by IMSA ethical standards embodied within IMSA's Principles and Code of Ethical Market Conduct. IMSA qualified companies make a commitment to ethical marketplace behavior that helps to protect consumers of annuities, long-term care insurance and life insurance products.

On June 10th, 2010, AARP and IMSA co-hosted a Summit Meeting in Washington, D.C. on the challenges in the annuities marketplace and its regulation that included participants from the U.S. Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), the U.S. Department of the Treasury, state insurance regulators and other stakeholders.

As Americans take on increased responsibility for managing their retirement savings through defined benefit plans such as 401(k) plans as a means to provide income in their retirement

years, we believe that annuities properly marketed and sold to consumers may be a valuable component in this planning. Annuities offered through life insurers can provide an opportunity for individuals to establish lifetime income streams they can never outlive, thereby establishing a baseline stream of income for retirement security.

In doing so, it is important that Americans are provided with suitable annuity options designed to meet their individual insurable needs and financial objectives. IMSA and its qualified companies have a long-standing reputation of promoting suitable annuity product sales. IMSA maintains suitability standards for annuity sales that are designed to allow consumers to receive appropriate disclosures to make a fully informed decision regarding the appropriate annuity products to meet their retirement planning objectives. IMSA also played an important leadership role in deliberations leading to recent revisions to strengthen the requirements of the NAIC Suitability in Annuity Transactions Model Regulation.

IMSA and AARP have co-hosted a series of Annuity Suitability Summit Meetings over the past several years to allow all annuity marketplace stakeholders including representatives from the SEC, FINRA and state insurance departments as well as consumers, distributors, producers and life insurance company representatives to explore appropriate practices to provide annuity products to America's consumers in a suitable manner. Our most recent IMSA-AARP Annuity Suitability Summit Meeting held in Washington, DC on June 10 examined retirement income options in a regulated marketplace and the appropriate role that annuity products can play in meeting of the income needs of America's retirees in 2010 and beyond. These forums serve as a unique opportunity to allow the sharing of important viewpoints and perspectives on the critical role that annuities will undoubtedly play in the retirement planning of consumers in the years ahead.

IMSA and its qualified companies believe annuities can be an important option to provide lifetime income for retirees participating in defined contribution plans. To that end, IMSA would be pleased to offer our expertise to the US Senate Special Committee on Aging as it explores ways to meet the lifetime income needs of America's retirees.

We thank you for this opportunity to provide this written testimony for the Committee's hearing concerning The Retirement Challenge – Making Savings Last a Lifetime and look forward to additional opportunities to share IMSA's perspectives.

Sincerely,

A handwritten signature in cursive script that reads "Brian K. Atchinson".

Brian K. Atchinson