

INSURANCE COMPANY RISK TRANSFER NOTICE
=====***UPDATE: [Short Name of Insurance Company] Will Deliver Your [Name of Employer] Pension Benefits*****Overview**

This notice is for employees who receive pension payments from [name of employer], or who will receive them in the future. [Name of employer] has transferred the pension payment obligation to [name of insurance company] to deliver your regular pension payments starting on [date], under a “group annuity contract.” This notice provides basic information about the change.

In brief:

- 1) The company that sends monthly payments will now be [name of insurance company].
- 2) The amount of money you receive will stay the same.
- 3) Your pension will no longer be guaranteed by the employer or the federal government; instead it is covered (up to certain coverage limits) by state life and health insurance guaranty associations.
- 4) If you have not retired yet, contact [name of person] at [employer name] and [name of person] at [insurance company] to make sure they have the correct information about you to calculate your payments – including your age, salary, date of hire, and any survivors benefit you and your spouse have chosen.

For more information about this change, you can contact:

[Employer to provide the primary contact at the employer and the insurance company, with name, title, email address, and phone number]

Frequently Asked Questions**What happens to my pension when it is transferred to an insurance company?**

Instead of receiving your pension annuity from your employer’s pension plan, your pension will be converted to an annuity paid by [name of the insurance company]. Like a pension provided by your employer’s plan, the annuity provided by [name of the insurance company] offers protection from the risk that you could run out of money before you and your spouse die.

Will the amount of my pension benefit change?

You will receive the same amount from the insurance company that you receive from your pension plan. If you are already receiving your pension, the amount of your benefit check paid to you by the insurance company will be the same as the pension you are currently receiving from the Plan.

If you have not yet retired, to ensure you receive everything you are owed you should:

- Make sure your employer and the insurance company have the correct information about you, including your dates of employment, salary history, and any survivor's benefits you and your spouse have chosen.
- Make sure that you have the most recent copy of your individual benefit statement from your employer, in case there is any discrepancy in how much monthly income you should receive once you start receiving your benefit.

Will my pension continue to be protected?

Yes, but your pension protections will change. Your benefits will no longer be protected by the assets in your employer's pension plan or by the federal pension insurance program, the Pension Benefit Guaranty Corporation. Instead insurance companies are regulated at the state level to make sure they have sufficient funds to pay their obligations. Additionally, state guaranty associations provide protection in the event that insurance companies fail.

What state level protection exists?

Every state, the District of Columbia, and Puerto Rico, has a Life and Health Insurance Guaranty Association, a nonprofit institution established to protect insurance policyholders who live in that state in the event that an insurance company becomes insolvent. All insurance companies licensed to write life and health insurance or annuities in a state participate in that state's Life and Health Insurance Guaranty Association. Policyholders will be covered by the Life and Health Insurance Guaranty Association in the state where the individual resides, assuming the insurance company is licensed in that state. If the insurance company is not licensed in the state where you reside, you should be covered by the guaranty association of the state of domicile of the insurance company. You can contact your state insurance department to find out if the insurance company paying your annuity is licensed to operate in your state. You can get more information about your state Life and Health Insurance Guaranty Association via links on the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) website www.nolhga.com.

What are the guarantee limits for an annuity from an insurance company?

Guarantee limits vary by state. Each state sets its own rules for claims. You can consult the NOLHGA website for more information. If the value of your benefit exceeds the amount protected by your state's Life and Health Guaranty Association, you can submit a claim for the excess in insolvency proceedings against the liquidated company. Your coverage would be based on the value of the future income stream of your annuity payments in today's dollars.

How can I assess the financial health of an insurance company?

Insurance companies file an annual report which is available on their websites. In addition, you should know that your employer has a fiduciary obligation under ERISA to consider the financial health of the insurance company which they select.

Where can I find more information?

[Employer to provide a contact at the employer as well as a contact at the insurance company, including contact names, titles, email addresses, and phone numbers.] For more detailed information, the 2015 Report of the ERISA Advisory Council on Risk Transfer Transactions, and the 2013 Report of the ERISA Advisory Council on Derisking Transactions are available to the public on the Council's website
http://www.dol.gov/ebsa/aboutebsa/erisa_advisory_council.html

