Notice to Interested Persons

You are hereby notified that Alcoa Inc. ("Alcoa"), Howmet Corporation ("Howmet") and Alcoa Fujikura Ltd. ("AFL" and together with Alcoa and Howmet, the "Company") have applied to the U.S. Department of Labor (the "DOL") for authorization of a reinsurance transaction. The transaction involves the reinsurance of risks and the receipt of premiums by Three Rivers Insurance Company ("TRIC"), a subsidiary of Alcoa, from insurance contracts currently funding the Company's group term life insurance program. The purpose of the authorization is to exempt the transaction from certain of the prohibited transaction rules of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The authorization is necessary because TRIC is an affiliate of Alcoa. Due to the relationship between TRIC and Alcoa, such reinsurance might otherwise constitute a prohibited transaction under ERISA. This notice informs you of the application to the DOL and certain changes to the group term life insurance program, and describes your right to comment to the DOL about these changes.

The Plans

Alcoa is the sponsor of the Employees' Group Benefits Plan of Alcoa Inc., Plans I & II, and the Alcoa Inc. Optional Life Insurance Plan. Alcoa's wholly owned subsidiary Howmet sponsors the Howmet Muskegon County Hourly Employees Accident and Sickness Plan. AFL, a joint venture between Alcoa and Fujikura, Ltd., sponsors the Alcoa Fujikura Ltd. Employee Group Benefit Plans I & II (together with the Alcoa and Howmet sponsored plans, the "Plans"). The Plans provide life insurance benefits to eligible participants. The Plans provide benefits to eligible participants under an insurance policy (the "Policy") issued by Metropolitan Life Insurance Company ("MetLife"), an unaffiliated insurer which is licensed to conduct life insurance business and has an A or better rating from A.M. Best Company or the equivalent from a similar rating agency.

Changes to the Plans

TRIC intends to enter into an arrangement with MetLife, in which MetLife will reinsure with TRIC a portion of MetLife's risk under the Policy. Participants who are eligible to receive benefits under the Policy, pursuant to the provisions of the Plans, will not be adversely affected by the proposed reinsurance arrangement, as MetLife will remain fully liable for the payment of insurance benefits under the Policy if TRIC were to fail for any reason. In addition, the reinsurance arrangement will enable the Plans to provide enhanced benefits to participants of the Plans by providing a last will and testamentary preparation benefit ("Will Preparation"). Will Preparation will give employees and retirees the ability to protect their assets and preserve their families' financial futures. This service is offered by Hyatt Legal Plans, Inc., a MetLife company, and fully covers the legal fees associated with preparing or updating a will, when using a participating attorney. Will Preparation will be provided to all participants of the Plans. In certain states, Will Preparation is provided through insurance coverage underwritten by Metropolitan Property and Casualty Insurance Company and affiliates.

Overview of Exemption Conditions and Representations

The following are the principal conditions and representations imposed by the DOL authorization (a full version of the draft authorization is attached as Exhibit A):

- TRIC is a party in interest with respect to the Plans (within the meaning of section 3(14)(G) of ERISA) by reason of its stock affiliation with Alcoa;
- TRIC is licensed to sell insurance or conduct reinsurance operations in at least one State as defined in section 3(10) of ERISA.[1] For purposes of this transaction, TRIC is currently licensed to sell insurance or conduct reinsurance operations in the State of Vermont;
- TRIC is an insurance company organized and licensed under the laws of the State of Vermont and has received a Certificate of Authority from the State of Vermont to transact the business of a captive insurance company, which has neither been revoked nor suspended;
- TRIC has undergone an examination by the independent certified public accounting firm PricewaterhouseCoopers ("PwC") for its last completed taxable year immediately prior to the taxable year of the reinsurance transaction. PwC will examine TRIC's reserves on an annual basis in connection with the employee benefit business to be reinsured by TRIC to ensure that appropriate reserve levels are maintained;
- The Plans will pay no more than adequate consideration for the insurance contracts;
- No commission will be paid with respect to the acquisition of insurance by the Company from MetLife or the acquisition of the reinsurance by MetLife from TRIC;
- In the initial year of any contract involving TRIC, there will be an immediate and objectively determined benefit to the Plans' participants in the form of Will Preparation;
- The Plans will only contract with insurers with a rating of A or better from A.M. Best Company or the equivalent rating from another rating agency. The reinsurance arrangement between MetLife and TRIC will be indemnity reinsurance only;
- TRIC will retain an independent fiduciary (the "Independent Fiduciary"), at its own expense, to analyze the transaction and render an opinion that the requirements listed above have been met.

Independent Fiduciary

For purposes of this transaction, TRIC has retained Milliman, Inc. ("Milliman") to serve as the Independent Fiduciary. Milliman will represent the interests of the Plans as the Independent Fiduciary at all times with respect to the proposed transaction. Milliman will monitor compliance by the parties with the terms and conditions of the proposed transaction, and will take whatever action is necessary and appropriate to safeguard the interest of the Plans and their participants and beneficiaries, with respect thereto, and to insure that the proposed transaction remains in the interest of the Plans and their participants and beneficiaries.

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1 Section 3(10) of ERISA defines "State" to include any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island and the Canal Zone.

Tentative Authorization of Proposed Transaction

Authorization of the DOL was requested under a procedure, Prohibited Transaction Exemption 96-62, 61 Fed. Reg. 39988, July 31, 1996 ("PTE 96-62" the "EXPRO" exemption), which requires that at least two prior exemptions that are substantially similar to the proposed transaction have been granted by the DOL.

The Company and TRIC have represented to the DOL that the proposed transaction is substantially similar to three previous prohibited transaction exemptions that were granted by the DOL within the requisite time period: (i) Prohibited Transaction Exemption 2003-07, 68 Fed. Reg. 23764 (May 5, 2003) (Archer Daniels Midland Company ("ADM")); (ii) Prohibited Transaction Exemption 2000-48, 65 Fed. Reg. 60452 (Oct. 11, 2000) (Columbia Energy Group ("CEG")); and Prohibited Transaction Exemption 2003-32E (November 7, 2003) (International Paper Company ("IP")). In each of these transactions, the parties proposed using their respective captive insurance companies to reinsure employee benefits. In each exemption, the parties agreed to provide improved benefits, retain an independent fiduciary, contract only with insurers with an A rating or better from A. M. Best Company or a similar rating agency, and arrange the transaction with the captive as indemnity insurance only. A further description of the ADM and CEG transactions and the DOL's comments relating thereto may be found in the notice of proposed exemptions published in the Federal Register at the following citations: PTE 2003-07, 68 Fed. Reg. 10043 (March 3, 2003) and PTE 2000-48, 65 Fed. Reg. 50237 (Aug. 17, 2000).

The proposed transaction has met all of the requirements for tentative authorization from the DOL under PTE 96-62. Unless the DOL otherwise notifies the Company, final authorization under PTE 96-62 will be effective on January 8, 2005.

Your Right to Comment on Tentative Authorization

All interested persons have the right to submit comments, if they choose, regarding the merits of the proposed reinsurance arrangement. Comments should be sent to the following address:

Office of Exemption Determinations
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Room N-5649
Washington, D.C. 20210

Any comment should note that it relates to EXPRO Submission No. E-00416. All comments must be received by the Department of Labor by January 3, 2005.

Comments may be faxed or e-mailed to the DOL. The fax number is (202) 219-0204 and the e-mail address is lefkowitz.gary@dol.gov. If you have questions regarding your right to comment on this tentative authorization, you may call Gary Lefkowitz at (202) 693-8546.