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FOR IMMEDIATE RELEASE

Press Release

Interest rates and annuity product landscape drive recent surrender trends, latest Milliman Variable Annuity Industry Experience Studies show

The studies and the included Recon® platform help annuity companies better manage risks

SEATTLE – OCTOBER 20, 2025 – [Milliman, Inc.](#), a premier global consulting and actuarial firm, today announced the results of its two [2025 Variable Annuity Industry Experience Studies](#), which analyze policyholder behavior across 23 companies spanning 17 years.

The two 2025 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 [Milliman Recon](#) web-tool.

Milliman's latest variable annuity (VA) studies reveal that average surrender rates have increased since 2022 for GLWB contracts and contracts without living benefits. Notably, surrender rates have increased even during periods when surrender charges apply, contrary to traditional expectations. Additionally, GLWB contracts that are at-the-money or moderately in-the-money have experienced higher surrender rates than previously observed. These patterns may reflect policyholders' responses to higher interest rates and the growing appeal of alternative annuity product offerings in the current economic environment.

"The introduction of high premium bonuses and richer GLWB riders attached to fixed indexed annuities, coupled with the recent surge in interest rates, could be prompting VA contract-holders to replace their existing VA with a more attractive alternative," said Ben Johnson, consultant with Milliman and co-author of the studies. "Insurers need to closely track these evolving patterns to understand policyholder risk effectively."

Milliman's studies also reveal that surrenders remain sensitive to "moneyness" – the ratio of guarantee value to account value – across all guarantee types. Policyholder persistency is higher when the account value is lower relative to the guarantee value, though even deep in-the-money contracts with lifetime income benefits continue to experience some level of surrenders.

The studies incorporate seriatim data from 23 companies totaling 110 million contract-years of exposure spanning January 2008 through December 2024. The studies and 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>.

**About Milliman**

Milliman leverages deep expertise, actuarial rigor, and advanced technology to develop solutions for a world at risk. We help clients in the public and private sectors navigate urgent, complex challenges—from extreme weather and market volatility to financial insecurity and rising health costs—so they can meet their business, financial, and social objectives. Our solutions encompass insurance, financial services, healthcare, life sciences, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. Visit us at [milliman.com](https://www.milliman.com).

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