

**Notice to Employees of BB&T Corporation and its Subsidiaries of
Application for Authorization Under Prohibited Transaction
Exemption 96-62, as Amended**

Purpose of This Document

You are hereby notified that BB&T Corporation ("BB&T") and BB&T Assurance Co. Ltd. ("BB&T Assurance"), a captive insurance company wholly owned by BB&T Corporation, have applied to the U.S. Department of Labor ("DOL") for authorization that the prohibited transaction provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), do not apply to the reinsurance transaction described below. The transaction involves the reinsurance of risks and the receipt of premiums by Hartford Life and Accident Insurance Company ("Hartford") from insurance contracts currently funding BB&T's Disability Plan/Group Protection Plan for Employees of BB&T Corp (the "Plan"). Due to the nature of the relationship between BB&T and BB&T Assurance, such reinsurance would otherwise constitute a prohibited transaction under ERISA. This notice informs you of the application to the DOL and of certain changes to the life and disability insurance offered under the Plan and describes your right to comment to the DOL about the proposed transaction. Other employee programs offered by BB&T will not be affected.

Overview

The Plan provides life, disability, and accidental death and dismemberment insurance benefits and covers all eligible active employees of BB&T. Under the transaction, Hartford will insure the risks of the Plan. However, Hartford will reinsure 50% of the risks with BB&T Assurance. The Plan Administrator of the Plan has determined that the transaction is in the interest of the participants and beneficiaries of the Plan because of benefit improvements that will be provided to them following 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 BB&T Assurance and Hartford. Hartford will insure the benefits provided to you under the Plan, including the benefit improvements.

Parties to the Proposed Reinsurance Transaction

BB&T

BB&T is a provider of retail banking and financial services headquartered in Winston-Salem, North Carolina; and BB&T's subsidiaries operate approximately 1,900 financial centers in 11 states and Washington, D.C. BB&T has been in business since 1872. BB&T employs approximately 33,600 employees in the United States. For the fiscal year ending December 31, 2008, BB&T had net income of \$1.63 billion.

BB&T Assurance

BB&T Assurance is a captive insurance and reinsurance corporation wholly-owned by BB&T Corporation. BB&T Assurance provides the following coverages to BB&T Corporation and its subsidiaries: General Liability, Workers' Compensation, Auto Liability, Retail Debt Cancellation, and Mortgage Debt Cancellation. For the fiscal year ended December 31, 2008, BB&T Assurance had total assets of \$6,612,058 and the gross written premium was \$13,898,962. BB&T Assurance is domiciled in Bermuda. BB&T will use the South Carolina branch of BB&T Assurance as its captive reinsurer.

The Plan

BB&T provides eligible employees scheduled to work twenty hours or more each week with life, disability, and accidental death and dismemberment insurance under the BB&T Corporation Disability Plan/Group Protection Plan for Employees of BB&T Corp. The Plan is insured with Hartford. Both BB&T and employees contribute to the costs of coverage. The plan number for the Plan is 507. The federal employer identification number of BB&T, the plan sponsor, is 56-0939887.

Changes to the Plan

BB&T recently formulated a plan to utilize BB&T Assurance for the reinsurance of benefits and will make improvements, described below, to the Plan if the DOL authorization is granted. Hartford will insure the Plan with the new enhanced benefits. The following improvements to the Plan's benefits will be effective after DOL authorization is granted.

BB&T will enhance benefits under the Plan as follows:

The rates for optional supplemental life insurance will be reduced by 5%, and the rates for optional supplemental long-term disability ("LTD") coverage will be reduced 8%. Both of these are 100% employee-paid.

The Accelerated Death Benefit will be improved. Under the improved benefit, a participant will be allowed to receive 80% of the participant's death benefit (up to \$500,000) if the participant has been diagnosed with a terminal illness with a life expectancy of no more than 24 months (increased from the 12 months currently included in the Plan).

The pre-existing conditions limitation for LTD benefits will be modified. Currently, a participant may not receive LTD benefits during the first twelve months of employment for any disability arising from a condition for which the participant was diagnosed or treated within three months before employment began. As modified, a participant will be able to receive LTD benefits within the first 12 months of employment for such a disability if the participant has gone six months without being treated for the condition giving rise to the disability.

A will preparation tool will be added, under which a participant will be able to use an online tool to create a legally binding, signature-ready will that is valid in all states.

A funeral planning and concierge service will be added for participants and surviving beneficiaries, giving them access to an online suite of tools that will guide participants through the key decisions involved in funeral planning. Following a death, the concierge service will negotiate funeral prices with local providers, typically resulting in significant savings.

In anticipation of the transaction, an Employee Assistance Program ("EAP") has been added. Under the EAP, participants in the Plan will be eligible to receive clinical assessment, assistance and referral services for emotional health, family and work issues through face-to-face or telephone consultations. The EAP also will also provide participant access to a member services website for counseling referrals, self-help programs, healthy lifestyle resources, online service directories and estate planning tools. The EAP will also give participants in the Plan access to financial consulting services, including 30-60 minutes of consultation for each financial issue, 30 minutes of telephone income tax planning assistance, 30 minutes of tax levy resolution consultation per separate tax problem, and a discount of 25% off normal hourly rates on other financial counseling and tax preparation services. Participants in the Plan will also be eligible for 30 minutes of telephone or office consultation with one of the EAP attorneys or mediators for each separate legal matter, and participants who wish to engage an attorney or mediator will receive a discount of 25% off normal hourly rates. Plan participants who are victims of identity theft will be eligible for a 60 minute consultation with an EAP fraud resolution specialist and all participants may request a free identity theft emergency response kit. Plan participants will also be eligible to receive consultations and referrals for childcare, eldercare and community businesses under the EAP.

These benefit improvements are not required of BB&T as part of a legal proceeding, court order or judgment, or by State law.

As stated above, the reinsurance arrangement is simply an internal arrangement between BB&T Assurance and Hartford. Hartford will continue to insure the benefits provided to you under the Plan, including the improved benefits, and BB&T will continue to contribute to the cost of the Plan.

Independent Fiduciary

In connection with the application to the DOL, BB&T has retained, at its sole expense, Milliman Actuarial Services ("Milliman"), which provides specialized fiduciary services on behalf of employee benefit plans. Milliman, 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, Milliman will represent the interests of the Plan as the Independent Fiduciary at all times with respect to the proposed transaction. Milliman will monitor compliance by the parties with the terms and conditions of the proposed transaction on an on-going basis, 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 to this Notice):

- 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 BB&T Assurance, there will be an immediate and objectively determined benefit to the participants and beneficiaries of the Plan in the form of increased benefits.
- BB&T 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, called the Prohibited Transaction Exemption ("PTE") 96-62. This process requires that at least two prior exemptions of substantially similar structure have been granted by the DOL within the last 60 months. Alternatively, the DOL must have granted one exemption within the past 120 months and issued one final authorization pursuant to PTE 96-62 within 60 months for substantially similar transactions. You can find descriptions of these other transactions along with comments from the DOL 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). In addition, the DOL gave final authorization under PTE 96-62 to Prohibited Transaction Exemption 2006-11E (AGL Resources Inc.) ("AGL") (May 1, 2006). In those cases, each respective employer proposed using its captive insurance company to reinsure employee benefits, and agreed to provide improved benefits, retain an Independent Fiduciary, contract only with insurers with an "A" rating or better with A.M. Best Company or a similar rating agency, and arrange the transaction with the captive as indemnity insurance only. Based on these representations, the DOL granted relief from the prohibited transaction restrictions under sections 406(a) and (b) of ERISA.

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 BB&T, a final authorization would be effective October 13, 2010.

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 at 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: Anna Vaughan – Re: E-00657

Be sure to refer to the submission number, E-00657. Comments must be received by the DOL no later than October 8, 2010.

Comments may be faxed or e-mailed to the DOL. The fax number is (202) 219-0204 and the e-mail address is Vaughan.Ann@dol.gov. If you have questions regarding your right to comment on this tentative authorization, you may call Anna Vaughan at (202) 693-8565.

If you have any questions about the Plan, contact BB&T Benefits Administration, via e-mail at benefits@bbandt.com, or via telephone at (800) 716-2455.

Exhibit A
Pending Authorization

[BB&T Corporation]

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 there from by BB&T Assurance Co. Ltd. ("BB&T Assurance") in connection with an insurance contracts sold by the Hartford Life and Accident Insurance Company ("Hartford"), or any successor insurance company to Hartford which is unrelated to BB&T Corporation ("BB&T") to provide life, disability, and accidental death and dismemberment benefits to participants in the BB&T Corporation Disability Plan/Group Protection Plan for Employees of BB&T Corp. (the "Plan") for participants, provided that the following conditions are met:

- (a) BB&T Assurance –
 - (1) Is a party in interest with respect to the Plan by reason of a stock or partnership affiliation with BB&T 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 [Will undergo] an examination by an independent certified public accountant for its last completed taxable year immediately prior to the taxable year of the reinsurance transaction. In addition, the independent certified public accountant will examine BB&T Assurance's reserves on an annual basis in connection with the employee benefits business to be reinsured by BB&T Assurance to insure that approvable reserve levels are maintained. Further, such accountant must prepare and furnish its report to the independent plan fiduciary within 6 months after the end of each taxable year; 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 Plan pays no more than adequate consideration for the insurance contracts;
- (c) No commissions are paid by the Plan with respect to the direct sale of such contracts or the reinsurance thereof;

(d) In the initial year of any contract involving BB&T Assurance, there will be an immediate and objectively determined benefit to the Plan's participants and beneficiaries in the form of increased benefits that are described in the Notice to Interested Persons;

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

(f) The Plan only contracts with insurers with a financial strength rating of "A" or better from A.M. Best Company (Best's). The reinsurance arrangement between the insurer and BB&T Assurance will be indemnity only, *i.e.*, the insurer will not be relieved of liability to the Plan should BB&T Assurance be unable or unwilling to cover any liability arising from the reinsurance arrangement;

(g) The Plan retains an independent fiduciary (the "Independent Fiduciary") at BB&T's expense, to analyze the transaction 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 BB&T, BB&T Assurance or the insurer (this relationship hereinafter referred to as an "Affiliate");
- (2) Is not an officer, director, employee of, or partner in BB&T, BB&T Assurance or the insurer (or any Affiliate of either);
- (3) Is not a corporation or partnership in which BB&T, BB&T Assurance or the insurer has an ownership interest or is a partner;
- (4) Does not have an ownership interest in BB&T, BB&T Assurance, or the insurer or any Affiliate thereof;
- (5) Is not a fiduciary with respect to the Plan 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; and
- (7) 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 BB&T, BB&T Assurance, or their Affiliates (including amounts received for services as Independent Fiduciary under any prohibited transaction exemption granted by the Department) for that 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 BB&T, BB&T Assurance, 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.

Exhibit B

Declaration Pursuant to 29 C.F.R. § 2570.43(d)

Under penalty of perjury, I declare that I am familiar with the matters discussed in the letter to which this declaration is attached and, to the best of my knowledge and belief, the representations made in the letter are true and correct.


Name: Sidney H. Williams
Title: President, BB&T Assurance

Date: 09-17-2010