



**Jason Berkowitz
Director and Counsel
Regulatory Affairs**

Filed Electronically

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Office of Regulations and Interpretation
Employee Benefits Security Administration
Room N-5655
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

Attention: E-Disclosure RFI

Re: Request for Information Regarding Electronic Disclosure by Employee Benefit Plans
[RIN 1210-AB50]

Ladies and Gentlemen:

The Hartford Financial Services Group, Inc. (NYSE: HIG) (“The Hartford”) respectfully submits its comments in response to the Department of Labor’s Notice of Request for Information (“RFI”) regarding electronic disclosure by employee benefit plans subject to the Employee Retirement Income Security Act (“ERISA”), which was published in the *Federal Register* on April 7, 2011. We commend the Department for seeking comments from plan participants and beneficiaries, employers and other plan sponsors, plan administrators, plan service providers, health insurance issuers, and members of the financial community, as well as the general public on whether, and possibly how, to expand or modify the Department’s current electronic disclosure safe harbor.

Founded in 1810, The Hartford is one of the largest investment and insurance companies in the United States. With approximately 26,800 employees and \$22.4 billion in revenues in 2010, The Hartford ranked 97th on the 2010 Fortune 100 list. The Hartford is a leading provider of investment products – annuities, mutual funds, college savings plans – as well as life insurance, group and employee benefits, automobile and homeowners’ insurance, and business insurance. After 200 years in business, The Hartford is known for its financial strength and stability, superior customer service, and continued operational excellence. We take our obligations to each and every one of our customers very seriously.

**The Hartford Financial Services
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The Hartford has more than 40 years of experience in the retirement plans business and is a recognized industry-leading service provider. We offer 401(k) plans for small and midsized corporate customers, 457 plans for government entities, and 403(b) plans for education, healthcare and other not-for-profit providers. We support over 32,000 plans and 1.5 million participants, with over \$52.5 billion in retirement plan assets under management or administration as of December 31, 2010.

The Hartford is also the # 2 seller of group disability and the # 4 seller of group life insurance, according to LIMRA International's full year 2010 rankings. We offer a full range of Group Benefits insurance products and administrative services designed for the needs of every business, from global companies to Main Street businesses, including short- and long-term disability, life and accident insurance, and leave management solutions.

The Hartford is a member of the American Council of Life Insurers, the Financial Services Roundtable, the Investment Company Institute, the SPARK Institute, and the US Chamber of Commerce. We participated in the preparation of the comment letters being submitted by these organizations, and generally support their recommendations.

As a leading plan service provider, The Hartford takes great interest in the issues presented by the RFI and the potential impact of any regulatory changes relating to electronic delivery on employee benefit plan sponsors, participants, fund sponsors and others. Accordingly, we appreciate the opportunity to share with the Department our thoughts regarding the questions and issues raised by the RFI, and respectfully offer the following comments:

I. We urge the Department to revise its current electronic delivery safe harbor to eliminate the requirement that disclosure recipients must either be able to: (i) access documents over the employer's electronic system as an integral part of their employment duties, or (ii) affirmatively consent to receive documents electronically.

As the Department stated in its RFI, there is evidence to suggest that there has been a substantial increase in the public's access to and use of electronic media since the 2002 regulations implementing the current electronic delivery safe harbor. As also noted by the Department, electronic disclosure can be as effective as paper based communications, can lower costs and administrative burdens, and can increase timeliness and accuracy for all involved. In addition, there has been greater public sensitivity in recent years to the benefits of "green" practices on the environment. Given these developments, the requirements for electronic disclosure should be updated to reflect the following facts:

- The vast majority of plan participants and beneficiaries, among others, now have access to computers, the internet, e-mail, and other emerging types of electronic media, either through the workplace, home or other readily accessible location,
- Electronic disclosure is a more efficient and affordable means of communication than paper, and
- Electronic delivery is more environmentally-friendly than paper delivery.

Electronic media already successfully serves as the default method of delivery for many types of federally-mandated disclosures and materials used with the public. For example, the U.S. Internal Revenue Service ("IRS") no longer automatically sends out paper tax packages by mail; rather, the IRS posts its forms and instructions on the IRS website and maintains a toll-free number through which taxpayers can request that the IRS mail them paper copies of forms and

instructions. In addition, the U.S. Securities and Exchange Commission (“SEC”) has amended its proxy rules to adopt a “notice and access” model for disclosure materials, which is intended to promote the use of the internet as a reliable and cost-efficient means of making proxy materials available to shareholders. These rules permit securities issuers to mail a notice to shareholders that provides both a website address for accessing disclosure materials and instructions for obtaining paper copies of the disclosure materials, if desired. These are just two examples of the many contexts in which the small minority of individuals who lack convenient access to or prefer not to utilize electronic media are afforded the alternative of requesting paper copies of needed documents. Because of the prevalence of this approach, we believe that the vast majority of such individuals would already be familiar with it if it were adopted in the context of delivering required ERISA disclosures.

Under the Department’s current regulatory safe harbor, plan sponsors and their service providers are very limited in their ability to utilize electronic media for required plan disclosures. Accordingly, most plan sponsors and their service providers primarily rely on paper delivery, a method that results in inefficiencies, time delays and the high costs associated with printing and mailing -- costs which are generally borne by plan participants, beneficiaries and retirees. Many plan sponsors find that only a few participants and beneficiaries meet workplace access conditions stipulated under the safe harbor. For example, many employees have regular access to a computer, the internet and e-mail at their worksites, but do not necessarily use the employer’s electronic system as an integral part of their job responsibilities. (Retirees and beneficiaries, of course, do not ordinarily have such workplace electronic system access.) In addition, it can be extremely challenging for plan sponsors and service providers to obtain affirmative consents to receive electronic disclosures from participants. Specifically, it remains burdensome and costly for plan sponsors to obtain, store and otherwise administer electronic delivery consents for employees, beneficiaries and retirees. Any plan sponsors who do devote resources towards obtaining electronic delivery consents may ultimately find those resources to have been wasted, because participants and beneficiaries often fail to take the necessary steps to provide their affirmative consent, even if they would prefer to receive electronic communications over paper.

As we noted above, the benefits of facilitating and encouraging broader use of e-delivery go beyond the cost savings and convenience for plan sponsors, participants and beneficiaries – the environmental impact should not be overlooked. The Hartford takes its environmental stewardship commitments seriously. In 2010, The Hartford's Executive Leadership Team (top 12 company executives) reaffirmed our commitment to integrate good environmental ideas and practices into ongoing operations, consistent with business goals. To reduce our own energy consumption, The Hartford has publicly committed to reducing our greenhouse gas emissions by 15 percent between 2007 and 2017. One way for The Hartford to encourage others to reduce their own energy consumption is to encourage our agents and policyholders to accept mailings electronically rather than with paper.

The Hartford’s Output Reduction Initiative is a cross-functional effort co-led by The Hartford's Enterprise Operations and Digital Commerce and Customer Analytics groups. Begun in our Wealth Management division in mid-2009, it now includes Commercial Markets, Consumer Markets and Shared Services Operations, and will soon be extended to Claim. While the project is in its early stages, as of March 2011, The Hartford has saved 1.73 billion pieces of paper since the project start and is currently saving around \$6 million annually. The Hartford's Project Re-Leaf, an initiative to encourage customers to accept mailings electronically, is partnered with the Arbor Day Foundation to plant a tree in honor of every customer who elects to receive

mailings electronically. Since the project start, The Arbor Day Foundation has planted over 19,000 trees on behalf of our customers.

Given the emergence of electronic media as an integral part of society and the daily lives of most Americans, and given the limitations of the current regulatory framework with regard to electronic communications, we believe that the Department's disclosure delivery regulations should be modified. We recommend that the regulations permit plan sponsors to rely upon electronic disclosure methods, under the following general safe harbor framework:

1. Plan sponsors should have the ability to use electronic media as their default disclosure delivery method to all participants and beneficiaries, and all participants and beneficiaries should have the ability to "opt-out" and elect paper disclosure delivery. To implement this improvement, plan sponsors should be required to notify participants and beneficiaries in advance that disclosures will be made available electronically (e.g., through a secure, continuously available website), and that paper copies are available through a simple process, such as a telephone contact number, at no additional charge. Participants who opt out of electronic delivery would thereafter receive paper copies unless they affirmatively elected electronic delivery.
2. Plan sponsors should have the discretion and flexibility to use any technology, hardware or paper delivery methods (or combination thereof) to provide such notices and disclosures to participants and beneficiaries, provided that their methods are reasonably structured and executed to result in the receipt and security of sensitive information. Given the relative diversity among plan populations and the rapid evolution of electronic media technology, a "one-size-fits-all" electronic delivery regulation may unnecessarily encumber plans and their sponsors, and we therefore urge the Department to afford plan sponsors some latitude in designing delivery methods.

We believe the streamlined approach outlined above would appropriately facilitate a plan sponsor's ability to use electronic communications, providing significant cost, time and resource savings, while simultaneously providing plan participants and beneficiaries with secure, complete and timely information, as well as the right to request paper copies, if desired.

II. We respectfully urge the Department to act quickly to adopt updated electronic disclosure requirements or otherwise provide transitional or interim guidance on which plan sponsors can immediately rely, particularly in light of the Department's new participant disclosure regulations under Code Section 404(a)-5, which are effective for plan years beginning on or after November 1, 2011.

Since 2002, when the Department established the electronic delivery safe harbor for plans wishing to use electronic media to satisfy ERISA disclosure obligations, participant disclosure requirements have significantly increased. These increased requirements, while necessary to help ensure that participants have the information and resources to make decisions regarding their plan accounts, create immense costs and administrative complexity for plan sponsors and their service providers.

In response to the Department's new participant disclosure rules, plan sponsors, with the assistance of their service providers, are working on implementation solutions. These solutions will need to be finalized on a very short timetable, as the rules are effective for plan years beginning on or after November 1, 2011. Quick adoption of new e-disclosure rules would give plan sponsors and their service providers some time to identify and implement appropriate electronic media systems and technologies before the new participant disclosure rules become

effective. This may be of particular urgency to smaller plans. As disclosure requirements have broadened over the years, intermediaries and service providers have tried to help the sponsors of smaller plans comply by creating and utilizing solutions they can more easily afford, such as electronic delivery systems. Increasing the ability of plan sponsors to comply with the new participant disclosure rules through e-disclosure, would greatly facilitate their ability to ensure compliance in an effective and cost-responsible manner.

Noting that the Department may not have sufficient time to complete work on a new set of electronic media disclosure regulations, we respectfully suggest that the Department consider first supplementing the participant disclosure regulations with interim guidance regarding the use of electronic media. In the absence of interim guidance, plan sponsors may need to develop a paper-based delivery compliance framework, to potentially be later updated with an electronic-based delivery compliance framework. We believe it is important to enable plan sponsors to implement e-disclosure delivery solutions as soon as possible, and, just as importantly, to provide plan participants with a clear and consistent disclosure experience.

In light of the fast-approaching effective date for the new participant disclosure regulations, and the resulting challenges faced by plan sponsors, service providers and participants, we ask that the Department take swift action regarding updated electronic delivery disclosure guidance.

III. We believe that the Department and other interested federal regulatory agencies should apply a single electronic disclosure standard to all defined contribution plans, whether or not subject to ERISA, to facilitate plan compliance and administration capabilities while helping to minimize costs.

Most plan service providers support the needs of many types of employee benefit plans, including some that are subject to ERISA and some that are not. Applying different disclosure standards for ERISA and non-ERISA plans would (i) necessitate separate compliance efforts and technology support infrastructures, (ii) result in increased costs and inefficiencies to both the plan sponsor and its service provider, and (iii) translate into increased costs and potential communication delays to participants and beneficiaries.

Even among ERISA plans, conflicting disclosure delivery standards may apply. In addition to the Department's requirements with respect to ERISA plans, regulations promulgated by other regulatory agencies may also apply. For example, separate IRS rules apply to disclosures governed by the Internal Revenue Code of 1986, as amended (the "Code") (e.g., for beneficiary designations or Code Section 402(f) notices). The electronic media delivery rules and requirements may differ with respect to each applicable set of rules and regulations, resulting in increased costs and inefficiencies for plan sponsors, service providers, participants and beneficiaries.

As a result of the increased costs and inefficiencies that would likely be generated by conflicting disclosure delivery standards, and in the absence of agency coordination towards a single electronic disclosure standard, plan sponsors and their service providers may find themselves unable to use electronic delivery methods or easily determine when and how a particular set of rules may apply. Accordingly, we recommend that any revised electronic disclosure standard apply to all plan disclosure materials, information and notices, without separate rules and conditions for different types of disclosures, plans, investment options, or groups of recipients. In addition, we encourage the Department to work with other interested regulatory agencies.

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We appreciate the opportunity to provide our comments and recommendations for the Department's consideration. If you have any questions for us, please contact the undersigned at 860-323-2182.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Berkowitz". The signature is stylized with a large, sweeping initial "J" and a long horizontal stroke extending to the right.

Jason Berkowitz
Director and Counsel, Regulatory Affairs