



Prudential

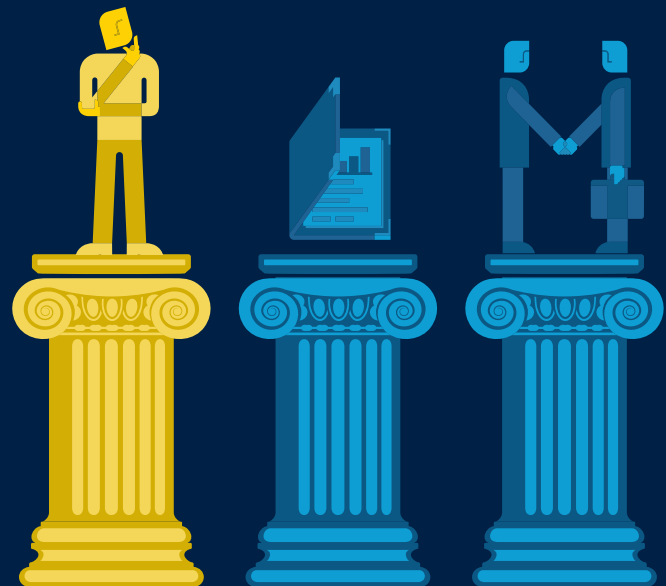
Bring Your Challenges®

PENSION RISK TRANSFER

THE THREE PILLARS OF EXCEPTIONAL SERVICE DELIVERY

Pillar I

Retiree Communication and Education



David A. Casto

Vice President

Head of Service Delivery

Pension Risk Transfer

TABLE OF CONTENTS

Executive Summary 4

Introduction..... 6

Section 1 7
Transitioning from an Operations to a Customer Experience Mindset

Section 2 9
Understanding the Critical Importance of the Customer Experience

Section 3 10
Looking Beyond Financial Capacity

Section 4 11
Managing the Anxiety Curve

Section 5 14
Ensuring Effective Communication and Education

Conclusion 16

Appendix..... 17

EXECUTIVE SUMMARY

Ongoing de-risking activity in the pension space shows that plan sponsors from a wide range of market sectors, geographic locations and firm sizes are taking action to transfer benefit payment obligations from their defined benefit plans to insurance companies. As this movement continues building momentum, more chief financial officers, treasurers, human resources executives and risk managers are embracing the notion that now is the time to remove uncertain pension liabilities from their books and free up capital to reinvest in their core businesses.

Insurance companies are in the business of effectively managing longevity and investment risks and have the experience and expertise to help employers keep their pension promises. They are uniquely positioned to perfectly match long duration liabilities to investment portfolios.

The shift of pension liabilities to the insurance industry has been escalating steadily over the past decade, with prominent spikes occurring in 2012 and 2014. The highly publicized U.S. transactions that Prudential completed with General Motors and Verizon in 2012—followed by the substantial transactions with Motorola and Bristol-Myers Squibb domestically and the BT Pension Scheme and Legal & General Group plc in the U.K. two years later—stand as testament to the growing global trend in pension risk transfer (PRT).

More than ever before, plan sponsors are now implementing risk transfer solutions as a means to achieve plan contribution certainty, improve corporate financial health, ensure strategic flexibility and enhance their employees' and retirees' retirement security.

Historically, PRT has been considered a strictly financial transaction among a plan sponsor, its plan and an insurance company. However, plan sponsors have now come to realize that an insurer's service delivery capabilities are a critically important consideration when evaluating a pension risk transfer agreement.

Most plan sponsors have concluded that the insurers chosen for risk transfer transactions should demonstrate the proven ability to onboard thousands of retirees at a time, while ensuring no payments are missed, no retiree data is compromised and no question is left unanswered.

Until recently, service delivery has been viewed as a purely operational function in which:

- Data is processed
- Timelines are met
- Retirees are onboarded
- Payments are generated
- Records are maintained

Through this operational lens, service delivery is measured by detailed project plans, due dates, data accuracy, call center answer rates and timely payments. These are all very important operational metrics and are viewed increasingly as the “price of admission” in the retiree market.

However, exceptional service delivery is the new standard in PRT, and it is much more than meeting baseline operational targets or ensuring operational effectiveness. Exceptional service delivery is a holistic experience that occurs before, during and well after the transition, and requires a deep understanding of what plan sponsors and retirees are concerned about and experiencing.

Since 2007, more than \$260 billion in pension risk transfer transactions have been completed in North America, the United Kingdom and the Netherlands, with at least 40 plan sponsors executing agreements of over \$1 billion.

(Sources: LIMRA, Hyman Robertson and Prudential analysis as of June 2015.)

In our contemporary society, retiree needs, wants and expectations can be different depending on the retirees' relationship with their employer and their current life stage. Exceptional service delivery begins with taking time to understand the company's culture, fully comprehending the demographics and geographical dispersion of its retiree population, and listening with an empathetic ear for potential concerns that may be raised during and after the transition.

The ability to provide this experience illustrates how an insurance company's service delivery team is the underlying foundation of a successful PRT transaction. When a pension risk transfer transition is complete, it is the service delivery team that will continue fulfilling the multi-decade commitment the insurer has made to the plan sponsor and its retirees.

This paper is the first in a three-part series that explores what we refer to as the "Three Pillars of Exceptional Service Delivery." The focus of this installment is on Pillar I, "Communication and Education." It closely examines the important role communication and education play in a pension risk transfer transition, and explores the value of providing plan sponsors and their retirees with the information and support they need to make sound decisions and ultimately create peace of mind for both.

Pillars II and III in this series focus on "Transaction and Transition" and "Consultation and Commitment," respectively.

INTRODUCTION

The need for pension risk transfer has never been more profound. Ongoing market volatility, asset/liability mismatch, increasing longevity, unpredictable funding requirements and escalating Pension Benefit Guaranty Corporation premiums have led to pension plans impacting many organizations' business plans in a negative manner. In increasing numbers, plan sponsors are seeking to concentrate on their core competencies and what rewards their shareholders. As such, many are embracing PRT solutions.

It is important for sponsors considering pension risk transfer to be knowledgeable about the impact such transactions will have on their plans, their companies and—most importantly—their employees and retirees. A pension risk transfer transition must be a well-planned and executed exercise, with plan sponsors and retirees receiving practical and timely information and education throughout.

Engaging with insurers to evaluate their human and systems capacity, service delivery expertise, and ability and desire to understand the retiree population is crucial to being successfully prepared for a pension risk transfer transition. As the risk transfer strategy begins to take shape, it is important for plan sponsors to articulate their organizations' climate and culture so insurers can deliver relevant information and a positive experience to the retirees and “meet them where they are.”

Service delivery is particularly important because insurers are making multi-decade commitments to the plan sponsors and their retirees. They commit to providing retirees with a dependable stream of payments for the duration of their retirement years. But just as importantly, they commit to being there every step of the way, delivering the assistance, information, resources and support plan sponsors and their retirees need to create a favorable and enduring experience.

Sponsors must disclose to the insurer whether or not their plans are organic; that is, if the plan grew naturally from traditional employment and plan participation practices, or if there were corporate mergers and acquisitions that shaped the plans' current configuration. Awareness of retiree groups—such as associations of former employees whose pension benefit payments may have been transitioned before—is an important factor to the long-term success

of the transition and can help the selected insurer craft communication and education materials that address specific groups' concerns.

Embracing the notion that real people are depending on the payments for their retirement income is a fundamental characteristic of an effective risk transfer insurer. To be able to guarantee the retirement payments, the insurer needs to do many things with absolute accuracy. The ability to work closely with plan sponsors to understand their culture, retiree populations and unique challenges is a fundamental attribute of today's leading PRT insurers.

These providers must also be welcoming, so retirees feel comfortable as new members of the insurer's “family.” And the insurers need to be approachable and responsive, ensuring that all plan sponsor and retiree questions are answered on a timely basis. Finally, the insurer needs to deliver the very highest quality of service, because simply put, retirees deserve it. Retirees have worked very hard throughout their careers to earn these benefits and the insurer has to work just as hard to earn their trust and confidence.

Creating a straightforward communication and education experience that provides channel choice (online, print, telephone) for the retiree will help ensure the transition is successful and retiree concerns are addressed to their complete satisfaction. In short, insurers selected for PRT agreements must be laser-focused on delivering the information, guidance and support plan sponsors need and their retirees deserve.

SECTION 1

Transitioning from an Operations to a Customer Experience Mindset

Most defined benefit plan sponsors and their consultants have focused their attention on the operational aspects of pension risk transfer, because they have traditionally viewed the transaction through financial and operational lenses.

To ensure the best possible experience for their retirees and themselves, plan sponsors must shift their sole thought processes away from the financial and operational, and include the experiential. Certainly, plan sponsors should perform their due diligence, ensuring all fiduciary standards have been met, the right questions have been asked, the proper issues have been considered and all concerns have been fully disclosed and resolved. But plan sponsors should

also view the transaction holistically, taking into account the decades-long relationship that the sponsor's retirees will have with the insurer, and the vital role the insurer will play in providing the sponsor and its retirees with information and support they will require for many years to come.

Exhibit 1 illustrates the fundamental shift that is occurring in the service delivery space.

EXHIBIT 1:

From Operations to Customer Experience

Operational Objectives	Customer Experience Mindset
Process data files and load them into recordkeeping systems	Dive deeply into data to ensure familiarity with the retiree population, demographics, climate and culture
Deliver checks on time, every time	Understand that someone is reliant upon this income Appreciate that this is their savings, and that this is about <i>their</i> experience Embrace the notion that actual people—real people like parents, grandparents, friends and neighbors—are relying on dependable streams of income
Achieve transition metrics	Spend as much time and effort doing whatever is necessary to ensure the customer experience is exceptional
Meet all deadlines and respond to questions when asked	Anticipate customer needs and address them before being asked, delighting the customer with the experience
Minimize retiree complaints	Optimize the retiree and plan sponsor experience
Prioritize systems capabilities	Prioritize what's most effective for the retirees and the overall customer experience
Measure success by productivity and efficiency gains, expense reductions and straight-through processing	Measure success by how many retirements are secured and how many customers are put at ease

Insurers chosen for pension risk transfer should leverage learnings from prior transitions to provide guidance through all stages of the process. Focusing on world-class customer service is not only good for the plan sponsor and retirees; it is equally important to the insurer.

What's more, reputational risk can be associated with these transactions if mistakes are made or corners are cut, so it is imperative that the insurer execute flawlessly.

Ultimately, the insurer's role in a pension risk transfer agreement is to fulfill the long-term promises made to the plan sponsor and its retirees. These promises include providing retirement income seamlessly and without interruption.

Less apparent but of equal importance is the promise to deliver the type of service that focuses on one retiree at a time, and to approach customer service with the mindset that the most important retiree is the one that is being served at that moment.

“They are a well-known company. They are good at getting my checks on time for me. I have had insurance policies with them before and they were really good. My husband passed away and he had an insurance policy with them; they were very prompt and courteous getting my claim settled. Now I get my retirement checks from Prudential [too].”

– Participant in Prudential's “2014 Annuitant Experience Research,” February 2015.

SECTION 2

Understanding the Critical Importance of the Customer Experience

In recent years more plan sponsors, consultants and fiduciaries have come to recognize the vital role service delivery plays in a pension risk transfer transaction. Meaningful conversations on the subject of customer service capabilities are now taking place between plan advisors and insurers, and plan sponsors are expecting (and demanding) flawless execution for transactions of all sizes and levels of complexity.

Plan sponsors are also recognizing that to create a solid foundation for their retirees' income, it is important to partner with a company that is financially strong now—and will be there in the future. The insurer's financial strength ratings should show that its position is solid, and that it has ample capital to meet all of its financial obligations. Further, the insurer's financial strength information should be shared with the retirees, as doing so may help mitigate apprehension about the transition.

When considering pension risk transfer, it is essential that plan sponsors seek out insurers offering more than just financial capacity. The selected insurer must also be adept at:

- Learning, understanding and empathizing with all retiree groups
- Delivering a positive and relevant experience, welcoming retirees and assuring them that their payments are secure
- Keeping plan sponsors and retirees informed and up to date throughout the transition and beyond
- Offering a number of communication and education touchpoints, so retirees can access the information they want, when they want it, the way they want it

The chosen insurer should offer robust informational and educational support, such as a website that includes background about the firm, as well as other information that will help make retirees' transition to the insurer easy and understandable. The communication materials should enable retirees to:

- Learn about the insurer's history of financial strength and stability
- Understand the similarities and differences between a pension plan and a group annuity contract
- Access a library of retirement resources, such as videos, articles, and retirement calculators
- Become educated on annuitant guarantees and financial safety nets
- Locate the insurer's contact information, quickly and easily

“The service has been excellent. When I needed to talk with the Prudential [representative] before the pension started, they were able to answer my questions very efficiently, and the payments have been received on time, so that makes the service excellent.”

– Participant in Prudential's “2014 Annuitant Experience Research,” February 2015.

SECTION 3

Looking Beyond Financial Capacity

Traditionally, when chief financial officers and treasurers think of insurer capabilities related to pension risk transfer, they tend to focus on the monetary aspects of such an undertaking, concentrating on the insurer's financial capacity to assume the liabilities. While this is a valid concern, other types of capabilities should also be evaluated, including:

- **Human Resources Aptitude:** Does the insurer have a team in place with the experience and expertise to know what to expect before, during and after the transaction? Do they have the ability to guide the plan sponsor through the process and to ensure retirees have a positive experience?
- **Transition Proficiency:** Is the insurer able to seamlessly onboard several thousand retirees while ensuring that no payments are missed and that no retiree data is compromised?
- **Systems Capacity:** Does the insurer possess reliable technology that is scalable and has protective information security protocols?

Insurers chosen for pension risk transfer agreements must have robust benefit payment systems specifically designed to accommodate the varied needs of plan sponsor clients. They must possess established regimens of pension administration that deliver timely and accurate results to plan sponsors and their retirees.

A plan sponsor may also want to consider the insurer's ability to execute multiple complex transactions simultaneously. The insurer's processes and procedures should enable the transition and administration of large groups of retirees without payment disruption.

Further, they must offer depth of talent, having honed their ability to welcome retirees to their firms through the successful execution of several risk transfer agreements, and ideally be able to leverage these past transactions to continuously improve the customer experience they provide. It is paramount that the communication and education efforts of the insurer are clear, concise and easily accessible.

In short, the insurer selected for a pension risk transfer transaction must have the acumen to deliver an ideal retiree experience. It must be capable of meeting the long-term guarantees made to the retiree population, and it must regard those guarantees as sacred. Moreover, it must effectively communicate its ability to fulfill those obligations through every phase of the transition.

“They have been servicing us pretty well since they took over our pension benefit... Their communication is understandable.”

– Participant in Prudential's “2014 Annuitant Experience Research,” February 2015.

SECTION 4

Managing the Anxiety Curve

Not surprisingly, retirees may experience anxiety when being impacted by a pension risk transfer agreement. It is imperative that insurers attempt to create personal connections, early and often, with the retirees as a means of alleviating this concern.

As previously stated, retirees must be assured that their retirement payments are secure and will continue uninterrupted. Providing ongoing communications in print and online formats, as well as toll-free access to specially trained customer service representatives, can help address retiree apprehension.

We refer to the amount of retiree anxiety created by the transaction as the “anxiety curve.” This curve is often relative to the size of the employee population affected by the transition. The larger the employer and the more paternalistic the company has been to its employees, the more

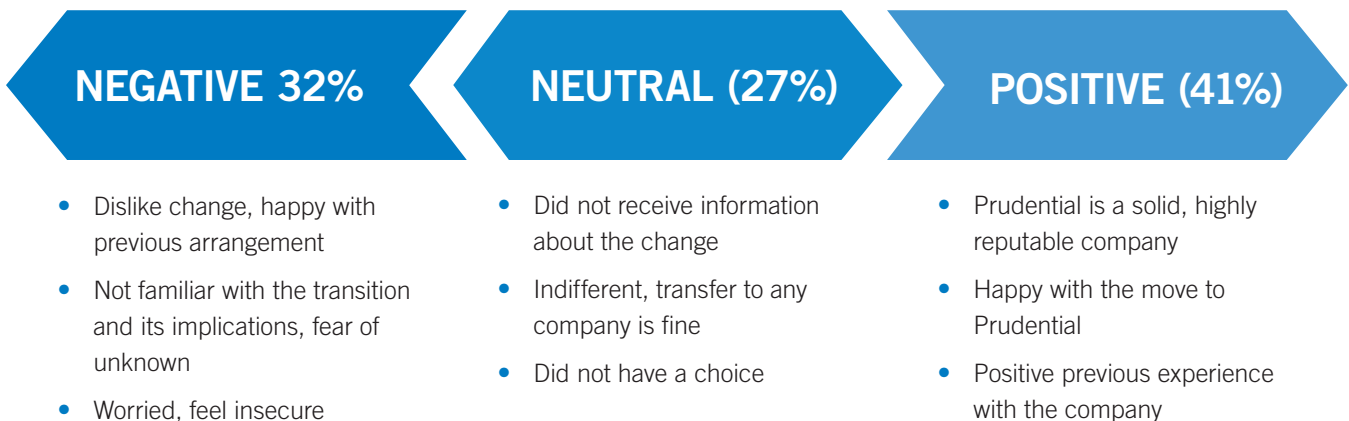
apprehensive the retirees are likely to be about having their benefit payment obligations transferred to an insurer. Exhibit 2 indicates the level of anxiety retirees experienced when the obligation to make their payments was transitioned to Prudential.

The concerns reflected in Exhibit 2 can be assuaged through effective education and communications conducted via multiple touchpoints over an extended period of time. Consistent ongoing communication is imperative in reassuring retirees that their payments are going to be secure and well-managed.

EXHIBIT 2:

Retiree Responses to Pension Risk Transfer

How did new retirees feel when first told about the transfer?



Source: Prudential's "2014 Annuitant Experience Research," February 2015.

"I was unfamiliar with [Prudential]. It was working fine where I was at. I don't like it any time when people mess with my pension, maybe in a year I will have a different opinion but I have only been with them for two months."

– Participant in Prudential's "2014 Annuitant Experience Research," February 2015.

Prudential addresses the retiree anxiety curve in a number of ways, with the first step being “welcome kits” that are written in an engaging, simple and clear tone, without insurance industry jargon.

The welcome kits help guide retirees through every step of the transition to Prudential, ensuring they have a thorough understanding of each stage. These welcome kits enhance the retiree transition by:

- Introducing retirees to the insurer
- Informing them of the company’s long history of financial strength and stability
- Reassuring them that their payments are secure, and will continue uninterrupted
- Creating a positive and enduring first impression

Designed in a straightforward, user-friendly format, the welcome kits include frequently asked questions, benefit fact sheets and beneficiary designation forms.

Through direct interactions with one of our retiree focus groups, we discovered a need to provide more robust educational materials to newly transitioned retirees. As a result, we developed three collateral pieces which are now available to all retirees via our website.

The educational materials are designed to alleviate the natural fear and anxiety that may arise when a retiree learns that responsibility for their monthly benefit payments has been moved to an insurance company. They are written in simple, unambiguous language and convey facts about Prudential, defined benefit plans, group annuity contracts, safeguards and guarantees, and strict government guidelines.

The three pieces include: “A Guide to Prudential’s Group Annuity,” “Prudential as a Strong Annuity Provider” and “Comparing Group Annuity Contracts and Defined Benefit Pension Plans.”

We have received many positive comments from plan sponsors and retirees on these educational materials and we wish to thank the members of the focus groups for their input, feedback and collaboration in helping us improve our educational materials.

We believe these education and communication enhancements had a significant impact on the improvement we saw in our Net Promoter Scores in 2014 versus 2013, especially among newly transitioned retirees. (Net Promoter Score is a customer loyalty measure that is the corporate standard for companies seeking to translate customer experience into profitable growth. For the purposes of this paper, the Net Promoter Score refers to the retirees’ likelihood of recommending Prudential to a friend or colleague.)

In addition, Prudential’s Service Delivery Team created a unique solution for further addressing the anxiety curve. Called “Our Inspiration,” it is a segment at the team’s monthly town hall meetings and is designed to help employees better connect with the retirees they serve. Our Inspiration features Service Delivery associates discussing the retirees in their lives, whether a parent, grandparent, neighbor or friend. In essence, associates describe who inspires them and why as they provide exceptional service to Prudential customers, one retiree at a time.

By sharing these personal stories, associates help their Service Delivery Team colleagues better understand what these retirees are experiencing, not from the company or plan sponsors’ perspective, but from the perspective of the retired individuals themselves.

In April 2015, Prudential Retirement® hosted “Bring Your Parents to Work Day,” a program whereby associates brought their retired or near-retirement parents or other friends and relatives to the Service Delivery Team’s Scranton, Pennsylvania site to hear directly from those individuals about their experiences in retirement or how they are currently preparing for retirement.

The day enabled the Service Delivery Team to absorb first-person accounts of how retirees feel about retirement, what they would have done differently to prepare for retirement, and what the companies they interacted with could have done better to make the transition to retirement an easier and more rewarding experience.

Prudential’s efforts around improved educational materials, the Our Inspiration stories, retiree welcome kits, websites and Bring Your Parents to Work Day are all designed to help move the insurer away from being just an annuity payout provider to being a valued and trusted retirement service provider.

Recent research* for newly transitioned retirees indicates there are four main drivers that heighten retiree transition satisfaction and lower retiree anxiety. The insurer selected needs to:

- Understand the retirees’ needs
- Set clear transition expectations
- Have a strong brand image vs. other insurers
- Deliver superior products and services

*Source: Prudential’s “2014 Annuitant Experience Research,” February 2015.

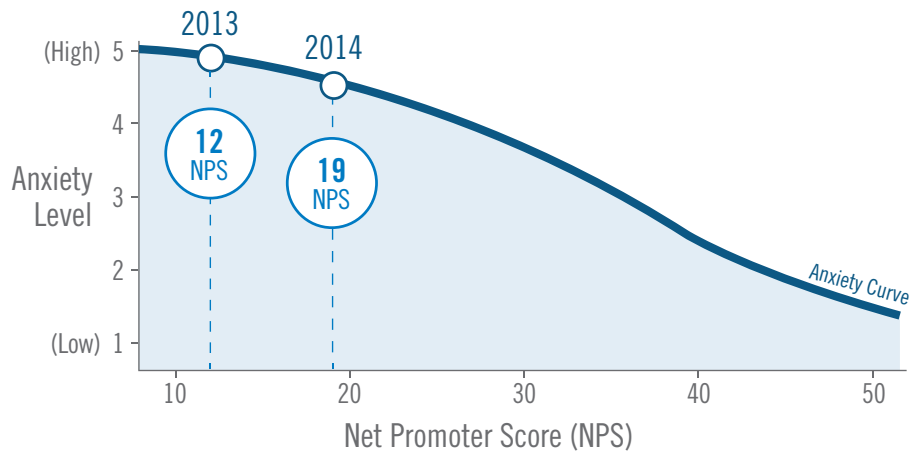
As demonstrated in Exhibit 3, the anxiety level declines as the Net Promoter Score increases, reflecting elevated degrees of comfort with Prudential being the payment provider over time. This applies to retirees newly transitioned to Prudential (Figure A), as well as those existing retirees who have been receiving payments from Prudential for an extended period (Figure B). The anxiety level is indicated on a scale of 1 to 5, with 5 being high anxiety and 1 being low. The Net Promoter Score is reflected on a scale of 0 to 50, with 0 being a poor score and 50 being high.

EXHIBIT 3:
New Retirees and the Anxiety Curve

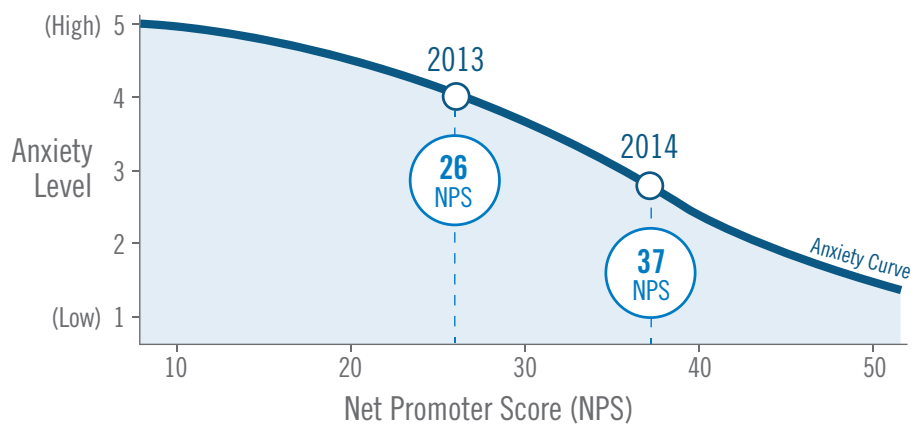
Net Promoter Score 2013 vs. 2014

Source: Annual Retiree Satisfaction Surveys

A. New Retirees
 Transitioned to Prudential within one year



B. All Retirees



SECTION 5

Ensuring Effective Communication and Education

Insurers may invite representatives from the plan sponsor or its retiree associations to talk to their service delivery teams about the plan sponsor's climate, culture and communications style. This can help dramatically improve the way the insurer communicates with retirees and their beneficiaries. The insurer may also want to demonstrate that it performs frequent evaluations and provides constructive feedback to ensure its employees are communicating effectively with the retirees they serve, exceeding any ongoing service expectations.

Plan sponsors should take into account an insurer's experience in executing pension risk transfer transactions of various magnitudes and ranges of intricacy. Partnering with an insurer that has executed numerous successful transactions is a prudent approach. Insurers with this experience can leverage the knowledge gained from these transactions to better communicate with and educate all future clients, regardless of plan size.

Insurers selected for pension risk transfer should be proficient in conducting retiree experience research, and should have used the findings to improve their communication, education and transition capabilities. Continuous training and evaluation should be conducted to ensure that customer service representatives meet ongoing service expectations and are addressing retirees' inquiries to their complete satisfaction.

Customer service employees should be hired with a mindset consistent with the insurer's core values and commitment to its customers. These employees should be trained to meet the unique needs of the retirees and be empowered to contribute to a culture of continuous improvement. What's more, recognizing and incentivizing these workers based on how effectively they deliver the services that enable the insurer to honor its commitments to retirees is imperative.

Call centers should be equipped with call monitoring technology to ensure retirees are receiving quality service and fully understanding the information they receive from the insurer. Plan sponsor surveys may be conducted, and the feedback used to gauge performance and satisfaction with service levels, and to enhance communication and educational collateral. Relationship managers should periodically reach out to plan sponsors and inquire about their satisfaction with the service and information they are receiving.

By committing to provide an exceptional retiree experience and by investing in the operational, administrative and communications infrastructure required to deliver the highest levels of service, leading insurers in the pension risk transfer space are embracing the mantra, "If we aren't getting better, we're getting worse."

Prudential's keen focus on providing exceptional service delivery by employing a continuous improvement mindset has led to providing world-class experiences for our customers today and for all the days that follow.

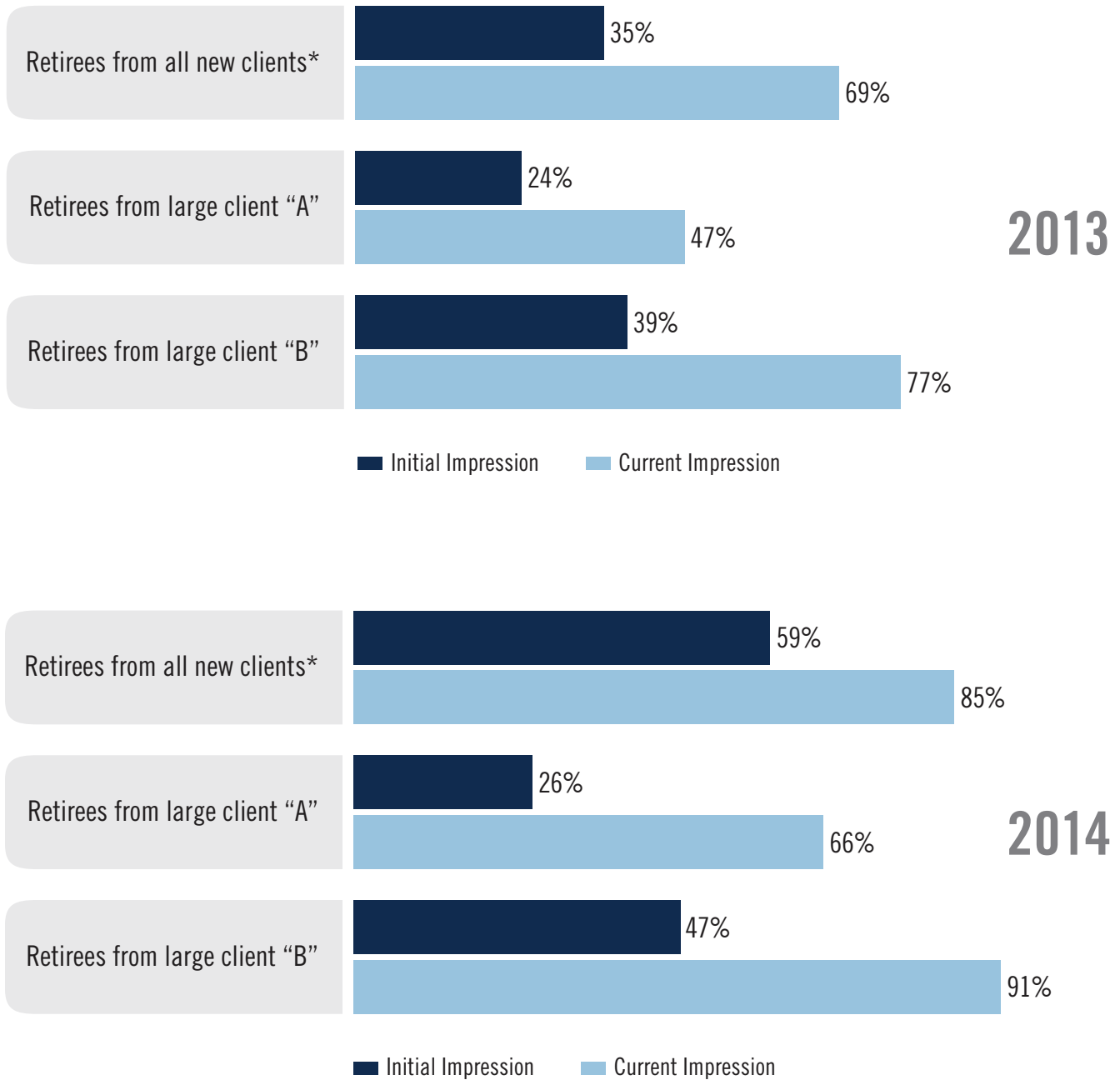
And our retirees have noticed. Retirees whose pension payment obligations were transferred to Prudential from their former employer were asked to rate their initial and current impressions of the insurer, using a scale of 1 to 10 (with 10 being the highest rating).

In 2013, only 35% of annuitants newly transitioned to the insurer "felt good" or had a positive initial impression (8, 9 or 10) when first informed that their pension payment would be provided by Prudential. When asked about their current impression several months after being onboarded to Prudential, 69% of new annuitants indicated they "feel good" having Prudential as their payment provider. In 2014, both the initial and current impressions of new annuitants improved significantly, to 59% and 85%, respectively.

These trends (displayed in Exhibit 4) provide another illustration of how delivering exceptional service can ease the retiree anxiety curve over time, with retirees becoming progressively more comfortable with an insurer making their payments, rather than their original plan sponsor.

EXHIBIT 4:

Level of Anxiety as Measured by Impression Has Eased



*Percent who "feel good" about having Prudential as the payment provider.

CONCLUSION

The escalating costs of maintaining defined benefit pension plans—combined with increasing Pension Benefit Guaranty Corporation premiums, ongoing market volatility, uncertain funded status, and the headlines surrounding several high-profile pension risk transfer transactions—are causing many boards of directors to become enthusiastic about exploring a pension risk transfer solution.

From the insurance industry's perspective, exceptional levels of customer service can only be achieved after first developing an intimate understanding of each client's unique needs and objectives, and then developing effective communication and education strategies for the plan sponsor and its retirees.

Leading insurers in the pension risk transfer space offer a comprehensive range of communication and education services that are designed to meet the needs of plan sponsors seeking assistance with administration to and through the completion of a pension risk transfer transaction. Those insurers with long histories of providing defined benefit pension plan services—and those featuring support

staff with demonstrated expertise in providing exceptional communication and education—will continue to stand apart from the crowd in the PRT marketplace.

The most effective partners for pension risk transfer are those insurers that have a clear and concise focus on communication and education, never neglecting the basics and being absolutely committed to providing an exceptional customer service delivery experience for the lifetime of each and every retiree.

For more information about the importance of the customer experience, please visit pensionrisk.prudential.com.

APPENDIX

About Prudential

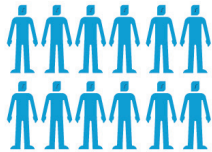
Prudential is the established leader in financial, systems and human resources capacity—so much so that we were able to onboard more than 150,000 General Motors and Verizon retirees in a compressed time frame without missing a single benefit payment.

We welcome new clients to Prudential with superior service that creates a unique, market-leading experience. Prudential's ability to onboard and administer a vast number of annuitants, seamlessly and without payment interruption, is unsurpassed.

Prudential's Service Delivery Team is the most proficient and accomplished in the industry. We honed our ability to welcome individuals to Prudential through four large and complex pension risk transfer transactions, as well as 38 smaller—but equally important—agreements.

Prudential Retirement at a Glance

4,000,000



participants
and annuitants
served

Provided by Prudential
Retirement as of
DECEMBER 31, 2014

10,400,000



annual defined
benefit
payments

Provided by Prudential
Retirement as of
MARCH 2, 2015

\$9,000,000,000



annual defined
benefit gross
payments

Provided by Prudential
Retirement as of
DECEMBER 31, 2013

2,300,000



calls handled by our
Participant Service
Center in 2014

Provided by Prudential
Retirement as of
DECEMBER 31, 2014

Prudential has used its scale and experience to create an award-winning service delivery capability.

COMMITMENT Knowing the importance of communication, we create a straightforward experience that occurs in print, online and by phone. We work tirelessly to ensure the transition is simple and that retirees' questions and concerns are addressed every step of the way. We are absolutely focused on delivering the information and support retirees need.

REASSURANCE Our approach highlights Prudential's long history of pension plan expertise, bolstering retirees' trust that their benefit payments are safe and secure. We make it clear that Prudential is honored and committed to providing their payments seamlessly and without interruption.

SUPPORT Retirees are supported by a toll-free call center staffed by specially trained representatives who are available Monday through Friday, from 8 a.m. to 9 p.m. ET, including a toll-free number for the hearing impaired. Prudential also provides a retiree website, which includes both educational and transaction pages.

EXPERTISE Prudential is experienced at paying retirement benefits and has been providing pension plan services for nearly 90 years. Our dedicated staff and state-of-the-art payment system disburses over 10 million benefit payments annually, representing more than \$9 billion in total annual defined benefit payments.

LEADERSHIP Prudential's leadership position in the group annuity marketplace enables us to deliver cost-effective, scalable service solutions that benefit all of our clients, regardless of size. We are experienced at paying retirement benefits and have been providing pension plan services since 1923.

INNOVATION Prudential has been at the forefront of the industry's most innovative service solutions. We are committed to providing an exceptional client experience and have invested in our operational and administrative infrastructure to deliver the highest level of service.

RECOGNITION We are honored that *Chief Investment Officer* magazine has presented Prudential with the Industry Innovation Award for four consecutive years, and that the League of American Communications Professionals (LACP) has recognized our annuitant communication materials as being among the best in the industry.

We believe that superior levels of customer satisfaction can only be achieved after first developing an understanding of each client's unique needs. We have a long history of providing defined benefit pension plan services supported by a staff with market-tested expertise.

"I've been very satisfied with my pension money that I keep getting every month. I am satisfied because I certainly earned it. I worked for 50 years."

– Participant in Prudential's "2014 Annuitant Experience Research," February 2015.



Prudential

Bring Your Challenges®

280 Trumbull Street
Hartford, CT 06103

prudential.com

Contact:

David A. Casto

Vice President

Head of Service Delivery

Pension Risk Transfer

570-340-4139

david.casto@prudential.com

For more information, please visit

pensionrisk.prudential.com

This discussion document describes product concepts that are not final. It has been prepared for informational purposes only. It is not an offer to enter into any agreement. This document does not completely describe the terms of any potential transaction or final product design, and any transaction would be subject to applicable legal and regulatory requirements; internal, legal and regulatory approvals; and final legal documentation. Any indication of pricing provided in this document is for illustrative purposes only.

Any reference to the terms partner or partnership is not intended to create or imply any legal relationship between Prudential Retirement Insurance and Annuity Company or its affiliates and any advisor or consultant.

Prudential does not provide legal, regulatory or accounting advice. Therefore an institution and its advisers should seek legal, regulatory and accounting advice regarding the legal, regulatory or accounting implications of any insurance or reinsurance contract. This information is provided with the understanding that the recipient will discuss the subject matter with its own legal counsel, auditor and other advisers.

Insurance products are issued by either Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT, or The Prudential Insurance Company of America (PICA), Newark, NJ. Both are Prudential Financial companies. Each company is solely responsible for its financial condition and contractual obligations. PRIAC and PICA provide insurance products for U.S. pension plans but are not authorized to provide insurance products for U.K. pension plans.

Guarantees are based on the claims-paying ability of the insurance company and are subject to certain limitations, terms and conditions.

© 2015 Prudential Financial, Inc. and its related entities. Prudential, the Prudential logo, the Rock symbol and Bring Your Challenges are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.

For Plan Sponsor and Advisor Use—Public Use Permitted.

0284992-00001-00

PRTWP008
11/2015