

NEW LEGISLATION CHANGES ERISA BONDING REQUIREMENTS FOR ESOPs

The ESOP Association is pleased to announce that its Affinity Insurance Program has now been expanded to allow members to purchase the required ERISA bond.

Since 1974, every plan official handling funds or other property of any pension and welfare benefit plan governed by ERISA is required to carry a fidelity bond protecting the plan from the theft of plan assets by a plan official. The ERISA legislation requires plans to carry a fidelity bond equal to 10% of the plan assets handled subject to a minimum limit of \$1,000 and a maximum of \$500,000. Now, recently passed legislation discussed in the above paragraph changes the limit requirement for plans holding employer securities.

The Pension Reform Act of 2006 changes the fidelity bond requirements for employee benefit plans holding employer securities by increasing the maximum limit of liability from \$500,000 to \$1,000,000. The \$1,000,000 limit applies to plan years beginning after December 31, 2007. This new legislation applies to employers sponsoring Employee Stock Ownership Plans, or ESOPs.

ABOUT MURRAY

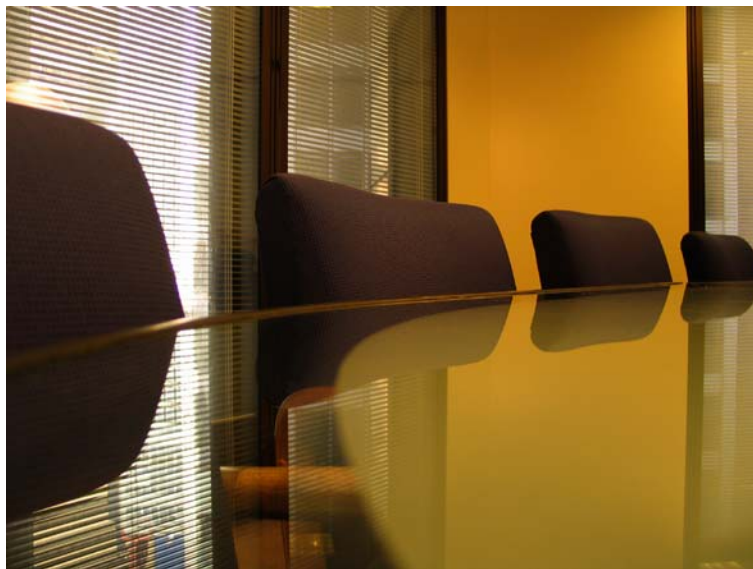
Murray is endorsed by TEA as the exclusive provider of the Affinity Program providing their members with Director's and Officer's, Fiduciary, Employment Practices Liability and Crime Insurance. This Affinity Program has now been expanded to allow members to purchase the required ERISA bond. Murray has been placing insurance for over 75 years, is an ESOP company and a TEA member.

ABOUT TRAVELERS

Travelers Bond and Financial Products is an industry leader in providing fidelity coverage for pension plans and enjoys an A. M. Best rating of A++ XV.

HOW BONDS CAN BE EASILY OBTAINED

Members of The ESOP Association (TEA) can now purchase the required bond from Murray Risk Management and Insurance (Murray) by providing Murray with brief information by either email or telephone. These Fidelity Bonds are insured by Travelers Casualty and Surety Company of America (Travelers) and can be issued by Murray within 48 hours. Premiums will vary by the bond limit selected. A three year pre-paid premium starts at just over \$100 while a \$1,000,000 bond limit will have a three year pre-paid premium of less than \$800 for qualified applicants.



CONTACT

To obtain more information, please contact:

Kathleen Vigliano
kvgliano@murrayins.com ♦ 717-620-2471
or visit
www.murrayins.com

To obtain more information on the ERISA
Fidelity Bond requirements, please visit:

www.dol.gov/ebsa/compliance_assistance.html