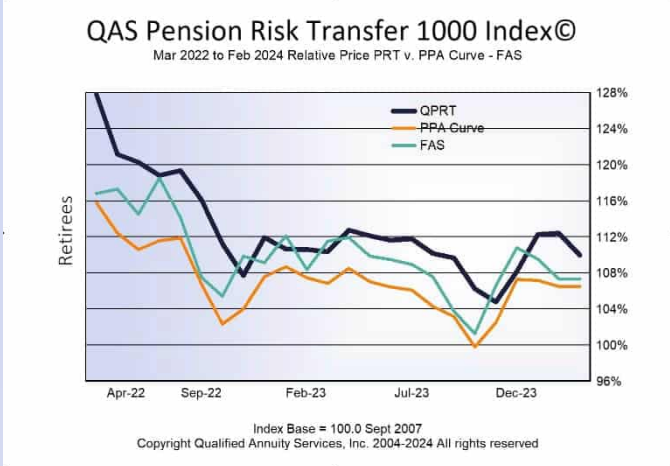


**Participant Actions Jolt PRT Selections; Rates Fall**

Annuity purchase rates were flat in February causing annuity prices to remain unchanged. The immediate annuity rate rose 1 basis point to 4.59% from 4.58%, and deferred rates rose 12 basis points to 4.57% from 4.45%. The highest immediate annuity rate dropped 8 basis points to 5.16% and the highest deferred rate rose 5 basis points to 5.02%.

Treasury rates reversed to the upside in February. The 10 Year ranged 53 basis points from 3.82% to 4.35%. The 30 Year treasury plodded upward ranging from 4.07% to 4.51%, or 44 basis points. The ICE BofA BBB US Corp Index Option Adjusted Spread continued its decline as it ranged from 128 to 116 in January.

US and Foreign equity markets rose in February. The S&P 500 gained 4.8% and aggregate MSCI World markets dropped 6.1%. As inflation concerns continued, equity markets steadily gained as earnings began to support the depth of the AI revolution.



**PRT Rate Action**

February 2024 PRT rates were flat presenting PRT narrow price ranges for potential buyers. Early indications are that the 2023 overhang continues and deals are lining up for 2024. However, spreads continued to pressure costs as the range fell further from 162 basis points in October 2023. Insurers seem to not be affected by the commercial real estate sector as banks experience more exposure.

**Fed Watch**

The CME Group FedWatch Tool shows a 92.0% probability of a range of 525-550 at the May 1, 2024 meeting. The confidence in the Fed's June 12, 2024 Target Rate of 500-525 stood at 57.8% while the probability of no rate cut registers 37.5%. The modest weight in the confidence for rate cuts in 2024 appears to be increasing. Higher equity prices might infer continued higher PRT rates into the summer of 2024. ([CME FedWatch Tool](#))

**Participant Actions Jolt PRT Market**

QAS's recent focus on the limitations of Interpretive Bulletin 95-1 has been reflected in two participant actions against major employers: AT&T and Lockheed-Martin ([AT&T/Lockheed](#)). Each entered into transactions with Athene Annuity and Life Company and Athene Annuity & Life Assurance Company of New York, subsidiaries of Athene Holding Ltd. (collectively, "Athene").

**Rates**

The 10-year yield closed at 4.25% on February 29. The ICE BofA BBB US Corp Index Option-Adjusted Spread closed at 124 basis points sliding a bit in February; the move tightens the margins. Stay healthy.

This comes on the heels of the review by the NAIC of what we refer to as the "stacked provider" business model. Such a model involves parsing risks via reinsurance with other controlled entities in which additional asset allocations may be leveraged and greater liability risks can be segmented. QAS asserts that our proprietary approach ("The QAS Procedural Prudence Standard") defined in 2001 ([Procedural Prudence](#)) is the "appropriate standard" for selecting such annuity providers. This protocol continues to be enhanced through periodic updates. QAS receives no subscription revenue from insurers.

PRT Model Plan Trax Index +/-	PRT	PPA
12mo HI-Lo %	+/- 7.6%	+/- 8.7%
YTD % Δ	+4.4%	-0.7%
3mos % Δ	+7.3%	+3.9%
1mo % Δ	-0.1%	+0.6%

As the rules of risk change, QAS adds value for its clients. Read more or subscribe here: <https://qualifiedannuity.com/newsletter-subscription/>

**Where PRT Advice Matters Most**

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Date	Immediate	+/-	High	+/-	Deferred	+/-	High	+/-
Feb	4.59%	+0.01	5.16%	-0.08	4.57%	+1.2	5.02%	+0.05