

October 1, 2014

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### *Independent Fiduciary*

Pension terminations and risk transfers involve placing annuities with insurers. Many Independent Fiduciaries (“IF”) focus upon six points in Department of Labor Interpretive Bulletin 95-1 (“IB 95-1”) to satisfy their role. However, in *Bussian*, the court found IB 95-1 “instructive” and instead held that ERISA “procedural prudence” was the “appropriate standard” to select providers.

#### **What’s the point?**

An independent fiduciary must determine the extent to which it will follow IB 95-1. To the extent that it does, a question still remains:

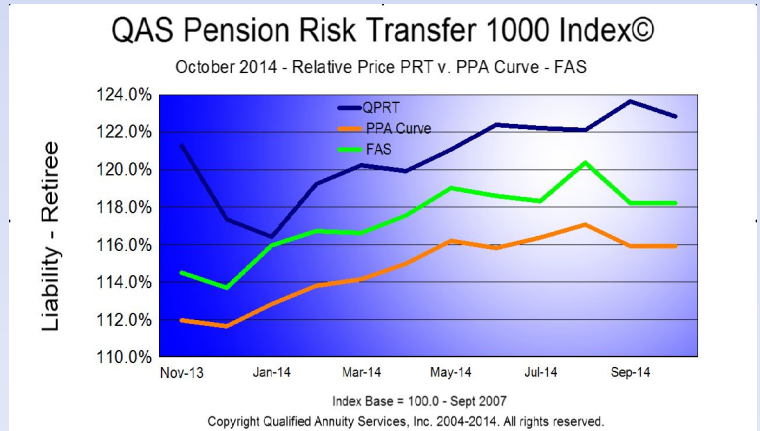
*Has the Independent Fiduciary satisfied the requirements of ERISA for adherence to “procedural prudence” per Bussian?*

#### **QAS’s View**

QAS’s approach satisfies both IB 95-1 and *Bussian* in selecting annuity providers as Independent Fiduciary. We are the only firm to have designed our IF practice as a rigorous discipline that must be followed every time.

#### **Conclusion**

Satisfying requirements for “procedural prudence” is a substantial responsibility. The QAS Quality Scoring System evolved over more than 25 years. The system withstood



the stresses of TARP. We know of no other firm that benchmarks its selections to TARP. Our ability to meet the “procedural prudence” standard of ERISA is supported by multiple legal opinions. We know of no other firm having such oversight. As our practice evolves, we continue to add value for clients.

To learn about QAS’s IF role, see this:

[http://www.qualifiedannuity.com/services\\_fs.html](http://www.qualifiedannuity.com/services_fs.html)

Here is a summary of PRT volatility:

| <b>PRT Trax Index - Maximum Difference</b> |       |        |        |
|--|-------|--------|--------|
| Difference %                               | 6 Mos | 12 Mos | 24 Mos |
| QPRT vs. PPA Curve                         | 6.52% | 6.52%  | 9.64%  |
| QPRT vs. FAS                               | 4.46% | 4.46%  | 9.02%  |

#### **QAS’s Independent Fiduciary Service**

Request more about QAS’s IF service here:

<http://www.qualifiedannuity.com/contact.html>

*Get more information on custom PRT 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 | Deferred |
|-------------------|-----------|----------|
| August 1, 2014    | 2.78%     | 3.12%    |
| September 1, 2014 | 2.63%     | 3.30%    |
| October 1, 2014   | 2.76%     | 3.41%    |