



February 2025

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PRT Spreads Widen; Prices Rise

Annuity purchase rates were nearly unchanged resulting in flat PRT costs in February. Immediate annuity rates for Retirees were unchanged at 4.99% and deferred rates rose 1 basis point to 4.99% from 4.98%. The highest immediate annuity rate rose 8 basis points to 5.69% and the highest deferred rate fell 1 basis point to 5.63%. Rate volatility dampened. (Note: The chart uses PRT rates as of February 1, 2025.)

February 10 Year Treasury rates ranged 39 basis points between 4.21% and 4.60%. The 30 Year Treasury was narrower ranging from 4.51% to 4.86%, or 35 basis points. The ICE BofA BBB US Corp Index Option Adjusted Spread began to climb from 98 to end at 109 basis points.

US and Foreign equity markets were mixed in February. The S&P 500 was down -0.3% after gaining 2.3% in January and aggregate MSCI World markets rose 0.9%. Inflation seems to be tracking for the Fed maintaining a “do nothing” stance. The tariff posture is influencing the markets as the administration juggles its position.

PRT Rate Action – Spreads to Treasuries Widen

PRT Retiree Rate spreads to US 10 Year Treasuries were flat at 46 basis points while the Retiree Max spread slipped to 116 from 106 basis points. The February 2025 spread to US 10 Year Treasuries for deferred was 46 basis points and the Deferred Max was 110 basis points. The PRT risk-free advantage is still flat implying that tactical implementation of PRT strategies favors “buy ins” to de-risk.

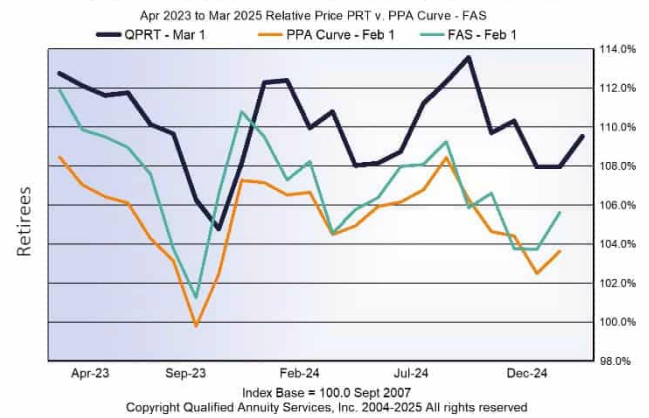
Insurer Financial Data for 2024 Now Under Review

Year-end 2024 insurer financial data is now available. The QAS Procedural Prudence Standard has been updated. For those unfamiliar, QAS's process is clearly defined:

Minimum Standard: Safest Available Annuity per DOL IB 95-1
Appropriate Standard: QAS Procedural Prudence per Bussian

QAS's process applies multiple processes in order to satisfy the highest standards of *procedural prudence* per Bussian. QAS facilitates dealing with PRT providers as Independent ERISA Expert and as ERISA §3(21) Fiduciary. The QAS Quality Scoring System was just back tested over five consecutive 5-year periods. The findings were revealing. To learn more contact us here ([Form](#)) or give us a call.

QAS Pension Risk Transfer 1000 Index©



Fed Watch

The Fed's next move according to the CME Group FedWatch Tool ([CME Fed Watch Tool](#)) shows a 93.0% probability of rates unchanged at 425-450 basis points at the March 19, 2025 meeting. The probability for a Fed Target Rate of 400-425 now stands at 7.0%, down from 26.3% at the March 19, 2025 meeting. Recent rates infer sentiment declining on higher debt concerns. The new administration's agenda and policies as proposed and enacted will influence the markets.

Rates

The US Treasury 10-year yield ended at 4.23%, down 34 basis points from January 31 or, 4.57%. The ICE BofA BBB US Corp Index Option-Adjusted Spread rose to 109 on February 27th.

PRT Model Plan Trax Index +/-	PRT	PPA
12mo Hi-Lo %	+/- 5.20%	+/- 5.79%
YTD % Δ	-0.72%	-0.76%
3mos % Δ	-0.72%	-0.97%
1mo % Δ	1.44%	1.10%

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

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Where PRT Advice Matters Most

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Date	Immediate	+/-	High	+/-	Deferred	+/-	High	+/-
Feb	4.99%	+0.00	5.69%	+0.08	4.99%	+0.01	5.63%	-.01%