Disclosure Statement for Transfer of Assets for:

CITY OF MADISON, WI
POST RETIREMENT INCURRED MEDICAL EXPENSE PLAN AND TRUST
AND SPECIAL PAY PLAN

Currently the Plan's investment vehicle is a fixed interest-bearing account with Annuity Investors Life Insurance Company, with the following features:

1) Current interest rate 1%, Guaranteed Minimum Interest Rate 1%
2) This investment vehicle allows plan benefits to be paid to Plan participants with no upfront or deferred sales charge.
3) The product's surrender charges to the Employer have expired and there is no charge to move to another provider.

The Employer wishes to take advantage of the rise in interest rates which it deems to be in the best interest of the Plan and its participants, by transferring the Plan's funds held with Annuity Investors Life Insurance Company to Life Insurance Company of the Southwest, Addison, TX. The new investment vehicle features:

1) A Current Interest Rate of 3% and Guaranteed Minimum Interest Rate 1%.
2) The investment vehicle allows plan benefits to be paid to Plan participants with no upfront or deferred sales charge. The transfer of assets will not affect the participants in the plan.
3) The Life Insurance Company of the Southwest investment vehicle has a 10-year surrender charge should the Employer transfer these funds to another provider. The district has been provided the Sample Annuity Contract for the Plans explaining all features of the investment vehicle through Life Insurance Company of the Southwest, and had full opportunity to request and receive any additional information needed.

The purpose of the Disclosure Statement is to authorize Pelion Benefits to transfer the funds held at Annuity Investors Life Insurance Company to Life Insurance Company of the Southwest. The execution of this Disclosure Statement by the individual(s) whose signature is set forth below and the delivery of this Disclosure Statement by Employer has been duly authorized by all necessary action on the part of Employer.

By:_____

Title:_____

Date:_____