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June 29, 2005

VIA ELECTRONIC MAIL

Office of Participant Assistance  
Employee Benefits Security Administration  
U.S. Department of Labor  
Room N-5623  
200 Constitution Avenue, NW  
Washington, DC 20210

Attention: 2006 National Summit on Retirement Savings

Re: Committee of Annuity Insurers Suggested Agenda Items  
for the 2006 National Summit on Retirement Savings

Dear Sir or Madam:

I am writing on behalf of the Committee of Annuity Insurers in response to the Department of Labor's June 9, 2005, request for comments for developing an agenda for the 2006 National Summit on Retirement Savings. The Committee, which was founded in 1982, is a coalition of 30 of the nation's largest and most prominent annuity issuers and represents over half of the annuity business in the United States.

The prior two Savings Summits have focused very successfully on the challenges Americans face in saving for retirement, as well as on various means of helping Americans understand and meet those challenges. While these "accumulation" challenges continue to deserve considerable attention, there is another related, but distinct, challenge that Americans

face as they try to achieve retirement security. This is the challenge of assuring that the savings they have accumulated throughout their working lives last throughout the many years they will spend in retirement. This challenge has been referred to by Professor Jeffrey Brown of the University of Illinois at Urbana-Champaign as “the new retirement challenge” in a white paper bearing that title.

A number of societal and demographic trends have created the new retirement challenge and are placing retirees at greater risk of reduced standards of living than in the past. Americans are living longer – about one out of six 65-year-old men and one out of three 65-year-old women are expected to live into their 90s. As a result, a growing number of Americans will spend three or even four decades in retirement. While this is good news, this change in the retirement landscape means that retirees will face difficult decisions about how to make sure that their retirement savings last throughout their retirement. These decisions are made more difficult by the decline in guaranteed incomes provided to many workers in the past through defined benefit plans and the uncertain future of Social Security.

As a result, the Committee believes that it would be valuable to include in the 2006 Savers Summit a session covering the financial challenge individuals face after they retire in deciding how to manage their accumulated savings in a way that will assure an adequate income throughout their retirement years. Potential topics for discussion during the session could include (1) the role of asset allocation in retirement and appropriate changes to such allocations throughout the retirement years, (2) the various ways that retirees can protect themselves against inflation while on a fixed income in retirement (*e.g.*, through annuities, Treasury Inflation-Protected Securities, *etc.*), (3) the role that financial intermediaries can play in

helping retirees protect themselves against the downside risk of their equity investments while in retirement, (4) the role that life annuities can play in assuring a lifetime of income, (5) the role of alternative means of calculating withdrawals from asset pools such as IRAs and 401(k) plans to assure maximum income benefits, and (6) how and where individuals can learn about the resources that are available to help them make these important decisions. Such a session would help increase the public's awareness of this critical part of the retirement equation.

Once again, the Committee thanks the Department for its efforts to promote savings education through the 2006 National Summit on Retirement Savings. We would be happy to answer any questions, and the Committee would be pleased to serve as a resource to the Department in planning for the 2006 summit.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by 'F. McKeever, III'.

Joseph F. McKeever, III  
Counsel to the Committee of Annuity Insurers