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December 1, 2015 Vol. XV, No. 12

Risk Transfer Strategies to Grow

Happy Holidays! The Fed has finally raised rates. The result so far: Ho Hum. While fundamentals indicate a firming economic picture, challenges remain: volatility abounds.

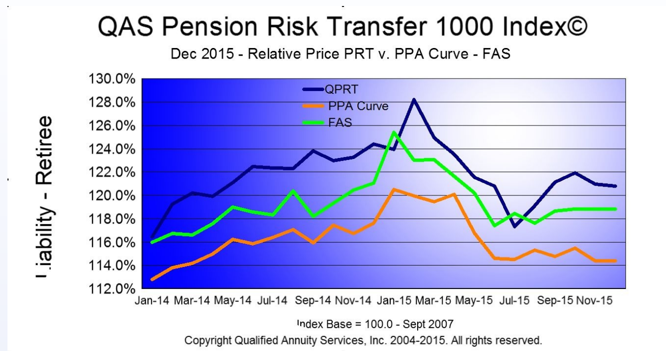
What to do now?

Rates have already impacted lower grade credits. Tougher evaluations of credit might crimp leverage and borrowing. Equity risk increases as the return "of" money dominates the theme of return "on" money.

What's the point?

Traditional de-risking happens as DB plans terminate and annuities are purchased on a known date to meet PBGC distribution requirements. Dynamics are changing as providers sense that booking de-risking deals today can benefit as higher reinvestment and reserve rates become available in the future.

The de-risking phenomenon is opportunistic. Volatility now plays a role to benefit both plan sponsor and provider creating a dynamic market. New providers to the market have increased competition which is advantageous as sponsors seek to off load or right size their plans.



Advantages of De-Risking

De-risking is a discretionary action that must be evaluated for outcomes. De-risking is transitional while termination is final. Stewardship of plan and business balance sheet risks is essential.

What Should Plan Sponsors Do?

Plan sponsors should seek advisors who are skilled at de-risking in a dynamic market of more issuers. Advance planning and strategy development are key and begin with knowing the risks and costs. Effective planning and forecasting in a rising rate market should maximize every dollar of business capital.

As the rules of risk change,
QAS adds value for its clients.

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Date	Immediate	Deferred
November 1, 2015	2.83%	3.62%
December 1, 2015	2.89%	3.65%