Milliman reports 1 basis point increase in Hedge Cost Index for VA and RILA in November.

The VA index stands at 121 basis points and the RILA index stands at 119 basis points.

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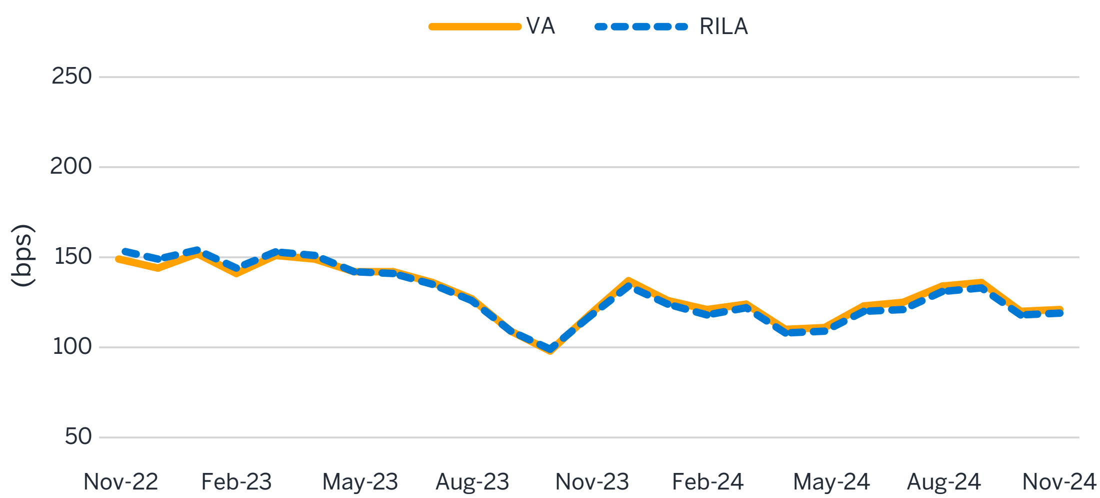
As of the end of November 2024, the expected hedge cost is estimated to be 121 bps for a hypothetical lifetime withdrawal benefit (GLWB) on variable annuities (VA) and 119 bps for registered index-linked annuities (RILA). This is up 1 basis point from the previous month, and was driven by a decrease in long-term interest rates. The Index Methodology[1] provides additional details about the assumptions and methodologies underlying the Milliman Hedge Cost Index™ (MHCI).

EXPECTED HEDGE COST



1 To view the Milliman Hedge Cost Index Methodology, go to: milliman.com/mhci-methodology/.

	EXPECTED HEDGE COST FOR VA (BPS OF GUARANTEED WITHDRAWAL BASE)		EXPECTED HEDGE COST FOR RILA (BPS OF GUARANTEED WITHDRAWAL BASE)	
DATE	EXPECTED HEDGE COST	CHANGE FROM PRIOR MONTH	EXPECTED HEDGE COST	CHANGE FROM PRIOR MONTH
11/29/22	149		154	
12/29/22	144	(5)	149	(5)
1/30/23	152	8	154	5
2/27/23	141	(11)	144	(10)
3/30/23	151	10	153	9
4/27/23	149	(2)	151	(2)
5/30/23	142	(7)	142	(9)
6/29/23	142	0	141	(1)
7/28/23	136	(6)	135	(6)
8/30/23	127	(9)	126	(9)
9/28/23	109	(18)	109	(17)
10/30/23	98	(11)	99	(10)
11/29/23	118	20	117	18
12/28/23	137	19	134	17
1/30/24	126	(11)	124	(10)
2/28/24	121	(5)	118	(6)
3/28/24	124	3	122	4
4/29/24	110	(14)	108	(14)
5/30/24	111	1	109	1
6/27/24	123	12	120	11
7/30/24	125	2	121	1
8/29/24	134	9	131	10
9/27/24	136	2	133	2
10/30/24	120	(16)	118	(15)
11/27/24	121	1	119	1

ABOUT THE MILLIMAN HEDGE COST INDEX

The Milliman Hedge Cost Index™ (MHCI) provides the estimated hedging cost for hypothetical guaranteed lifetime withdrawal benefit (GLWB) blocks, based on product specifications and modeling assumptions as described in the MHCI Methodology document. The expected hedge cost is calculated using product features for a generic GLWB in line with product designs common in the market. Likewise, the modeling assumptions are based on typical actuarial and behavioral assumptions widely used by annuity writers in the marketplace.

Milliman conducts annual reviews of the product features and assumptions underlying the MHCI and will implement updates to the assumptions as and when appropriate to keep pace with market trends and industry practice.

The variable annuity (VA) and registered index-linked annuities (RILAs) MHCI are calculated each month based on swap interest rates. In addition, the VA index assumes 50% of investment is in a fixed target volatility option and 50% is in traditional asset allocations that depend on the risk-adjusted Milliman Guaranteed Index (MGI) volatility assumption. The underlying product for the RILA MHCI assumes a one-year index term and annual point-to-point design on the S&P 500 index; the realized volatility assumption is also based on the risk-adjusted MGI. As a result, monthly changes in both VA and RILA expected hedge cost are primarily driven by movements in swap interest rates, with the RILA result slightly more sensitive to MGI movements. The VA index and the RILA index closely track each other over time.