

Procedural Prudence and PRT Poker

Implementing a Pension Risk Transfer (“PRT”) strategy seems simple. However, PRT is quite different than its more common Terminal Funding Annuity cousin.

PRT is, in fact, a unique asset allocation.

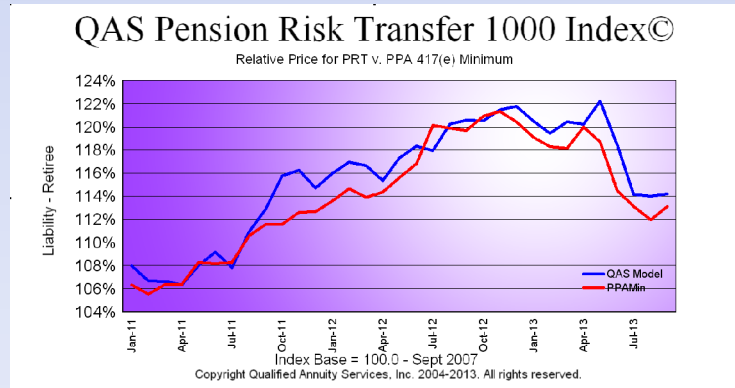
And due to implications for participants, PRT must be implemented with applicable ERISA fiduciary governance standards.

PRT Transaction Risk = ERISA Fiduciary Risk

As a risk mitigation transaction, PRT may or may not lead to plan termination. However, PRT may impact certain participants and may cause reactions as in the Verizon case¹.

At QAS, we assume the role as ERISA Named Fiduciary to select the provider whether that provider is for a PRT, partial risk transfer or Terminal Funding transaction. This role may be more crucial when a DB plan is de-risking - and not terminating.

At QAS, our process has been vetted by multiple independent opinions obtained by our clients. We provide the protocol to



assure conforming with both IB 95-1 and ERISA’s “procedural prudence” standard as that term is defined in *Bussian*.²

Commentary

There is nothing like a little bond volatility to make things exciting. In the above chart we illustrate that PRT and 417(e) pricing tracks fairly closely. What’s it like on Wall Street? In a word: Volatility. Lots of volatility.

QAS’s PRT advice based tools demonstrate the value proposition for PRT. Now is time to engage QAS as your PRT advisor.

Learn more about our ERISA Named Fiduciary services here:

http://qualifiedannuity.com/services_fs.html

Call now to get more information on custom PRT index modeling capabilities.

Get Informed. Think Strategic. Act Tactical.

For information contact Don Cunningham (513-772-4488) or Joe Cleary (201-447-3900) or QAS.

Date	Immediate Life Annuity	Deferred Life Annuity
July 1, 2013	3.51%	4.02%
August 1, 2013	3.50%	3.99%
September 1, 2013	3.70%	4.37%

¹ Lee v. Verizon Communications Inc., (3:12-CV-4834-D)

² Bussian v. RJR Nabisco, Incorporated, 223 F. 3rd 286, (5th Cir), ("Bussian")