

**Notice to Employees of Exel, Inc. and Exel Global Logistics, Inc., of  
Application for Authorization Under Prohibited Transaction  
Exemption 96-62, as Amended**

Purpose of This Document

You are hereby notified that Exel, Inc. and Exel Global Logistics, Inc. (collectively, "Exel"), and Marias Falls Insurance Company, Limited ("MFI"), a captive insurance company wholly owned by an affiliate of Exel, acting through its Vermont branch, Marias Falls Insurance Co., Limited (MFI - Vermont), have applied to the U.S. Department of Labor ("DOL") for authorization of a reinsurance transaction. This notice informs you of the application to the DOL and certain changes to the long-term disability ("LTD") benefits offered under the Group Long Term Disability Plan for employees of Exel (the "Plan"), and describes your right to comment to the DOL about the proposed transaction.

The purpose of the authorization is to exempt the transaction from certain of the prohibited transaction rules of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The authorization is necessary because MFI - Vermont is an affiliate of Exel. Because of the relationship between MFI - Vermont and Exel, such reinsurance might otherwise constitute a prohibited transaction under ERISA.

The transaction involves the reinsurance of risks and the receipt of premiums by MFI - Vermont from insurance contracts currently funding LTD benefits offered under the Plan.

Overview

The Plan, which covers active employees, will be insured with the Prudential Insurance Company of America ("Prudential"). Prudential will reinsure 100% of the risks with MFI - Vermont. The Plan Administrator of the Plan has determined that the transaction is in the best interest of the participants and beneficiaries of the Plan because of benefit improvements that have been provided to them in anticipation of the transaction's authorization by the DOL. The authorization by the DOL will be subject to the conditions described below and set forth in more detail in Exhibit A.

The reinsurance arrangement is simply an internal arrangement between MFI - Vermont and Prudential. Prudential will insure the benefits provided to you under the Plan.

Parties to the Proposed Reinsurance Transaction

Exel

Exel provides contract logistic services to companies in a number of industrial sectors, including retail, automotive, technology and healthcare. In addition to managing logistics for clients, Exel offers consulting and information technology services to enable clients to better manage their own logistics.

## MFI - Vermont

MFI - Vermont is a branch of MFI, a captive insurance company wholly-owned by an affiliate of Exel. MFI was established in Bermuda on November 29, 1984, to provide coverage to Deutsche Post AG ("DPAG") and its affiliates for various exposures. MFI - Vermont was established in Vermont on December 24, 2007. MFI - Vermont was issued a Certificate of Authority permitting it to transact the business of a captive insurance company by the Vermont Department of Banking and Insurance on December 24, 2007. The Certificate of Authority permits MFI - Vermont to provide reinsurance of the type that is the subject of the request for authorization of the DOL.

MFI provides the following coverage to DPAG and its affiliates: non-U.S. life, medical, and disability, as well as cargo, workers' compensation, property, aviation, employers liability, work accident, directors and officers liability, and business travel accident insurance. As of December 31, 2006, total capital and surplus of MFI was approximately \$23.4 million and 2006 gross written premium was approximately \$244.9 million.

## The Plan

Exel maintains the Plan for the benefit of the eligible U.S. employees of Exel. Under the Plan, regular full-time salaried employees and "freight management" employees who are unable to perform their jobs due to disability receive benefits equal to 60% of the employee's regular salary, up to \$10,000 per month. Full-time executives of Exel receive LTD coverage in the amount of 70% of regular salary, up to \$20,000 per month. These coverages are paid 100% by the employer. Non-union hourly employees and non-union commissioned drivers may elect employee-paid LTD coverage equal to 60% of their base salary up to \$10,000 per month. As of December 31, 2007, the Plan had approximately 6,200 participants. The Plan has the plan number 501. The official name of the Plan is: Group Long Term Disability Plan for employees of Exel. The federal employer identification number of Exel, the plan sponsor, is 04-2801160.

## Changes to the Plan

Exel recently formulated a plan to utilize MFI - Vermont for the reinsurance of benefits and has made improvements, described below, to the Plan in anticipation of the transaction. Prudential insures the Plan with the new enhanced benefits. However, Prudential will reinsure 100% of the risks of the Plan with MFI - Vermont. The changes were adopted in anticipation of the DOL's authorization of the transaction, and are already in effect.

The benefit improvements Exel has instituted are as follows. Under the Plan, any participant receiving disability benefits was previously eligible to receive a rehabilitation benefit by participating in a rehabilitation program approved by the insurer. That benefit provided the participant with a monthly benefit equal to 5% of the participant's monthly LTD payments for up to six months for child daycare and spouse/elder care. In anticipation of the proposed transaction, the rehabilitation benefit has been improved significantly; the rehabilitation benefit for child daycare and spouse/elder care has been increased to 10% of the participant's monthly LTD payments for up to twelve months, to a maximum of \$500 per month.

As stated above, the reinsurance arrangement is simply an internal arrangement between MFI - Vermont and Prudential. Prudential will insure the benefits provided under the Plan, including the improved benefits.

### Independent Fiduciary

In connection with the application to the Exel has retained, at its sole expense, U.S. Trust Company, N.A. ("U.S. Trust"), which provides specialized fiduciary services on behalf of employee benefit plans. U.S. Trust, as the Independent Fiduciary for the Plan, has analyzed the transaction and rendered an opinion that the requirements of subsections (a) through (f) of the draft requested authorization, attached as Exhibit A, have been complied with. In addition, U.S. Trust will represent the interests of the Plan as the Independent Fiduciary at all times with respect to the proposed transaction. U.S. Trust will monitor compliance by the parties with the terms and conditions of the proposed transaction, and will take whatever action is necessary and appropriate to safeguard the interests of the Plan and its participants and beneficiaries with respect thereto, and to insure that the proposed transaction remains in the interest of the Plan and its participants and beneficiaries.

### Overview of Exemption Conditions

The following is a summary of the principal conditions that would be imposed by the DOL authorization (a full version of which is attached as Exhibit A):

- The Plan will pay no more than adequate consideration for the insurance contracts.
- No commissions will be paid by the Plan with respect to the direct sale of such contracts or the reinsurance thereof.
- In the initial year of any such contract involving MFI - Vermont, there will be an immediate and objectively determined benefit to the participants and beneficiaries of the Plan in form of increased benefits.
- Exel has retained an independent fiduciary, at its sole expense, to analyze the transaction and render an opinion that the requirements of subsections (a) through (f) of Exhibit A have been complied with.

### Tentative Authorization of Proposed Transaction

Authorization of the DOL was requested under a procedure, Prohibited Transaction Exemption ("PTE") 96-62, which requires that at least two prior exemptions that are substantially similar to the proposed transaction have been granted by the DOL. A description of these transactions and the DOL's comments relating thereto may be found in the Federal Register as Prohibited Transaction Exemptions 2004-12 (Svenska Cellulosa Akiebolaget) ("SCA"), 69 Fed. Reg. 40978 (July 7, 2004) and 2000-48 (Columbia Energy Group) ("Columbia"), 65 Fed. Reg. 60452 (Oct. 11, 2000). The proposed transaction is also substantially similar to Prohibited Transaction Exemption 2004-17E (Alcon Laboratories, Inc.) ("Alcon"), 04-17E (Aug. 19, 2004). Like the proposed transaction, the exemptions granted to SCA, Columbia, and Alcon involved the reinsurance of insurance with a captive reinsurer. Each of the exemptions involved an

improvement to benefits, and in each case an independent fiduciary was appointed to review the transaction on behalf of the plan and its participants.

The proposed transaction described in this notice has met the requirements for tentative authorization from the DOL under PTE 96-62. Unless the DOL otherwise notifies Exel, a final authorization would be effective December 19, 2008.

Your Right to Comment on Tentative Authorization

As an interested party, you have the right to submit comments to the DOL on the tentative authorization. If you decide to do so, you should submit your comments to the following address:

Employee Benefits Security Administration  
Office of Exemption Determinations, Division of Individual Exemptions  
U.S. Department of Labor  
200 Constitution Avenue, N. W.  
Room N-5700  
Washington, D.C. 20210

Attn: Mr. Anh-Viet Ly - Re: E-00596

Be sure to refer to the submission number, which is E-00596. Comments must be received by the DOL no later than December 14, 2008.

Comments may be faxed or e-mailed to the DOL. The fax number is (202) 219-0204 and the e-mail address is [ly.anh-viet@dol.gov](mailto:ly.anh-viet@dol.gov). If you have questions regarding your right to comment on this tentative authorization, you may call Mr. Anh-Viet Ly at (202) 693-8648.

We expect to implement the reinsurance program within 30 days of the date of final authorization.

If you have any questions about your benefits under the plans maintained by Exel, please contact Julie Robinson, via e-mail at [julie.robinson@exel.com](mailto:julie.robinson@exel.com), or via telephone at 1-614-865-8321.

**Exhibit A**  
**Pending Authorization**

[Exel]

The restrictions of sections 406(a) and 406(b) of the Employee Retirement Income Security Act of 1974, as amended (the "Act") shall not apply to the reinsurance of risks and the receipt of premiums therefrom by MFI - Vermont ("MFI - Vermont") in connection with an insurance contract sold by the Prudential Insurance Company ("Prudential"), or any successor insurance company to Prudential which is unrelated to DPWN Holdings (USA), Inc., and its subsidiaries. (collectively, "DPWN - USA"), to provide long-term disability ("LTD") benefits to participants in the DHL Group Benefits Plan (the "DHL Plan") or the Group Long Term Disability Plan for employees of Exel Logistics, Inc. (the "Exel LTD Plan") (collectively, the "LTD Plans"), provided that the following conditions are met:

(a) MFI - Vermont -

(1) Is a party in interest with respect to the LTD Plans by reason of a stock or partnership affiliation with DPWN - USA that is described in section 3(14)(E) or (G) of the Act;

(2) Is licensed to sell insurance or conduct reinsurance operations in at least one State as defined in section 3(10) of the Act;

(3) Has obtained a Certificate of Authority from the Insurance Commissioner of its domiciliary state that has neither been revoked nor suspended;

(4)(A) Has undergone an examination by an independent certified public accountant for its last completed taxable year immediately prior to the taxable year of the reinsurance transaction; or

(B) Has undergone a financial examination (within the meaning of the law of its domiciliary State) by the Insurance Commissioner of the State within 5 years prior to the end of the year preceding the year in which the reinsurance transaction occurred; and

(5) Is licensed to conduct reinsurance transactions by a State whose law requires that an actuarial review of reserves be conducted annually by an independent firm of actuaries and reported to the appropriate regulatory authority; and

(b) The LTD Plans pay no more than adequate consideration for the insurance contracts;

(c) No commissions are paid by the LTD Plans with respect to the direct sale of such contracts or the reinsurance thereof;

(d) In the initial year of any contract involving MFI - Vermont, there will be an immediate and objectively determined benefit to the LTD Plans' participants and beneficiaries in the form of increased benefits;

(e) In subsequent years, the formula used to calculate premiums by Prudential or any successor insurer will be similar to formulae used by other insurers providing comparable life coverage under similar programs. Furthermore, the premium charge calculated in accordance with the formula will be reasonable and will be comparable to the premium charged by the insurer and its competitors with the same or a better rating providing the same coverage under comparable programs;

(f) The LTD Plans only contract with insurers with a rating of A or better from A.M. Best Company (Best's). The reinsurance arrangement between the insurer and MFI - Vermont will be indemnity only, i.e., the insurer will not be relieved of liability to the LTD Plans should MFI - Vermont be unable or unwilling to cover any liability arising from the reinsurance arrangement;

(g) MFI - Vermont retains an independent fiduciary (the "Independent Fiduciary") at DWPN's expense, to analyze the transactions and render an opinion that the requirements of sections (a) through (f) have been complied with. For purposes of this exemption, the Independent Fiduciary is a person who:

(1) Is not directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with DPWN - USA or MFI - Vermont (this relationship hereinafter referred to as an "Affiliate");

(2) Is not an officer, director, employee of, or partner in DPWN - USAs or MFI - Vermont (or any Affiliate of either);

(3) Is not a corporation or partnership in which DPWN - USA or MFI - Vermont has an ownership interest or is a partner;

(4) Does not have an ownership interest in DPWN - USA, MFI - Vermont, or any of either's Affiliates;

(5) Is not a fiduciary with respect to the LTD Plans prior to the appointment; and

(6) Has acknowledged in writing acceptance of fiduciary responsibility and has agreed not to participate in any decision with respect to any transaction in which the Independent Fiduciary has an interest that might affect its best judgment as a fiduciary.

For purposes of this definition of an "Independent Fiduciary", no organization or individual may serve as an Independent Fiduciary for any fiscal year if the gross income received by such organization or individual (or partnership or corporation of which such individual is an officer, director, or 10 percent or more partner or shareholder) from DPWN - USA, MFI - Vermont, or their Affiliates (including amounts received for services as Independent Fiduciary under any prohibited transaction exemption granted by the Department) for the fiscal year exceeds 5 percent of that organization or individual's annual gross income from all sources for such fiscal year.

In addition, no organization or individual who is an Independent Fiduciary, and no partnership or corporation of which such organization or individual is an officer, director, or 10 percent or more partner or shareholder, may acquire any property from, sell any property to, or borrow funds from DPWN - USA, MFI - Vermont, or their Affiliates during the period that such organization or individual serves as Independent Fiduciary, and continuing for a period of six months after such organization or individual ceases to be an Independent Fiduciary, or negotiates any such transaction during the period that such organization or individual serves as Independent Fiduciary.

**Notice to Employees of DHL Holdings (USA), Inc., of  
Application for Authorization Under Prohibited Transaction  
Exemption 96-62, as Amended**

Purpose of This Document

You are hereby notified that DHL Holdings (USA), Inc. ("DHL Express") and Marias Falls Insurance Company, Limited ("MFI"), a captive insurance company wholly owned by an affiliate of DHL Express, acting through its Vermont branch Marias Falls Insurance Company, Limited ("MFI - Vermont") have applied to the U.S. Department of Labor ("DOL") for authorization of a reinsurance transaction. This notice informs you of the application to the DOL and certain changes to the long-term disability ("LTD") benefits offered under the DHL Group Benefits Plan (the "Plan"), and describes your right to comment to the DOL about the proposed transaction.

The purpose of the authorization is to exempt the transaction from certain of the prohibited transaction rules of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The authorization is necessary because MFI - Vermont is an affiliate of DHL Express. Because of the relationship between MFI - Vermont and DHL Express, such reinsurance might otherwise constitute a prohibited transaction under ERISA.

The transaction involves the reinsurance of risks and the receipt of premiums by MFI - Vermont from insurance contracts currently funding LTD benefits offered under the Plan.

Overview

The Plan, which covers active employees, will be insured with the Prudential Insurance Company of America ("Prudential"). Prudential will reinsure 100% of the risks with MFI - Vermont. The Plan Administrator of the Plan has determined that the transaction is in the best interest of the participants and beneficiaries of the Plan because of benefit improvements that have been provided to them in anticipation of the transaction's authorization by the DOL. The authorization by the DOL will be subject to the conditions described below and set forth in more detail in Exhibit A.

The reinsurance arrangement is simply an internal arrangement between MFI - Vermont and Prudential. Prudential will insure the benefits provided to you under the Plan.

Parties to the Proposed Reinsurance Transaction

DHL Express

DHL Express is part of the global network of Deutsche Post World Net which is the world's leading global delivery network, providing delivery services and logistics support in over 200 countries and territories.

## MFI - Vermont

MFI - Vermont is a branch of MFI, a captive insurance company wholly-owned by an affiliate of DHL Express. MFI was established in Bermuda on November 29, 1984, to provide coverage to Deutsche Post AG ("DPAG") and its affiliates for various exposures. MFI - Vermont was established in Vermont on December 24, 2007. MFI - Vermont was issued a Certificate of Authority permitting it to transact the business of a captive insurance company by the Vermont Department of Banking and Insurance on December 24, 2007. The Certificate of Authority permits MFI - Vermont to provide reinsurance of the type that is the subject of the request for authorization of the DOL.

MFI provides the following coverage to DPAG and its affiliates: non-U.S. life, medical, and disability, as well as global cargo, workers' compensation, property, aviation, employers' liability, work accident, directors and officers' liability, and business travel accident insurance. As of December 31, 2006, total capital and surplus of MFI was approximately \$23.4 million and 2006 gross written premium was approximately \$244.9 million.

## The Plan

DHL Express maintains the Plan for the benefit of the eligible U.S. employees of DHL Express. Under the Plan, regular full-time non-executive employees who are unable to perform their jobs due to disability receive benefits equal to 50% of the employee's regular salary, up to \$10,000 per month. This coverage is paid 100% by the employer; regular full-time non-executive employees may increase coverage to 60% at their own expense. Full-time executive employees of DHL Express receive disability benefits equal to 70% of regular salary, up to \$25,000 per month; this coverage is also paid 100% by the employer. Regular part-time employees may elect employee-paid LTD coverage equal to 50% or 60% of their regular salary, up to \$10,000 per month. As of December 31, 2007, the Plan had approximately 16,038 participants. The Plan has the plan number 501. The official name of the Plan is: DHL Group Benefits Plan. The federal employer identification number of DHL Express, the plan sponsor, is 94-3302567

## Changes to the Plan

DHL Express recently formulated a plan to utilize MFI - Vermont for the reinsurance of benefits and has made improvements, described below, to the Plan in anticipation of the transaction. Prudential insures the Plan with the new enhanced benefits. However, Prudential will reinsure 100% of the risks of the Plan with MFI - Vermont. The changes were adopted in anticipation of DOL's authorization of the transaction, and are already in effect.

The benefit improvements DHL Express has instituted are as follows. Under the Plan, any participant receiving disability benefits was previously eligible to receive a rehabilitation benefit by participating in a rehabilitation program approved by the insurer. That benefit provided the participant with a monthly benefit equal to 5% of the participant's monthly LTD payments for up to six months, although the aggregate of the rehabilitation benefit could not exceed the participant's maximum monthly LTD benefit (\$10,000 for non-executive employees and \$25,000 for executives). In anticipation of the proposed transaction, the rehabilitation benefit has been improved significantly; the rehabilitation benefit has been increased to 10% of the participant's



monthly LTD payments for up to twelve months. In addition, the Plan previously limited payment of LTD benefits for disabilities caused or contributed to by mental, psycho-neurotic, or personality disorders to a period of six months. Payment of benefits for such disabilities has been increased to twelve months.

As stated above, the reinsurance arrangement is simply an internal arrangement between MFI - Vermont and Prudential. Prudential will insure the benefits provided under the Plan, including the improved benefits.

### Independent Fiduciary

In connection with the application to the DOL, DHL Express has retained, at its sole expense, U.S. Trust Company, N.A. ("U.S. Trust"), which provides specialized fiduciary services on behalf of employee benefit plans. U.S. Trust, as the Independent Fiduciary for the Plan, has analyzed the transaction and rendered an opinion that the requirements of subsections (a) through (f) of the draft requested authorization, attached as Exhibit A, have been complied with. In addition, U.S. Trust will represent the interests of the Plan as the Independent Fiduciary at all times with respect to the proposed transaction. U.S. Trust will monitor compliance by the parties with the terms and conditions of the proposed transaction, and will take whatever action is necessary and appropriate to safeguard the interests of the Plan and its participants and beneficiaries with respect thereto, and to insure that the proposed transaction remains in the interest of the Plan and its participants and beneficiaries.

### Overview of Exemption Conditions

The following is a summary of the principal conditions that would be imposed by the DOL authorization (a full version of which is attached as Exhibit A):

- The Plan will pay no more than adequate consideration for the insurance contracts.
- No commissions will be paid by the Plan with respect to the direct sale of such contracts or the reinsurance thereof.
- In the initial year of any such contract involving MFI - Vermont, there will be an immediate and objectively determined benefit to the participants and beneficiaries of the Plan in form of increased benefits.
- DHL Express has retained an independent fiduciary, at its sole expense, to analyze the transaction and render an opinion that the requirements of subsections (a) through (f) of Exhibit A have been complied with.

### Tentative Authorization of Proposed Transaction

Authorization of the DOL was requested under a procedure, Prohibited Transaction Exemption ("PTE") 96-62, which requires that at least two prior exemptions that are substantially similar to the proposed transaction have been granted by the DOL. A description of these transactions and the DOL's comments relating thereto may be found in the Federal Register as Prohibited Transaction Exemptions 2004-12 (Svenska Cellulosa Akiebolaget) ("SCA"), 69 Fed. Reg. 40978

(July 7, 2004) and 2000-48 (Columbia Energy Group) ("Columbia"), 65 Fed. Reg. 60452 (Oct. 11, 2000). The proposed transaction is also substantially similar to Prohibited Transaction Exemption 2004-17E (Alcon Laboratories, Inc.) ("Alcon"), 04-17E (Aug. 19, 2004). Like the proposed transaction, the exemptions granted to SCA, Columbia, and Alcon involved the reinsurance of insurance with a captive reinsurer. Each of the exemptions involved an improvement to benefits, and in each case an independent fiduciary was appointed to review the transaction on behalf of the plan and its participants.

The proposed transaction described in this notice has met the requirements for tentative authorization from the DOL under PTE 96-62. Unless the DOL otherwise notifies DHL Express, a final authorization would be effective December 19, 2008.

#### Your Right to Comment on Tentative Authorization

As an interested party, you have the right to submit comments to the DOL on the tentative authorization. If you decide to do so, you should submit your comments to the following address:

Employee Benefits Security Administration  
Office of Exemption Determinations, Division of Individual Exemptions  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Room N-5700  
Washington, D.C. 20210

Attn: Mr. Anh-Viet Ly - Re: E-00596

Be sure to refer to the submission number, which is E-00596. Comments must be received by the DOL no later than December 14, 2008.

Comments may be faxed or e-mailed to the DOL. The fax number is (202) 219-0204 and the e-mail address is [ly.anh-viet@dol.gov](mailto:ly.anh-viet@dol.gov). If you have questions regarding your right to comment on this tentative authorization, you may call Mr. Anh-Viet Ly at (202) 693-8648.

We expect to implement the reinsurance program within 30 days of the date of final authorization.

If you have any questions about your benefits under the plans maintained by DHL Express, please contact Shaniqua Smith, Supervisor, Welfare Plans, via e-mail at [Shamqua.Smith@dhl.com](mailto:Shamqua.Smith@dhl.com), or via telephone at 1-954-888-5740.

**Exhibit A**  
**Pending Authorization**

[DHL Express]

The restrictions of sections 406(a) and 406(b) of the Employee Retirement Income Security Act of 1974, as amended (the "Act") shall not apply to the reinsurance of risks and the receipt of premiums by MFI - Vermont ("MFI - Vermont") in connection with an insurance contract sold by the Prudential Insurance Company ("Prudential"), or any successor insurance company to Prudential which is unrelated to DPWN Holdings (USA), Inc., and its subsidiaries. (collectively, "DPWN - USA"), to provide long-term disability ("LTD") benefits to participants in the DHL Group Benefits Plan (the "DHL Plan") or the Group Long Term Disability Plan for employees of Exel Logistics, Inc. (the "Exel LTD Plan") (collectively, the "LTD Plans"), provided that the following conditions are met:

(a) MFI - Vermont -

(1) Is a party in interest with respect to the LTD Plans by reason of a stock or partnership affiliation with DPWN - USA that is described in section 3(14)(E) or (G) of the Act;

(2) Is licensed to sell insurance or conduct reinsurance operations in at least one State as defined in section 3(10) of the Act;

(3) Has obtained a Certificate of Authority from the Insurance Commissioner of its domiciliary state that has neither been revoked nor suspended;

(4)(A) Has undergone an examination by an independent certified public accountant for its last completed taxable year immediately prior to the taxable year of the reinsurance transaction; or

(B) Has undergone a financial examination (within the meaning of the law of its domiciliary State) by the Insurance Commissioner of the State within 5 years prior to the end of the year preceding the year in which the reinsurance transaction occurred; and

(5) Is licensed to conduct reinsurance transactions by a State whose law requires that an actuarial review of reserves be conducted annually by an independent firm of actuaries and reported to the appropriate regulatory authority; and

(b) The LTD Plans pay no more than adequate consideration for the insurance contracts;

(c) No commissions are paid by the LTD Plans with respect to the direct sale of such contracts or the reinsurance thereof,

(d) In the initial year of any contract involving MFI - Vermont, there will be an immediate and objectively determined benefit to the LTD Plans' participants and beneficiaries in the form of increased benefits;

(e) In subsequent years, the formula used to calculate premiums by Prudential or any successor insurer will be similar to formulae used by other insurers providing comparable life coverage under similar programs. Furthermore, the premium charge calculated in accordance with the formula will be reasonable and will be comparable to the premium charged by the insurer and its competitors with the same or a better rating providing the same coverage under comparable programs;

(f) The LTD Plans only contract with insurers with a rating of A or better from A.M. Best Company (Best's). The reinsurance arrangement between the insurer and MFI - Vermont will be indemnity only, i.e., the insurer will not be relieved of liability to the LTD Plans should MFI - Vermont be unable or unwilling to cover any liability arising from the reinsurance arrangement;

(g) MFI - Vermont retains an independent fiduciary (the "Independent Fiduciary") at DPWN's expense, to analyze the transactions and render an opinion that the requirements of sections (a) through (f) have been complied with. For purposes of this exemption, the Independent Fiduciary is a person who:

(1) Is not directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with DPWN - USA or MFI - Vermont (this relationship hereinafter referred to as an "Affiliate");

(2) Is not an officer, director, employee of, or partner in DPWN - USAs or MFI - Vermont (or any Affiliate of either);

(3) Is not a corporation or partnership in which DPWN - USA or MFI - Vermont has an ownership interest or is a partner;

(4) Does not have an ownership interest in DPWN - USA, MFI - Vermont, or any of either's Affiliates;

(5) Is not a fiduciary with respect to the LTD Plans prior to the appointment; and

(6) Has acknowledged in writing acceptance of fiduciary responsibility and has agreed not to participate in any decision with respect to any transaction in which the Independent Fiduciary has an interest that might affect its best judgment as a fiduciary.

For purposes of this definition of an "Independent Fiduciary", no organization or individual may serve as an Independent Fiduciary for any fiscal year if the gross income received by such organization or individual (or partnership or corporation of which such individual is an officer, director, or 10 percent or more partner or shareholder) from DPWN - USA, MFI - Vermont, or their Affiliates (including amounts received for services as Independent Fiduciary under any prohibited transaction exemption granted by the Department) for the fiscal year exceeds 5 percent of that organization or individual's annual gross income from all sources for such fiscal year.

In addition, no organization or individual who is an Independent Fiduciary, and no partnership or corporation of which such organization or individual is an officer, director, or 10 percent or more partner or shareholder, may acquire any property from, sell any property to, or borrow funds from DPWN - USA, MFI - Vermont, or their Affiliates during the period that such organization or individual serves as Independent Fiduciary, and continuing for a period of six months after such organization or individual ceases to be an Independent Fiduciary, or negotiates any such transaction during the period that such organization or individual serves as Independent Fiduciary.