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Vice President and
Assistant General Counsel

Filed Electronically

September 8, 2008

Office of Regulations and Interpretations
Employee Benefits Security Administration
Attn: Participant Fee Disclosure Project
Room N-5655
U.S. Department of Labor
200 Constitution Avenue N.W.
Washington, D.C. 20210

Re: Fiduciary Requirements for Disclosure in Participant-Directed Individual Account Plans

Ladies and Gentlemen:

The Hartford Financial Services Group, Inc. (NYSE: HIG) (“The Hartford”) appreciates the opportunity to comment in response to the request by the Employee Benefits Security Administration (“EBSA”) for comments on proposed regulations under Section 404(a)(1)(A) and (B) of the Employee Retirement Income Security Act (“ERISA”), published at 73 Fed. Reg. 43014 (July 23, 2008) (“Proposed Regulations”), which would establish new requirements for the disclosure of plan investment and fee information to participants and beneficiaries of individual account plans subject to ERISA.

About The Hartford

Founded in 1810, The Hartford is one of the largest investment and insurance companies based in the United States, with offices in Japan, Brazil, Ireland, England, and the United States. With 31,000 employees and \$2.9 billion in net income in 2007, The Hartford was ranked 82nd on the 2007 Fortune 100 list. The Hartford is a leading provider of investment products – annuities, mutual funds, college savings plans – as well as life insurance, group and employee benefits, automobile and homeowners’ insurance, and business insurance. The Hartford serves millions of customers worldwide – including individuals, institutions, and businesses – through independent

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agents and brokers, financial institutions, and online services. About 11,000 independent agencies and more than 100,000 registered broker/dealers sell The Hartford's trusted products. After nearly 200 years in business, The Hartford is known for its financial strength and stability, superior customer service, and continued operational excellence.

The Hartford's retirement plans business is a recognized industry leading service provider, offering 401(k) plans for corporate customers, 457 plans for government entities, and 403(b) plans for education, healthcare, and other not-for-profit providers. Serving over 28,770 plans and over 1.6 million participants, total assets under management as of June 30, 2008 were \$53.1 billion.

General Comments

The Hartford commends EBSA and the Department of Labor ("DOL") for their efforts to improve the quality of the information provided to retirement plan participants. Effective disclosure should enable plan participants to better understand their options and choose the investments best suited to their circumstances. In developing the Proposed Regulations, EBSA has recognized that the quality of disclosure is more important than the quantity of disclosure, and that fees are only one of the many factors that are important for plan participants to understand.

At The Hartford, we already strive to provide effective disclosure for our retirement plan products. Plan fiduciaries and participants can find information about the fees and expenses associated with their Hartford retirement program, as well as other important information, in the written materials we provide to them periodically and on our retirement Web site.

The Hartford is a member of the American Council of Life Insurers ("ACLI"). We participated in the preparation of ACLI's comment letter and want to express our support for ACLI's comments and recommendations. In addition, we respectfully offer the following comments to assist EBSA in refining and clarifying the Proposed Regulations.

1. Electronic Disclosure

Under the DOL's existing electronic delivery rules, plan fiduciaries are required to obtain the consent of participants in order to provide required disclosures using electronic means. We understand that the DOL is currently undertaking to review and update its existing electronic delivery rules. However, the Proposed Regulations may be finalized before the DOL is able to complete that process. Accordingly, we urge EBSA to modify the Proposed Regulations to allow plan fiduciaries to satisfy their disclosure obligations by making materials available electronically unless participants 'opt out' of electronic delivery.

The Internet is a powerful tool that enables plan fiduciaries and their service providers to provide participants and beneficiaries with important information about their accounts and investment options in a manner that makes it easy to compare investment options and is customized to the participants' appetite by providing a basic level of information needed to make investment decisions with the ability to 'click-through' to obtain more detailed information. Such flexibility simply cannot be achieved with paper disclosures. In addition, electronic delivery of information is far more cost-effective than paper delivery from both a production and transmittal standpoint.

To implement this change, we recommend that EBSA follow the approach taken with regard to the recently adopted rules regarding qualified default investment alternatives, which allowed plan fiduciaries to comply with either the DOL's electronic disclosure rules under DOL Reg. Sect. 2520.104b-1, or the IRS's disclosure rules under Treas. Reg. Sect. 1.401(a)-21.

2. Disclosure Requirements for Insurance Products

The Proposed Regulations would require that plan fiduciaries provide participants with a comparative chart with performance and benchmark information about the designated investment alternatives offered under the plan. While this approach would work very well for many investment options, there are numerous insurance products that can not be accurately described in a tabular format. In addition, we are concerned with the practical challenges that may result from having to provide performance data and benchmarking for the wide range of group annuity products that are not registered with the Securities and Exchange Commission ("SEC") calculated in the same manner required under SEC rules for registered products.

As an example of another type of insurance product that would not fit within the comparative chart, The Hartford offers a product known as Hartford Lifetime Income, which is a fixed income annuity product that guarantees \$10 of monthly retirement income starting at age 65 for each share purchased. We have attached to this comment letter a copy of the product summary for Hartford Lifetime Income, along with a document prepared by an independent pension fiduciary, Matthew D. Hutcheson, and an ERISA attorney, Linda A. Ursin, to assist plan fiduciaries in evaluating whether to include this product in their plans.

Fixed retirement income products such as Hartford Lifetime Income provide guaranteed income annuity benefits and have no annual fees. For Hartford Lifetime Income, the initial premium, used to purchase the retirement annuity, covers all risks and costs associated with providing the guaranteed monthly annuity income. Unlike mutual funds and similar investments, there are no fees or charges to be included in a chart.

Similarly, the performance data and benchmarks that would have to be disclosed under the Proposed Regulations are not relevant in the context of such products, and could be misleading. In the case of Hartford Lifetime Income, for example, the annual rate of return a participant will receive is heavily dependent on the individual mortality of the participant and any beneficiary. The longer a participant lives, the higher his or her annual rate of return will be. This concept could not be readily displayed in the comparative chart included in the Proposed Regulations, but could potentially be displayed in a standardized chart designed specifically for insurance products.

Accordingly, we urge EBSA to modify the disclosure requirements in the Proposed Regulations as they relate to insurance products that include meaningful income or similar insurance-type guarantees. In order to avoid potentially misleading disclosure, plan fiduciaries should provide information about these products in a narrative disclosure that describes how product expenses and related assumptions are managed for that product, how the income benefit is received, and how the rate of return is dependent on how long the participant lives. This narrative would need to be developed largely on a product by product basis, so as to accurately reflect each particular product's features. For example, in-plan variable payout annuities can operate very differently

from fixed payout annuities. In addition, we encourage EBSA to develop a standardized chart specifically designed to show rates of return for these kinds of products that plan fiduciaries could use to supplement this narrative disclosure.

3. Disclosure of Administrative Expenses

The Proposed Regulations would require annual disclosure of an explanation of any fees and expenses for plan administrative services and the basis on which such charges will be allocated to or affect the balance of individual accounts. To avoid any uncertainty, we request that EBSA modify the Proposed Regulations to clarify that this requirement can be satisfied by disclosing the aggregate amount of all administrative expenses together with a list of the various components that comprise such expenses, and that plan fiduciaries would not be required to disclose the allocation of such expenses among the components.

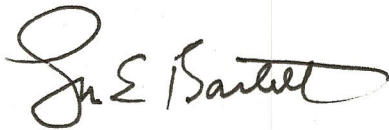
4. Effective Date

The Proposed Regulations would be effective for plan years beginning on or after January 1, 2009. While we can certainly appreciate EBSA's sense of urgency, we do not believe that this is a practical timeframe for plan fiduciaries and plan service providers to develop and implement the systems changes needed to comply with the Proposed Regulations. We strongly urge EBSA to extend the effective date for at least one year, so that the Proposed Regulations would be effective for plan years beginning on or after January 1, 2010.

* * * *

We appreciate the opportunity to provide these comments.

Very truly yours,



Thomas E. Bartell

Attachments

Attachments

1. Hartford Lifetime Income Product Summary
2. Hartford Lifetime Income Fiduciary Information

The Hartford Lifetime IncomeSM

Product Summary





This Product Summary is intended to provide a detailed description of The Hartford Lifetime IncomeSM investment option. You should read this disclosure document before you purchase Hartford Lifetime Income shares. Please refer to the glossary on page seventeen for certain terms used in this disclosure document.

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HARTFORD LIFETIME INCOME AT A GLANCE

Overview

Hartford Lifetime Income is an investment option within your employer-sponsored retirement plan that provides guaranteed lifetime income.

You may invest in Hartford Lifetime Income as you would in any other investment option within your retirement plan – through:

- » periodic payroll contributions
- » transfers from other investment options within your plan account
- » by rolling over savings from other retirement plan accounts

Your contributions to Hartford Lifetime Income buy partial or full income shares. Each income share provides you with \$10 of guaranteed monthly retirement income, beginning at age 65.¹ You have the flexibility to start your income earlier or later than age 65, subject to plan rules, but no later than age 70. Should you start your income earlier or later than age 65, your income amount will be adjusted accordingly.

Hartford Lifetime Income is a fixed deferred annuity provided through a group annuity contract (the “Contract”) issued by Hartford Life Insurance Company (“Hartford Life”) in conjunction with your employer’s retirement plan.

Investment Objective

To provide you with a stream of fixed retirement income payments that are guaranteed for life by Hartford Life.

Benefits

Hartford Lifetime Income provides you with many benefits:

- » You know exactly how much guaranteed lifetime income you are going to have at retirement. This helps simplify retirement income planning.
- » Hartford Lifetime Income can be purchased in regular amounts over time at different prices – this process, known as dollar cost averaging, helps manage pricing risks.
- » Hartford Lifetime Income provides the flexibility to cash out income shares before retirement income starts.
- » You will have a monthly retirement income stream that is not subject to market volatility and helps protect against outliving your assets.
- » You choose your payment option when you are ready to receive your income.
- » You can choose lifetime income to cover both you and your spouse.
- » Upon your death, your net contributions² will be returned to your beneficiary minus any income payments made to you (in certain circumstances, your beneficiary may opt to receive lifetime income).

¹ The guarantees of Hartford Lifetime Income are based upon the claims-paying ability of Hartford Life.

² The money you contributed to purchase your income shares, reduced by any cash-outs you take and any income payments you receive.

Who might want to invest in Hartford Lifetime Income

Hartford Lifetime Income may be appropriate for you if you:

- » Want the assurance of guaranteed monthly retirement income.
- » Seek protection against outliving your retirement savings.
- » Need to supplement Social Security and employer pension income.
- » Want to have enough income in retirement from predictable sources to cover essential expenses such as housing, food, clothing and healthcare.
- » Are interested in balancing an aggressive portfolio with an investment that seeks to provide guaranteed income.

How contributions are invested

Contributions to Hartford Lifetime Income are invested in the general account of Hartford Life. Hartford Life's general account is invested in a diversified portfolio that consists primarily of investment grade debt securities, including corporate bonds, government bonds, mortgage-backed securities and other asset-backed securities. You do not participate in the investment results of Hartford Life's general account.

Principal risks

There are certain risks associated with investing in Hartford Lifetime Income, primarily:

- » Mortality risk – the risk that you will not live long enough to receive retirement income for a substantial period of time. The longer you live from your income start date, the more monthly income you will receive from Hartford Lifetime Income. However, regardless of when you die, you or your beneficiary will always receive back at least your contributions (minus any cash-outs or income payments).
- » Inflation risk – the risk that your fixed retirement income payments will not keep pace with annual cost of living expenses.
- » Credit risk – the risk that Hartford Life may not be able to honor its commitment to you.
- » Interest rate risk – the risk that you cash out income shares when income share prices are lower than when they were originally purchased.

See the "Risks of This Investment Option" section for a more detailed discussion of these risks.

IS THIS INVESTMENT OPTION RIGHT FOR YOU?

When planning for a secure retirement, having predictable income sources to cover essential expenses is an important consideration. Essential expenses include housing, food, clothing, and healthcare.

Hartford Lifetime Income can supplement your other sources of guaranteed income in retirement, such as that from Social Security or an employer pension, in order to help meet your essential expenses. Therefore, it's important for you to compare your projected essential expenses with your sources of retirement income. If there is an expense gap, Hartford Lifetime Income can be used to help close that gap. It is designed to be one part of your overall retirement income plan.

There are unique features of Hartford Lifetime Income that you should consider before deciding to invest. Hartford Lifetime Income is an annuity and not a mutual fund. As such, its primary purpose is to provide future guaranteed retirement income versus asset accumulation. In other words, when you invest in Hartford Lifetime Income, your goal is to secure a future monthly income stream.

Before deciding to invest, you should also understand the risks and how Hartford Lifetime Income might fit within your financial goals. Hartford Lifetime Income may NOT be appropriate if:

- » **You are seeking a short-term investment**
- » **Your health is seriously impaired, reducing your life expectancy (compared to others your age)**
- » **You anticipate needing your retirement savings prior to retirement**
- » **You already possess sufficient pension income**

HOW HARTFORD LIFETIME INCOME WORKS

There are two phases to Hartford Lifetime Income:

- 1) Accumulating income through your employer's retirement plan, and
- 2) Receiving income while in retirement

Retirement income will be paid out as a regular income stream over your lifetime.

Accumulating Retirement Income

As with any other retirement plan investment option, you may contribute to Hartford Lifetime Income in three ways:

- 1) Via payroll contributions
- 2) By transferring/exchanging money from other investment options within your plan account
- 3) By rolling over savings from other retirement plan accounts

You may start, stop and resume making contributions at any time (amounts subject to any IRS or plan limitations). Your contributions purchase partial or full income shares.

Each income share provides \$10 of monthly lifetime income starting at age 65. For example, if you acquired 100 income shares, your monthly income would be \$1,000 beginning at age 65 and guaranteed to last your lifetime.

Upon making a contribution to The Hartford Lifetime Income option, Hartford Life will provide you with a certificate that describes our guarantee to pay you an annuity benefit.

CERTIFICATE FOR GUARANTEED BENEFITS

Subject to the terms of its group annuity contract and of the plan named below (the "Plan"), Hartford Life Insurance Company ("Hartford Life") has made an irrevocable commitment to pay an annuity benefit to you. The annuity is surrenderable by you and may be subject to the vesting requirements of the Plan.

Additional information as to the current amount, form, commencement date and any other pertinent information regarding your coverage and your right to receive annuity benefits under the group annuity contract may be obtained by contacting the administrator or recordkeeper for the Plan.

All such information provided is subject to confirmation by Hartford Life.


PLAN NAME: [XYZ Company 401(k) Plan]

GROUP ANNUITY: [LIS-12345]

Signed for HARTFORD LIFE INSURANCE COMPANY by:

John C. Walters

Hartford Life Insurance Company
200 Hopmeadow Street
Simsbury, Connecticut 06089

 THE HARTFORD

Example:

The following hypothetical example illustrates the number of income shares purchased through ongoing payroll contributions directed to Hartford Lifetime Income beginning at different ages and made until age 65 when retirement income commences. (Income share prices are as of March 6, 2008 and are subject to change.)

Income Purchased by Contributions of \$100 per Month until Age 65

| Age Contributions Begin | Total Contributions* | Total Income Shares Purchased | Income Starting at Age 65 | | Total Income Received | | |
|-------------------------|----------------------|-------------------------------|---------------------------|----------|-----------------------|-----------------------|-----------------------|
| | | | Monthly | Annually | From Age 65 to Age 75 | From Age 65 to Age 85 | From Age 65 to Age 95 |
| 20 | \$54,000 | 183 | \$1,830 | \$21,960 | \$219,600 | \$439,200 | \$658,800 |
| 30 | \$42,000 | 98 | \$980 | \$11,760 | \$117,600 | \$235,200 | \$352,800 |
| 40 | \$30,000 | 49 | \$490 | \$5,880 | \$58,800 | \$117,600 | \$176,400 |
| 50 | \$18,000 | 21 | \$210 | \$2,520 | \$25,200 | \$50,400 | \$75,600 |

Here is another hypothetical example. The table below shows the number of income shares purchased by a one-time plan transfer/exchange of \$100,000 from a retirement savings plan investment option to Hartford Lifetime Income. (Income share prices are as of March 6, 2008 and are subject to change.)

Income Purchased by a \$100,000 Transfer

| Age Transfer/Exchange Made | Transfer Amount* | Total Income Shares Purchased | Income Starting at Age 65 | | Total Income Received | | |
|----------------------------|------------------|-------------------------------|---------------------------|----------|-----------------------|-----------------------|-----------------------|
| | | | Monthly | Annually | From Age 65 to Age 75 | From Age 65 to Age 85 | From Age 65 to Age 95 |
| 40 | \$100,000 | 302 | \$3,020 | \$36,240 | \$362,400 | \$724,800 | \$1,087,200 |
| 50 | \$100,000 | 169 | \$1,690 | \$20,280 | \$202,800 | \$405,600 | \$608,400 |
| 60 | \$100,000 | 92 | \$920 | \$11,040 | \$110,400 | \$220,800 | \$331,200 |

* At minimum, either you or your beneficiary is guaranteed to have your contributions returned (without interest).

Login to your plan account online to access the Hartford Lifetime Income Retirement Paycheck Calculator – an illustration tool to help you:

- » [Determine how many income shares your contributions are projected to purchase over time](#)
- » [Project how much to contribute and/or transfer to meet an income goal](#)

Receiving Your Retirement Income

While income share prices are based on income beginning at age 65, you may start your income earlier or later than age 65, subject to plan rules, but no later than age 70. Your monthly retirement income will be reduced if you start earlier and increased if you start later.

When your income starts, you may choose lifetime coverage for your spouse in addition to yourself. This election will reduce your monthly income because payments are spread over the lives of both you and your spouse.

Initiating your retirement income payments is a simple, three-step process:

1. Contact your plan administrator to initiate your Hartford Lifetime Income payments. Upon approval of your request, you will receive an income share certificate from Hartford Life. The income share certificate is your statement of the income shares you own and reflects the guaranteed income you have purchased. This distribution of an income share certificate to you by the plan is a nontaxable event.

Please note: If you have fewer than 5 income shares, Hartford Life may pay you less frequently than monthly or return to you the greater of your contributions (minus any cash-outs of income shares) or the cash-out value of your income shares (see “Cash-Out Value” section).

2. After you have received your income share certificate, contact Hartford Life to determine when you wish to receive your income payments. Hartford Life will provide you with a quote based on the number of income shares you own, your chosen income start date and the form of payments available to you. These include single life and joint and survivor options (described on page 7).

Group Annuity Income Share Certificate
Hartford Life Insurance Company (a Stock Insurance Company)

This benefit certificate summarizes the terms of the Hartford Lifetime Income Shares you purchased through the Plan listed below. Our obligation to you is defined solely by the terms contained in this certificate and the Group Contract listed below.

The terms “we,” “us” and “our” mean Hartford Life Insurance Company. “You” or “your” means the Annuitant named below. This certificate replaces any certificate previously issued to you under the Certificate Number shown below.

Please notify us if your address changes. This will help us to ensure that you receive important communications on time.

| | | |
|--|--|--|
| Annuitant (Last, First) | Date of Birth (DD/MM/YYYY) | Gender (male/female) |
| Certificate Number (99999-005) | Certificate Effective Date (August 1, 2009) | Certificate Issue Date (August 22, 2009) |
| Assumed Income Start Date (February 1, 2015) | Monthly Income at Assumed Income Start Date (\$1200) | |
| Assumed Form of Annuity (Single Life Annuity with Cash Refund) | Number of Income Shares Owned (120) | |
| Cash Refund (\$12,000) | | |
| Group Contract (LS-12345) | Plan Name (XYZ Company Incentive Savings Plan) | |

Richard G. Canella, Secretary *John C. Walker, President*

Deferred Annuity
HL-19944



- After you review your quote and provide Hartford Life with your payment selection, you will receive a certificate summarizing your payment selection and your monthly income payments will begin.

Single Life Income Option with Cash Refund

The single life income option provides you with monthly income payments for the rest of your life. If you die before receiving income equal to your net contributions to Hartford Lifetime Income, your beneficiary will receive a lump sum payment of your remaining net contributions* – referred to as the cash refund death benefit. See “If You Die Before Retirement Payments Begin” under “Benefits Available to Your Beneficiary” for more information.

This option provides the maximum monthly payment you can receive because it applies only to your lifetime. If you are married, your spouse’s notarized consent is necessary to elect this payment option. Please note that if your spouse outlives you, monthly income under this option does not continue.

Joint and Survivor Income Options with Cash Refund

The joint and survivor income options provide monthly income payments for the rest of your life and the life of your spouse. You can elect to have 50%, 75%, or 100% of your monthly income paid to your spouse after your death. If your spouse is still living when you die, the survivor income payments are paid over his or her lifetime.

For example, if you elect the 50% joint and survivor option and receive \$1,000 in monthly income while you are alive, upon your death, the monthly income payment will be reduced by 50% to \$500 and paid over the remainder of your spouse’s life. If your spouse dies before you, your monthly retirement income payments continue to be \$1,000 a month. If you both die before receiving all your net contributions* as income, your beneficiary will receive a lump sum payment of your remaining net contributions – referred to as a cash refund death benefit.

Note that the election of a joint and survivor income option will result in a lower starting monthly retirement income amount when compared to the single life option.

* The money you contributed to purchase your income shares, reduced both by any cash-outs you take and any income payments you receive.

Group Annuity Certificate
Hartford Life Insurance Company (a Stock Insurance Company)
[Joint and Survivor Annuity with Cash Refund]

This certificate summarizes the terms of your Hartford Lifetime Income Annuity to be paid beginning on the Income Start Date. Our obligation to you is defined solely by the terms contained in this certificate and the Group Contract listed below.

Under the Joint and Survivor Annuity with Cash Refund, we make income payments to you for your lifetime. After your death, we make income payments to your Joint Annuitant for your Joint Annuitant's lifetime. If the sum of all income payments does not equal or exceed the Cash Refund after the death of both you and your Joint Annuitant, the excess will be paid to a beneficiary as a Death Benefit.


The terms "we," "us" and "our" mean Hartford Life Insurance Company. "You" or "your" means the Annuitant named below. This certificate replaces any certificate previously issued to you under the Certificate Number shown below.

| | | |
|--|--|--|
| Annuitant [John Doe] | Date of Birth [01/10/1950] | Gender [male] |
| Joint Annuitant [Jane Doe] | Date of Birth [08/20/1952] | Gender [female] |
| Group Contract [LS-12345] | Certificate Number [99999-010] | Certificate Issue Date [July 20, 2015] |
| Plan Name [012 Company Incentive Savings Plan] | | |
| Income Start Date [August 1, 2010] | Cash Refund [\$20,000] | Frequency [Monthly] |

The amount of each income payment, determined by the payee who is eligible to receive it, is shown in the table below.

| | |
|--|---|
| If the payee is [John Doe] [John Doe] | Each income payment is [\$1,054] [\$527] |
|--|---|

Richard G. Costello *Jill C. Walker*
Richard G. Costello, Secretary Jill C. Walker, President

HL-19944 

Fixed Cost-of-Living Increases

You may include an annual fixed percentage increase between 1% - 6% to your single life or joint and survivor income payment selection. If elected, your payment will increase annually as of the anniversary of the actual starting date of your income payment stream.

Whichever your income selection, after you begin receiving your retirement income, you may not change your payment option. You also can no longer cash out your income shares after income payments begin.

Login to your plan account online to access the Hartford Lifetime Income Retirement Paycheck Calculator – an illustration tool to help you:

- » [View your different retirement income options](#)
- » [Project your income payments based on the number of income shares you have accumulated](#)

HOW ARE INCOME SHARE PRICES DETERMINED?

Pricing Factors

Income share prices for Hartford Lifetime Income are updated daily and reflect current interest rates and age:

- » **Age:** As you get older, the cost to purchase a new income share increases. For purposes of determining income share prices at your current age, your age is defined as your age on December 31st of the current calendar year.
- » **Interest rates:** When interest rates are high, your contributions will purchase more income shares because the per-share cost is reduced. Alternatively, when interest rates fall and income share prices are higher, your contributions purchase fewer income shares (refer to the “Interest Rate Risks” section for more information). This risk can be reduced by systematically purchasing income shares over time as interest rates fluctuate – a strategy called “dollar cost averaging.” Please note that dollar cost averaging does not guarantee a higher income payment stream.

Income payments from Hartford Lifetime Income do not vary (unless you elect the inflation protection feature by which your monthly income increases each year by 1-6%). Each income share you purchase has the same guaranteed lifetime monthly income – one income share provides \$10 per month of income for life beginning at age 65. Once your monthly income amount has been adjusted for your actual income start date and benefit form, your payment settings are fixed for life.

Fees

Income share prices include all insurance charges and expenses, inclusive of the guaranteed income, investment management fee, and operating expenses. There are no additional fees deducted from your purchase amount*.

However, if any of your plan’s expenses are paid out of employee accounts, a portion of your income shares may be cashed out to pay plan administration expenses, just like any other plan investment. Please refer to your plan descriptions for details on how plan costs are handled.

* On NetBenefits, you may see a reference to an “annuity fee.” This refers to the reduction applied when you elect to cash out your income shares. See page 10 of this product summary for an explanation of how the liquidation adjustment is calculated.

ADDITIONAL PRODUCT DETAILS

Income Share Value

Your Hartford Lifetime Income shares have an Income Share Value which represents the current purchase value of your guaranteed income benefit. In other words, the Income Share Value is what it would cost you to purchase the current income shares you own. This value is reflected as your account balance within your retirement plan account. It is based on the income shares you own multiplied by the current income share price (the “purchase” price) based on your year of birth.

Cash-Out Value

Hartford Lifetime Income is a long-term investment designed to maximize the level of guaranteed monthly income payments. However, you may cash out your income shares before your retirement income starts. This flexibility is important should there be a change in your personal financial situation, your income needs or for any unforeseen need to access your retirement savings prior to retirement.

If you do choose to cash out any income shares, a “cash-out value” formula is applied to the value of your shares. Here’s how it works. Hartford Life has agreed with the plan to buy back each income share you choose to cash out at a price (the “sell price”) that is equal to 96% of the *current* purchase price Hartford Life would charge you, at your current age, for a new income share. This is the cash-out value. Each income share you choose to cash out reduces your future guaranteed income.

For example, if the current income share purchase price is \$500 based on your current age, the sell price would be \$480 ($\$500 \times 96\%$). If you owned 100 income shares and chose to cash out all of them, you would receive \$48,000 ($100 \text{ income shares} \times \480).

The cash-out value may be more or less than the amount you contributed, depending on how long you have owned your income shares and changes in interest rates. Generally, in a stable interest rate environment, the cash-out value will increase the longer income shares are held. Please see the “Interest Rate Risk” section for additional cash-out examples.

After you have received your income share certificate, you still have the option to cash out your income shares in lieu of receiving retirement income payments. You can choose to have the lump sum proceeds paid directly to you or rolled over to a retirement savings account, such as an IRA. A lump sum paid to you would generally be subject to income tax, including a 10% penalty tax if you are under age 59½. A rollover of your lump sum to another retirement savings account allows you to continue to postpone taxation of your retirement savings until it is paid to you.

After income payments start, cash-outs are not permitted.

Please note that while income shares have a cash-out value, this is not the primary benefit of Hartford Lifetime Income. The primary purpose of Hartford Lifetime Income is to provide a guaranteed retirement income.

Benefits Available to Your Spouse or Other Beneficiary

The benefits available to your spouse or other beneficiary are determined as follows:

If You Die Before Retirement Income Payments Begin

If the beneficiary is your spouse or another individual, such as your child, he or she is eligible to receive inherited income shares provided the total net contributions (your contributions minus any cash-outs) for each beneficiary is \$5,000 or greater. If you have both a designated Roth account and non-Roth account, each account must satisfy this requirement.

The inherited income shares are based on the income shares you own and are adjusted for the difference in ages between you and your beneficiary. For example, if he or she is younger than you, your beneficiary will receive more income shares; if older, fewer. Income from inherited income shares will be paid out to your beneficiary in the form of a single life annuity over his or her lifetime.

In lieu of receiving inherited income shares, your beneficiary may elect to receive the net contributions as a lump sum payment. If you elected a beneficiary that is not an individual, such as your estate or a trust, it will receive the net contributions.

Example:

Assume you contributed \$80,000 over a 15-year period to Hartford Lifetime Income, never cashed out any income shares and did not initiate income payments. Also assume you have an accumulated total of 100 income shares when you die at age 60. Your spouse is your beneficiary and he or she can either receive the income shares or elect to take the net contributions. Assume your spouse is age 57. (Income prices are as of March 6, 2008.)

Your spouse's choice would be either:

- A) To convert 100 income shares to 121.405 income shares, which would provide him or her with \$1,214.05 of monthly income for life at age 65. The inherited income shares have a cash refund death benefit of \$80,000. If your spouse dies before receiving a total income payment amount of \$80,000, the difference will be paid to your spouse's beneficiary. There is no cash-out value for inherited shares.
- B) Receive a lump sum amount of \$80,000, equal to the net contributions.

Your beneficiary will receive a notice with available options.

Note: If permitted by your plan, your beneficiary may be eligible to purchase new income shares with his or her inherited plan assets. Income shares are purchased using the beneficiary's current age and can only be taken in the form of a single life income option. Unlike inherited income shares, income shares your beneficiary purchases have a cash-out value.

If You Die After Retirement Income Payments Begin

Your beneficiary will receive a lump sum payment of any remaining net contributions that have not already been paid to you or your spouse, if applicable – referred to as the cash refund death benefit.

RISKS OF THIS INVESTMENT OPTION

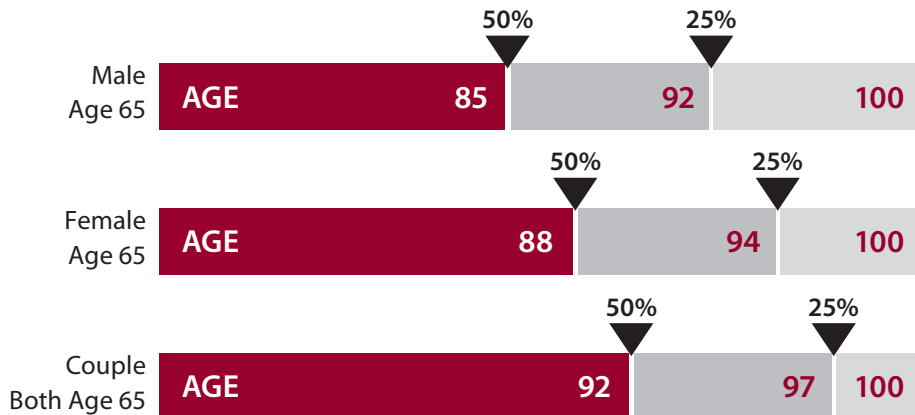
All investments involve some risks. You should read this section carefully to understand the risks associated with this investment option.

The primary purpose of Hartford Lifetime Income is to provide you with a guaranteed retirement income stream that you cannot outlive. It should be viewed as a long-term investment. Several types of risks may affect your investment as summarized below.

Mortality Risk

The risk that you will die prior to retirement or during the first few years immediately following your retirement income start date. Mortality risk is limited, as Hartford Life will pay your beneficiary a cash death benefit or, in certain circumstances, an adjusted income benefit. For example, if you die at a relatively young age, your beneficiary will receive what you contributed to Hartford Lifetime Income (minus any cash-outs or income payments). Should you live beyond the normal life expectancy, you may get back substantially more than what you contributed to Hartford Lifetime Income.

The table below shows the chance of living beyond certain ages. For example, a male age 65 has a 50% chance of living beyond age 85 while a female has a 50% chance of living beyond age 88.



Source: Society of Actuaries Annuity 2000 Mortality Tables

Inflation Risk

The risk that the purchasing power of your fixed income payments will decrease as inflation increases the cost of living expenses.

Credit Risk

The risk that Hartford Life may not be able to honor its commitment. As of April 2008, Hartford Life was rated A+ by A.M. Best (“Superior”), AA by Fitch (“Very High”), Aa3 by Moody’s (“Excellent”), and AA- by Standard & Poor’s (“Very Strong”). Ratings are subject to change. The ratings apply to the company and not to any specific product. Hartford Life maintains capital and statutory reserves intended to be more than sufficient to enable it to honor its commitments to customers.

Interest Rate Risk

The risk that you cash out all or a portion of your income shares after income share prices have come down due to an increase in interest rates. If you elect to cash out your income shares, you may have a gain or loss in value when you sell them. The cash-out value of the income shares you sell is computed using the current income share sell price at your age when the cash-out is made multiplied by the number of income shares cashed out.

If interest rates have increased since you purchased your income shares, it is possible that the cash-out value will be less than the income share prices you paid. The risk is reduced if your age has increased since the time you purchased your income shares.

Example:

Assume at age 45, you buy five income shares at \$427 per share for \$2,135. If you elect to cash out your five income shares at age 55, your cash-out value can vary significantly. This variability depends primarily on the interest rate levels when you cash out. The following chart illustrates how this value can vary. As indicated, the key is the difference between interest rates when you purchased your income shares and interest rates when you cashed them out.

| Difference in Interest Rates | Age 55 Income Share Price* | Age 55 Cash-Out Value (Income Share Price x 96%) x 5 Shares |
|------------------------------|----------------------------|---|
| -4% | \$1,817 | \$8,722 |
| -2% | \$1,169 | \$5,611 |
| +0% | \$794 | \$3,811 |
| +2% | \$559 | \$2,683 |
| +4% | \$404 | \$1,939 |

* Income share prices are as of March 6, 2008.

OTHER IMPORTANT INFORMATION

Required Minimum Distributions

Income shares are subject to IRS required minimum distribution rules. A delay in starting up your income payments after age 70 may subject you to a tax penalty of 50% of the amount of the delayed distributions.

Likewise, inherited income shares are also subject to IRS minimum required distribution rules and your retirement plan rules. Following are the rules when your beneficiary must begin his or her income payments.

- » **Spouse Beneficiary:** Income payments may begin earlier or later than age 65, but no later than the date on which you would have turned age 70.
- » **Non-Spouse Beneficiary:** Income payments must begin by December 1st of the year following your death.

Actuarial Adjustment Factors

Hartford Life uses certain actuarial adjustment factors to:

- » **Adjust for income payment for start dates other than age 65**
- » **Compute the income reduction for joint and survivor income options**
- » **Adjust the income amounts for cost of living options**
- » **Adjust the income amounts on inherited income shares for any age difference between you and your beneficiary**

The actuarial adjustment factors are not guaranteed and are subject to change by Hartford Life.

Taxes

The income shares you accumulate within your employer's plan are not taxable while held in the plan. If you cash out a portion or all of your income shares while they are held within your employer's retirement plan, the proceeds will be directed to another investment within the plan.

Distributing your income shares out of the plan is not a taxable event. However, once you initiate your retirement income payments or cash out income shares, the taxable portion of your distribution will be subject to ordinary income taxes. If you choose to cash out income shares in lieu of retirement income payments, the taxable portion of your lump sum distribution is subject to 20% Federal withholding. If you are under age 59½, you may be subject to a 10% early withdrawal tax penalty as well.

This is written in connection with the promotion or marketing of the matters addressed in this material. The information cannot be used or relied upon for the purpose of avoiding IRS penalties. These materials are not intended to provide tax, accounting or legal advice. As with all matters of a tax or legal nature, you should consult your own tax or legal counsel for advice.

Payments Made by Hartford Life

Hartford Life may pay administrative service fees, expense reimbursements and additional compensation or payments (sometimes referred to as “revenue sharing” payments) to certain plan recordkeepers, transfer agents and similar service providers, in conjunction with the installation and maintenance of Hartford Lifetime Income shares on their service platforms. Hartford Life may also pay sales compensation to certain licensed sales agents. Any of these fees and payments may include asset-based compensation or fees. These payments are factored into the price of each income share.

Application of Plan Rules

While Hartford Lifetime Income shares are in the plan, they are subject to the plan’s rules. Plan rules may require the liquidation of income shares for certain transactions (i.e., fees, vesting forfeitures, correction of excess contributions, etc.). Plan rules may also limit your ability to purchase income shares.

ABOUT HARTFORD LIFE

Hartford Life Insurance Company

Hartford Life is a life insurance company engaged in the business of writing life insurance and annuities, both individual and group, in all states of the United States, as well as the District of Columbia. Our offices are located in Simsbury, Connecticut; however, our mailing address is P.O. Box 2999, Hartford, CT 06104-2999. We are ultimately controlled by The Hartford Financial Services Group, Inc., one of the largest financial service providers in the United States with over \$426.8 billion in assets under management as of December 31, 2007.

Hartford Lifetime Income benefits are provided by a group annuity contract issued by Hartford Life Insurance Company under the form number (HL-19933) countrywide. State-specific variations will have the state's initials after the form number.

"The Hartford" is The Hartford Financial Services Group, Inc. and its subsidiaries, including the issuing company, Hartford Life Insurance Company.

GLOSSARY

Annuity: The lifetime income payments and any related benefits that are provided to you by purchasing income shares.

Beneficiary: A person who is entitled to receive the eligible benefit option upon your death.

Cash-Out Value: The liquidation value of an income share. It is the amount Hartford Life has agreed to pay under the Contract, if you elect to cash out some or all of your income shares. It is at a price (the “sell price”) that is equal to 96% of the current purchase price Hartford Life would charge you, at your current age, for a new income share.

Cash Refund Death Benefit: A kind of death benefit equal to the dollar amount contributed to purchase your income shares minus any cash-outs you take and any income payments you or your joint annuitant receive.

Hartford Life or Hartford Life Insurance Company: Hartford Lifetime Income is issued by Hartford Life Insurance Company, a part of The Hartford Financial Services Group, Inc. – one of the largest investment and insurance companies in America.

Income Share Certificate: Upon your election to distribute your income shares out of the plan, Hartford Life will issue an income share certificate to you. The certificate is your statement of Hartford Lifetime Income shares you own and reflects the guaranteed income Hartford Life has promised to pay you.

Income Share: A measure of the annuity purchased on your life. Each income share represents a \$10

monthly annuity payable for life with a cash refund death benefit, starting at age 65.

Income Share Value: The current purchase value of your guaranteed income benefit. The income share value is what it would cost you to purchase the current income shares you own. This value is reflected as your account balance within your retirement plan account. It is based on the income shares you own multiplied by the current income share price (the “purchase” price) based on your year of birth.

Income Start Date: The date retirement income payments begin. Income starts on the first day of the month you choose. The income start date must either be before or on January 1 of the year in which you attain age 70.

Inherited Income Shares: This represents an alternative death benefit option available to your beneficiary if you die prior to commencing your retirement income payments. The income shares your beneficiary would receive are based on the number of income shares you have accumulated and adjusted for the difference in ages between you and your beneficiary. Inherited income shares have no cash-out value and must be taken as a single life income with cash refund.

Net Contributions: The dollar amount contributed to purchase your income shares, reduced both by any cash-outs you take and any income payments you or your joint annuitant receive. Net contributions are carried over to inherited shares for the purpose of determining the cash refund death benefit payable to the beneficiary’s beneficiary.



THE HARTFORD LIFETIME INCOMESM

Fiduciary Information



INDEPENDENT FIDUCIARY ASSISTANCE

Many plan sponsors are interested in providing retirement benefits to address longevity for participants and are asking questions about new “guaranteed” sources of income and their appropriateness for their plan. The Hartford is committed to responsible product design and ensuring that information is presented in an understandable way to its customers.

As part of The Hartford’s commitment to providing information to enable fiduciary decisions, The Hartford engaged Independent Fiduciary Matt Hutcheson and Attorney Linda Ursin to review The Hartford Lifetime IncomeSM product in the correct light and context of a fiduciary or plan sponsor. They have authored this document based on their experience in plan design and fiduciary responsibilities so that you may properly investigate and ask the appropriate due diligence questions necessary to fulfill your fiduciary obligations.



Matthew D. Hutcheson is an Independent Pension Fiduciary that is well recognized and trusted in the world of finance, economics, and retirement plans. He is a Congressional Expert and is recognized around the globe as a dedicated advocate of investor and plan participant rights. Mr. Hutcheson is regularly quoted in newspapers and magazines and, following his testimony to Congress and other Federal Regulators, has been seen on Bloomberg Television, CNN, C-SPAN and FOX NEWS.

Hutcheson is acclaimed for his efforts to protect the retirement income security of American workers and for his work in developing practical methodologies that help fiduciaries uphold duties of care and loyalty to the participants in their retirement plans. Hutcheson is also a member of the American Society of Pension Professionals and Actuaries and is a Certified Pension Consultant and an Accredited Investment Fiduciary Analyst®.



Linda A. Ursin J.D., CLU is highly regarded in the field of Employee Benefits Law, particularly with respect to plan compliance. She has a unique mix of legal, plan administration, and actuarial skills. Her experience spans more than 25 years, providing practical solutions to complex matters related to qualified retirement plans (including traditional defined benefit plans, cash balance plans and 401(k) plans), 403(b) tax deferred annuities, 457 deferred compensation plans, and nonqualified deferred compensation plans. Throughout her career, Ms. Ursin had provided ERISA compliance support to plan fiduciaries to help them minimize exposure to regulatory sanctions and employee disputes.

Attorney Ursin is admitted to practice in Connecticut and is an active member of the Connecticut Bar Association, Hartford County Bar Association, Middlesex County Bar Association, Tolland County Bar Association, Middlesex County Chamber of Commerce (Legislative Committee) and the Association of Divorce Financial Planners.

Note: This document is a resource and should not be the sole source of information for reaching an investment decision. It should be used in conjunction with The Hartford Lifetime IncomeSM Product Summary as well as other information fiduciaries should gather as part of their due diligence process.

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INTRODUCTION

As a fiduciary under the Employee Retirement Income Security Act of 1974 (“ERISA”), you have a duty to investigate the purpose, merits and quality of financial products that you choose to offer under your Plan. It is essential that you document the deliberative process used to determine if current investment plan options are prudent.

As a general rule, fiduciaries are judged on the due diligence process that is followed in the evaluation of investment vehicles, as well as the ongoing monitoring and oversight process. This document will help you understand and ask the right questions to help you evaluate The Hartford Lifetime IncomeSM product and its intended use and purpose. It will also provide you with information that can help you document your fiduciary duty of due diligence in selecting investment options.

FINANCIAL STRENGTH OF THE HARTFORD¹

As a fiduciary, you are required to investigate the merits of any financial instrument that you are considering for any plan(s) where you have a fiduciary responsibility. An important prerequisite to reviewing the specific merits of a particular financial product is to first review the company behind that product.

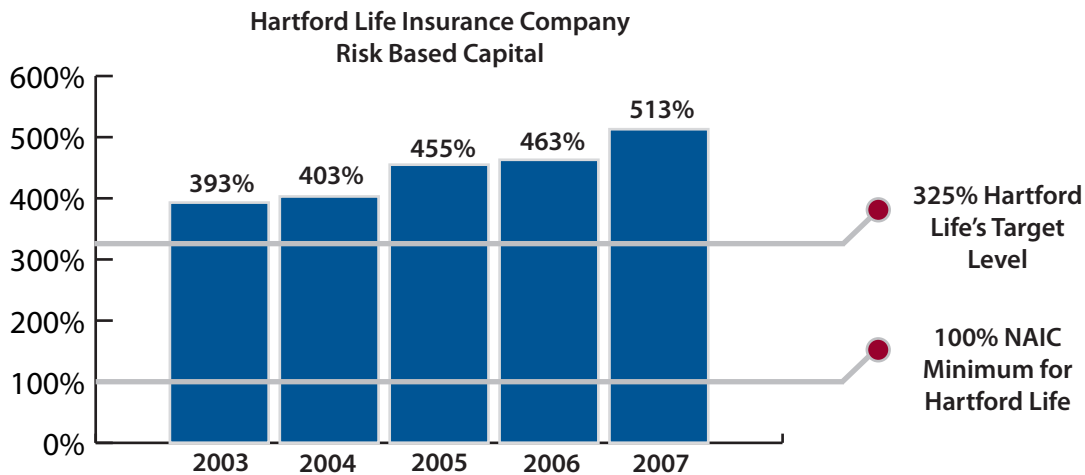
Founded in 1810, The Hartford Financial Services Group, Inc. (NYSE: HIG) is one of the largest investment and insurance companies based in the United States, with offices in Japan, Brazil and Europe. With 31,000 employees and \$2.9 billion in net income in 2007, The Hartford was ranked 95th on the 2008 Fortune 100 list.

The Hartford has a strong track record of financial performance and is a market leader in the life and property-casualty markets. The Hartford is known as a disciplined manager of risks across the enterprise with a strong balance sheet and structured approach to capital management. Additionally, it is known for the quality of its operations with a focus on the strength of earnings generation.

The Hartford is a leading provider of investment products – annuities, mutual funds, 401(k) and college savings plans – as well as life insurance, group and employee benefits, automobile and homeowners’ insurance, and business insurance. The Hartford serves millions of customers worldwide – including individuals, institutions, and businesses – through independent agents and brokers, financial institutions, direct and online.

A due diligence question you might ask is, “How can we know as fiduciaries that The Hartford is as financially stable as they appear?” Key information to answer that question is found in Hartford Life Insurance Company’s “Risk Based Capital.” This ratio represents the capital held by Hartford Life as compared to the minimum capital requirements considered adequate by the National Association of Insurance Commissioners (NAIC). This capital is held to protect participants within plans like yours against adverse financial developments. Hartford Life’s Risk Based Capital is over five times the NAIC’s minimum of 100%, and well over Hartford Life’s self-imposed target levels as illustrated in the graph on page four.

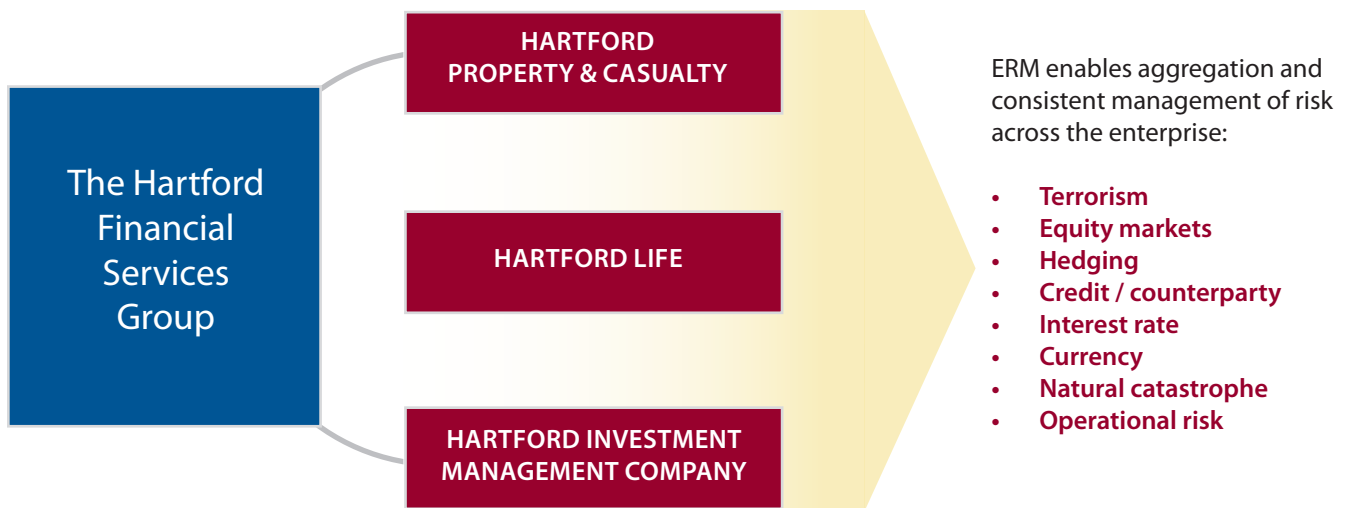
¹ “The Hartford” is The Hartford Financial Services Group, Inc. and its subsidiaries, including the issuing company for The Hartford Lifetime IncomeSM product, Hartford Life Insurance Company. Guarantees are based on the claims-paying ability of Hartford Life Insurance Company.



THE HARTFORD'S FINANCIAL DISCIPLINES FIDUCIARIES NEED TO KNOW

The Hartford is known for nearly 200 years of history and claims-paying ability. This dedication to assessing and managing risk is outlined in these key areas:

- » **Disciplined enterprise risk management (ERM).** Using advanced risk modeling techniques, The Hartford extensively examines risks across its entire enterprise. That risk is fully integrated into its planning and is prudently managed through pricing, product design and underwriting.
- » **Prudent investment management.** The Hartford's enterprise-wide risk analysis drives its investment strategy. A seasoned team of 100+ investment professionals helps manage volatility, reduce capital strain and maintain its competitive position.
- » **Capital strength.** The Hartford has developed a strong and growing capital position, from \$4.3 billion in 2005 to \$4.9 billion in 2007 of capital and surplus.



This information comprehensively responds to a fundamental fiduciary question: "Is The Hartford financially sound and would it be safe for our plan to utilize financial products from The Hartford?"

And with the first due diligence question answered, a fiduciary can proceed in investigating the merits of a specific financial product or instrument; namely The Hartford Lifetime IncomeSM product.

NEXT FIDUCIARY STEP: **U**NDERSTANDING THE HARTFORD LIFETIME INCOMESM PRODUCT

The Hartford Lifetime IncomeSM product is not a mutual fund or conventional investment vehicle commonly found in defined contribution retirement plans, such as a 401(k). It is a fixed annuity product that guarantees \$10 of monthly retirement income starting at age 65 for each share purchased. The issuing company is Hartford Life Insurance Company. Guarantees of the product are based on the claims paying ability of Hartford Life Insurance Company. Income payments are supported by Hartford Life's General Account.

This product must be viewed in its proper context, in light of its special purpose of providing guaranteed lifetime retirement income. You will not be able to draw a direct comparison between this product and a mutual fund, or "mutual fund-like" product. You will therefore need to approach the due diligence and disclosure requirements differently.

DUE DILIGENCE **Q**UESTIONS

- » **Is The Hartford Lifetime IncomeSM product different than other financial products?**
- » **What is the investment objective of The Hartford Lifetime IncomeSM product?**
- » **How does its purpose differ from mutual funds, money market funds, or other common investments used in defined contribution retirement plans?**
- » **Are there special fiduciary considerations associated with the product?**
- » **What are the costs associated with The Hartford Lifetime IncomeSM product that a fiduciary should consider?**

Is The Hartford Lifetime IncomeSM product different than other financial products typically utilized in defined contribution retirement plans?

Yes. The Hartford Lifetime IncomeSM is a fixed annuity insurance product that provides guaranteed lifetime income during retirement. It is a tool that is intended to protect against longevity and interest rate risk and complements other investment options intended to protect against inflation risk. Additionally, there are benefits to the participant in accumulating guaranteed income while working versus waiting to age 65.

What is the investment objective of The Hartford Lifetime IncomeSM product?

Hartford Lifetime Income is designed to provide plan participants and beneficiaries with a guaranteed stream of retirement income for life. As an in-plan fixed annuity, Hartford Lifetime IncomeSM allows participants to purchase guaranteed retirement income over time in different pricing environments. For example, the cost of a share of Hartford Lifetime IncomeSM generally increases as a person gets older. Additionally, as interest rates fluctuate, the cost of a share of The Hartford Lifetime IncomeSM product does as well. Dollar cost averaging over time reduces the interest rate risk for plan participants.

How does its purpose differ from mutual funds, money market funds, or other common investments used in defined contribution retirement plans?

Most other investment products, such as mutual funds, are asset accumulation products and cannot guarantee a certain level of income for life. The Hartford Lifetime IncomeSM product is an income accumulation product. The product allows plan participants to purchase income shares during their working years in order to secure a fixed, guaranteed stream of income starting at age 65. Since many participants will live for twenty or thirty years after retirement, guaranteed income has never been so important.

To put it another way, Hartford Lifetime IncomeSM is a guaranteed benefit (versus an accumulated sum of assets) that automatically transitions the participant to the distribution phase of retirement (for that portion of the plan benefit allocated to this product). This helps simplify retirement and income planning as participants will always know the amount of income they will receive for life. Further, it reduces the timing and investment risks participants face as they retire. Participants will not need to worry about how much to withdraw or how the markets will perform.

Are there special fiduciary considerations associated with The Hartford Lifetime IncomeSM product?

The Hartford Lifetime IncomeSM product should not be compared with unlike products such as mutual funds or money market funds, which have “expense ratios.” When comparing the merits of The Hartford Lifetime IncomeSM product, it should be compared with other guaranteed income products. Fiduciaries must also recognize that this product is intended to be used in conjunction with, and not in lieu of, typical accumulation investment options such as mutual funds.

What are the costs associated with The Hartford Lifetime IncomeSM product that a fiduciary should consider?

This is a guaranteed income product and the economic elements are different than that of a mutual fund, or “mutual fund-like” investment product.

The cost of The Hartford Lifetime IncomeSM product is measured in terms of guaranteed lifetime income purchased per dollar of investment. The factors that go into determining the share price of a guaranteed lifetime benefit include administrative and investment expenses, taxes, the assumed actuarial risk of longevity (i.e., mortality), and the rate of return The Hartford earns on its investments (i.e., the assumed earned rate). The rate of return on investments depends heavily on the interest rates in effect for corporate bonds at the time that the share price is established.

The portion of each contribution that a participant allocates to this product purchases partial or full shares, and each share purchased provides the participant with a guaranteed income stream of \$10 per month for life, starting at age 65. The cost per share will change based on the age of the participant and assumptions for future interest rates, mortality tables, investment management and operating expenses. When interest rates are high, contributions purchase more income shares because the per-share cost is reduced. Alternatively, when interest rates fall, income share prices are higher.

The mortality assumption is based on a mortality table constructed by The Hartford (using industry and Hartford experience) which is updated periodically to more precisely predict liabilities. The mortality assumption used to determine the share price is locked in by The Hartford at the time of purchase of each share, so the risk of future mortality improvements which would increase the future price for a guaranteed lifetime income is borne by The Hartford. The product also has a cash refund death benefit feature that guarantees that each participant will at least get their money back and there is an insurance cost associated with this guarantee.

The following Hartford table and explanatory notes provide important information relative to the pricing of the product.

Economic Elements of Pricing as of 6/30/2008

Participant Annual Rate of Return¹

| Age | Duration of Income | | |
|-----|--------------------|-------|-------|
| | 65-75 | 65-85 | 65-95 |
| 30 | 4.62% | 5.83% | 6.27% |
| 40 | 4.30% | 5.91% | 6.47% |
| 50 | 3.50% | 5.94% | 6.72% |
| 60 | 0.65% | 5.73% | 7.07% |

Assumed Earned Rate²

The Hartford's pricing factors used in assumed earned rates are based on matching assets to liabilities. The assumed earned rates are not based on an index. The portfolio is actively managed and allocation decisions are based on the relative attractiveness of various markets, investment types, maturities, etc. The portfolio is managed to ensure guarantees are paid out.

Although no single index can adequately represent this approach, The Hartford uses the Lehman AA Corporate Bond, as well as the 10 year and 30 year Treasury indices as indicators.

Statutory Reserves

Based on a formula which is consistent for all insurers.

Cash-Out Value³

96% of the current value of shares

Commissions Paid that Affect Share Price

None

Revenue Sharing Arrangements that Affect Share Price

None currently

1. Annual Rate of Return is based on a participant purchasing one share at the stated age, holding the share until income starts at age 65, and then receiving guaranteed monthly income payments from ages 65–75, 65–85, and 65–95 respectively.
2. Assumed earned rates are used to determine share price. This is the expected yield on investments chosen based on the duration of benefits the insurer expects to pay out. Investments are primarily in bonds but also in some alternative investments with a long duration consistent with the duration of the expected benefit stream.
3. Cash-Out Value is the amount that a participant would get if he/she chose to cash in accumulated shares rather than beginning monthly income payments. The value is calculated based on the current price per share.

What does all of that mean to you as a potential user of this product?

This product is not a mutual fund or similar “accumulation” vehicle, where charges are actual and as-experienced. There is no annual expense ratio for The Hartford Lifetime IncomeSM product. The costs are included in the price charged (implicit) and are associated with ordinary risk assumptions, such as interest rate movements and mortality.

Unlike a mutual fund, where the value of a purchased share fluctuates based on future changes in expenses and market conditions, the guaranteed income (\$10/share) of the purchased share remains constant. The cost of an income share is based on assumptions and the insurer bears the risk as to whether the assumptions are accurate.

However, there are two implicit and somewhat fluid costs that are used to calculate the price of an income share. These two implicit costs are assumed to be incurred over the life of the product, during both the accumulation and payout phases:

1. The first is the cost of assuming the risk of the income guarantee. The Hartford is currently using costs in the range of .35% to .45% annually, depending on the age of the participant.
2. The second is the cost of managing the investments and administering The Hartford Lifetime IncomeSM product itself. The Hartford is currently using annual costs in the range of .40% to .50%.

Those two costs are included in calculating the price each participant pays for a share of guaranteed income and are not fixed or guaranteed in the future, much like mutual fund expenses, as they are dependent upon many factors beyond the control of The Hartford. Factors include being prevailing interest rates and general economic conditions.

There are two phases to this product. The first phase is the accumulation phase – the period when a participant actively contributes money to purchase shares. During the accumulation phase, a participant may cash out their shares for a lump sum payment – and incur a 4% reduction off the current purchase price. The second phase is the payout phase, when the shares have been converted into a regular income stream. Each full share of Hartford Lifetime Income guarantees \$10 of monthly income to the participant for life, starting at age 65.

Currently, there are no commissions paid or revenues shared with third parties in either phase.

You may also deem it appropriate to consider engaging the assistance of an independent expert to further clarify how the economic pricing elements stated above work together and affect pricing.

IMPORTANT CONSIDERATIONS

This document is intended to provide fiduciaries with helpful information about the product before adding it to a plan. Here are some additional factors that should be considered:

- » **Operational Risk** - A review of the control activities and processes of the service provider. What is the ability of the provider to manage the administration requirements for this type of product, including transferring pricing files, participant records and paying out of benefits accrued under the contract?
- » **Participant Education and Information** - There are many factors that must be considered before purchasing any financial product. Participants need to understand and be able to evaluate the financial products that are available to them under the plan. Plan fiduciaries need to help them in this process. When choosing whether to allocate a portion of contributions to the Hartford Lifetime IncomeSM product, participants should consider:
 - **How long do they expect to live in retirement? 10, 20, 30 years?**
 - **How much do they expect to receive from Social Security and/or from pension plan(s)? Will that be enough to pay for their basic retirement expenses?**
 - **How much will they be able to withdraw from savings each year to pay for retirement expenses? How will they guard against running out of money?**
 - **Are they planning for themselves or for a spouse and/or dependents as well?**
 - **When should they purchase guaranteed income – through ongoing contributions or by purchasing shares through a transfer of plan assets at a later date?**

| Product Summary | Mutual Funds (or “mutual fund- like” products) | Hartford Lifetime Income Product (HLI) |
|---|---|--|
| What is being purchased? | Mutual Fund Shares | Guaranteed Income Shares |
| How much does it cost? | A stated annual percentage of assets plus brokerage and other implicit costs | A variable dollar amount required to purchase a unit or portion of a unit, given prevailing economic conditions at any given time coupled with the age of the participant |
| Can costs be estimated looking forward? | Yes: Expect future costs to be similar to past as stated in a prospectus | No: Share price at each age primarily impacted by interest rates |
| Can net return be estimated? | No: Past returns are not an indicator of future investment results | Yes: Estimated annual return can be based on guaranteed benefit payable from age 65 to average life expectancy. Actual return will depend on how long the participant lives |
| What do I as a fiduciary need to understand about cost comparisons? | Mutual funds compared to mutual funds | HLI compared to other guaranteed income products. I.e., how much guaranteed income can be bought per dollar? |
| Risk of short term loss | Yes | No* |
| Risk of long-term loss | Yes | No** |
| Appropriate for 401(k)? | Yes | Yes |
| Appropriate for IRA? | Yes | Yes |
| Appropriate for Pension and Profit Sharing (other than 401(k)-like plans? | Yes | Yes |

* Product provides guaranteed income for life beginning at age 65 and is not designed for accumulation of assets and then lump sum withdrawal. Participants who redeem shares prior to retirement risk loss of principal.

** Assumes no withdrawals taken prior to commencement of income. Subject to claims-paying ability of Hartford Life Insurance Company.

