ING Health Reserve Account

Group Funding Agreement

Information Booklet

I N F O R M A T I O N   B O O K L E T

ING Health Reserve Account (“ING HRA™”)

Group Funding Agreement

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Why Reading this Information Booklet is Important. Before you participate in the ING HRA through your employer’s health reimbursement plan, you (the employee/participant) should read this information booklet and any accompanying supplements. Together these materials provide facts about the contract and its investment options and other important information. Please keep these documents for future reference.

A PRODUCT TO HELP MEET YOUR HEALTH NEEDS!

Your employer has established a health reimbursement plan (a HRA plan) to assist with the payment of qualified medical expenses incurred by eligible employees. The details of the plan will be provided to you by your employer or other named fiduciary under the plan (the plan sponsor). HRA plans are established and operate under various sections of the Internal Revenue Code (“Code”).

The ING HRA uses a group funding agreement (“contract”) between the “contract holder” (generally the plan trustees) and ING Life Insurance and Annuity Company (the “Company,” “we,” “us,” or “our”).

The primary purpose of the contract is to provide for the accumulation of contributions made to your account under the terms of the HRA plan. Your employer makes all the contributions to the contract for the benefit of its employees.

This booklet contains a summary of the key provisions of the ING HRA. It is intended to explain the investment products and services we offer for your employer's HRA plan. Your actual benefits are governed exclusively by the provisions of the plan and not by the contract that we deliver to the plan trustee.

In the event of a conflict between this information booklet and the contract, the terms of the contract will prevail.

The HRA Plan – Qualified Medical Expenses. For purposes of the contract and as used in this booklet, “qualified medical expenses” are medical expenses as defined under Section 213 of the Code and as certified by the plan sponsor or by a party designated by the plan sponsor (generally the Third Party Administrator (“TPA”)). You will need to refer to your employer's HRA plan document for details.

When you need amounts reimbursed to you for qualified medical expenses, you must submit a claim to your TPA. These claims should not be sent to the Company or local Company representative. The TPA receives and approves all claim requests and then submits a reimbursement request to the Company on your behalf. After receiving that request, we distribute the requested amount to the TPA. In turn, the TPA will then send the money to you (via a check or direct deposit to your own bank account).

Be advised that TPA fees may be assessed against the amounts they handle on your behalf and such charges would be separate and distinct from any fees charged under the contract. **(See “CHARGES TO PARTICIPANTS” for additional information on charges.)**

ABOUT THE COMPANY

The Company issues the contract described in this booklet and provides certain contract-related administrative services. We are a stock life insurance company organized under the insurance laws of the State of Connecticut in 1976 and an indirect wholly owned subsidiary of ING Groep N.V. (“ING”), a global financial institution active in the fields of insurance, banking and asset management.

Securities are distributed through ING Financial Advisers, LLC and financial planning is offered by ING Financial Partners, Inc. (each members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC")) and other broker-dealers with which ING has selling agreements.

ENROLLMENT

Contributions will be sent to the Company by your employer and will be invested as directed by the plan sponsor until you, if allowed by the plan, request a different allocation of contributions or transfer the assets already in the ING HRA (see "**THE ING HRA**" below).

The plan sponsor and the Company will supply you with complete enrollment information.

THE ING HRA

Your individual account balances are maintained for the plan participants by the TPA. The Company maintains one unallocated account for all employees/participants.

THE ING HRA VARIABLE FUND INVESTMENT OPTIONS

If allowed by your plan, the ING HRA offers a wide range of variable investment options through the contract. The variable investment options invest directly in shares of a corresponding mutual fund. Each underlying mutual fund has a different investment objective and more detailed information about their investment risks and fees and expenses can be found in the fund fact sheets you will receive, along with this booklet, at enrollment. At our discretion we may add, restrict or withdraw the availability of any such investment option.

How the Variable Investment Options Work. These investment options fluctuate in value and involve investment risks. The value of the fund shares may increase or decrease, which will affect the value of the contract's account.

When contributions are allocated to a variable investment option, shares of the corresponding mutual fund are purchased by the Company and held in a pooled separate account. The separate account actually holds the fund shares. The contract's account holds units of participation in the separate account.

At the end of each day that the New York Stock Exchange ("NYSE") is open (normally at 4:00 p.m. Eastern Time), a net asset value per share of each fund is determined (based on the value of each fund's securities, cash and other assets, less any liabilities, divided by the number of shares outstanding). The separate account unit value of the fund is then derived by multiplying the last unit value by the current net investment factor. The net investment factor takes into account the difference in net assets in the beginning and at the end of the period being valued, taxes (or provisions for taxes, if any), the Daily Asset Charge ("DAC") and any applicable DAC adjustments. **See "Deduction for the Daily Asset Charge" for more details on the DAC and possible adjustments to the DAC.**

Different funds and fund share classes pay varying levels of fees to the Company. Pricing for your employer's plan takes these different fee levels into consideration and the different fee levels can provide flexibility in the plan's overall cost. As a result, it is possible that different share classes within a fund family, or across different fund families, may be utilized in offering the variable investment options to your plan. **See Appendix A for additional information.**

You should consider the investment objectives, risks and charges and expenses of the variable product and its underlying fund investment options offered through a Health Reimbursement Arrangement carefully before investing. Information about the underlying mutual funds, including information about the risks associated with investing in them, can be found in the current prospectus and Statement of Additional Information for each fund. You may obtain these documents by contacting your TPA or sales professional. If you received a summary prospectus for any of the underlying mutual funds offered, you may obtain a full prospectus and other fund information free of charge by either accessing the internet address, calling the telephone number or sending an email request to the email address shown on the front of the fund's summary prospectus.

THE ING HRA CREDITED INTEREST OPTION – THE ING FIXED ACCOUNT

In addition to the variable investment options, the ING HRA also offers a credited interest option called the ING Fixed Account (the "Fixed Account").

The Fixed Account provides stability of principal and credits interest on all amounts allocated to this option. The minimum guaranteed interest rate will always be at least 1.00%. We may credit interest at a rate greater than the minimum guaranteed interest rate. The current credited interest rate (that we may change at any time) will be available to you upon request. The Company considers its expenses, risk, profit and other factors when determining the current credited interest rate.

The minimum guaranteed interest rate and the current credited interest rate are both expressed as an annual effective yield. Interest is credited to your account on a daily basis. Once credited, the interest becomes a part of your principal. This means that your account earns compound interest. Taking the effect of compounding into account, the interest credited to your account daily yields the current credited interest rate. Any changes in rates will apply to all amounts in the Fixed Account. All interest rate guarantees provided under the contract that are not related to the separate account are subject to the claims paying ability of the Company and the Company's claims-paying ability should be taken into consideration in evaluating interest rate guarantees. The guarantee stated above does not apply to the investment return or principal value of the variable investment options.

There are restrictions on transfers and withdrawals associated with the Fixed Account (see "**CHANGING YOUR INVESTMENT SELECTION**" and "**WITHDRAWALS**" below). In addition, certain withdrawals initiated by the plan sponsor may be subject to charges and/or adjustments (see "**WITHDRAWALS**" below).

CHANGING YOUR INVESTMENT SELECTION

Once enrolled, if authorized by the plan, you may re-allocate future contributions or transfer assets, either electronically via the Internet or by telephone. Transaction requests received in good order one hour prior to market close will be processed that same business day by the close of business of the NYSE. Transaction requests received after that time will be processed at the end of the next business day that the NYSE is open for trading. Please be aware that on one business day each year, transactions may not be processed due to administrative maintenance.

Once a change is made, you will receive confirmation of the requested change(s) by mail. It is important that you review your change(s) carefully. Failure to report any discrepancy within 30 days will indicate that you are in agreement with the transactions in your account as reported on your confirmation statement. Transfers made only among the variable investment options are permitted at any time, except as described in "**Limits on Frequent or Disruptive Transfers**" below. Transfers from the Fixed Account are subject to certain restrictions (see "**EQUITY WASH RESTRICTIONS**" below).

Limits on Frequent or Disruptive Transfers. Each underlying mutual fund available through the contract has adopted or may adopt an excessive/frequent trading policy. A fund company may direct the TPA to implement fund purchase restrictions and/or limitations on any individual or entity that the fund has identified as violating its excessive/frequent trading policy. **See Appendix A for additional information.**

EQUITY WASH RESTRICTIONS

In general, transfers out of the Fixed Account may be made at any time unless your plan includes a competing investment option (any option that includes a direct or indirect guarantee of investment performance). If a competing investment option exists, then transfers and certain withdrawals are allowed from the contract's account *provided*:

- A Fixed Account transfer is not directed into a competing investment option;
- A transfer into a competing investment option from any non-competing investment option has not occurred within 90 calendar days; and
- A partial surrender has not occurred within 90 calendar days (note that a withdrawal for the reimbursement of qualified medical expenses is *not* considered a partial surrender).

In addition, if your plan sponsor has made a withdrawal for any reason other than for the reimbursement of a qualified medical expense (see "**WITHDRAWALS**" below), then no withdrawals of that type may be made for the next 90 calendar days.

When applicable, equity wash restrictions are in addition to any other rules that may be in effect. Please contact your plan sponsor to find out if your plan includes a competing investment option. Any non-enforcement of the equity wash restrictions is temporary and will not constitute a waiver of these requirements.

FILING CLAIMS

You need to contact your TPA to obtain a claim form for reimbursement of your qualified medical expenses (see "**The HRA Plan – Qualified Medical Expenses**" above). Information on how to contact your TPA can be found in your enrollment materials. Your TPA will provide you with a claim form, process your claim and will contact us to make the withdrawal from your account (see "**WITHDRAWALS**" below). Your claim must be substantiated with documented proof in order to qualify for reimbursement.

WITHDRAWALS

Withdrawals from your account under the contract are only permitted for the reimbursement of qualified medical expenses (see "**FILING CLAIMS**" above). You cannot be reimbursed for expenses you incurred prior to the effective date of your enrollment in the ING HRA contract. Withdrawals are made proportionately from all the investment options in which your account is invested and are paid in a lump sum, without any contract-related charges or adjustments.

Note: Withdrawals initiated by the plan sponsor for any purposes other than for a qualified medical expense may be subject to the following charges and/or adjustments:

- Withdrawal charge;
- Fixed Account extended payout period or market value adjustment; and/or
- A Transferred Asset Benefit ("TAB") recovery charge, if applicable.

For details, see the appropriate section(s) under "**CHARGES TO PARTICIPANTS**" below. In addition, subsequent transfers from the Fixed Account may be affected (see "**EQUITY WASH RESTRICTIONS**" above).

CHARGES TO PARTICIPANTS

Please note: *Some* of the charges described below are assessed only in certain circumstances, primarily if the plan sponsor initiates a contract withdrawal for reasons other than to reimburse you for qualified medical expenses. **Please read this section carefully.**

Third Party Administrator Charges. As stated earlier, the TPA may assess fees against the amounts they handle on your behalf and such charges would be separate and distinct from any fees we may charge under the contract. Ask your plan sponsor for details.

Deduction for the Daily Asset Charge. The Company may assess a DAC from accounts invested in the variable investment options to allow for our expense, risk and profit.

Expressed as an annual percentage but deducted daily, the DAC is determined by a number of plan-specific characteristics, plan-specific elections and other factors, including such items as the total asset value held in the contract and whether a TAB (described below) has been included. For the ING HRA product, the DAC is as follows:

- For contracts without a TAB, the DAC will range from 0.00% to a maximum of 1.40%; and
- For contracts with a TAB, the DAC will range from 0.00% to a maximum of 1.90%.

You will be advised as to the specific DAC that applies to your plan at enrollment.

In addition to the DAC, the Company may assess an additional fee when certain investment options are elected. Please contact your plan sponsor to find out if your plan has elected to use any investment options that entail such an adjustment to the DAC.

The DAC, and any adjustment to the DAC applicable to certain funds, is subject to change but only with the consent of the contract holder.

The DAC does not include redemption fees, if applicable, or the investment advisory fee paid by each fund to its investment adviser. Such fees, and any other applicable expenses, are set forth in the fund fact sheets you will receive at enrollment as well as in the applicable fund prospectuses. These separate expenses, in addition to the DAC, will determine the total cost of each variable investment option.

Withdrawal Charge. Until the start of the seventh contract year, any contract withdrawal that the plan sponsor initiates that is not used to reimburse you for qualified medical expenses (or isn't due to the transfer of your account to another Company contract) may be subject to a withdrawal charge. If such a charge applies to your plan, the amount charged is a percentage of the amount withdrawn. The following chart shows the maximum level of withdrawal charge; the charges for your plan may be less:

Contract Years Completed	Withdrawal Charge
Less than 1	7%
1 but less than 2	6%
2 but less than 3	5%
3 but less than 4	4%
4 but less than 5	3%
5 but less than 6	2%
6 but less than 7	1%
7 or more	0%

The withdrawal charge will never exceed the maximum permitted by FINRA rules, as applicable. You may contact your plan sponsor to find out the schedule of withdrawal charges that apply to your HRA plan.

For withdrawal charge purposes, a contract year is each 12-month period from the date the first contribution is applied to this contract (or from any anniversary of that date).

Fixed Account – Extended Payout Period or Market Value Adjustment. For any withdrawal from the contract for purpose of reimbursing a qualified medical expense, we pay the withdrawal amount, including any portion attributable to the Fixed Account, in an unadjusted lump sum (see "**WITHDRAWALS**" above). However, if the withdrawal is initiated by the plan sponsor and is for any reason other than to pay qualified medical expenses or in connection with a transfer of your account to another Company contract, we reserve the right to pay the Fixed Account portion of the withdrawal amount in one of the following two ways, as elected by the contract holder:

- In equal principal payments, with interest, over a period not to exceed 60 months; or
- As a single payment that has been subjected to a market value adjustment.

More information on these payout methods can be found in Appendix B.

Transferred Asset Benefit Recovery Charge. This contract may include a TAB that we may offer under specific conditions. If your plan paid an early cancellation fee to a prior funding vehicle to allow for assets to be transferred to us, the TAB helps offset that cancellation penalty. Under a TAB, we may credit the contract's account up to 7.00% of the amount transferred to us (the exact amount is specified in an endorsement to the contract). To reflect the cost of this benefit, a TAB recovery charge may apply to any withdrawal initiated by the plan sponsor for any reason other than to pay qualified medical expenses or in connection with a transfer of your account to another Company contract. Such a charge may apply over a number of completed years (not to exceed seven) from the date of the initial plan deposit made to this contract. During the time a TAB recovery charge is in effect, the Fixed Account current credited interest rate will be reduced and the DAC will be increased.

Your plan sponsor can let you know if a TAB is in effect for your plan. More complete details can be provided upon request.

Charges for Additional Services. If the contract holder or plan sponsor requests that the Company provide additional services and we agree to do so, the services will occur under a separate administrative services agreement that will specify the charges for the services and the manner in which we will be compensated.

COMPENSATION AND RELATED EXPENSES

Contributions under the contract may also compensate one or more sales professionals for their services which may include installing and servicing the contract by providing product explanations and periodically reviewing available investment options. When applicable, the compensation may include non-cash incentives. The level of compensation is intended to reflect the level of sales and ongoing service support to be provided by the sales professional and the cost of providing that support. **See Appendix A for additional information.**

Supervisory and other management personnel of the Company may receive additional compensation if the overall amount of investments in funds advised by the Company, or its affiliates, increases over time. Assets allocated to investment options advised by the Company or its affiliates are generally more profitable to us. **See Appendix A for additional information.**

TAX INFORMATION

Since all the contributions to the contract are made by your employer on your behalf under the HRA plan, participants are not liable for any federal or state taxes on amounts distributed for reimbursement of qualified medical expenses. No taxes are withheld nor are any plan contributions tax deductible on any tax return you may file. The contract serves as the funding vehicle for your employer's plan, providing investment options and other features described in this booklet, but is not necessary for the plan's favorable tax treatment.

IRS Circular 230 Disclosure: These materials are not intended to be used to avoid tax penalties and were prepared to support the promotion or marketing of the matter addressed in this document. The taxpayer should seek advice from a qualified tax adviser.

CHANGES TO THE CONTRACT

The contract may be changed by mutual consent of the Company and the contract holder. Changes to certain contract provisions may apply only for new participants and contributions made after the change is effective. Under no circumstances will we reduce the minimum guaranteed interest rate for the Fixed Account.

For changes we initiate requiring contract holder consent, we provide written notice to the contract holder at least 60 days prior to the effective date of the change. If the contract holder does not agree to the change, we reserve the right to stop accepting contributions.

We may change the net investment factor and the Fixed Account Market Value Adjustment factor without contract holder consent. We may change the net investment factor for variable investment options by notifying the contract holder in writing at least 30 calendar days before the change becomes effective. We may change the Fixed Account Market Value Adjustment factor by notifying the contract holder in writing at least 90 days before the change becomes effective.

We may change this contract as required by federal or state law without contract holder consent by notifying the contract holder at least 30 calendar days before the change becomes effective.

CONTRACT TERMINATION

Either the Company or the contract holder may terminate this contract for any reason by giving written notice to the other party at least 90 calendar days before a termination date specified in the notice. The plan sponsor may not make any contributions to the contract after the termination date. We will pay the contract's current value determined as of the termination date.

If the Company initiates the contract termination, we will not apply:
- A withdrawal charge;
- A Fixed Account market value adjustment; or
- A TAB recovery charge.

MORE INFORMATION ON THE INVESTMENT OPTIONS

Valuation of Variable Investment Options. The valuation of the variable investment options available is dependent upon the securities markets. The applicable valuation date for fund transactions is subject to federal securities laws and regulations. Such laws and regulations could change in the future.

Suspension of Financial Transactions or Payment Delay. In accordance with applicable federal securities laws and regulations, we reserve the right to suspend financial transactions or postpone payments from the contract's account during times when the following situations may occur:
- The NYSE is closed or trading on the NYSE is restricted, or
- The U.S. Securities and Exchange Commission ("SEC") determines that a market emergency exists or the SEC restricts trading for the protection of investors.

The Company, under certain emergency conditions, may also defer any payment from the Fixed Account for a period of up to six months (unless not allowed by state law), or as provided by federal law.

Redemption Fees. Certain funds may impose redemption fees as a result of withdrawals, transfers or other transactions initiated by you, if the plan allows, or by the contract holder. If applicable, we may deduct the amount of any redemption fees imposed by the underlying mutual funds as a result of withdrawals, transfers or other fund transactions that you or the contract holder may initiate and remit such fees back to that fund. Redemption fees, if any, are separate and distinct from other contract charges deducted from the contract's account value and can be imposed by a fund at any time. For a more complete description of the funds' fees and expenses, review each fund's prospectus.

QUESTIONS OR COMPLAINTS

Please contact your TPA or sales professional at the address and toll-free phone number provided to you at enrollment.

APPENDIX A

This Appendix provides you with important information regarding fund revenue sharing and expenses, sales compensation, the availability of other products from the Company, limits on frequent or disruptive transfers and our anti-money laundering program.

Fund Fees and Expenses

Each underlying mutual fund deducts management/investment advisory fees from the amounts allocated to the fund. In addition, each underlying mutual fund deducts other expenses which may include service fees that may be used to compensate service providers, including the Company and its affiliates, for administrative and contract holder services provided on behalf of the fund. Furthermore, certain funds deduct a distribution, or 12b-1, fee which is used to finance any activity that is primarily intended to result in the sale of fund shares. Fund fees and expenses are deducted from the value of the fund shares on a daily basis, which in turn affects the value of each subaccount that purchases fund shares. Fund fees and expenses are one factor that impacts the value of a fund's shares. **To learn more about fund fees and expenses, the additional factors that can affect the value of a fund's shares and other important information about the funds, refer to the fund prospectuses.**

A single mutual fund usually offers more than one "class" of shares to investors. The key distinctions between these share classes are the charges and ongoing fees borne by the fund and absorbed by investors. These fees may include 12b-1 fees as well as administrative fees (sometimes called service fees). The least expensive classes of mutual fund shares are often called "Initial Class" or "Class I" and generally only charge management fees and limited fees for other expenses related to the fund. These classes of shares usually generate the least amount of revenue for the Company, although they may pay service fees. Various share classes may charge 12b-1 fees up to 1.00%. These classes are often called Class A, Service Class, Adviser Class, R Class or S Class shares. They may also have other names.

Less expensive share classes of the funds offered through this contract may be available for investment outside of this contract. You should evaluate the expenses associated with the funds available through this contract before making a decision to invest.

Fund of Funds. Certain funds may be structured as "fund of funds" or "master-feeder" funds. These funds may have higher fees and expenses than a fund that invests directly in debt and equity securities because they also incur the fees and expenses of the underlying funds in which they invest. Some of these funds are affiliated funds, and the underlying funds in which they invest may be affiliated as well. The fund prospectuses and fund fact sheets disclose the aggregate annual operating expenses of each fund and its corresponding underlying fund or funds.

Revenue from the Funds

The Company may receive compensation from each of the funds or the funds' affiliates. For certain funds, some of the compensation may be paid out of 12b-1 fees or service fees that are deducted from fund assets. Any such fees deducted from fund assets are disclosed in the fund prospectuses. The Company may also receive additional compensation from certain funds for administrative, recordkeeping or other services provided by the Company to the funds or the funds' affiliates. These additional payments may also be used by the Company to finance distribution. These additional payments are made by the funds or the funds' affiliates to the Company and do not increase, directly or indirectly, the fund fees and expenses.

The amount of revenue the Company may receive from each of the funds or from the funds' affiliates may be substantial, although the amount and types of revenue vary with respect to each of the funds offered through the contract. This revenue is one of several factors we consider when determining contract fees and charges and whether to offer a fund through our contracts. **Fund revenue is important to the Company's profitability, and it is generally more profitable for us to offer affiliated funds than to offer unaffiliated funds.**

Assets allocated to affiliated funds, meaning funds managed by Directed Services LLC, ING Investments, LLC or another Company affiliate, generate the largest dollar amount of revenue for the Company. Affiliated funds may also be subadvised by a Company affiliate or by an unaffiliated third party. Assets allocated to unaffiliated funds, meaning funds managed by an unaffiliated third party, generate lesser, but still substantial dollar amounts of revenue for the Company. The Company expects to earn a profit from this revenue to the extent it exceeds the Company's expenses, including the payment of sales compensation to our distributors.

Revenue Received from Affiliated Funds. The revenue received by the Company from affiliated funds may be deducted from fund assets and may include:

- A share of the management fee;
- Service fees;
- For certain share classes, compensation paid from 12b-1 fees; and
- Other revenues that may be based either on an annual percentage of average net assets held in the fund by the Company or a percentage of the fund's management fees.

In the case of affiliated funds subadvised by unaffiliated third parties, any sharing of the management fee between the Company and the affiliated investment adviser is based on the amount of such fee remaining after the subadvisory fee has been paid to the unaffiliated subadviser. Because subadvisory fees vary by subadviser, varying amounts of revenue are retained by the affiliated investment adviser and ultimately shared with the Company. The sharing of the management fee between the Company and the affiliated investment advisor does not increase, directly or indirectly, fund fees and expenses. The Company may also receive additional compensation in the form of intercompany payments from an affiliated fund's investment adviser or the investment adviser's parent in order to allocate revenue and profits across the organization. The intercompany payments and other revenue received from affiliated funds provide the Company with a financial incentive to offer affiliated funds through the contract rather than unaffiliated funds.

Additionally, in the case of affiliated funds subadvised by third parties, no direct payments are made to the Company or the affiliated investment adviser by the subadvisers. However, subadvisers may provide reimbursement for employees of the Company or its affiliates to attend business meetings or training conferences.

Revenue Received from Unaffiliated Funds. Revenue received from each of the unaffiliated funds or their affiliates is based on an annual percentage of the average net assets held in that fund by the Company. Some unaffiliated funds or their affiliates pay us more than others and some of the amounts we receive may be significant.

The revenue received by the Company or its affiliates from unaffiliated funds may be deducted from fund assets and may include:

- Service fees;
- For certain share classes, compensation paid from 12b-1 fees; and
- Additional payments for administrative, recordkeeping or other services which we provide to the funds or their affiliates, such as processing purchase and redemption requests and mailing fund prospectuses, periodic reports and proxy materials. These additional payments do not increase directly or indirectly the fees and expenses shown in each fund's prospectus. These additional payments may be used by us to finance distribution of the contract.

If the unaffiliated fund families currently offered through the contract that made payments to us were individually ranked according to the total amount they paid to the Company or its affiliates in 2010, in connection with unregistered variable separate account contracts issued by the Company, that ranking would be as follows:

- American Funds℠;
- Fidelity Investments® [1];
- Pioneer Investment Management;
- Franklin® Templeton® Investments [2];
- Columbia Funds;
- Lord Abbett Funds;
- OppenheimerFunds, Inc.;
- Allianz Funds;
- Baron Funds®;
- T. Rowe Price Funds [3];
- Eaton Vance Distributors, Inc.;
- Lazard Asset Management LLC;
- BlackRock, Inc.;
- MFS Investment Management® [4];
- CRM Funds [5];
- Invesco℠ Funds Davis Funds;
- Janus Capital Management LLC;
- American Century Investments;
- Ariel Investments;
- Pax World Funds;
- Loomis Sayles Funds;
- Galliard;
- Munder Capital Management®; and
- Thornburg Investment Management®.

If the revenues received from the affiliated funds were taken into account when ranking the funds according to the total dollar amount they paid to the Company or its affiliates in 2010, the affiliated funds would be at the top of the list.

In addition to the types of revenue received from affiliated and unaffiliated funds described above, affiliated and unaffiliated funds and their investment advisers, subadvisers or affiliates may participate at their own expense in Company sales conferences or educational and training meetings. In relation to such participation, a fund's investment adviser, subadviser or affiliate may help offset the cost of the meetings or sponsor events associated with the meetings. In exchange for these expense offset or sponsorship arrangements, the investment adviser, subadviser or affiliate may receive certain benefits and access opportunities to Company sales representatives and wholesalers rather than monetary benefits. These benefits and opportunities include, but are not limited to, co-branded marketing materials, targeted marketing sales opportunities, training opportunities at meetings, training modules for sales personnel and opportunities to host due diligence meetings for representatives and wholesalers.

Please note certain management personnel and other employees of the Company or its affiliates may receive a portion of their total employment compensation based on the amount of net assets allocated to affiliated funds. **See "Contract Distribution" for additional information.**

Sales Compensation

Contract Distribution

The Company's subsidiary, ING Financial Advisers, LLC, serves as the principal underwriter for the contracts. ING Financial Advisers, LLC, a Delaware limited liability company, is registered as a broker-dealer with the SEC. ING Financial Advisers, LLC is also a member of FINRA and SIPC. ING Financial Advisers, LLC's principal office is located at One Orange Way, Windsor, Connecticut 06095-4774.

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[1] Fidelity and Fidelity Investments are registered trademarks of FMR Corp.
[2] Franklin and Templeton are registered trademarks of Franklin Resources, Inc. or its subsidiaries.
[3] T. Rowe Price, Invest With Confidence, the Big Horn Sheep and the logo they compose are trademarks or registered trademarks of T. Rowe Price Group, Inc. in the U.S. and other countries.
[4] MFS Investment Management® is a registered trademark of Massachusetts Financial Services Company.
[5] "CRM Funds" are distributed by "Professional Funds Distributor, LLC."

The contracts are offered to the public by sales professionals who are registered representatives of ING Financial Advisers, LLC, registered representatives of broker dealers that have entered into selling agreements with ING Financial Advisers, LLC or who not registered with any broker dealer. All sales professionals selling the contracts must be appropriately licensed as insurance agents for the Company. We refer to the broker-dealers and other firms whose sales professionals sell the contracts as "distributors."

The following distributors are affiliated with the Company:

- Directed Services LLC;
- ING America Equities, Inc.;
- ING Financial Advisers, LLC;
- ING Financial Partners, Inc.;
- ING Investments Distributor, LLC;
- ING Investment Advisers, LLC; and
- Systematized Benefits Administrators, Inc.

Sales professionals of distributors who solicit sales of the contracts typically receive a portion of the compensation paid to the distributor in the form of commissions or other compensation, depending upon the agreement between the distributor and the sales professional. This compensation, as well as other incentives or payments, is not paid directly by contract holders of the separate account, but instead is paid by us through ING Financial Advisers, LLC. We intend to recoup this compensation and other sales expenses paid to distributors through fees and charges imposed under the contracts.

Compensation Arrangements

Commission Payments. Sales professionals provide numerous services, including services to plan sponsors and participants. These include installing and servicing contracts, providing product explanations and periodically reviewing participants' retirement needs as well as the investment options available under the contract. Compensation to sales professionals is provided through sales commissions. Commissions paid on transferred assets range from 0.00% to 1.00%; commissions paid on recurring payments made during the first year of the contract and on increases in deferrals range from 0.00% to 1.00%; commissions paid on recurring payments after the first year range from 0.00% to 1.00%. In addition, the Company may pay an asset based commission ranging up to 0.50%. In some situations the Company may pay sales professionals a flat dollar commission that may exceed the commission maximums described above. Sales professionals may receive all or a portion of compensation paid to their distributor, depending upon the firm's practices. The amount of commissions and annual payments paid to the sales professional will be disclosed in the written materials we provide at the point of sale. In some situations the Company may employ sales professionals to perform enrollment and other services and may pay these sales professionals a flat salary rather than a commission.

Your sales professional may select the level of compensation he or she receives in connection with the sale of the contract. The factors the sales professional may consider in selecting the level of compensation include the complexity of the case, the level of sales and ongoing service support to be provided by the sales professional and the costs incurred by the sales professional in providing that support. The level of commission paid on a particular contract affects the level of charges under the contract, including the DAC and the applicability of an early withdrawal charge schedule. The level of commission paid on a particular contract may also affect the rate credited to the Fixed Account. Because the sales professional may select the level of compensation he or she receives in connection with the sale of the contract, he or she may have a financial incentive to recommend this contract over other contracts. The plan sponsor should discuss with the sales professional the level of compensation he or she will choose in connection with the sale of this contract and how that compensation may compare with compensation available under other products or contracts the sales professional feels may be suitable for you. Plan sponsors interested in obtaining more information about the compensation options available to their sales professional and how they impact the charges and terms of your contract, including the DAC, the rate credited to the Fixed Account and the selection of share classes to be included in your contract, should consult with their sales professional.

We may also enter into special compensation arrangements with certain distributors based on those firms' aggregate or anticipated sales of the contract or other criteria. These arrangements may include commission specials, in which additional commissions may be paid in connection with premium payments received for a limited time period within the maximum commission rates noted above. These special compensation arrangements will not be offered to all distributors, and the terms of such arrangements may differ among distributors based on various factors. These special compensation arrangements may also be limited only to distributors affiliated with the Company. Any such compensation payable to a distributor will not result in any additional direct charge to you by us.

To the extent permitted by SEC and FINRA rules and other applicable laws and regulations, we may also pay or allow other promotional incentives or payments in the form of cash payments or other compensation to sales professionals and distributors, which may require the sales professional or distributor to attain a certain threshold of sales of Company products. These other promotional incentives or payments may not be offered to all distributors, and may be limited only to ING Financial Advisers, LLC and other distributors affiliated with the Company.

Some sales professionals may receive various types of non-cash compensation as special sales incentives, including trips, and we may also pay for some sales professionals to attend educational and/or business seminars. Any such compensation will be paid in accordance with SEC and FINRA rules. Management personnel of the Company and of its affiliated broker-dealers may receive additional compensation if the overall amount of investments in funds advised by the Company or its affiliates meets certain target levels or increases over time. Compensation for certain management personnel, including sales management personnel, may be enhanced if management personnel meet or exceed goals for sales of the contract or if the overall amount of investments in the contract and other products issued or advised by the Company or it affiliates increases over time. Certain sales management personnel may also receive compensation that is a specific percentage of the commissions paid to distributors or a specific percentage of the purchase payments received under the contract or that may be a flat dollar amount which varies based upon other factors, including management's ability to meet or exceed service requirements, sell new contracts or retain existing contracts or sell additional service features such as a common remitting program.

In addition to direct cash compensation for sales of contracts described above, through ING Financial Advisers, LLC, we may also pay sales professionals and distributors additional compensation or reimbursement of expenses for their efforts in selling contracts to you and other customers. These amounts may include:

- Marketing/distribution allowances that may be based on the percentages of purchase payments received, the aggregate commissions paid and/or the aggregate assets held in relation to certain types of designated insurance products issued by the Company and/or its affiliates during the year;
- Loans or advances of commissions in anticipation of future receipt of purchase payments (a form of lending to sales professionals). These loans may have advantageous terms, such as reduction or elimination of the interest charged on the loan and/or forgiveness of the principal amount of the loan, which may be conditioned on sales;
- Education and training allowances to facilitate our attendance at certain educational and training meetings to provide information and training about our products. We also hold training programs from time to time at our own expense;
- Sponsorship payments or reimbursements for distributors to use in sales contests and/or meetings for their sales professionals who sell our products. We do not hold contests based solely on sales of this product;
- Certain overrides and other benefits that may include cash compensation based on the amount of earned commissions, representative recruiting or other activities that promote the sale of contracts; and
- Additional cash or non cash compensation and reimbursements permissible under existing law. This may include, but is not limited to, cash incentives, merchandise, trips, occasional entertainment, meals and tickets to sporting events, client appreciation events, business and educational enhancement items, payment for travel expenses (including meals and lodging) to pre-approved training and education seminars and payment for advertising and sales campaigns.

We pay dealer concessions, wholesaling fees, overrides, bonuses, other allowances and benefits and the costs of all other incentives or training programs from our resources, which include the fees and charges imposed under the contract.

The following is a list of the top 25 selling distributors that, during 2010, received the most compensation, in the aggregate, from us in connection with the sale of packaged programs and unregistered variable separate account contracts issued by the Company, ranked by total dollars received:

- LPL Financial Corporation;
- ING Financial Partners, Inc.;
- NRP Financial, Inc.;
- Lincoln Financial Group;
- NFP Securities, Inc.;
- Park Avenue Securities, LLC;
- Morgan Keegan and Company, Inc.;
- Northwestern Mutual Investment Services, LLC;
- Morgan Stanley Smith Barney LLC;
- Tower Square Securities, Inc.;
- Financial Telesis Inc./JHW Financial & Insurance Services;
- Financial Network Investment Corporation;
- Multi-Financial Securities Corporation;
- Securities America, Inc.;
- Royal Alliance Associates, Inc.;
- M Holdings Securities, Inc.;
- SRN Services, Inc.;
- American Portfolios Financial Services, Inc.;
- Wells Fargo & Company;
- Walnut Street Securities, Inc.®;
- PrimeVest Financial Services, Inc.
- M&I Financial Advisors Inc.;
- National Planning Corporation;
- MYLIFE Securities LLC; and
- Woodbury Financial Services, Inc.

If the amounts paid to ING Financial Advisers, LLC, were included, ING Financial Advisers, LLC would be first on the list.

This is a general discussion of the types and levels of compensation paid by us for the sale of our unregistered variable separate account contracts. It is important for you to know that the payment of volume or sales-based compensation to a distributor or sales professional, along with the ability of the sales professional to select from various compensation options, may provide that sales professional a financial incentive to promote our contracts over those of another company and may also provide a financial incentive to promote one of our contracts over another.

Third Party Compensation Arrangements. Please be aware that:

- The Company may seek to promote itself and the contract by sponsoring or contributing to events sponsored by various associations, professional organizations and labor organizations;
- The Company may make payments to associations and organizations, including labor organizations, which endorse or otherwise recommend the contract to their membership. If an endorsement is a factor in your contract purchasing decision, more information on the payment arrangement, if any, is available upon your request; and
- The Company may make payments to the contract holder, its representatives or third party service providers intended to defray or cover the costs of plan or program related administration.

Other Products

We and our affiliates offer various other products with different features and terms than this contract, which may offer some or all of the same funds. These products have different benefits, fees and charges and may offer different share classes of the funds offered in this contract that are less expensive. These other products may or may not better match your needs. You should be aware that there are alternative options available, and if you or a Plan Sponsor are interested in learning more about these other products, contact your sales professional.

Limits on Frequent or Disruptive Transfers

The contract is not designed to serve as a vehicle for frequent transfers. Frequent transfer activity can disrupt management of a fund option and raise its expenses through:

- Increased trading and transaction costs;
- Forced and unplanned portfolio turnover;
- Lost opportunity costs; and
- Large asset swings that decrease the fund's ability to provide maximum investment return to all contract holders and participants.

This in turn can have an adverse effect on fund performance. **Accordingly, individuals that use market-timing investment strategies or make frequent transfers should not enroll in or participate in the contract.**

Each underlying fund available through the variable insurance and retirement products offered by us and/or the other members of the ING family of companies, either by prospectus or stated policy, has adopted or may adopt an excessive/frequent trading policy, and orders for the purchase of fund shares are subject to acceptance or rejection by the underlying fund. The TPA reserves the right, without prior notice, to implement fund purchase restrictions and/or limitations on an individual or entity that the fund has identified as violating its excessive/frequent trading policy and to reject any allocation or transfer request to a subaccount if the corresponding fund will not accept the allocation or transfer for any reason. All such restrictions and/or limitations (which may include, but are not limited to, blocking of future purchases of a fund or all funds within a fund family) will be done in accordance with the directions the TPA receives from the fund.

Agreements to Share Information with Fund Companies. As required by Rule 22c-2 under the 1940 Act, the Company has entered into information sharing agreements with each of the fund companies whose funds are offered through the contract. Contract holder and participant trading information is shared under these agreements as necessary for the fund companies to monitor their excessive/frequent trading policies. Under these agreements, the TPA is required to share information regarding contract holder and participant transactions, including but not limited to information regarding fund transfers initiated by you. In addition to information about contract holder and participant transactions, this information may include personal contract holder and participant information, including names and social security numbers or other tax identification numbers.

As a result of this information sharing, a fund company may direct the TPA to restrict a contract holder's or participant's transactions if the fund determines that the contract holder or participant has violated the fund's excessive/frequent trading policy. This could include the fund directing the TPA to reject any allocations of purchase payments or account value to the fund or all funds within the fund family.

Anti-Money Laundering

In order to protect against the possible misuse of our products in money laundering or terrorist financing, we have adopted an anti-money laundering program satisfying the requirements of the USA PATRIOT Act and other current anti-money laundering laws. Among other things, this program requires us, our sales professionals and customers to comply with certain procedures and standards that will allow us to verify the identity of the sponsoring organization and that contributions and loan repayments are not derived from improper sources.

Under our anti-money laundering program, we may require customers, and/or beneficiaries to provide sufficient evidence of identification, and we reserve the right to verify any information provided to us by accessing information databases maintained internally or by outside firms.

We may also refuse to accept certain forms of payments or loan repayments (traveler's cheques, cashier's checks, bank drafts, bank checks and treasurer's checks, for example) or restrict the amount of certain forms of payments or loan repayments (money orders totaling more than $5,000.00, for example). In addition, we may require information as to why a particular form of payment was used (third party checks, for example) and the source of the funds of such payment in order to determine whether or not we will accept it. Use of an unacceptable form of payment may result in us returning the payment to you.

Applicable laws designed to prevent terrorist financing and money laundering might, in certain circumstances, require us to block certain transactions until authorization is received from the appropriate regulator. We may also be required to provide additional information about you and your policy to government regulators.

Our anti-money laundering program is subject to change without notice to take account of changes in applicable laws or regulations and our ongoing assessment of our exposure to illegal activity.

APPENDIX B

Payment of Withdrawals from Fixed Account – Extended Payout Period or Market Value Adjustment

With regard to contract withdrawals for reimbursement of qualified medical expenses or due to a transfer of your account to another Company contract, we will pay the amount attributable to the Fixed Account as an unadjusted lump-sum. However, if the withdrawal (initiated by the plan sponsor) is for any *other* reason, then we reserve the right to pay the Fixed Account portion of the withdrawal amount in one of the following two ways, as elected by the contract holder:

- In equal principal payments, with interest, over a period not to exceed 60 months. During the payment period, the interest rate will be credited to the remaining Fixed Account balance at a single rate that is established at the start of the payment period and that will not be more than 2.00% below the rate being credited to the Fixed Account as of the date of withdrawal. In no event will the credited interest rate be less than the minimum guaranteed interest rate of 1.00%. Any applicable withdrawal charge will be determined and deducted before we make the first payment.

or

- As a single payment which has been subjected to a Fixed Account Market Value Adjustment. The payment amount will be equal to the lesser of (1) or (2):

  (1) The value of the following factor multiplied by the amount being withdrawn on the date of the surrender:

  $$\text{Factor} = \frac{(1 + a)^{5.25}}{(1 + b)^{5.25}}$$

  Where: a is the Fixed Account credited rate as of the date of surrender; and
  b is the rate for a 7-year Treasury Bond as published in the Salomon Smith Barney Bond Market

  Roundup (if unavailable, a similar service will be utilized) for the week prior to the surrender plus 0.25%.

  (2) The value of the amount being withdrawn.

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