DEFINED BENEFIT PENSION PLAN RESCUE PROGRAM

Zermatt
INSURANCE GROUP, INC

101 Convention Center Drive
Suite P-109
Las Vegas, NV 89109
(800) 815-0129
www.ZermattInsurance.com

The Problem With Assets

Defined benefit pension plans are underfunded by well over $1 Trillion.[1] Many defined benefit plans were hit by a double whammy:

i. Falling interest rates on fixed interest investments, and
ii. The greatest stock market drop since 1929.

Plan sponsors and trustees reacted by fleeing equity markets and missed out on the stock market recovery.

[1] State pension plans are underfunded by $834.2 billion, according to Reuters (3/3/2013). The unfunded pension obligations of the largest 100 corporate defined benefit plans total $412 billion, according to a Milliman Inc. report (1/7/2013).

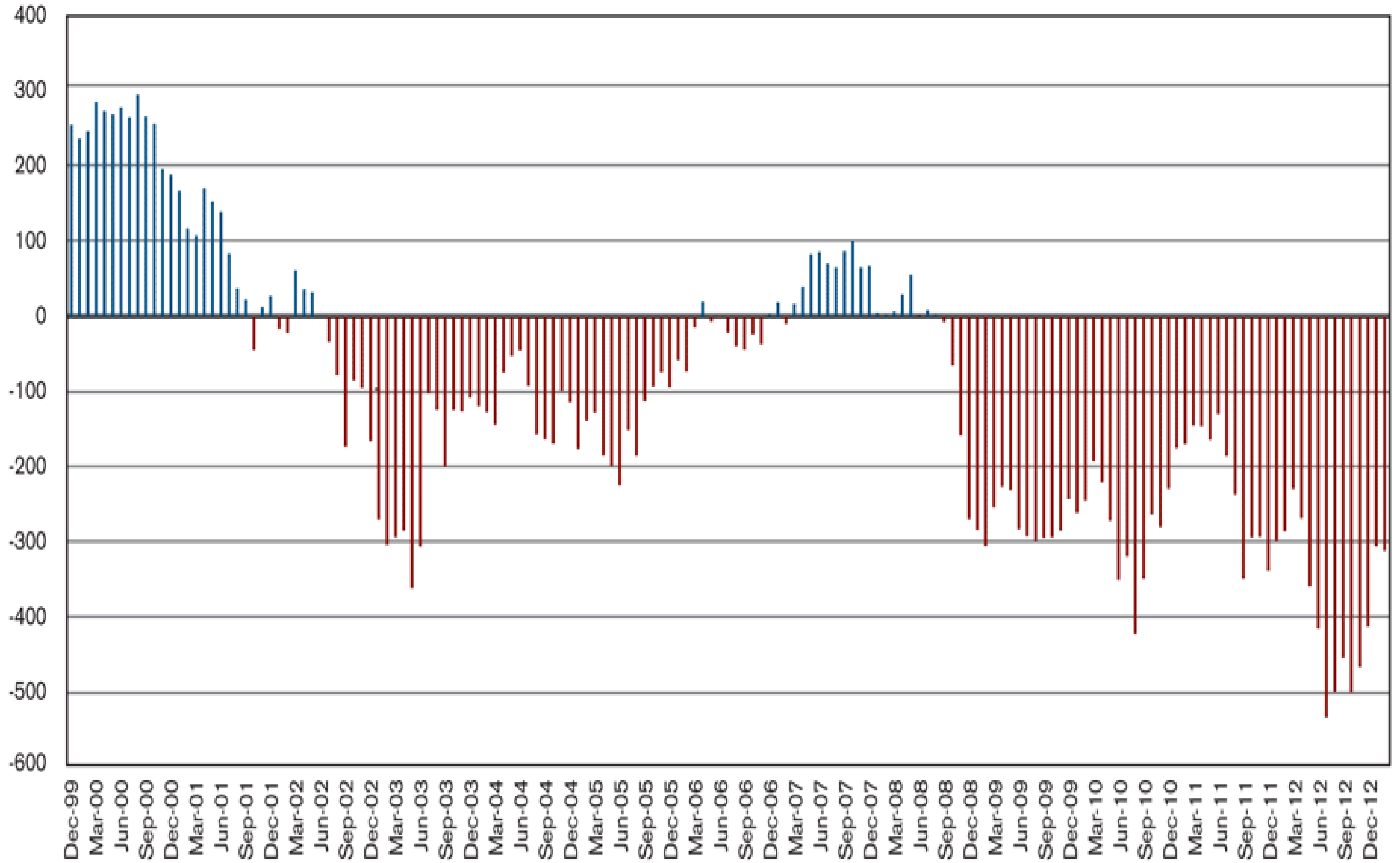
The Problem With Liabilities

Internal Revenue Service rules and actuarial standards require utilizing current interest rates in actuarial liability determinations. Many plans designed with an expectation of investment returns of 8% or more are becoming increasingly underfunded.

RESULT: Plan sponsors are still suffering from a lingering recession and are simply unable to make up pension shortfalls at this time.

Milliman 100 Pension Funding Index

FIGURE 1: MILLIMAN 100 PENSION FUNDING INDEX PENSION SURPLUS/DEFICIT



The Rescue

The Defined Benefit Pension Rescue Plan embodies three specific strategies which are able to help overcome pension underfunding:

1. Use of Captive Insurance Company.
2. Proven investment results.
3. Optimizing investment returns.

Captive Insurance Company

A captive insurance company is helpful in:

a. Eliminating benefit increases;

b. Simplified plan termination once sufficient funding has been achieved.

In addition, a captive is especially helpful to publicly-held companies (and others subject to audit standards) because it permits moving the underfunded pension liability from the balance sheet to a footnote item.

Proven Investment Results

ZIGI works with proven fund managers whose successful track records will compare favorably with any investment managers.

All investment strategies may be employed and adapted to the pension fund's needs, time duration and risk profile.

Strategies include all equity style boxes plus international investments, multi-strategy funds, bond funds and other fixed income choices.

Optimizing Investment Returns

An optional additional strategy permits enhancement of investment returns through investment leveraging.

While this facility has a cost (and therefore increased investment risk) it has the potential of increasing investment returns by employing an “interest arbitrage” opportunity.

This can potentially increase a return of 6.6%, for example, to 10% on the same investment.

ZIGI's Approach

We utilize the following in making this program available:
1. An A+ rated insurance company;
2. Top fund managers and publicly reported investment funds;
3. The credit facility of one of the world's top banks;[2]
4. Nationally recognized experts and specialists in captive insurance with top consulting companies;
5. Approval by US Department of Labor and state insurance department.

[2] According to BANKER'S Accuity, March, 2013.