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

Re: Request for Information Regarding Lifetime Income Options for Participants and Beneficiaries in Retirement Plans [RIN 1210-AB33]

Ladies and Gentlemen:

The Hartford Financial Services Group, Inc. (NYSE: HIG) ("The Hartford") appreciates the opportunity to comment in response to the request for information ("RFI") by the Department of Labor ("DOL") and the Department of the Treasury ("Treasury") (collectively, the "Agencies") regarding lifetime income options for participants and beneficiaries in retirement plans. We commend the Agencies for undertaking this effort to learn more about guaranteed lifetime income products, and for their willingness to consider possible rulemaking to facilitate their use. In this comment letter, we will provide our perspective on recent trends in retirement saving and planning, and on the various impediments to broader usage of guaranteed lifetime income products. We will also describe our recent efforts to address some of those impediments, and offer some recommendations as to what the Agencies can do to help.

Founded in 1810, The Hartford is one of the largest investment and insurance companies based in the United States. A Fortune 100 Company, 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 agents and brokers, financial institutions, and online services. After 200 years in business, The Hartford is known for its financial strength and stability, superior customer service, and continued operational excellence.

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The Hartford's retirement plans business is a recognized industry leading service provider, with 40 years of experience with defined contribution plans. We offer 401(k) plans for small and mid-sized corporate customers, 457 plans for government entities, and 403(b) plans for education, healthcare and other not-for-profit providers. We support over 30,000 plans and 1.5 million participants, with over \$49.5 billion in retirement plan assets under management or administration as of December 31, 2009. Given our extensive experience in developing lifetime income product solutions and providing record keeping services, The Hartford is uniquely positioned to offer a holistic view of this evolving market.

The Hartford is a member of the American Council of Life Insurers, the Insured Retirement Institute, the Committee of Annuity Insurers, Americans for Secure Retirement and the SPARK Institute. We participated in the preparation of the comment letters being submitted by these organizations, and generally support their recommendations. In addition, we respectfully offer the following comments.

Recent Trends in Retirement Saving and Planning

With the decline in the number of defined benefit ("DB") plans offered today (and in many cases, a decrease in the benefits provided by remaining DB plans) and the concern that Social Security may not be able to provide the projected benefits in the near future, employees need additional sources of guaranteed income to provide for their basic needs in retirement. The scope of this problem is evident in the Employee Benefit Research Institute's ("EBRI") 2010 Retirement Confidence Survey, which found that only 29 percent of workers are "very confident about having enough money to pay for basic expenses during retirement."¹

Defined contribution ("DC") plans were originally designed to provide retirement savings to supplement Social Security, personal savings and lifetime pension benefits under traditional DB plans. Today, DC plans have become the primary employer-sponsored retirement savings vehicle for most people. As a result, most Americans are very worried about how they are going to fund their retirement, as illustrated by The Hartford's 2009 Investments and Retirement Survey: "Nearly four in five people (78.3 percent) are less than confident that all of their sources for retirement income, including employer-sponsored pension plans, government-sponsored pension plans and personal savings and assets, will be adequate to maintain their standard of living in retirement." We have attached an overview of this survey for your reference.

In light of these developments, insurance providers have begun to develop a variety of guaranteed lifetime income products specifically designed to help participants create a secure retirement from their DC plan assets to supplement or replace the traditional pension² and other sources of guaranteed lifetime income. Unlike other products commonly available to plan participants, guaranteed lifetime income products recognize that there are two distinct phases in a DC plan: the accumulation phase, in which the focus is on maximizing the total amount of retirement savings, and the decumulation phase, in which the focus should shift to finding the most effective and efficient way to actually use accumulated savings to fund retirement. Historically, DC plan sponsors and participants have primarily focused on accumulation, and paid very little attention to the decumulation phase.

Participants have to contend with many kinds of risk in managing both phases of their retirement plan. We developed a brochure, entitled "Riskology", that explains many of these risks. This

¹ A study recently conducted by Hartford and the MIT AgeLab, entitled "Why Women Worry", highlighted the particular challenges faced by women in planning for retirement. The executive summary of this study is attached for your reference.

² The need to replace traditional pensions may be more widespread than it seems, considering that, according to EBRI's survey, "56 percent of workers expect to receive benefits from a defined benefit plan in retirement, [even though] only 37 percent report that they and/or their spouse currently have such a benefit with a current or previous employer."

brochure is attached for your reference. Certain risks, such as market volatility, are more significant during accumulation, while others, such as longevity, inflation and timing, take precedence when the participant shifts into the decumulation phase. Guaranteed lifetime income products can help participants manage the risks associated with decumulation by shifting them to an insurer.

These products generally fall into three categories, each of which has a place in the retirement planning process, depending on the particular situation and needs of each individual: end-of-plan annuities (i.e., annuities offered as a distribution option); out-of-plan annuities purchased with amounts withdrawn from the plan (generally in a traditional or Roth IRA); and the newest lifetime income innovation, in-plan annuities purchased as an investment option while the participant is still an active employee. The Hartford offers products in each of these categories. Our end-of-plan products are group fixed income annuities with various annuity payment forms available, including lifetime income for a single life or joint lives. Our out-of-plan products include fixed accumulation annuities, fixed income annuities, and a recently introduced product that combines a variable annuity benefit with a fixed accumulation annuity benefit. Our in-plan accumulation option, known as Hartford Lifetime Income, is a group fixed income annuity that is purchased on an incremental basis during accumulation, which provides lifetime income for a single life or joint lives and a liquidity cash-out feature. The product summary for Hartford Lifetime Income is attached for your reference.

While end-of plan annuities (which can be purchased either through a plan or in an IRA) may be the right solution for many participants, they also require employees at retirement to give up a large single purchase amount in exchange for a guaranteed lifetime benefit. The single purchase nature of the transaction often carries “sticker shock,” which limits utilization. In-plan incremental annuities provide an easy, cost effective way for employees to accumulate guaranteed retirement income using incremental purchases over time through payroll contributions to a DC plan. These in-plan incremental lifetime income products are intended to be offered as an additional investment option under the plan and provide significant “dollar cost averaging” benefits. They also generally provide a surrender value during the accumulation period that can be transferred to other investment options offered under the DC plan. Once a participant elects to begin receiving his or her benefit, the in-plan annuity provides guaranteed lifetime income payments just like a distribution annuity.

The market for in-plan accumulation products is still evolving, and no particular type of product has emerged as the standard. The product types most commonly available today are: fixed deferred payout annuities; variable deferred annuities with guaranteed minimum withdrawal benefits or guaranteed minimum income benefits³; and target date funds with either a fixed deferred annuity as an allocation in the fund’s glide path or a guaranteed minimum withdrawal benefit applicable to all or part of the target date fund.

We believe that guaranteed lifetime income products should be simple, cost effective, flexible and portable. These principles guided us in developing our in-plan incremental fixed payout annuity:

- Simple: The guaranteed income benefit is known at the point of purchase. For example, with The Hartford’s product, contributions purchase income shares, each worth \$10 of monthly lifetime income beginning at age 65 and continuing for life.
- Cost Effective: In-plan annuities are group products, benefiting from institutional price advantages resulting from group mortality and expenses. Also with a fixed annuity, the

³ Since growth and accumulation potential are already available in the existing equity and fixed income options, the variable annuity options with guaranteed benefits are, in our view, redundant and may not be appropriate for DC plans.

cost of providing guaranteed income is built into the purchase price and applies only to the amount allocated to the income option. Variable annuities with guaranteed minimum benefits typically charge an asset based fee to the entire amount protected by the guarantee.

- Flexible: The primary focus of these products should be longevity protection with a certain income stream for life. Participants should buy them for the lifetime benefits they provide. However, participants also need the flexibility to re-direct these amounts if their circumstances change. Income shares have liquidity, as they can be cashed out at any time prior to income payment commencement. Participants also need the flexibility to be able to determine when and how they want to receive income as they get closer to retirement. With The Hartford's product, decisions about income start date and payment form, including any inflation protection, are made at the point of retirement.
- Portable: Fixed income annuity benefits are paid up units of future income as opposed to accumulation fund units. The Hartford's product is designed to qualify as a Qualified Plan Distributed Annuity (QPDA) and be distributed in kind from the plan in the event of termination or retirement.

The approach of directing contributions specifically to lifetime income (a "pension-like" benefit) and accumulation (an "investment account" with growth component for discretionary expenses) is simple, straight forward and cost effective. The result is a single plan with both DB-like and DC-like benefits. We believe this is the best way to provide guaranteed lifetime income within a DC plan and that any guidance provided by the Agencies should fully support this approach.

Impediments to Broader Usage of Guaranteed Lifetime Income Products

Unfortunately, most plan sponsors do not include guaranteed lifetime income products in their plans, and most plan participants who have access to such products are not appropriately utilizing them when planning for retirement. A number of factors have contributed to this lack of usage:

- fiduciary liability concerns;
- limitations on portability;
- uncertainty regarding ERISA and tax qualification rules; and
- insufficient education.

These issues can best be understood by considering the perspectives of, and challenges faced by, plan sponsors and participants:

Plan sponsors. While plan sponsors want to provide their participants with the tools to create a secure retirement, they have been reluctant to add guaranteed lifetime income products to their plans because, among other things, they:

- are unclear about the fiduciary standards to which they will be held when selecting annuity providers, and therefore worry about potential fiduciary liability if the provider they select experiences financial problems in the future;

- are concerned about the implications of including a product in their plan that provides benefits that may not be portable if there is a change in the plan or in the participant's employment status;
- do not want to deal with the burdens associated with the tax rules that apply when a plan includes an annuity, such as the QJSA and spousal consent rules, and worry that any missteps in following these rules could adversely impact the plan's qualified status; and
- do not fully understand the features and benefits offered by various guaranteed lifetime income products and the associated costs.

Participants. While guaranteed lifetime income products offer significant benefits for participants, the lack of utilization can be primarily be attributed to one of the following factors:

- Most participants do not have access to such products.
- Of those participants who do have access, most do not have access to the educational tools necessary to adequately understand them.

Recommendations for Addressing the Challenge

As the Agencies consider how they can help to overcome these obstacles, we offer the following general suggestions:

- The Agencies should focus primarily on facilitating and encouraging – but not mandating – the development and usage of guaranteed lifetime income products.
- The Agencies should provide concrete guidance to address the concerns of plan sponsors and participants by providing clarity in some areas and relief in others. Our specific recommendations in this regard are described below.

Fiduciary Liability

Fiduciary concerns are the most significant obstacle to increased offering of guaranteed lifetime income options (i.e., in-plan incremental annuities and end-of-plan distribution annuities) in DC plans. Employers are concerned that, before adding a guaranteed lifetime income option, they must conduct a detailed review of the insurer's financial condition and assess whether the insurer will be able to meet the long-term obligations under the lifetime benefit. This is an onerous task that employers are not well equipped to perform, and which is fraught with potential legal liability. By contrast, employers appear very comfortable with the process for selecting other plan investment options, such as mutual funds and similar investments.

There are two specific actions that DOL can take to address these concerns:

- Address plan sponsors' concerns regarding the existing safe harbor for the selection of end-of-plan distribution annuities under Rule 404a-4 (the "Safe Harbor"); and
- Provide guidance to clarify how Section 404(c) of ERISA applies to the selection of in-plan incremental annuities.

Selection of End-of-Plan Distribution Annuities

Before offering our suggestions for how to improve the Safe Harbor, we want to acknowledge that the Safe Harbor is a substantial improvement over the standard that previously applied to the selection of annuity providers. The “safest available annuity” standard, which was derived from the standard for DB plan close-out annuities, simply didn’t make sense in the DC plan context, and we commend DOL for recognizing that fact.

Unfortunately, the Safe Harbor has not been widely used by plan sponsors, primarily because of the broad, vague requirement that the plan sponsor analyze the financial status of the insurer and conclude that the annuity provider is financially able to make all future payments. Given the long-term nature of the insurer’s liability (i.e., the participant’s lifetime), this is a serious deterrent for plan sponsors. As a result, many plan sponsors are reluctant to even consider offering end-of-plan distribution annuities in their plans.

We believe that plan sponsors would be much more likely to add end-of-plan distribution annuities to their plans if the Safe Harbor was amended to relieve plan sponsors of the burden of acquiring independent expert knowledge of the financial condition or long-term viability of various product providers. Such knowledge is beyond the reasonable capabilities of most employers. Instead, the Safe Harbor should apply a straight forward objective standard to the selection of the annuity provider.

Clearly, the Safe Harbor elements relating to the financial status of the insurer are intended to protect plan participants from the possibility that an annuity provider will be unable to pay claims in the future. We appreciate the Agencies’ concerns, and share their interest in protecting participants. However, existing insurance regulation already provides ways to determine whether an insurance company will be able to meet their future obligations. The licensing process for insurance companies includes detailed rules related to the establishment of reserves, valuation of assets and liabilities, risk-based capital requirements, surplus rules, requirements that products be approved prior to sale with actuarial justification, and restrictions on dividends to holding companies. Insurance regulators also conduct periodic reviews of insurance companies to ensure that they remain in compliance with these rules, and can work directly with the companies and their senior management to address any specific questions or concerns that might arise.

As such, we believe that the Safe Harbor can be revised to address plan sponsors’ fears about potential fiduciary liability without compromising or impairing participant protection. In fact, revising the Safe Harbor in the manner we recommend below could actually enhance participant protection by clarifying that plan sponsors should consider more than just the annuity provider’s future claims-paying ability. After all, many other factors might be relevant to plan sponsors, such as the provider’s history and reputation for service, quality and reliability; the variety of products offered by the provider; the provider’s experience in the annuity and qualified plan businesses; the benefits, features and cost of the annuity; the administrative services to be provided under the annuity contract; and the terms, conditions and limitations of the annuity contract.

The Hartford’s Recommendation: DOL should revise the Safe Harbor as follows to provide a more straight-forward, objective standard that plan sponsors can use with confidence:

“ERISA §2550.404a-4(b) Safe harbor. The selection of an annuity provider for benefit distributions from an individual account plan satisfies the requirements of section 404(a)(1)(B) of ERISA if the fiduciary:

- (1) Engages in an objective, thorough and analytical search for the purpose of identifying and selecting providers from which to purchase annuities, and appropriately considers publicly available information about the provider, which may include: current financial condition; history and reputation for service, quality and reliability; variety of product offerings; and experience in the annuity and qualified plan businesses;
- (2) ~~Appropriately considers information sufficient to assess the ability of the annuity provider to make all future payments under the annuity contract;~~ Obtains a certification from the provider stating that the provider is:
 - (a) licensed and in good standing in the states in which it conducts business;
 - (b) not currently in rehabilitation, liquidation, insolvency or any similar status;
and
 - (c) a member of the insurance guaranty associations in each of the states in which it conducts business;
- (3) Appropriately considers the benefits, product features and cost (including fees and commissions) of the annuity contract, ~~and the in relation to the benefits and administrative services to be provided under such contract;~~
- (4) Appropriately concludes that, at the time of the selection, ~~the annuity provider is financially able to make all future payments under the annuity contract and~~ the cost of the annuity contract is reasonable in relation to the benefits and product features of the annuity contract, and the administrative services to be provided under the contract; and
- (5) If necessary, consults with an appropriate expert or experts ~~for purposes of compliance with the provisions of this paragraph (b).~~

Selection of In-Plan Incremental Annuities

While the Safe Harbor only applies to end-of-plan distribution annuities, plan sponsors have similar concerns about potential liability with respect to their selection of in-plan incremental annuities with lifetime benefits. In this context, the issue is that plan sponsors simply do not know what they must do to fulfill their fiduciary duty.

Many in-plan incremental annuities have a redemption feature that allows participants to reallocate their investments from the guaranteed income benefit to other plan investment options. In this sense, these in-plan annuities very much resemble traditional investment options such as mutual funds. The selection of traditional investment options in a participant-directed DC plan is covered by Section 404(c) of ERISA and the regulations promulgated thereunder, and given the similarity between the products, we believe it would make sense to apply the same fiduciary rules to the selection of in-plan incremental annuities that include redemption features. Most employers seem very comfortable with the process for selecting investment options under the 404(c) regulations, and we believe that bringing in-plan incremental annuities under the same standard would greatly increase plan sponsors' willingness to offer such products.

The Hartford's Recommendation: DOL should clarify that a plan sponsor can satisfy its fiduciary obligation with respect to the selection of an in-plan incremental annuity that provides a meaningful redemption feature by complying with the 404(c) regulations.

Portability

Generally speaking, a participant who purchases an in-plan annuity expects to maintain his or her investment until retirement to preserve the desired lifetime income payments. This, of course, presumes that the product remains available to the participant until retirement. For a variety of reasons, however, this may not always be the case. The plan sponsor could decide to drop the product from the plan or switch to a different product, or could switch to a new recordkeeper who might be unable or unwilling to offer the same or a similar product. A similar problem would arise if the participant terminates employment prior to retirement, particularly where the plan does not provide for in-kind distributions.

Current rules do not provide any mechanism by which the participant could preserve the guarantees built into his or her investment. We believe that this lack of portability is a significant factor in the general reluctance of plan sponsors and participants to utilize guaranteed lifetime income products.

The Hartford's Recommendation: Treasury should clarify and expand the rules governing a plan's tax-free distribution of an annuity contract or certificate (sometimes referred to as a "qualified plan distributed annuity" or a "QPDA") to allow plans to issue QPDAs to vested participants even if they are not yet eligible to receive a cash distribution from the plan. This would be appropriate, given that, upon being distributed to a participant, a QPDA acts as a stand-alone "qualified plan" asset held by the plan participant, similar to a §408(b) individual retirement annuity, and is required to maintain plan withdrawal restrictions.

Treasury should also explicitly allow participants to rollover a QPDA into an IRA and, in turn, clarify that a QPDA can accept rollover amounts.

ERISA and Tax Qualification Rules

Another very significant impediment to greater utilization of guaranteed lifetime income products is the considerable uncertainty among plan sponsors and participants regarding the application of certain ERISA and tax qualification rules.

QJSA and Spousal Consent Rules

The qualified joint and survivor annuity ("QJSA") rules and spousal consent requirements are a source of great consternation for both plan sponsors and participants. Under IRC §401(a)(11)(B)(iii), the QJSA and spousal consent rules generally apply to a DC plan only when the participant elects "to receive payment of plan benefits in the form of a life annuity." There is currently very little guidance on what constitutes an "election" of a life annuity.

This lack of guidance leaves plan sponsors worried about the serious administrative and practical issues that might arise if, for example, they are required to apply these rules to the election of an incremental annuity, especially if the participant can later elect out of the option. For participants, the concern is that the spousal consent requirement might apply whenever a participant allocates any portion of his or her account to any investment with a guaranteed lifetime income feature, which could mean that the participant would have to get spousal consent for all future investment decisions.

The Hartford's Recommendation: Treasury should clarify that only an irrevocable election to receive periodic annuity payments would trigger the QJSA and spousal consent rules. For an in-plan incremental annuity, this would mean that a participant would be deemed to have elected a life annuity only when the investment option is converted to a fully annuitized benefit that cannot be redeemed or surrendered.

We do not believe that this would, in any way, erode or compromise spousal protections, given that current law allows DC plan participants to purchase a non-complying annuity through the use of a direct rollover or a cash distribution of his or her DC account balance, thereby avoiding the QJSA and spousal consent rules.

Required Minimum Distribution Rules

A participant who chooses a guaranteed lifetime income option must be mindful of the required minimum distribution (“RMD”) rules. Unfortunately, these rules are very difficult to understand, primarily because there are two separate sets of rules for determining the amount required to be distributed from a qualified retirement plan to a participant after he or she attains age 70-1/2 or, if later, retires. Which set of rules applies depends on whether the participant’s accrued benefit is in the form of an individual account under a DC plan (Reg. section 1.401(a)(9)-5) or annuity-type payments under a DB plan (1.401(a)(9)-6). The same bifurcation applies to IRAs for account balance plans and annuitized contracts.

However, almost no guidance has been provided with respect to the application of the RMD rules to annuities and other guaranteed lifetime income products with account balances and lifetime features, the use of longevity insurance products, and aggregation of Individual Retirement Annuities which have been annuitized (payout IRA) and Individual Retirement Accounts (including non-annuitized Individual Retirement Annuities with account balances).

The Hartford’s Recommendation: Treasury should clarify which RMD rules apply to the different payout phases of a guaranteed lifetime income product, and the extent to which benefits/amounts under an account balance arrangement and annuitized benefits can be aggregated, particularly in the IRA context.

In addition, Treasury should revise the RMD rules, in both the in-plan and out-of-plan contexts, as follows:

- The RMD rules should expressly permit benefits under a distribution/payout annuity (subject to the “annuitized benefit” RMD rule) and investments with an account balance (subject to the “account balance” RMD rule) to be aggregated for RMD purposes under the “account balance” rule, using the fair market value of the payout annuity.
- Pure longevity annuities (i.e., annuities that offer lifetime payouts starting at an advanced age at/near life expectancy) – an important tool that people can use to address what many consider their biggest retirement risk, outliving their assets and income sources – should be exempted from the RMD rules. This would not be inconsistent with the policy underlying the RMD rules because it would not result in hoarding retirement assets for one’s heirs instead of using them for retirement needs. On the contrary, it would actually encourage participants to use their assets in their retirement planning.
- The RMD age should be increased to 75 or 80 to permit more flexibility in retirement planning. Some participants may only need or want guaranteed lifetime income beginning at later ages, but the current rules do not permit this. Raising the RMD age would make sense, considering that, since the rule was originally established, life expectancy has increased significantly and people have started retiring much later, often working well into their 70s.

Education

It is not possible to understate the importance of providing plan sponsors and participants with straight forward, clear and effective communication and education about their DC plans. The

Hartford's commitment to education is well-known in the retirement plan business. Over the past three years, we have received 15 independent educational awards for a variety of communication projects geared to helping consumers understand and make the most of their retirement plan and investments. And we are continually looking for ways to enhance the educational process in an effort to ensure that participants have the tools they need to make informed decisions.

With this in mind, we are particularly troubled by the general lack of understanding among participants about decumulation and the risk of outliving their assets. For years, the investment education materials that participants have been provided focused solely on the need to accumulate funds for retirement and how to invest (allocate) their account balance. They have received little to no information regarding planning and investing during retirement and/or the risks that they face. Unfortunately, employers have shied away from providing information about guaranteed lifetime income options because they are not confident that they are allowed to use plan assets to pay for such education, and because they are afraid that providing such information might be deemed investment advice, specifically when discussing out-of-plan guaranteed lifetime income options.

The Hartford's Recommendation: DOL should clarify that:

- Providing education and information regarding retirement planning (including a description of the various risks and issues faced during retirement (e.g., longevity, inflation, market risk), decumulation of one's DC plan assets and the advantages and disadvantages of guaranteed lifetime income products (both in-plan and out-of-plan) does not constitute investment advice; and
- Plan assets can be used to pay for general education of investment and retirement planning during the decumulation phase, including discussion of guaranteed lifetime income products available outside the plan.

* * * *

We appreciate the opportunity to provide these comments. If you have any questions, please do not hesitate to contact the undersigned at 860-323-2182.

Very truly yours,



Jason Berkowitz

Attachments

Attachments

1. Why Women Worry, Executive Summary
2. The Hartford's 2009 Investments and Retirement Survey, Results Overview
3. Riskology Brochure
4. Hartford Lifetime Income Product Summary

Why Women WorrySM

The Hartford
ADVANCE 50 Team

Gerontologists Creating Business Solutions



Why Women WorrySM

Gender matters in retirement planning. Research from The Hartford and the MIT AgeLab shows that women are more concerned than men about retirement risks. When put into a larger economic and demographic context, women have good reason to worry. However, with a skillful and knowledgeable advisor guiding them, angst can be turned into action, and women can feel more secure both in the retirement planning stage and once they have retired.

Women are worried with good reason. In addition to the greater personal responsibility for retirement that all Americans face today, women confront unique challenges while they strive to save for retirement, make those savings last throughout their lifetime and protect themselves from major events like health problems or widowhood.

Retirement planning has changed. Both the federal government and employers have shifted more responsibility for retirement planning, and more risk, to individuals. Starting in the 1980's, employers made a shift away from defined benefit pensions and moved toward defined contribution plans. Legislators have decreased the lifetime value of Social Security benefits by raising the age for full benefits and introducing the taxation of benefits for some retirees.

WOMEN'S UNIQUE CHALLENGES

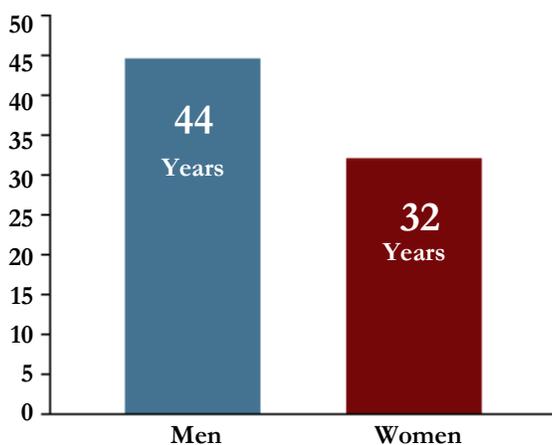
Compared with men, women will likely have lower retirement savings yet they'll need to make those savings last longer and plan on being on their own at some point in retirement.

Lower Retirement Assets and Income

On average, women have lower lifetime earnings than men due to lower pay, more interrupted work histories and more time spent in part-time jobs.

Women today work on average about twelve years less than men.¹ Women's caregiving responsibilities (care for their children, older relatives or their spouse) are the primary reason for their fewer years in the workforce.

**MEDIAN YEARS WORKED
OF WORKERS RETIRING IN 2000**



Source: U.S. Bureau of the Census (2003, 2004) and U.S. Social Security Administration (2003b).

With lower lifetime earnings, women tend to save less and, since Social Security and many employer retirement benefits are tied to earnings, women end up with lower levels of guaranteed retirement income. Women's median income in retirement is only 58 percent of men's.²

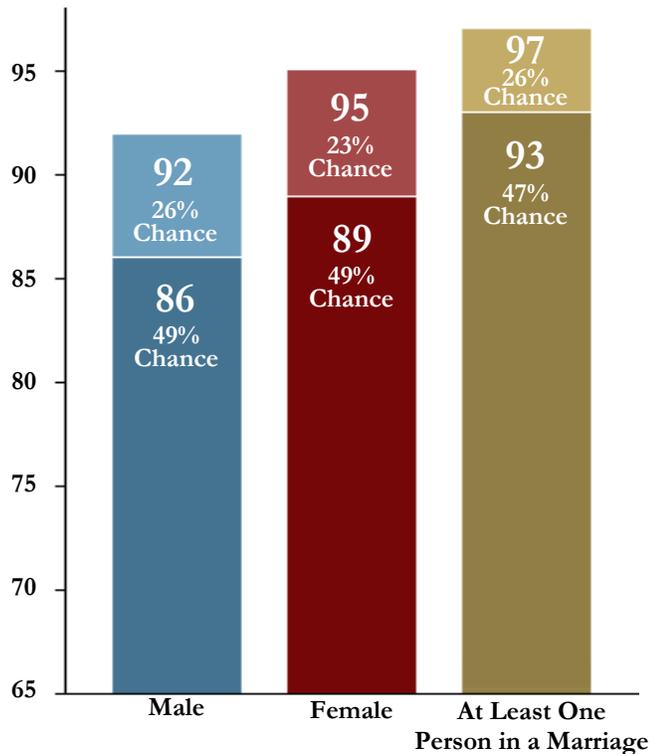
Participation rate in pensions or employer sponsored retirement plans is 44 percent among working women compared to 49 percent among working men.³

Longer Life Expectancies

On average, a woman who is age 65 today can expect to live to age 85 while a man can expect to live to age 82.⁴

LOTS OF TIME IN RETIREMENT—IF YOU REACH 65

Life expectancy at age 65 in years



Source: Society of Actuaries Annuity 2000 Mortality.

People tend to think of the average life expectancy number as an endpoint and forget there's a 50 percent chance that they'll live longer than the average.

According to the Society of Actuaries *2005 Retirement Risk Survey*, almost two-thirds of people underestimate average life expectancy, and about 40 percent of them are wrong by more than five years.⁵ Once a woman reaches age 65, she has a 49 percent chance of living to age 89 and a 23 percent chance of living to 95.⁶

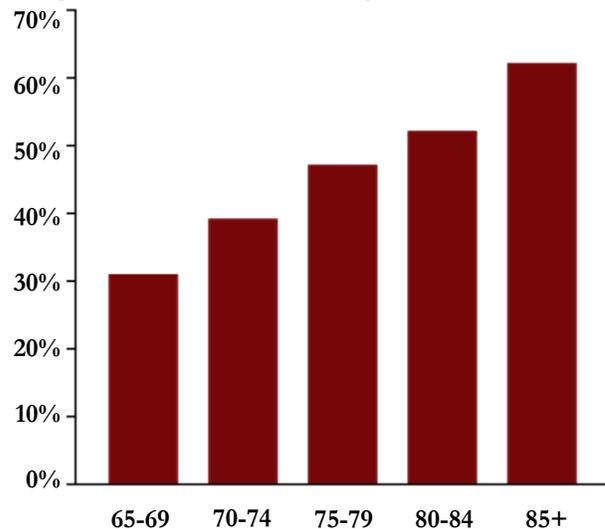
More Time as Sole Decision-Maker

In retirement, non-married people often face more financial challenges than married people. Of the population age 65 and older, 28 percent of single women and 23 percent of single men are poor or near poor compared with only 8 percent of married people in that age group.¹

When a woman outlives her husband, her income decreases by 50 percent on average yet expenses only decrease by 20 percent.⁹ In addition, older women who live alone are less likely to have a family member available to care for them and have a higher need for additional financial resources to cover long-term care expenses.

NON-MARRIED WOMEN

as a percent of total households, aged 65 and over



Source: U.S. Social Security Administration (2002a).

Older women are twice as likely to be single as men. Among women age 65 and older, 60 percent are single compared to 29 percent of men, and as women get older, their probability of being single increases.⁷ Older women are three times more likely to be widowed than older men.⁸ Women tend to live longer than men and marry men who are older than they are. Also, older women don't tend to re-marry.

KEY RESEARCH FINDINGS

Much has been written about retirement planning, but a gap exists in understanding the emotions people feel while they are planning for their retirement. For many people finances are intermingled with emotions and fraught with personal connections and feelings.

In order to understand these connections better, The Hartford and the MIT AgeLab conducted eight focus groups with retirees and pre-retirees throughout the U.S. in spring 2007, followed by a national telephone survey in fall 2007. Questions focused on people's perceptions of their retirement risks and their feelings about retirement.

Critical areas that were probed in depth included inflation (both general and health care), money management, longevity, physical health and leisure. When the data were analyzed, several key concerns emerged, with some interesting gender distinctions.

The Research Showed...

Women are more worried than men about retirement risks.

Women are more worried than men about all of the retirement risks measured, except having enough to do in retirement.

Both women and men are most concerned about health inflation, general inflation and physical health decline.

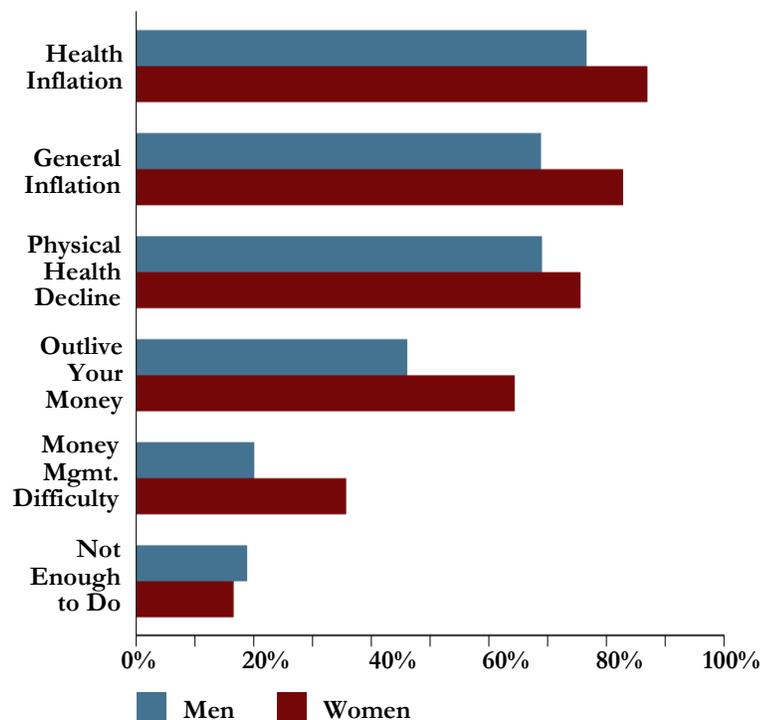
Health inflation: 87 percent of women and 77 percent of men are either very or somewhat concerned that the cost of healthcare in retirement will grow faster than their income.

General inflation: 83 percent of women and 69 percent of men are either very or somewhat concerned that the general cost of living in retirement will grow faster than their income.

Physical health decline: 75 percent of women and 69 percent of men are either very or somewhat concerned about a decline in health during retirement.

RETIREMENT CONCERNS BY GENDER

% Very Concerned or Somewhat Concerned



Source: The Hartford and the MIT AgeLab Retirement Attitudes Survey, 2007.

The greatest disparity between women’s and men’s concerns is around financial matters – outliving their money, managing their money and the rising cost of living. The differences reflect women’s higher levels of concern about the greater risks they face in retirement.

Longevity: 64 percent of women and 46 percent of men are either very or somewhat concerned about outliving their money (an 18 percentage point difference).

In the focus group interviews conducted by The Hartford and the MIT AgeLab, one participant said about longevity: “I don’t think it’s important. What’s the point in trying to figure out how long you’re going to live? No one knows. You have no idea how long you’re going to live. I might die tomorrow. I might live to be 95 or 100.”

Yet it is this calculation that is important to determining how long people will need to make their retirement savings last so that they will not run out of money before they run out of living. Women, who on average live longer than men, may recognize the greater risks they face with regard to longevity.

Money management: 35.6 percent of women and 19.2 percent of men are either very or somewhat concerned about having difficulty managing their money (a 16.4 percentage point difference). Over twice as many women (11.5 percent) as men (5 percent) say they are very concerned about having difficulty managing their money.

Because women may have fewer retirement resources that they may need to stretch over a longer retirement – on average smaller 401(k) accounts, smaller pensions and lower Social Security income relative to men – many women may face a more challenging money management task in retirement than men.

“I don’t think it’s important. What’s the point in trying to figure out how long you’re going to live? No one knows. You have no idea how long you’re going to live. I might die tomorrow. I might live to be 95 or 100.”

— *Focus group participant*

General inflation: 83 percent of women and 69 percent of men are either very or somewhat concerned about general inflation (a 14 percentage point difference). 49 percent of women and 28 percent of men are very concerned about general inflation (a 21 percentage point difference).

Women and men both expressed a significant degree of concern over inflation risk in retirement. Women’s higher levels of concern, however, may again be related to the higher degree of risk they face in retirement. Inflation over time can erode the purchasing power of smaller retirement nest eggs that may need to last for more years.



PRACTICAL TIPS TO MOVE FROM ANGST TO ACTION

✔ Start Early

Women need to start retirement savings early in their careers. Since women spend fewer years in the workforce than men, getting an early start on retirement saving is essential to longer term fiscal health.

✔ Actively Participate

Women who are married should not ignore retirement planning or leave it totally to their spouse. Women have different concerns about their retirement years that may not be properly addressed if they do not participate in the planning.

✔ Invest in Health

Physical wellness is a valuable financial strategy. Women who invest in a healthy life style can enjoy better health and lower medical expenses for decades.

✔ Estimate Life Expectancy

Most people underestimate their life expectancy. This mistake can put women at risk for not saving enough money for retirement. Women should do a longevity estimate and add a few years to create even more financial security.

✔ Have a Balanced Plan

Women need to make a retirement plan that includes: guaranteed sources of income (Social Security, pensions, annuities), growth investments that keep up with inflation, and insurance to protect against significant losses (life, disability and long-term care insurance).

✔ Consult an Expert

If a woman feels she lacks the knowledge or confidence to do her own planning, she can benefit from working with a trusted advisor.

Taking the Worry Out of Retirement

Aging is a woman's world. Women are likely to outlive men, remain active longer and be responsible for caring for their spouse and others. Plus, women often need to stretch smaller savings over longer lifetimes. So it makes sense that women are more worried than men about finances in retirement. The good news is that an adequate level of worry can help motivate women to plan for their future. By taking some basic steps such as those outlined above and working with a qualified financial professional, women can turn their angst into action and take a lot of the worry out of retirement.

“I became a widow and I didn’t know anything about finances and so I educated myself. I became a member of the American Association of Independent Investors. I went to classes. I learned what I thought I should know and I worked with professionals to plan. To learn about what I should consider, what I would need when I retire. And that was a very good thing that I did because I took over everything that I had to do and I think I made pretty good decisions.”

– Focus group participant

ABOUT THE SURVEY

To be eligible for inclusion in the survey, individuals had to meet the following three criteria:

- Between the ages of 45 and 74;
- English speaking and living in continental U.S.;
- Have some personal savings for retirement.

Personal savings for retirement could include money saved in an account like a 401(k) or 403(b) or in any kind of IRA. Individuals who reported that they did not have any personal savings for retirement, outside of Social Security or a pension, were not included in the sample. The sample was stratified by age. Respondents were asked:

How concerned are you that in retirement...

- **You will outlive your money**
- **The cost of living will grow faster than your income**
- **The cost of health care will grow faster than your income**
- **Your physical health will decline**
- **You will not have enough to do in retirement**
- **You will have difficulty managing your money**

The response choices were:

- **Very concerned**
- **Somewhat concerned**
- **Not too concerned**
- **Not at all concerned**
- **Don't know**
- **Refused**

The survey data are weighted. The data weights were created based on 2006 U.S. Census estimates for age. Thus, the weighted data are representative of Americans ages 45 to 74 who have some personal savings for retirement. Roughly 60 percent of the final weighted sample were women and 40 percent were men.

The survey questionnaire was fielded between November 28 and December 21, 2007. The interviews were completed in this period with 1,194 eligible respondents.

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ABOUT THE HARTFORD AND THE MIT AGE LAB

The Hartford is one of the few companies in the United States with in-house experts on business and aging. For over 23 years, The Hartford has employed gerontologists to work across the company's insurance and investment business lines to help develop industry leading programs and services for the mature market. This group of nine experts is called the Advance 50 Team.

The Hartford has enjoyed a research collaboration with the MIT AgeLab since 1999, when MIT started working with the company's property and casualty division. In 2006, this partnership was extended to The Hartford's retirement initiative. The purpose of the collaboration is to gain greater insight and understanding into the challenges facing Americans as they age, and to apply this understanding to the delivery of financial planning products and services to meet the needs of its customers. The AgeLab's multi-disciplinary team has developed unique methods, facilities and data that place it at the forefront of innovation in transportation, health and wellness, aging and longevity planning. The AgeLab's Internet address is <http://web.mit.edu/agelab>.

"Why Women Worry" is part of a series of retirement-related research findings being published by The Hartford and the MIT AgeLab. The series began in February 2008 with the "Power of Two" findings on issues around couples, communication and financial planning.

The Hartford, a Fortune 100 company, is one of the nation's largest financial services and insurance companies, with 2007 revenues of \$25.9 billion. The Hartford is a leading provider of investment products, life insurance and group benefits; automobile and homeowners products; and business and property and casualty insurance. International operations are located in Japan, the United Kingdom, Canada, Brazil and Ireland. The Hartford's Internet address is www.thehartford.com.



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The Hartford Investments and Retirement Survey

Research Details and Results Overview

November 2009



The Hartford Investments and Retirement Survey

Background/Objective:

The Hartford is interested in better understanding the retirement needs, concerns and perceptions of consumers in the United States, particularly those ages 45 and older

Methodology:

Sample Size and

Composition:

Men and women ages 45 and older, who are United States residents, and who are responsible for making financial decisions for their households.

United States:

751 men and women ages 45 and older

Ages:

45-54	34.2%
55-64	33.4%
65+	32.4%

Annual Income:

More than \$100,000	10.8%
\$50,000-\$100,000	33.8%
Less than \$50,000	47.8%
Declined/No answer	7.6%

Total Qualified

Completes:

751 total respondents

Margin Of Error:

+/- 3.5%



Summary - Key Findings

Visions of Retirement Grow Bleaker

The turmoil and subsequent meltdown of the global financial markets during the last year has had a profound impact on how Americans view their financial picture, particularly when it comes to retirement planning. America's confidence about its financial wherewithal continues to decline and, along with it, its optimism about the shared future known as "retirement."

The overwhelming majority of Americans continue to accept that they and they alone are primarily responsible for their financial security and comfort in retirement. The knowledge is becoming a heavy burden to bear as Baby Boomers fret about a lack of financial acumen, a want of safety nets and a waning financial power to live comfortably in retirement or, increasingly, the inability to even aspire to that goal.

The Hartford's 2009 Investment and Retirement Survey, conducted in the U.S. previously as part of The Hartford's International Retirement Survey, identified growing concerns about financial security and the ability to find the path to financial security in retirement:

- The No. 1 financial concern in retirement – simply meeting every day expenses – dominates all other concerns. Keeping up with daily expenses for food, shelter and other basic needs spiked in 2009 to 65.2 percent. In 2008, 49.7 percent identified meeting daily expenses as their top financial concern in retirement, doubling from 24.5 percent in 2007.
 - The prospect of enjoying life in retirement appears to grow ever more elusive for many people. The goal of enjoyment declined to 14.4 percent in 2009 from 26.2 percent in 2008 and 43.2 percent in 2007.



Summary - Key Findings

- Health care was the third biggest concern, with 14 percent identifying the affordability of health care or long-term care for themselves or their spouse as their No. 1 financial care. The priority declined somewhat from 15.9 percent in 2008, perhaps because of the recent Congressional debate over government mandates for health insurance coverage.
- Confidence in employer-sponsored pension plans plummeted. More than one-third of all survey respondents (34.4 percent) said they were “not at all confident” that the income from their employer-sponsored pension plan would be guaranteed for as long as they lived in retirement.
 - Fully 45.4 percent were either “not too confident” or “not at all confident.”
 - In the previous three years, the highest response rate for “not at all confident” was 5 percent and the highest total for “not too confident” or “not at all confident” was 15.1 percent in 2008.
- The correction of the financial markets, despite a pronounced rebound during the summer and early fall, has created uncertainty over the future. Nearly a third of all respondents (31.6 percent) said they have no idea as to when they will be able to retire and 19.3 percent indicated they will have to postpone retirement for up to two years or more.



The State of Financial Planning

A Crisis in Confidence

- Americans' confidence in their financial planning capabilities remains low. In 2009, 82.7 percent of survey respondents said they were less than confident in their financial planning knowledge and abilities, with 34.2 percent indicating they were “not too” or “not at all” confident.
- Few people are certain about how much income they will need in retirement. Most people (56.3 percent) say they are unsure or have no idea about how much income it will take to live in retirement.
- Retirement and/or financial planning is viewed as too complex or difficult by one in two Americans (50 percent). Many people (35.5 percent) say they would rather not spend more time on financial planning.
- The number of people who have taken steps to plan for retirement remains relatively unchanged from 2008.



The State of Financial Planning

Planning Leads to Optimism

- The Hartford's research found that financial planning makes a pronounced difference on many fronts, both personal and financial. Those who have taken the time and expended the energy to plan for retirement or their financial future not only are in a better place financially but have a more positive outlook about their retirement future than those who have not:
 - Those who have planned for retirement are three times more likely to be confident that they will have sufficient income in retirement as compared to those who have not planned. Nearly one-third (31.5 percent) of those who had planned said they were “very” or “extremely” confident of having sufficient income for retirement as compared to 10 percent for those who had not planned.
 - Overwhelmingly, those who did not plan were uncertain as to where to obtain financial advice. Of those who had not created a financial plan, 42.5 percent said they did not know where to turn as compared to 9.6 percent for planners.
 - Those who described themselves as planners were three times more likely to rely on an independent financial expert for credible financial advice than those who said they did no planning (39.9 percent vs. 13.4 percent); were more likely to rely on a bank representative (19 percent vs. 12.5 percent) or securities firm (16.5 percent vs. 5.7 percent) or insurance agent (10.2 percent vs. 4.4 percent) for planning advice.
 - Survey respondents who had done some planning were twice as likely as non-planners in their knowledge and abilities with financial planning (23.6 percent vs. 9.6 percent).



The State of Financial Planning

- Survey respondents who had undertaken some financial planning were three times more likely to know how much income they would need in retirement. A total of 61.3 percent of planners were “certain” or “nearly certain” about their income needs compared to 22.6 percent of non-planners.
- Those who planned were more likely to say the recent market correction had no effect on their retirement target date. Nearly three in five planners (57.7 percent) said they were on target to retire as planned compared with 38.7 percent of those who did not take planning steps. Forty-four percent of those who did not plan said they had no idea as to when they might retire and 17.3 percent said they would have to delay retirement up to two years or more.
- Planners took more action and generally painted a rosier financial picture of the past 12 months than those who had not planned. For instance, 18.4 percent of planners said their investment earnings had increased as compared to 4.8 percent of non-planners. Planners were twice as likely as non-planners to have increased their net worth (12.2 percent vs. 5.3 percent) and 32.7 percent of planners said they save more while 22.4 percent of non-planners could say the same.
- Planners were more bullish about the market and more likely to continue investing. Of those who had created a plan, 9.2 percent continued to invest heavily in the market compared to 3.7 percent for non-planners. Three in 10 planners (30.2 percent) said they were more cautious but continued to invest compared to 12.7 percent who had done no planning.
- The more affluent the respondent, the more likely he or she was to have done some financial planning. Of those earning \$100,000 annually or more, 75.2 percent had planned compared to 65 percent of those who earned \$50,000 to \$99,999 and 40.4 percent who earned less than \$50,000.



Aversion to Risk Surprisingly Wanes

- Many people continue to describe themselves as “risk averse,” although the number surprisingly declined since before the market meltdown. Those describing themselves as “completely averse” to risk dropped to 13 percent in 2009 from 15.4 percent in 2008 and 15.7 percent in 2007. The number of people who said they would accept “some risk” for a “moderate potential for financial gain” increased to 51.7 percent in 2009 from 46.8 percent in 2008.
- The greatest risk in retirement was seen as “outliving my money” (23 percent). That changed from last year when 22 percent said the greatest risk was the financial impact of a “significant health event or problem,” which came in at No. 2 this year (21.5 percent). The number of respondents who saw the lack of a guaranteed income in retirement as their greatest risk nearly doubled to 19.2 percent in 2009 from 10.2 percent in 2008.
- Nearly one in three people (31.3 percent) said they are hesitant to invest and have not put any new money in the stock market. Another 22.2 percent said they were more cautious since the market meltdown and had pulled back somewhat on investing.
- Nearly one in four respondents (23.2 percent) said they were unsure what to do when it came to investing.



Confidence Remains Down in the Dumps

- Confidence about having enough money for retirement remains low. Nearly four in five people (78.3 percent) are less than confident that all of their sources for retirement income, including employer-sponsored pension plans, government-sponsored pension plans and personal savings and assets, will be adequate to maintain their standard of living in retirement. That compares to 74.6 percent in 2008, 78.5 percent in 2007 and 69.2 percent, indicating a longer term decline in confidence.
- Although plans to rely on an employer-sponsored pension plan have remain essentially unchanged since 2006, the confidence in this traditional source of retirement income dropped dramatically in 2009. Those who said they were “not at all confident” in their employer pension plan sank dramatically to 34.4 percent in 2009 as compared to 2.6 percent in 2008, 5 percent in 2007 and 4.1 percent in 2006. Those who reported they were “somewhat” to “extremely” confident declined to 50.7 percent in 2009 from 84.8 percent in 2008.
- Government pension plans – Social Security and state, county and municipal pensions -- remain the No. 1 source of retirement income (34.9 percent) in 2009 and actually increased in importance from 2008 (31.8 percent). Money in banks and investments declined as an important source by nearly half, dropping to 10.9 percent in 2009 from 19.7 percent in 2008. The top three sources, in order of importance, were public pensions, employer-sponsored pensions and employer-sponsored savings and investment plans.
- Confidence in Social Security as a sufficient source of retirement income remains essentially unchanged. A total of 83.7 percent were less than confident that Social Security alone would provide an adequate retirement income as compared to 84.7 percent in 2008, 84.9 percent in 2007 and 81.1 percent in 2006.



Retirement Date Becoming More Elusive

- Increasingly, people expect to retire later and spend fewer years in retirement. The number of people who expect to retire before age 60 continues to decline, with 6.7 percent in 2009, declining from 8.9 percent in 2008 and 13.8 percent in 2007.
- The number of people expecting to retire after age 70 continues to climb, with 15.4 percent in 2009, 13.6 percent in 2008 and 9.6 percent in 2007.
- More people expect to live in retirement between 10 and 20 years. The percentage of respondents expecting such a term in retirement was 43.8 percent in 2009, up from 34.1 percent in 2008, 32.4 percent in 2007 and 37.5 percent in 2006.
- The number of people who expect to be retired for more than 20 years declined, with 43.5 percent in 2009 compared to 47 percent in 2008, 47.6 percent in 2007 and 46.5 percent in 2006.
- Most people plan to retire between the ages of 60 and 70. Those years were targeted by a total of 63.8 percent in 2009, 61.8 percent in 2008 and 58.7 percent in 2007

RISK LOGY

STUDYING THE ELEMENTS OF RISK IN RETIREMENT



Ti

Timing

In

Inflation

Ma

Market

Lo

Longevity

Fi

Fixed Income

Wi

Withdrawal



IF RETIREMENT PLANNING WERE
A SCIENCE IT MIGHT BE CALLED

RISK LOGY

That's because investing for retirement involves a number of risks.

- How much should I invest each year?
- What's my ultimate goal?
- How do I turn those savings into reliable income that won't run out?

This brochure will introduce a new way to think about retirement planning—not in terms of how much to accumulate—rather, by considering your unique retirement income needs, and reviewing strategies for generating income to meet those needs.

To begin, let's consider the good news about life expectancy, and the risk that lengthening life spans pose to a comfortable retirement.

Eq
Equity

In
Inflation

Bd
Bond

Dp
Depletion

Longevity Risk



WE'RE LIVING LONGER

than ever these days. And that's good, of course.

But while you may not consider a long life to be a retirement issue, it just may be the single most important factor to plan for; a "risk" that affects every other challenge to a successful retirement income plan.



Observation

Thanks to a combination of medical advances, better nutrition and healthier lifestyles, we're enjoying some of the longest life expectancies in history. So much so that financial advisors often point to "The Rule of 63/36."

Assuming a couple 65 today, there's a 63% chance at least one will live to celebrate their 90th birthday.

And the odds that one will celebrate their 95th birthday is a robust 36%.¹



Hypothesis

Life spans, and therefore retirements, are getting longer. That means you may have many more years to plan for than you realize.



Test

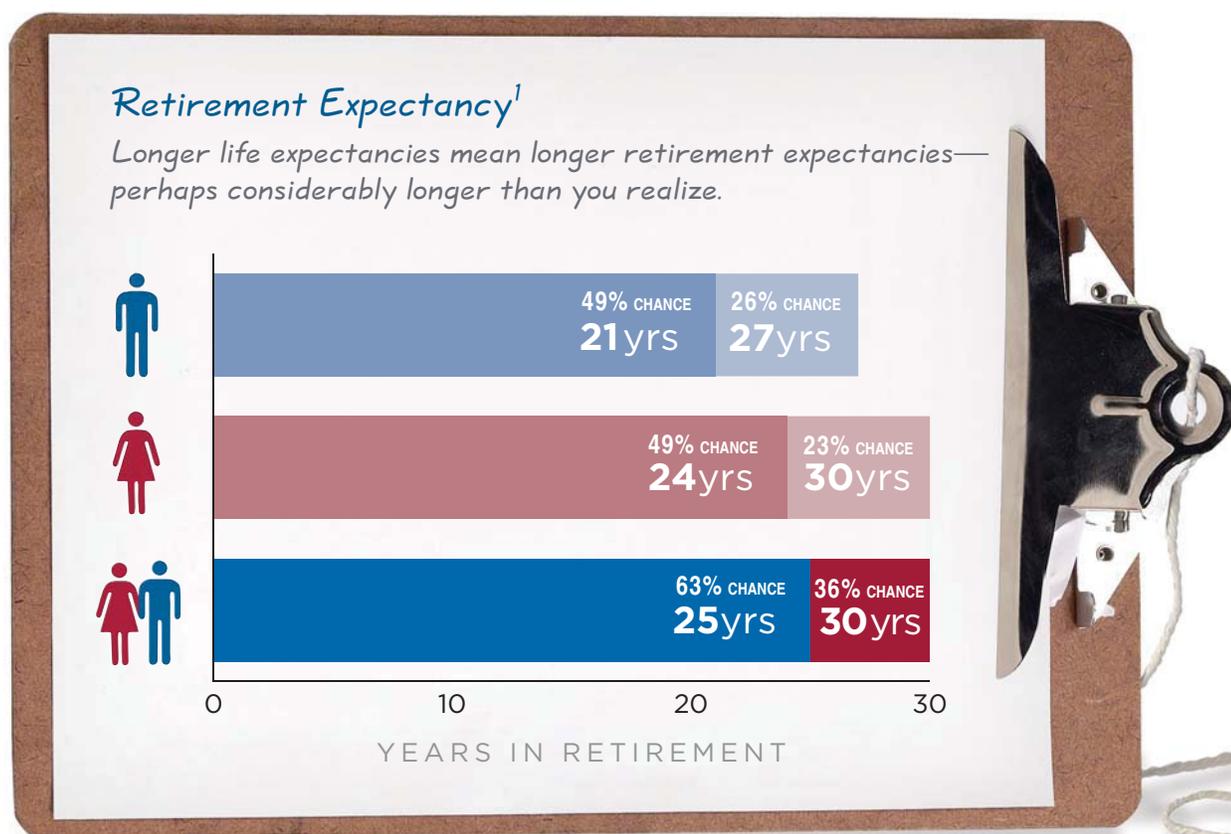
Longer life expectancies mean longer retirements. And therefore, a longer period of time you'll need reliable annual income. As the chart below shows, odds are good that you or your spouse could be retired

for 25 to 30 years. In other words, you could need a predictable source of annual income for just about as many years in retirement as you did when you were working.

Assumptions

Assumes retirement begins at age 65. Longevity data presented does not reflect mortality from birth statistics available from U.S. Census Bureau.

¹ Data Source: Society of Actuaries Annuity 2000 Mortality Tables.



Result

As good as longer life expectancy is, it does increase the risk of running out of money. Consider this: Some 80,000 Americans will turn 100 in 2010. By the

year 2030, that number will climb to more than 200,000—and may include you!

Source: www.census.gov, 2009

Eq

Equity

In

Inflation

Bd

Bond

Dp

Depletion

Inflation Risk

AS LIFE EXPECTANCIES INCREASE, it's easy to underestimate the risk that inflation can have on maintaining a comfortable retirement lifestyle. But if given enough time, even a little inflation can take a big toll.



Observation

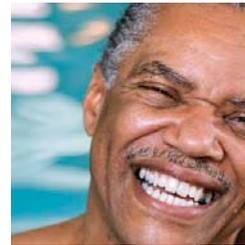
Today, inflation is historically low. But back in the early 1980s, it was raging at over 10%.²

²Data Source: miseryindex.us, 1/2010.



Hypothesis

Because of inflation, maintaining your current standard of living throughout retirement will require that you gradually increase your retirement income.



Test

It's hard to predict the inflation rate next year, let alone during your entire retirement. But over the past 20 years, inflation has averaged about 3% a year.² Given enough time, even this relatively benign rate can have a dramatic effect on how much annual income you will need just to keep pace.

Up, Up, and Away!
Assuming you plan to live on \$100,000 a year, notice how much more annual income you'll need just to maintain your retirement lifestyle...

Annual Inflation	ANNUAL INCOME IN		
	10 Years	20 Years	30 Years
3%	\$134,392	\$180,612	\$242,726
4%	\$148,024	\$219,112	\$324,340
5%	\$162,890	\$265,330	\$432,194

...and remember, you're retired.

This hypothetical chart is for illustrative purposes only.



Result

Retirement is expensive enough. With inflation, the costs can be stunning. Example: a simple \$5 meal over 20 years can cost two people upwards of \$219,000. Add a modest 3% annual inflation rate, and the cost swells to over \$294,000. Ignore inflation and you risk either running out of money or making some sacrifices to your lifestyle.

“RULE of 219”

- \$5 meal
- X 2 people
- X 3 meals a day
- X 365 days a year
- X 20 years

\$219,000

Eq
Equity

In
Inflation

Bd
Bond

Dp
Depletion

Small World

Market Risk

WHEN IT COMES TO INVESTING in the financial markets, there are no guarantees. The value of today's nest egg will likely be different tomorrow, and different again a month or year from now.

Relying on a specific portfolio balance to generate lifetime retirement income ignores this natural law of investment markets.



Observation

Historically, markets move up. But not without intermittent—and sometimes serious—setbacks. Since 1926, the Dow Jones Industrial Average has reported positive annual returns twice as many times as negative ones.³

But of those negative years:

- 13 were annual losses of -10% or less
- 9 were losses of between -11% and -20%
- 2 were losses of between -21% and -30%,
- 4 were losses of -31% or more.



Hypothesis

Annual retirement income that depends on market-based investments can vary dramatically due to the common fluctuations associated with market volatility.

³Data Source: www.djindexes.com, 2010. 56 positive years vs. 28 negative years from 1926-2008. The Dow Jones Industrial Average is an unmanaged, price-weighted index of 30 of the largest and most widely held stocks traded on the NYSE. It is not available for direct investment.

INDEX PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS



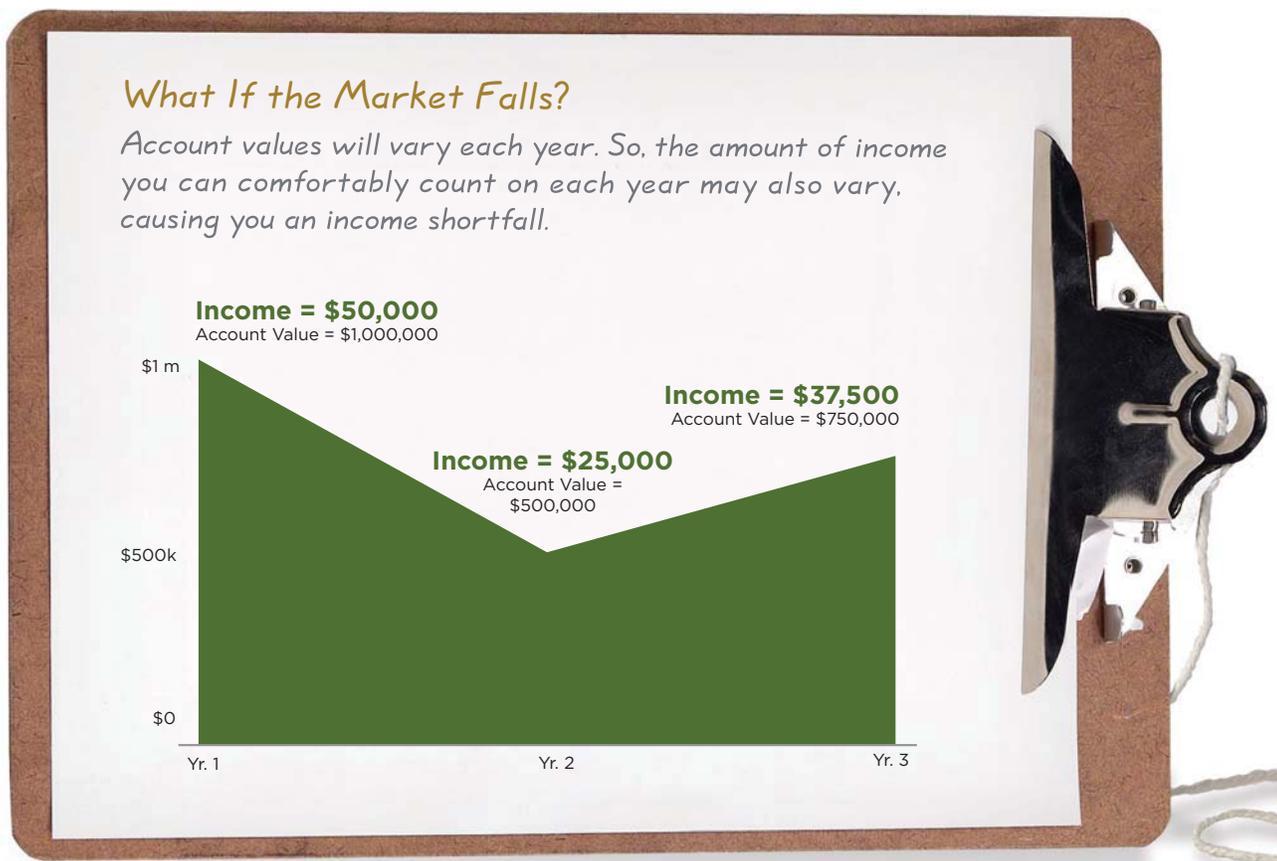
Ma



Test

Many investors hope to reach a target retirement “number.” But reaching that number one year doesn’t mean you’ll be able to maintain it the next.

This basic market ebb and flow can cause problems if you’re counting on your nest egg to provide a reliable, annual income.



This hypothetical chart is for illustrative purposes only and assumes a 5% withdrawal.



Result

There are risks involved in relying on a variable account value to provide a consistent, predictable, and reliable annual income. A declining account value could drag your standard of living down with it.

Eq
Equity

In
Inflation

Bd
Bond

Dp
Depletion

Sa

Wd

Timing Risk



LONG-TERM INVESTORS shouldn't be market timers. That's a widely held and time-tested adage. But when it comes to retirement planning, you might not have a choice.

Why? Because *when* you decide to retire can play a significant role in how successful your retirement will be, especially if you're unlucky enough to retire on the eve of a prolonged slump.



Observation

The combination of market under-performance plus annual withdrawals can sabotage even the best retirement income

plan. In fact, 52% of investors have had to change their lifestyle due to the recent market crisis.⁴



Hypothesis

If your retirement happens to begin just before a market downturn, you might run out of money sooner than you think.

⁴ Data Source: Investment Advisor, "Being Prepared for 2009", 12/10/2008.

⁵ Data Source: Thomson Financial Company, 1/09.

INDEX PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

Assumptions for chart on page 10:

Hypothetical initial value of \$500,000. Portfolio: 50% large-company stocks, 50% bonds. Assumes reinvestment of income and no transaction costs or taxes. Stocks are represented by the Standard & Poor's 500® Index which is a market-capitalization weighted price index composed of 500 widely held U.S. common stocks, frequently used as a measure

of U.S. stock market performance. Bonds are represented by the Barclays Capital Govt which is an index of all publicly issued long-term government debt securities. Average maturity of 23–25 years. Jane invested in 1975 taking annual withdrawals of \$25,000 adjusted for an inflation of 4.08% each year (Average inflation from 12/31/75–12/31/09); James invested in 1965 taking annual withdrawals of \$25,000 adjusted for an inflation of 4.45% each year (Average inflation from 12/31/65–12/31/09).

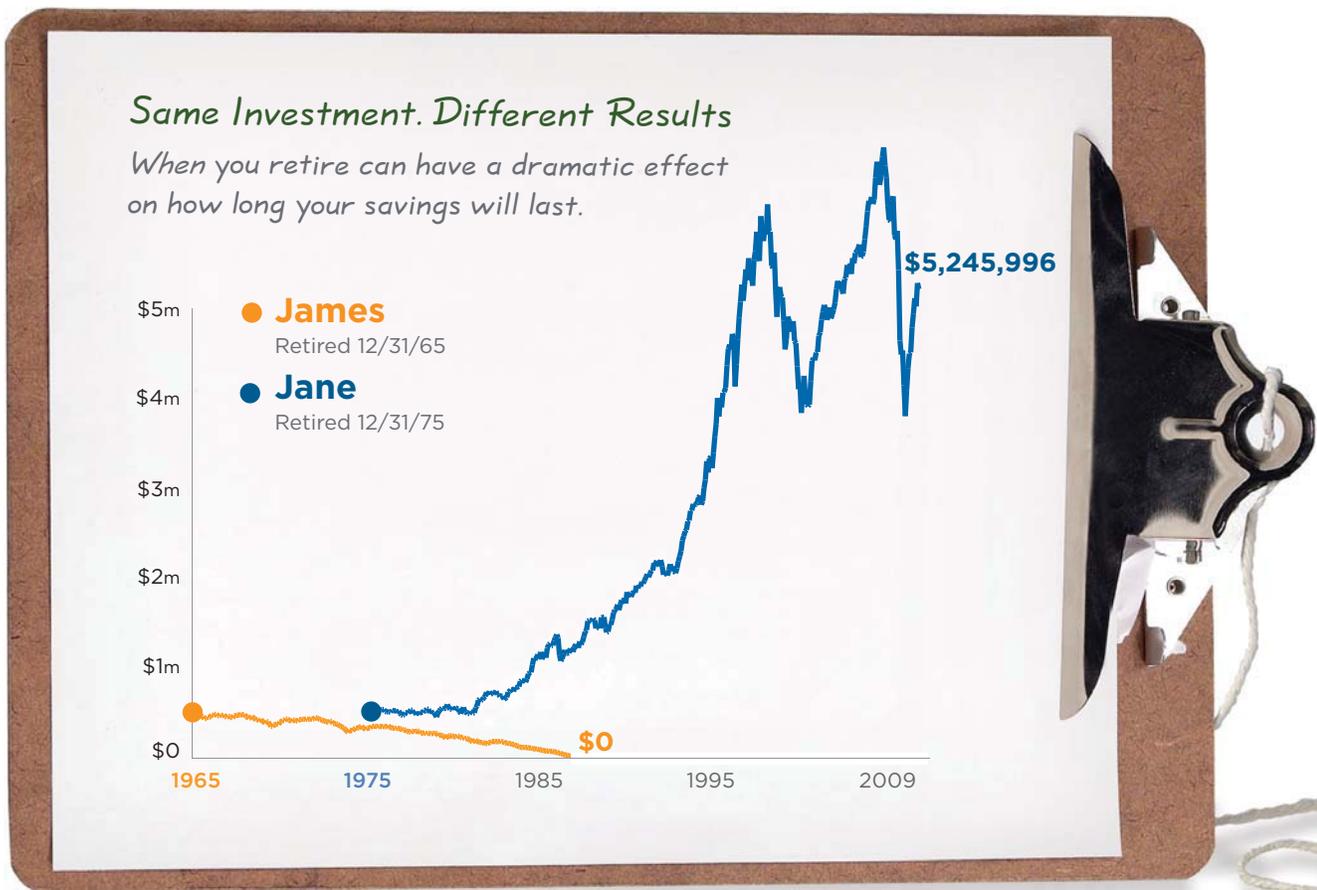
The indices illustrated are unmanaged and unavailable for direct investment. This is for illustrative purposes only and not indicative of any investment.



Test

Jane and James are long-term investors who both have saved \$500,000 in a 50/50 mix of bonds and equities. They intend to withdraw 5% (\$25,000) a year,

increasing withdrawals annually for inflation. Their only difference—and it's a big one—is when they retired.⁵



Result

Timing matters. In this case we are talking about retirement timing. Inadvertently choose a bad time, and you risk sabotaging even the best financial plan.

In
Inflation

Bd
Bond

Dp
Depletion

Withdrawal R



WANTING MONEY TO LAST

a lifetime is something everyone can understand. What may be less well known is just how fast a nest egg can be emptied, even with a modest annual withdrawal rate.



Observation

One retirement income strategy suggests that you can withdraw a specific percentage of your retirement savings each year and, if it's modest enough, your savings will last a lifetime. But considering that retirements are getting longer, this approach may no longer work.



Hypothesis

Even if you withdraw a modest 5% of your nest egg each year, your retirement portfolio may not last a lifetime.

⁶ Assumptions for page 12: \$500,000 invested in a 50/50 equity/fixed income mix on 12/31/1972. Assumes reinvestment of income and no transaction costs or taxes. Equities are represented by the S&P 500 Index, an unmanaged list of 500 widely held U.S. common stocks frequently used as a measure of U.S. stock market performance. Bonds are represented by the Barclays Capital U.S. Aggregate Bond Index, which is made up of the Barclays Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, including securities that

are of investment-grade quality or better, have at least one year to maturity, and have an outstanding Par value of at least \$100 million. Monthly withdrawals are adjusted for inflation based on the CPI. Indices are not available for direct investment.

Data Source: Thomson Reuters, 1/09

INDEX PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

This hypothetical illustration does not represent the performance of a specific fund.

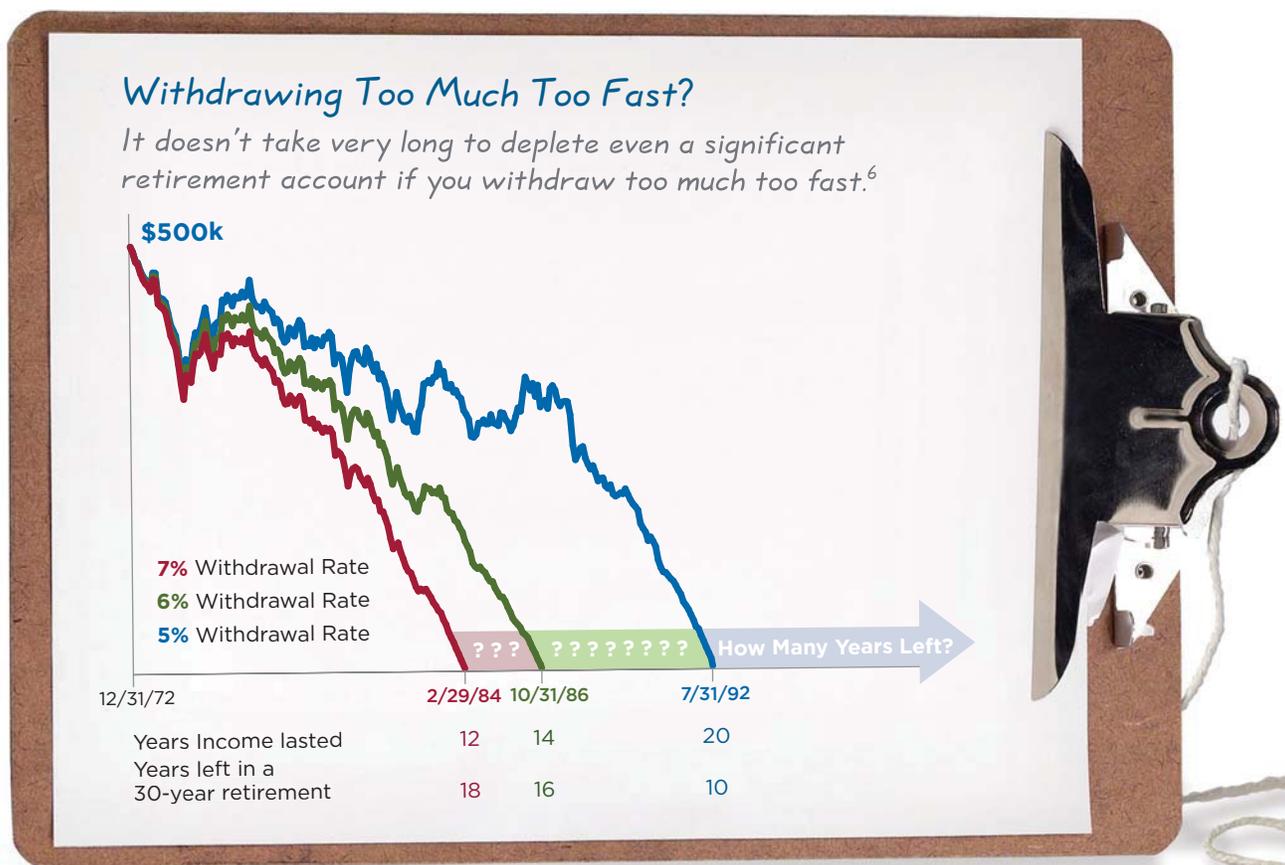
ate Risk



Test

Considering that your retirement could last 25 or 30 years, withdrawing even a modest 5% of your savings annually can deplete your nest egg faster than you may

want. Increasing those withdrawals by even a single percentage point or two could leave you with a significant shortfall.



This is a single historical example and there is no assurance that past market performance will be repeated.



Result

Even modest annual withdrawals can have a dramatic effect on how quickly you might run out of money. Long-term

retirements require long-term, reliable annual income to be confident that your money will last a lifetime.

Eq

Equity

In

Inflation

Bd

Bond

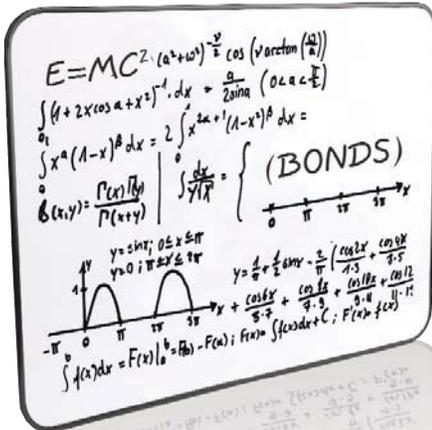
Dp

Depletion

Sa

We

Fixed Income



RETIREES COMMONLY TURN to bond, or fixed income investments for their retirement income needs, partly because bonds are considered to be less volatile than equities.

But bond investments are not without risk. Indeed, under the right circumstances, bond values and bond interest rates can both be volatile.



Observation

When interest rates fall, bond values rise. But when interest rates rise, the value of your bond investment can fall. Something to consider in this historically low interest rate environment.

BONDS CAN BE VOLATILE, TOO

Notice in the table below the effect interest rates can have on bond values. When interest rates rise, bond values fall. And the longer the bond (i.e. 30-year), the steeper the fall.

Bonds	- 3%	- 1%	0%	1%	3%
2 year	\$101,975	\$101,918	\$100,000	\$98,126	\$94,509
5 year	\$112,864	\$104,736	\$100,000	\$95,492	\$87,168
10 year	\$127,901	\$108,561	\$100,000	\$92,205	\$78,668
30 year	\$167,829	\$117,579	\$100,000	\$86,025	\$65,815

This hypothetical example is for illustrative purposes only and not meant to represent any investment option. Assumes an initial \$100,000 bond investment. Interest rates fluctuate +/- 3%.
Data Source: BRS Anser, 12/09



Hypothesis

Investors who regularly reinvest in bonds and bond funds may discover that, because bonds can also be volatile, the value, or interest rate they counted on one year to generate income may not be available the next.

Risk



Test

Bond values aren't the only things that fluctuate. Bond yields, or interest rates, also vary. The yield that is available one year may not be available when it comes

time to re-invest in another bond. If you're counting on a specific amount of money to live on, a lower yield might also force you to lower your standard of living.

Assumptions

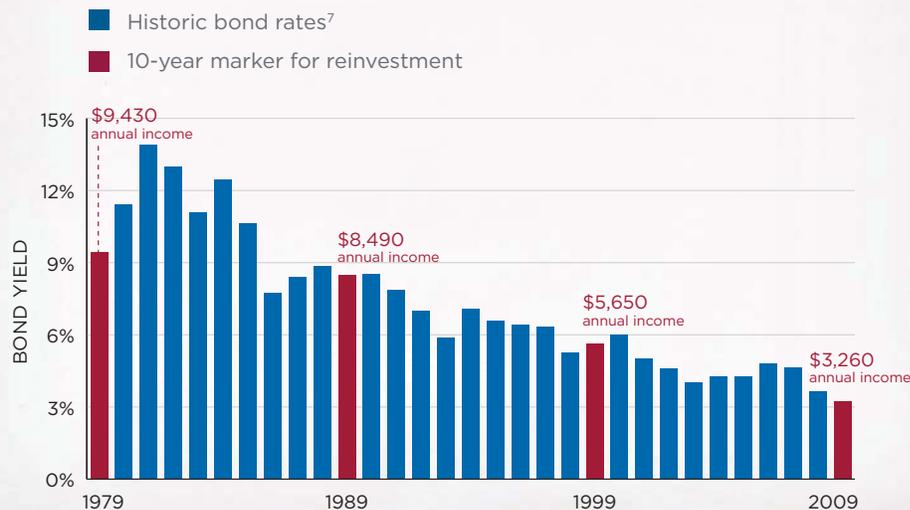
Based on a \$100,000 investment.

⁷ Bonds are represented by the Barclays Capital Govt which is an index of all publicly issued long-term government debt securities.

Data Source: Thomson Financial, 1/10.

The Problem With Banking on Bond Yields

Bonds are often seen as a source for stable retirement income. But the chart below shows that when it's time to buy a new bond, rates (and your income) can change dramatically.



Result

Retirees who rely on fixed-income investments alone for their annual income needs run the risk of having their income

significantly decline if interest rates or bond values fall.

CONCLUSION

When you think about the elements of risk in retirement, what becomes apparent is the one risk that all these retirement income strategies have in common— the risk that you will run out of money too soon.

Guarantees Can Help

One solution worth considering is guaranteed, lifetime income. Income that is unaffected by market volatility, fluctuating interest rates, or withdrawal rate formulas. Income that is guaranteed to last a lifetime, no matter how long that lifetime lasts.

Your Retirement Income Formula



Guarantee the “Must Haves”

How much guaranteed income is enough? Just as our DNA is unique, no one formula fits everyone. Many advisors recommend you secure enough guaranteed income to cover basic needs, such as food, housing, and health care, plus anything else you feel is a “must have” to make your retirement meaningful.

Invest for “Nice to Haves”

With your basic needs covered, you’re now free to invest for growth potential for the “nice to haves” of retirement, such as travel, recreation, and entertainment expenses. Things you can do without in times of market under performance. But things that otherwise will make your retirement even more satisfying.

Develop Your Plan

The Hartford can help. The next two pages include a “Retirement Income Worksheet” that can help you identify your retirement income needs, and how much you’ve saved so far to meet those needs.

Additional worksheets and retirement planning resources also are available online at HartfordInvestor.com.

Once you’ve completed the worksheets, meet with your financial advisor to review your information and help develop a financial plan that is unique to you.

A plan that will both invest your assets for growth potential and secure guaranteed income for daily living expenses.

A plan that can help ensure your nest egg lasts a lifetime. Your lifetime.



RETIREMENT INCOME WORKSHEET

Use the worksheet to the right to help identify your “must haves”, such as food, housing and insurance, as well as your “nice to haves” that can help make your retirement the meaningful experience you’ve worked so hard to achieve.

Next, list the sources of retirement income that you expect to receive to pay for those expenses.

Finally, make an appointment to share this information with your advisor and together create a financial plan that can help turn your retirement dream into reality.



1 LIST YOUR EXPENSES

Use the boxes below to help identify your **monthly expenses**. Then add them up to determine your total monthly expenses.

Monthly “Nice to Have” Needs

“Nice to Have” needs are the stuff of retirement dreams—travel, recreation, dinners out. To realize those dreams, you’ll need income above and beyond what you’ve saved for your basic needs.

Travel	\$ _____
Entertainment	\$ _____
Hobbies	\$ _____
Charitable giving	\$ _____
Second house	\$ _____
Other: _____	\$ _____
Other: _____	\$ _____
Other: _____	\$ _____
TOTAL (add each category)	\$ _____

Monthly “Must Have” Needs

“Must Have” needs are all those expenses you simply can’t avoid—such as food, housing, insurance, taxes, and healthcare. To cover “must have” needs, you should rely on sources of income that are *guaranteed*.

Primary housing	\$ _____
Food	\$ _____
Transportation	\$ _____
Clothing and personal needs	\$ _____
Healthcare insurance premiums & copays	\$ _____
Taxes	\$ _____
Other: _____	\$ _____
Other: _____	\$ _____
TOTAL (add each category)	\$ _____

2 LIST YOUR INCOME

Use the boxes below to help identify your assets. Then add them up to determine total assets. (Note: Estimate where possible how much you expect your assets to produce in monthly income. If you're unsure, ask your financial representative to help.)

“Nice to Have” Income

“Nice to Have” income can vary depending on such things as fluctuations in the financial markets, or increases in inflation.

	TOTAL ASSETS	ESTIMATED MONTHLY INCOME
Retirement plans	\$ _____	\$ _____
IRAs (Traditional/Roth)	\$ _____	\$ _____
Mutual funds	\$ _____	\$ _____
Securities (stocks, bonds)	\$ _____	\$ _____
Certificates of Deposit	\$ _____	\$ _____
Savings/checking and money market accounts	\$ _____	\$ _____
Annuities	\$ _____	\$ _____
Other: _____	\$ _____	\$ _____
TOTAL (add each category)	\$ _____	\$ _____

“Must Have” Income

“Must Have” income comes from more dependable sources, such as Social Security, pensions, and annuities.

	TOTAL ASSETS	ESTIMATED MONTHLY INCOME
Social Security	\$ _____	\$ _____
Pension(s)	\$ _____	\$ _____
Paycheck	\$ _____	\$ _____
Annuity payout(s)	\$ _____	\$ _____
Rental income	\$ _____	\$ _____
Trust funds	\$ _____	\$ _____
Other: _____	\$ _____	\$ _____
TOTAL (add each category)	\$ _____	\$ _____

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We were there for Chicago after the Great Fire. For the construction of the Hoover Dam. For the first meeting of the United Nations. For the turning of two centuries. And while we're proud of our historic past, even more important is the future we're helping to create. A future in which we strive to help provide greater security, prosperity, and superior solutions for our clients. Because what's most important to us is not the history we've achieved, but the history we plan to make.



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You should carefully consider the investment objectives, risks, charges, and expenses of The Hartford Mutual Funds and Hartford variable annuities and their underlying funds before investing. This and other information can be found in the prospectuses, which can be obtained from your investment representative or by calling: 888-843-7824 for Hartford Mutual Funds or 800-862-6668 for Hartford variable annuities. Please read the applicable prospectus carefully before you invest or send money.

This brochure is not offering or recommending any financial planning services on behalf of The Hartford.

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Hartford variable annuities are issued by Hartford Life Insurance Company and Hartford Life & Annuity Insurance Company and are underwritten and distributed by Hartford Securities Distribution Company, Inc.

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All information and representations herein are as of 12/09, unless otherwise noted.

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 12 for certain terms used in this disclosure document.

The information in this document is subject to plan rules and any restrictions.

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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
- » 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 guaranteed¹ monthly retirement income, beginning at age 65. 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.
- » You can purchase Hartford Lifetime Income in regular amounts over time at different prices – this process, known as dollar cost averaging, helps manage pricing risks.
- » You will have the flexibility to cash out income shares before retirement income starts.²
- » 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 contributions³ 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 Insurance Company.

² Taxable distributions (and certain deemed distributions) are subject to ordinary income tax and if made prior to 59^{1/2} may also be subject to a 10% federal income tax. The value of your income shares when you cash out is equal to 96% of the current purchase price Hartford Life would charge you at your current age.

³ 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 if you:

- » Want the assurance of guaranteed monthly retirement income.
- » Seek protection against outliving your retirement savings.
- » Need to supplement Social Security and/or 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 retirement income, such as 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 stages to Hartford Lifetime Income:

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

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. You can access the certificate online through your Hartford Lifetime Income online account. (See "Keeping Track of your Guaranteed Income" for more information.)

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. Walker

Hartford Life Insurance Company
200 Hopmeadow Street
Simsbury, Connecticut 06089



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 31, 2009, 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	174	\$1,740	\$20,880	\$208,800	\$417,600	\$626,400
30	\$42,000	92	\$920	\$11,040	\$110,400	\$220,800	\$331,200
40	\$30,000	45	\$450	\$5,400	\$54,000	\$108,000	\$162,000
50	\$18,000	19	\$190	\$2,280	\$22,800	\$45,600	\$68,400

Here is another hypothetical example. The table below shows the number of income shares purchased by a one-time plan investment transfer or rollover of \$100,000 to Hartford Lifetime Income. (Income share prices are as of March 31, 2009 and are subject to change.)

Income Purchased by a \$100,000 Transfer or Rollover

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	281	\$2,810	\$33,720	\$337,200	\$674,400	\$1,011,600
50	\$100,000	153	\$1,530	\$18,360	\$183,600	\$367,200	\$550,800
60	\$100,000	84	\$840	\$10,080	\$100,080	\$201,600	\$302,400

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

Keeping Track of Your Guaranteed Income

Once you have purchased Hartford Lifetime Income, you may track the details of your guaranteed income benefit online:

1. Logon to your retirement savings plan account.

Your retirement savings plan account includes the value of your Hartford Lifetime Income option and represents this as your market value. The number of units shown equals the market value because it's valued using \$1.00 per unit. The market value and number of units shown is not reflective of your guaranteed income benefits. To view the details of the income shares you own and your future guaranteed monthly income benefit, proceed to step 2.

2. Under your investment summary of your account, click the Hartford Lifetime Income listing to access your Hartford Lifetime Income online account.

Your Hartford Lifetime Income online account details your future guaranteed monthly income benefit, including the number of income shares you own and your beneficiary benefits. Your Hartford Lifetime Income online account information, including purchases and sales of income shares, income share prices, and income share value fluctuations, are calculated and maintained by Hartford Life.

Note: The income share value displayed on your Hartford Lifetime Income online account may differ from the balance shown in your plan account due to differences in end-of-day processing schedules between the two accounts.

To learn more online and to access planning tools:

Go to the Hartford Lifetime Income website:

- » Logon to your retirement savings plan account
- » Locate and click the Hartford Lifetime Income listing in your plan's investment lineup.
- » Follow the link to access the Hartford Lifetime Income website.

Here you'll find video overviews, calculators, frequently asked questions and more.

To invest online:

To invest in Hartford Lifetime Income, simply logon to your retirement savings plan account to:

- » Choose the amount you wish to contribute to Hartford Lifetime Income on an ongoing basis
- » Transfer money from one or more investments in your account to Hartford Lifetime Income.
- » Allocate assets you may have rolled over from other plans and IRA accounts to Hartford Lifetime Income. Contact your plan administrator for rules regarding rollovers.

To speak with someone:

Call your plan's toll-free number to invest in Hartford Lifetime Income or if you have questions.

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 will be spread over the lives of both you and your spouse.

To initiate your retirement income payments, do the following:

1. Contact your plan administrator to initiate an annuity transfer – an in-kind nontaxable distribution of your Hartford Lifetime Income shares from your retirement plan. Within 10 days of your completed 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.

Please note: If your monthly income payments are less than \$50, 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 6).

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 [John Doe]	Date of Birth [01/10/1950]	Gender [male/female]
Certificate Number [9999-001]	Certificate Effective Date [August 1, 2005]	Certificate Issue Date [August 22, 2005]
Assumed Income Start Date [February 1, 2015]	Monthly Income at Assumed Income Start Date [\$1,200]	Number of Income Shares Owned [1.00]
Assumed Form of Annuity [Single Life Annuity with Cash Refund]		
Cash Refund [\$11,000]		
Group Contract [US-12345]	Plan Name [XYZ Company Incentive Savings Plan]	

Richard G. Costello *John C. Walker*
Richard G. Costello, 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 Income Payments Begin” under “Benefits Available to Your Spouse or Other 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.

Fixed Cost-of-Living Increases

You may include an annual fixed percentage increase between 1% - 5% 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 nor cash out your income shares.

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



How Are Income Share Prices Determined?

Pricing Factors

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

- » **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 Risk” 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 1-5%). 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.

* Your retirement plan account may reference an “annuity fee” or “liquidation fee”. This refers to the reduction applied when you elect to cash out your income shares. See the next section of this product summary for an explanation of how the cash-out value 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.

Hypothetical 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 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 at the cash-out value 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 59 $\frac{1}{2}$. A rollover of your lump sum to another retirement savings account allows you to continue to postpone taxation of your retirement savings until they are 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.

Hypothetical Example:

Assume you contributed \$90,000 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.

Your spouse's choice would be either:

- A) To convert 100 income shares to 120 income shares, which would provide him or her with \$1,200 of monthly income for life at age 65. The conversion from 100 to 120 shares is based on your age and your spouse's age when you die. The inherited income shares have a cash refund death benefit of \$90,000. If your spouse dies before receiving a total income payment amount of \$90,000, 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 \$90,000, equal to the net contributions.

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

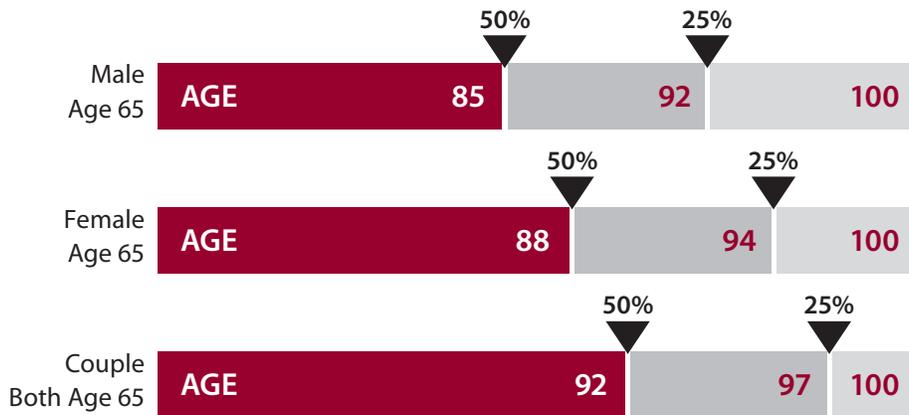
All investments involve some risks. You should read this section carefully to understand the risks associated with this investment option.

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

Mortality risk is the risk that you will die prior to retirement or during the first few years immediately following your retirement income start date. This 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

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

Credit Risk

Credit risk is the risk that Hartford Life may not be able to honor its commitment. Hartford Lifetime Income is issued by Hartford Life Insurance Company.

Interest Rate Risk

Interest rate risk is 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. Generally, 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 \$481 per share for \$2,405. 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%	\$1,574	\$7,555
-2%	\$1,201	\$5,765
+0%	\$883	\$4,238
+2%	\$707	\$3,394
+4%	\$541	\$2,597

* Income share prices are as of March 31, 2009.

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 required minimum distribution rules and your retirement plan rules. Following are the rules for 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. 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.

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. This information cannot be used or relied upon for the purpose of avoiding IRS penalties.

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.

Details on Certain Plan Transactions

Following is a review of certain plan transactions and how they pertain to Hartford Lifetime Income. This information is subject to plan rules and any restrictions noted in your summary plan description:

» Loans

In general, if your plan offers a loan provision, your total vested retirement account balance (your plan investment options plus your Hartford Lifetime Income option) is taken into consideration when you apply for a loan. However, to protect your guaranteed income benefit, your Hartford Lifetime Income value is excluded from the loan amount you can receive. If your loan request exceeds the amount you have available to borrow, you have the option to transfer money out of your Hartford Lifetime Income option to another investment option within the plan to finance your loan. Transfers out of Hartford Lifetime Income are at 96% of the current income share value and result in a loss of your corresponding guaranteed income benefit. (See the "Cash-Out Value" section for details.)

» Withdrawals

To determine your withdrawal options, you will need to review your plan rules and talk with a plan service representative. In general, if you do have a hardship withdrawal need, you may have the option to include or exclude your Hartford Lifetime Income balance. If you include it within your withdrawal request, your income shares will be cashed out at 100% of their current value. Liquidating your income shares will result in a loss of your guaranteed income benefit.

» Annuity Transfers

An annuity transfer is an in-kind nontaxable distribution to you of your vested Hartford Lifetime Income shares. Per your plan rules, you must meet an eligible distribution event to initiate an annuity transfer. Upon completion of your distribution, Hartford Life will send you a certificate of your guaranteed income benefits within 7-10 business days.

Hartford Lifetime Income benefits available to a beneficiary are administered by Hartford Life. An annuity transfer of the Hartford Lifetime Income shares will allow Hartford Life to provide your beneficiary with his/her options. (See page 8 for details about beneficiary benefits.)

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.

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: 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 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 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 be before 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.

