


[Download This Paper \(Delivery.cfm/SSRN\\_ID1706893\\_code1277063.pdf?abstractid=1706893&mirid=1\)](#)
[Open PDF in Browser \(Delivery.cfm/SSRN\\_ID1706893\\_code1277063.pdf?abstractid=1706893&mirid=1&type=2\)](#)

[Add Paper to My Library](#)

 Share: [f](#) [t](#) [e](#) [s](#)

## Annuities and Their Derivatives: The Recent Canadian Experience

*Pension Research Council Working Paper No. 2010-16*

24 Pages

Posted: 11 Nov 2010

Moshe A. Milevsky ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=1080](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=1080))

York University - Schulich School of Business

Ling Wu Shao ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=986446](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=986446))

York University - Schulich School of Business

Date Written: September 10, 2010

### Abstract

This chapter surveys recent developments within the Canadian “income annuity” marketplace. We start by computing the Money’s Worth Ratio (MWR) using a unique dataset which includes a decade of Canadian annuity payouts. We then move-on to discuss the Guaranteed Lifetime Withdrawal Benefit (GLWB) product which has recently become available in Canada. This important innovation is extremely popular and shares many characteristics with a conventional income annuity. Finally, we conclude with thoughts on the optimal product allocation within the context of the Canadian retirement portfolio.

**Keywords:** Annuity, Income, Canada, Products, Insurance, Variable, Withdrawal, Retirement, Longevity, Mortality

[Suggested Citation](#) >

[Show Contact Information](#) >


[Download This Paper \(Delivery.cfm/SSRN\\_ID1706893\\_code1277063.pdf?abstractid=1706893&mirid=1\)](#)
[Open PDF in Browser \(Delivery.cfm/SSRN\\_ID1706893\\_code1277063.pdf?abstractid=1706893&mirid=1&type=2\)](#)

## 20 References

1. J Brown , O S Mitchell , J Poterba , M Warshawsky  
Taxing Retirement Income: Non-Qualified Annuities and Distributions from Qualified Accounts  
National Tax Journal , volume 3 , p. 563 - 591 Posted: 1999  
Crossref (<https://doi.org/10.3386/w7268>)
2. Industry Information  
Canadian Life and Health Insurance Association (CLHIA Posted: 2009)
3. E Cannon , I Tonks  
UK Annuity Rates, Money's Worth and Pension Replacement Ratios  
Geneva Papers on Risk and Insurance , volume 29 , p. 371 - 393 Posted: 1957  
Crossref (<https://doi.org/10.1111/j.1468-0440.2004.00293.x>)
4. N Charupat , Moshe A Milevsky  
Mortality Swaps and Tax Arbitrage in the Canadian Insurance Market

We use cookies to enhance your browsing experience, to personalize and optimize your site usage, and to analyze and improve our services. By using our website, you consent to the placement of cookies on your device and to the processing of your personal information. For more information, see our [Cookie Policy](#).

[Policy \(https://www.elsevier.com/legal/cookiepolicy\)](https://www.elsevier.com/legal/cookiepolicy)

[Load more](#)
[Cookie Settings](#)
[Accept all cookies](#)

0 Citations

Fetch Citations

Do you have a job opening that you would like to promote on SSRN?

Place Job Opening (<https://www.ssrn.com/index.cfm/en/Announcements-Jobs/>)

Paper statistics

DOWNLOADS	267
ABSTRACT VIEWS	1,586
RANK	216,975

2 Citations

20 References

PlumX Metrics



([https://plu.mx/ssrn/a/?ssrn\\_id=1706893](https://plu.mx/ssrn/a/?ssrn_id=1706893))

Related eJournals

Derivatives eJournal ([https://papers.ssrn.com/sol3/JELJOUR\\_Results.cfm?form\\_name=journalBrowse&journal\\_id=1504400](https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=1504400))

Follow



Household Finance eJournal ([https://papers.ssrn.com/sol3/JELJOUR\\_Results.cfm?form\\_name=journalBrowse&journal\\_id=1552954](https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=1552954))

Follow



View more >

Recommended Papers

New Evidence on the Money's Worth of Individual Annuities ([https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=226413&rec=1&srcabs=1706893&pos=1](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=226413&rec=1&srcabs=1706893&pos=1))  
By Olivia S. Mitchell ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=41556](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=41556)), James M. Poterba ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=21561](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=21561)), ...

The Cost of Annuities: Implications for Saving Behavior and Bequests ([https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=338763&rec=1&srcabs=1706893&pos=2](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=338763&rec=1&srcabs=1706893&pos=2))  
By Benjamin M. Friedman ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=20255](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=20255)) and Mark J. Warshawsky ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=148491](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=148491))

Annuities and Individual Welfare ([https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=405621&rec=1&srcabs=1706893&pos=3](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=405621&rec=1&srcabs=1706893&pos=3))  
By Thomas Davidoff ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=85794](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=85794)), Jeffrey R. Brown ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=155077](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=155077)), ...

View more >

Feedback

Submit a Paper > (<https://hq.ssrn.com/submission.cfm>)

