

AXA's North to address longevity risk

AXA Australia today announced it will launch a new North product which provides a guaranteed income for life.

AXA General Manager Sales and Marketing Adrian Emery says Australians are living longer and having fewer children. Our society, along with most other developed countries, is ageing. Over the coming decades there will be a dramatic increase in the number of older Australians, and a parallel reduction in the number of people in the traditional working age groups. This outlook constitutes one of Australia's most significant economic and social challenges

Mr Emery said, "Australians today are living longer and the risk is that we will outlive our savings in retirement. Our new North product, to be launched next year, provides a much needed solution to this longevity risk.

"It provides investors with the flexibility of an allocated pension enabling them to keep their retirement savings fully invested in the market at all times but with the guarantee they will always have an income for life.

"As part of a strong global group AXA Australia is uniquely positioned in the Australian market. By leveraging our global expertise we are able to utilise North's unique hedging capabilities to offer our customers this unique and much needed retirement income security."

AXA Head of Structured Solutions, Andrew Barnett said AXA research shows there is an overwhelming need for this type of product.

"83 per cent of retirees we surveyed want a steady income in retirement and 72 per cent want protection from the downside, with a stable income stream.

"From an adviser's perspective, 48 per cent of those surveyed said they would recommend such a product to most or all of their pre-retirees and retirees," he said.

Mr Emery also announced the existing North guaranteed options, launched in late 2007 had reached a significant milestone, accumulating more than \$1 billion in Funds Under Management.

"This is further evidence that more advisers and clients are utilising North's unique guarantee features to protect their superannuation savings. In the year to 30 June 2009, North accounted for more than 7% of net funds flow into personal superannuation in Australia.



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“Amidst a tumultuous time for our economy and industry the market has reacted extremely positively to our offer,” he said.

Mr Emery said the North product range also continues to receive very strong external endorsement and has the highest structured product rating from Standard & Pools.

“AXA’s North protected investment guarantee won the 2009 Rainmaker marketing excellence award for best innovation of the year and new superannuation product of the year. Since its launch in 2007 the North product range has won multiple awards,” he said.

AXA North placed 4th overall in CoreData’s Platform of the Year 2009 ranking. The same survey also found North was the platform that added the most amount of value to an adviser’s business in the past year.

About North

North is a complete product and platform offer that enables investors to invest directly in managed funds while AXA guarantees to return the original investment regardless of how the managed funds perform.

AXA North can also guarantee, on each policy anniversary, to lock in any positive market performance.

This product design is significantly different and superior to guaranteed products currently offered in the Australian market in that it offers capital guarantees across superannuation, pension, and ordinary money investments.

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