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Secondary Annuity Market IFoA Annuitant Opinion Polling

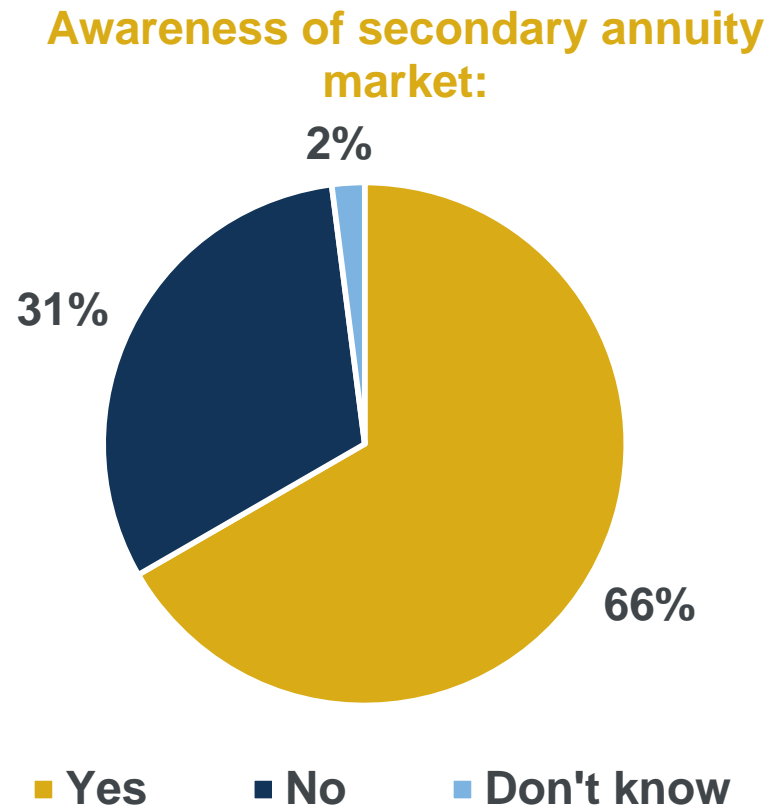


IFoA research on annuitants' attitude to secondary annuity market

- The IFoA has undertaken independent opinion polling with YouGov to survey attitudes of those with an annuity.
- This follows an initial high-level poll shortly after the proposals for a secondary annuity market were first announced.
- This second poll surveyed the:
 - level of awareness of the secondary annuity market
 - appetite for selling an annuity, and what those polled would do with the proceeds
 - value those polled would place on their annuity
 - appetite for taking independent financial advice before cashing-in an annuity
 - attitude to proving the state of health to firms buying their annuity.
- In total, YouGov interviewed 2,017 annuitants in the latest survey, aged 55 or over.



Two-thirds of annuitants claim to be aware of the proposals for a secondary annuity market



Awareness of the changes is higher amongst:

- Men (69% of men are aware compared to 62% of women)
- Those aged 60-64.



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Annuitants are more likely to say that the proposed changes sound like a good idea in general, rather than a good idea for their circumstances

Selling an annuity, so that people who currently receive regular amounts can exchange this for a lump sum, sounds like something that is a good idea in general, even if it's not a good idea for me



37% Agree (strongly/ slightly)

Being able to sell my annuity, so that I receive a lump-sum instead of regular amounts sounds like something that would be a good idea for me



23% Agree (strongly/ slightly)

Those more likely to see the proposed changes as **a good idea for them** include:

- Younger age groups: 42% of 55-59 year olds and 29% of 60-64 year olds
- Those who disagree they feel financially secure for the future (35%).



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Around 1 in 5 annuitants claim they are likely to sell their annuity income in return for a cash lump sum

The likelihood of doing this increases amongst the younger age groups



Likelihood of selling annuity income in return for a cash lump sum

**18% likely
(strongly/
somewhat likely)**

Age	% Likely to sell annuity income for cash lump sum
55-59	34%
60-64	24%
56-69	19%
70-74	14%
75+	8%

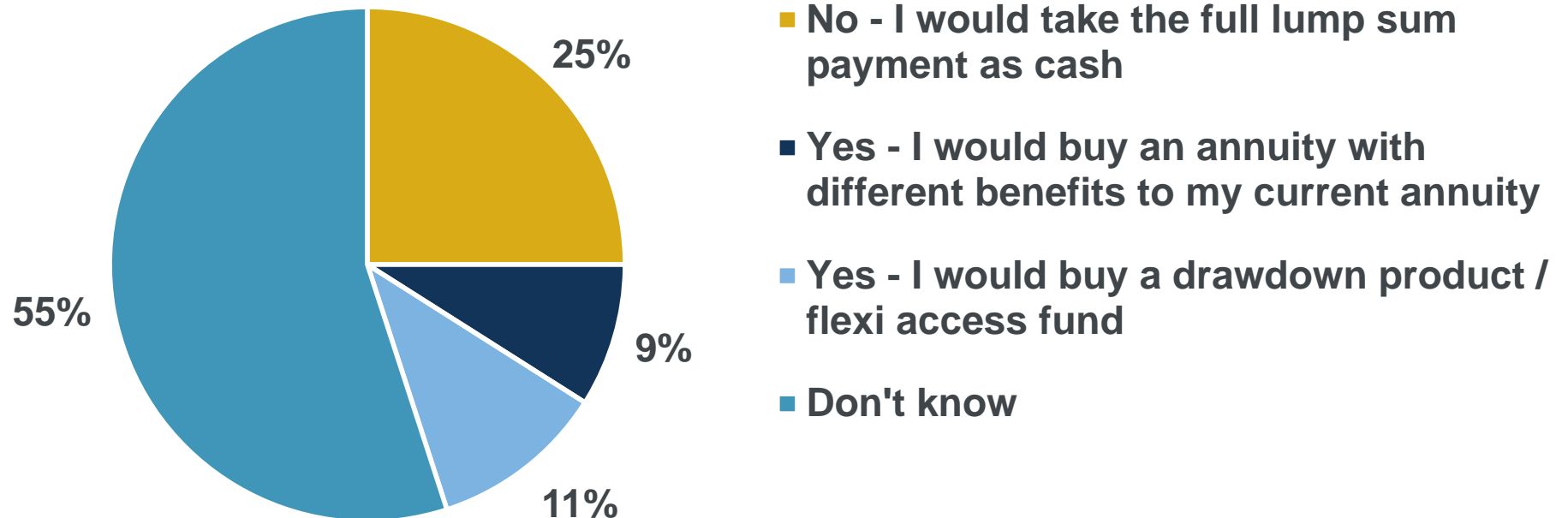
The likelihood also increases with those who disagree they feel financially less secure for the future (28%).



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The majority of those surveyed struggled to say whether or not they would buy another retirement product, if they were able to sell their annuity

Would you use the proceeds from annuity to buy a different retirement product?



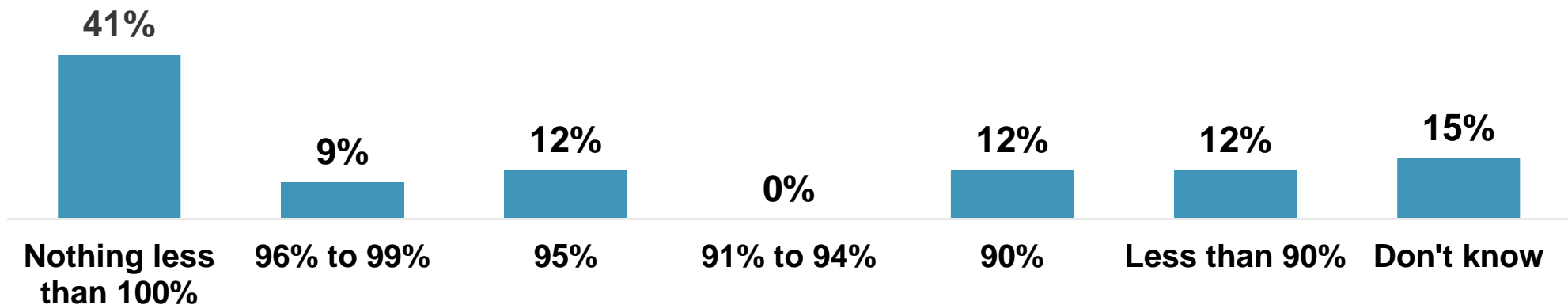
55% indicated they 'don't know' what they would do.



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Annuitants would be prepared/willing to accept on average 94% of the total amount of future annuity payments

Percentage of the amount of expected future payments annuitants would be willing to accept:



The average percentage was 94%

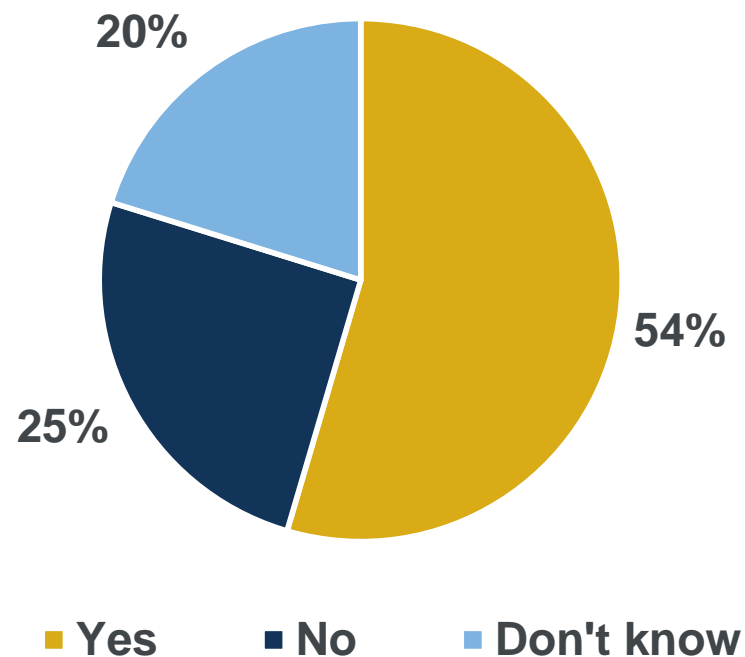
- The percentage of future payments allowed for the (estimated) impact of the cost involved in cashing-in the annuity.



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Appetite for independent financial advice if selling annuity for cash lump sum is mixed

Would take independent financial advice before selling annuity income for cash lump sum?



45% indicated that they would not or did not know whether they would take independent financial advice

59% of women claim they are likely to seek advice, compared to 52% of men

Those who would take advice would pay an average of £162 for it

- the average for men was £184; for women £120.

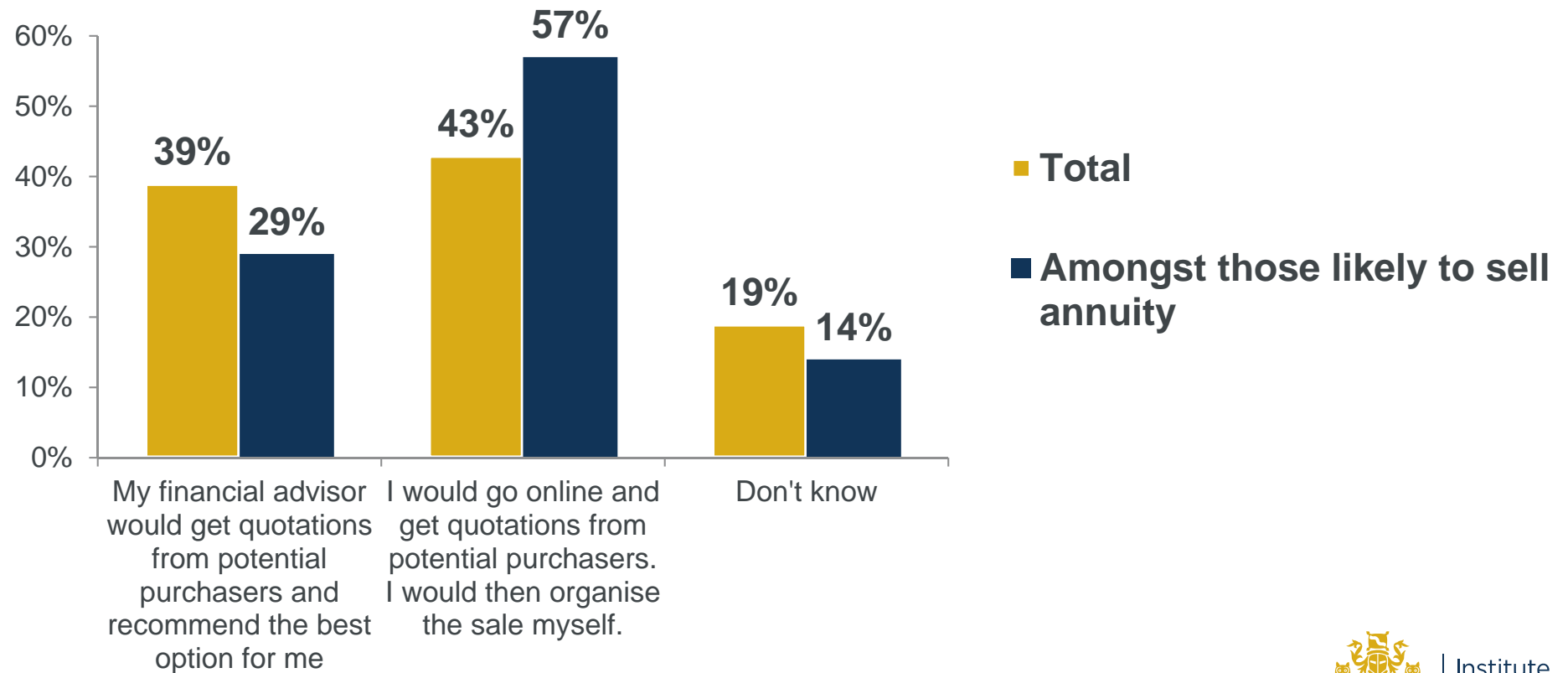


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Those who claim they are most likely to sell their annuity are more likely to try and organise the sale themselves

...rather than get a financial advisor to organise quotations for them

Approach would take to selling annuity:

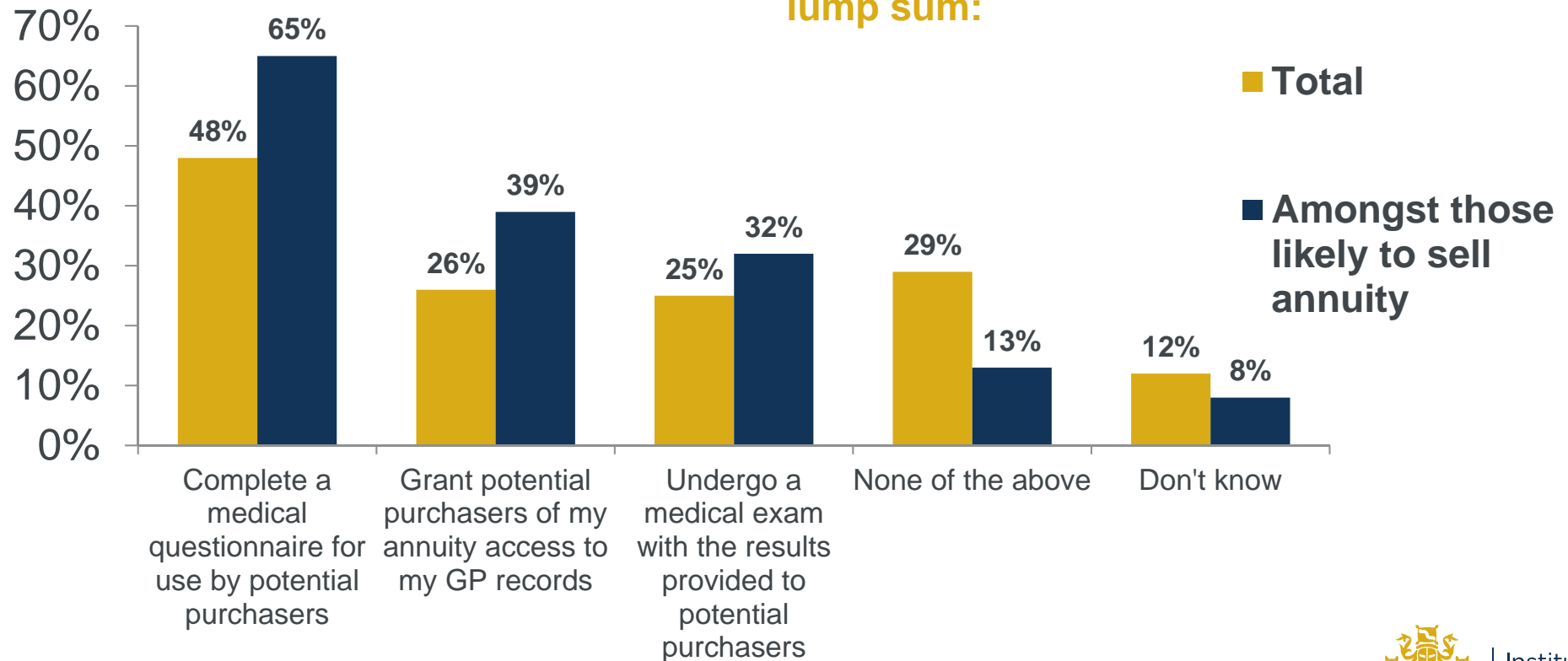


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26% would be prepared to share their GP records; 25% would be willing to undergo a medical examination

...in order to prove the state of their health to firms buying their annuity

Medical information willing to share if trying to sell annuity for cash lump sum:



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