



Contact: Ben Johnson  
Milliman, Inc.  
Tel: (312) 577-2626  
Email: [ben.johnson@milliman.com](mailto:ben.johnson@milliman.com)

---

FOR IMMEDIATE RELEASE

**Press Release**

## **GLWB utilization behavior impacted by SECURE Act, recent Milliman Variable Annuity Industry Experience Studies show**

**The studies and Recon<sup>®</sup> platform help annuity companies better manage risks**

SEATTLE – AUGUST 22, 2024 – Milliman, Inc., a premier global consulting and actuarial firm, today announced the results of its two 2024 Variable Annuity Industry Experience Studies, which analyze policyholder behavior across 22 companies spanning 16 years.

The studies cover surrender behavior and partial withdrawals, focusing on income utilization for guaranteed lifetime withdrawal benefit (GLWB) riders. Access to industry data for guaranteed minimum income benefit (GMIB) annuitization experience is also available within the Recon web-tool.

The studies indicate that surrender behavior for contracts without income benefits are highly sensitive to changes in interest rates while contracts with GLWBs don't exhibit the same sensitivity to changes in interest rates. We continue to see evidence of lower surrender behavior for variable annuity contracts that are utilizing income. Surrenders decrease and income utilization increases for GLWBs as the guarantee becomes more valuable.

"Increased exposure to high interest rates allowed us to study industry experience in ways not possible during prior years," said Ben Johnson, a consultant with Milliman and co-author of the studies. "We use advanced predictive modeling techniques to better understand relationships between behaviors and their key factors of influence."

One notable shift in GLWB utilization behavior occurred over the past year due to the SECURE Act, which changes the age where contracts are required to start taking required minimum distributions. As this age will change in the future with the SECURE Act 2.0, we expect to see a similar shift in the years to come. The studies also explored policyholder behavior across attained age, duration, tax status, contract size, and distribution channel.

The studies incorporate seriatim data from 22 companies totaling 104 million contract-years of exposure spanning January 2008 through December 2023. The studies, Recon model development, and data visualization tools are available for purchase by calling Ben Johnson at (312) 577-2926 or visiting <https://www.milliman.com/en/Products/Life-and-Annuity-Experience-Studies>. The most recent prior studies were completed in 2023 by Milliman.

**About Milliman**



Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. For further information, visit [milliman.com](http://milliman.com).

###