

# Here's How Insurers Can Make It Easier to Buy Annuities, Blueprint Income Says

By Cyril Tuohy July 15, 2019

After years of working with insurers, **Matt Carey**, co-founder of online retirement and annuity company **Blueprint Income**, thinks there are ways to modernize the annuity-buying process.

Many of his pointers don't involving sinking millions of dollars into new systems or making wholesale changes to business models. The fixes, which he outlined in a June 27 Forbes.com article, are often relatively simple, quick and inexpensive.

## Rework and Standardize Product Terms

Take the single premium immediate annuity. Wouldn't it be better to simply call it an income annuity? Then there's the deferred income annuity. Its meaning should be more obvious. Right now it can mean either that the decision to annuitize is deferred, or that taking income is deferred and doesn't start until long into the future.

## Standardize Illustrations

Carey writes that the standard illustration should start with the cost of the most basic version of the annuity offered by an insurer. Then every feature available on the product should be listed with the cost and benefit spelled out, not unlike a mortgage loan estimate.

## Application Program Interfaces

This one might take a little money. APIs are a set of protocols and tools for building software applications. Outside developers should be able to offer their own apps, within an insurer's software, that enable quoting and applying for insurance policies. Integrating the code from each??? would reduce errors and processing times.

## Tracking the Status of Applications

Allowing agents to apply for a life insurance policy on behalf of clients in five minutes, only to wait weeks before it's issued, is a turnoff. Agents, using their phones or tablets, should be able to track exactly where the application is in the process.

## Consistency Among 1035 Exchanges

A 1035 exchange is the regulatory equivalent of moving money from one annuity to another, but that's not as painless as it sounds. Some insurers use digital signatures, others use a "wet" signature, and still other companies require a "medallion guarantee." This is all too cumbersome for a capital transfer from one insurer to another, he says.

## Online Accounts

The least an insurer, which will happily take your money, can do is allow policyholders to see all their contributions and how much income and returns are expected to be generated, according to Carey. Too many insurers still can't do that.

### **Yodlee and Plaid Integration**

Some data aggregators use feeds, or pipes, from Yodlee or Plaid to give consumers an overview of their investments, no matter where that money happens to be – in a mutual fund, online CD or bank account, for example. But annuity data isn't included, so advisors or clients have to manually update annuity holdings monthly, quarterly or annually. In this day and age, there's no excuse for that, Carey writes.

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