



The Hartford Encourages Consumers To Change Their Perspective On Life

Life Insurance Awareness Month is a perfect time to show how permanent life insurance products can go beyond the death benefit to provide benefits during life.

SIMSBURY, Conn., Sep 28, 2009 (BUSINESS WIRE) -- Many consumers buy life insurance for the financial security it may provide to their family or other loved ones when they die. While the death benefit is the primary purpose of life insurance, few consumers, according to The Hartford, know that permanent life insurance can also help them during their lifetime. So the company has launched a new campaign this month - Life Insurance Awareness Month - to reveal some of the "living benefits" a permanent life insurance policy can provide.

At the heart of the company's campaign is a new brochure, "Change Your Perspective on Life," which offers consumers five strategies for using permanent life insurance to help them prepare for some of life's more costly events and opportunities. The brochure explains how the cash value in the policy accumulates on a tax-deferred basis and that it can be accessed through loans or withdrawals. This feature, combined with optional riders and policy features, can be used to provide benefits during a consumer's lifetime to help:

- Supplement their retirement income;
- Pay expenses associated with a chronic illness;
- Pay college expenses;
- Fund a business continuation agreement or;
- Make tax-advantaged gifts to charities.

The brochure is available at: www.hartfordinvestor.com/changeyourperspectiveonlife.

Preparing for retirement

According to a recent survey by the National Institute on Retirement Security, 83% of Americans are worried about their ability to retire, even for those who have employer sponsored qualified plans. With permanent life insurance, net premium payments support the policy and help build cash value that can later be accessed through withdrawals or policy loans to help supplement retirement income. When properly structured there are no premature withdrawal penalties, required minimum distributions or limitations on adjusted gross income. And loans from a life insurance policy are typically not subject to income taxes.

Preparing for a chronic illness

The number of Americans with a chronic illness is expected to rise to 230 million by 2023, according to the 2008 edition of the Almanac of Chronic Disease. For an extra fee, consumers can add a policy rider (The Hartford's is called LifeAccess Accelerated Benefit Rider) to some life insurance policies which will allow the policyholder to begin drawing on their death benefit before they die, if they are certified as chronically ill by a physician due to failure of at least two activities of daily living or cognitive impairment that endangers their safety, or that of others. The condition must also require core services that are likely to continue for life. In that case, The Hartford will accelerate the death benefit and begin paying a maximum monthly benefit of 2% of the death benefit at the time of the claim, not to exceed the IRS 2009 daily limit of \$280. Put another way, a policyholder with a death benefit of \$350,000 could receive as much as \$7,000 a month to use as they please. They could, for example, pay an adult child to care for them so they don't have to go into a nursing home, to pay medical bills, or even to pay a neighbor to mow their lawn. How they spend the money they receive is up to them. They don't need the insurance company's approval or to submit receipts for any expenses, be they medical or personal. Receiving benefits under the rider will, of course, reduce the death benefit available to the policy's beneficiaries.

Business planning

A 2007 survey conducted by The Hartford found that more than a quarter of business owners have not taken steps to plan their

estate. Permanent life insurance cash values can have many business uses. For example, cash values can be accessed and used towards the purchase of the shares of a retiring business partner. Similarly, the cash value can be used toward the purchase of a partner's interest in the business if the partner should become disabled. Business owners can also use life insurance to attract and retain critical talent by using a policy as part of a retirement or bonus strategy.

Charitable giving

Policyholders can use life insurance to create a lasting philanthropic legacy. For example, they can use life insurance as part of a charitable plan to give back to the community without decreasing the wealth passed to their family; to create current income tax deductions; to delay or avoid capital-gains taxes on the sale of appreciated assets; and, at the same time, to alleviate the burden of gift and estate taxes on their beneficiaries. In other words, with the help of a financial, tax or legal advisor, policyholders can give to their favorite charities while enjoying significant tax and non-tax benefits.

Paying for college

Parents or grandparents who are saving for college tuition can access the accumulated cash value of their permanent life insurance policy to help pay college expenses while also providing protection in the event of a premature death.

"It never ceases to amaze me how much life insurance can help people live a better, more fruitful life," said Brian Murphy, executive vice president of The Hartford's Individual Life Division. "If consumers and small business owners take the time to learn about life insurance, they are often surprised how many ways it can help them address some of life's most pressing financial challenges and that it can even help them to realize their financial dreams."

About The Hartford

Celebrating nearly 200 years, The Hartford (NYSE: HIG) is an insurance-based financial services company that serves households, businesses and employees by helping to protect their assets and income from risks, and by managing wealth and retirement needs. A Fortune 500 company, The Hartford is recognized widely for its service expertise and as one of the world's most ethical companies. More information on the company and its financial performance is available at www.thehartford.com.

It is important for consumers to note that life insurance policies contain fees and expenses, including cost of insurance, administrative fees, premium loads, surrender charges and other charges or fees that will impact policy values. All guarantees within a life insurance policy are based on the claims-paying ability of the issuing company. Both loans and withdrawals from a permanent life insurance policy may be subject to penalties and fees and, along with any accrued loan interest, will reduce the policy's Account Value and Death Benefit. Assuming a policy is not a Modified Endowment Contract (MEC), withdrawals are taxed only to the extent that they exceed the policyowner's cost basis in the policy and usually loans are free from current Federal taxation. A policy loan could result in tax consequences if the policy lapses or is surrendered while a loan is outstanding. Distributions from MECs are subject to Federal income tax to the extent of the gain in the policy and taxable distributions are subject to a 10% additional tax prior to age 59 1/2, with certain exceptions.

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Life insurance products are issued by Hartford Life Insurance Company (New York) and Hartford Life and Annuity Insurance Company (outside New York), Simsbury, CT. Mailing address for both issuers is P.O. Box 2999, Hartford, CT 06104-2999.

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