

Protection for Deferred Compensation Accounts

Recent distress in the financial markets may have left you with questions about the security of your Kansas Public Employees Deferred Compensation account, for which ING provides recordkeeping and investment management services.

Q: How is my account protected if ING became financially unstable or declared bankruptcy?

A: Although no financial services company is immune to the difficult market environment, ING has expressed to us its confidence that its risk management practices have and will continue to serve the company and its customers well during this difficult financial period.

Even in the event that ING should suffer financial difficulty, the Plan's interests are secure and well protected. The money in your Plan account is beyond the reach of any ING creditor. Under federal and state law, the money you contribute to the Plan must be held in trust (or its legal equivalent) for the exclusive benefit of Plan participants and beneficiaries.

Q: In what way are assets in the stable value option protected?

A: By law, the assets in the separate account can only be used to satisfy obligations to Kansas Public Employees Deferred Compensation Plan participants invested in the stable value option. And if you are in the stable value option, ING's contract with the State guarantees that your principal and credited interest will be available for transfers to other investment options or when you elect to receive payment of your Plan benefits.

In addition, changes under the new contract with ING make the Plan's stable value investments much more "transparent," which means that it is much easier to identify the Plan's stable value assets. Since the new contract with ING began in December 2007, the assets of the stable value option have been held in an ING "separate account" – an account just for the participants in the Kansas Public Employees Deferred Compensation Plan, and not a general account of ING. As a result, there would not be a need to distinguish the assets of the Plan's participants from assets of ING or other retirement plans.

Q: Why did ING Groep decide to take part in the Dutch government's program to make capital available to Dutch financial businesses?

A: ING Groep (the parent company for ING Life Insurance and Annuity Company, which services the Plan) is located in the Netherlands. In October, ING Groep chose to strengthen its "buffer" against unexpected economic events in the future by accepting a capital infusion from the Dutch government. In response to the current market turmoil, the Dutch government offered to make additional capital available to Dutch financial enterprises that are fundamentally sound and viable in order to boost confidence and stability in the Dutch financial system. Even though ING Groep already had enough assets to meet existing regulatory requirements, the increased capital provides a larger "cushion," which will help to protect the interests of ING's customers.

Q: Is my account FDIC insured?

A: No. The Federal Deposit Insurance Corporation (FDIC) insures deposits at member banking institutions. Your deferred compensation account is not in a bank. So FDIC insurance does not apply.

Q: Is my account SIPC insured?

A: Probably not. Only if you have some of your balance in a T.D. Ameritrade self-directed brokerage account. Most participants don't.

The Securities Investor Protection Corporation (SIPC) protects brokerage firm customers. If you have a self-directed brokerage account, you can call T.D. Ameritrade at 866-766-4015 for more information about that coverage.

None of the investment options offered directly through the Deferred Compensation Plan are maintained in the account of a brokerage firm.

Q: Where can I get information about managing my account in difficult economic periods?

A: Call an ING representative at 1-800-232-0024 or 785-296-7095. (Choose Option 5.)