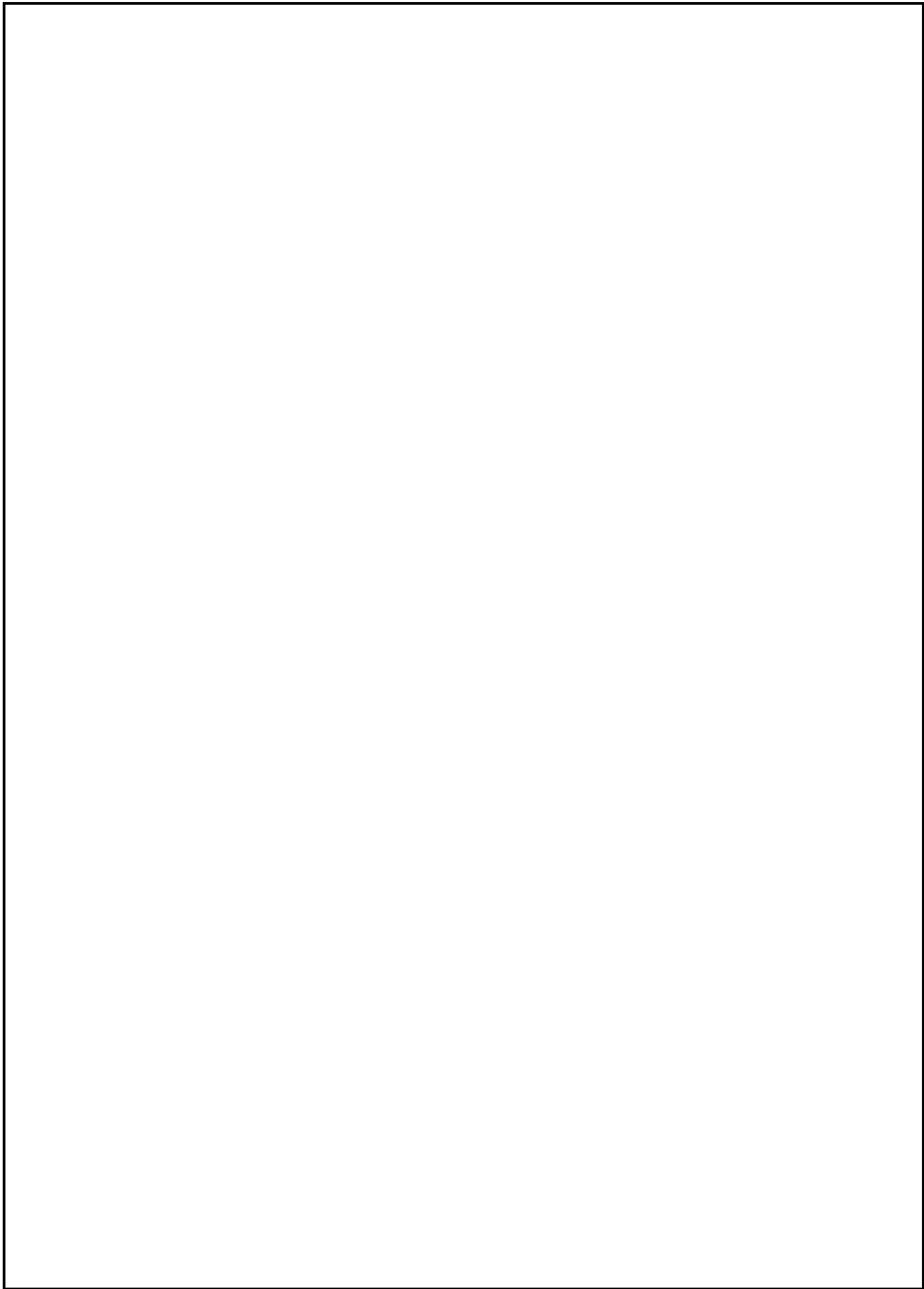


SUMMARY PLAN DESCRIPTION
OF THE
AMERICAN PSYCHOLOGICAL ASSOCIATION INSURANCE TRUST
401(K) PLAN

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INTRODUCTION

Type Of Plan

Effective January 1, 1997, the American Psychological Association Insurance Trust (hereafter referred to as the Employer) amended its 401(k) profit sharing plan, which is called the American Psychological Association Insurance Trust 401(k) Plan (hereafter called the Plan). This summary, which describes the important features of the Plan in non-technical language, is intended to answer most of your questions about the Plan and replaces all prior announcements by the Employer about the Plan. It nevertheless is only a summary, and if there is any conflict between the description in this summary and the terms of the Plan, the terms of the Plan will control. If you have any questions about the Plan that are not addressed in this summary, you can contact the Administrator.

Administration Of The Plan

The Plan is administered by a written plan and trust agreement, and the trustee of that agreement is responsible for the Plan's investment policy. The name and the address of the Trustee are:

Bruce E. Bennett
American Psychological Association Insurance Trust
750 First Street, N.E. Suite 605
Washington, DC 20002

All other matters concerning the operation of the Plan are the responsibility of the Administrator. The name, address, telephone number and employer I.D. number (EIN) of the Administrator are:

American Psychological Association Insurance Trust
750 First Street, N.E. Suite 605
Washington, DC 20002
Telephone (202) 336-6170
EIN 52-6057386

The Employer has assigned number 001 to the Plan; the accounting year of the Plan, called the Plan Year, begins January 1st and ends the following December 31st; and if it becomes necessary for you to bring legal action against the Plan for any reason, legal process can be served on either the Administrator, the Employer, or the Trustee.

PLAN PARTICIPATION

Eligibility Requirements

If you are currently a Participant in the Plan, you will continue to participate. If you are not a Participant, you will be eligible to enter the Plan as a Participant (1) in order to make Elective Deferrals, when you complete 1 Hour of Service for the Employer; and (2) in order to receive an allocation of Non-Elective Contributions and Matching Contributions, when you reach Age 21 and complete 1 Year of Service. Service with Teachers Insurance & Annuity Association will be counted in determining your eligibility to participate in this Plan. However, you will not be eligible to participate in the Plan (1) if your employment is governed by a union contract; or (2) if you are a non-resident alien who does not receive any United States income from the Employer.

Eligibility Year Of Service

To be credited with a Year of Service for eligibility purposes, you must be credited with at least 1,000 Hours of Service during an eligibility computation period. An eligibility computation period is a 12-consecutive month measuring period. An Hour of Service is any hour for which you have a right to be paid, including vacations, holidays, illness, back pay and maternity or paternity leave.

The first eligibility computation period begins on your employment commencement date and ends the day before the first anniversary of your employment commencement date. If you are not credited with at least 1,000 Hours of Service during the first eligibility computation period, the second eligibility computation period will switch to the Plan Year and will overlap the first eligibility computation period by beginning on the January 1st which occurs prior to the first anniversary of your employment commencement date. If you are not credited with at least 1,000 Hours of Service during the second eligibility computation period, each succeeding eligibility computation period begins on January 1st and ends on December 31st. **An Employee will also receive credit for all Years of Service with Teachers Insurance & Annuity Association if the crediting of such Years of Service does not cause the Plan to discriminate in favor of Highly Compensated Employees.**

Break In Service Rules

In any Plan Year in which you do not receive credit for at least 501 Hours of Service, you will incur a Break in Service and your participation in the Plan will cease; but you will not incur a Break in Service if you are on an authorized leave of absence, you are ill, or you are on maternity leave.

Entry Date

You will actually enter the Plan as a Participant (1) in order to make Elective Deferrals, on the first day of the month which coincides with or next follows the date on which you satisfy the eligibility requirements for Elective Deferrals; and (2) in order to receive an allocation of Non-Elective Contributions and Matching Contributions, on the January 1st or the July 1st which coincides with or next follows the date on which you satisfy the eligibility requirements for Non-Elective Contributions and Matching Contributions. Upon becoming a Participant, the Administrator will establish an Account to receive your share of any Employer contributions and investment earnings and losses. The total value of your Account will consist of the sum of the following sub-accounts: the Elective Deferral Account, the Matching Contribution Account and the Non-Elective Contribution Account.

CONTRIBUTIONS AND ALLOCATIONS

Elective Deferrals

You can sign a salary deferral election form authorizing the Employer to withhold up to the maximum annual dollar limit permitted by law (which is currently \$10,500 per year). The amount you elect to defer is called an Elective Deferral. The Employer will allocate your Elective Deferrals to your Elective Deferral Account.

Salary Deferral Election Forms

You can change your salary deferral election form as permitted by the Administrator. You can also suspend or cancel your election form effective 30 days after giving written notice to the Administrator, in which case you cannot make a new election until the next available date specified by the Administrator. In any Plan Year in which you have not deferred at the maximum rate

permitted by the Plan, you can authorize that up to 100% of your Compensation be withheld for one or more pay periods in order to raise your deferral to the maximum rate. If necessary to insure that the Plan satisfies certain non-discrimination tests required by the Internal Revenue Code, the Employer also has the right to reduce or suspend your deferral election at any time.

Matching Contributions

The Employer may make a discretionary Matching Contribution each Plan Year. Matching Contributions will be allocated to your Matching Contribution Account.

Non-Elective Contributions

The Employer may also make other discretionary contributions to the Plan. These contributions are called Non-Elective Contributions. In any Plan Year in which Non-Elective Contributions are made and in which you are an eligible Participant, an allocation will be made to your Non-Elective Contribution Account using the cross-tested method. You will be provided with an annual statement of the actual amount allocated to your Account each Plan Year.

Definition Of Compensation

The amount of your Compensation used to determine Plan benefits is the total amount you receive from the Employer during the period covered by the Plan Year, up to the maximum annual dollar limit permitted by law (which is currently \$160,000 per year). However, compensation earned prior to becoming a Participant will not be counted.

Participants Eligible For Allocations

All Participants who are employed on December 31st and who complete at least 1,000 Hours of Service during the Plan Year will receive an allocation of all Employer contributions made for that Plan Year. Participants who terminate employment before December 31st will only receive a contribution allocation (including Matching Contributions) for that Plan Year as follows: (1) Participants who terminate because of retirement will receive an allocation regardless of Hours of Service; (2) Participants who terminate because of disability will receive an allocation regardless of Hours of Service; (3) Participants who terminate because of death will receive an allocation regardless of Hours of Service; and (4) Participants who terminate for any other reason will receive an allocation if they complete at least 1,000 Hours of Service.

Top Heavy Contributions

A top heavy plan is a plan in which more than 60% of the assets of the Plan are allocated to Key Employees (certain owners and officers). For each year in which this Plan is top heavy, the Account of each Participant who is a Non-Key Employee and who is employed on December 31st will receive a minimum top heavy allocation equal to the lesser of 3% of Compensation or the percentage of Compensation allocated to the Accounts of Participants who are Key Employees.

Rollover Contributions

If you participated in another retirement plan before you were employed by the Employer, you can transfer (or rollover) to this Plan any distribution you received from that plan provided all legal requirements (and any requirements imposed by the Administrator) with respect to such a transfer are satisfied. Do not withdraw funds from any other plan or account until you have received written approval from the Administrator to roll those funds into this Plan.

If you do decide to make a rollover contribution and it is accepted by the Administrator, it will be kept in a separate Rollover Account established on your behalf. You will at all times have a 100% Vested Interest in your Rollover Account. Your Rollovers can be withdrawn at any time.

BENEFIT UPON RETIREMENT

You are entitled to 100% of your Account if you reach Normal or Early Retirement Age before termination of employment. Normal Retirement Age is the date you reach age 65. Early Retirement Age is the date you reach age 55 and complete 5 Years of Service. If you continue working after retirement age, you can postpone receipt of your Account until you actually retire or you can have it distributed while you are still employed.

If your Account does not exceed \$5,000, it will be distributed in a lump sum. If it exceeds \$5,000, it will be distributed as monthly annuity payments. If you are not married, annuity payments will cease when you die. If you are married, annuity payments will continue after your death for the life of your surviving spouse. Each monthly payment to your surviving spouse will be at least 50% of the monthly payment you were receiving during your lifetime, but not more than 100%. You can choose any percentage between 50% and 100%, but the higher the percentage you choose, the smaller the monthly annuity payments will be to you and to your surviving spouse.

You can waive the annuity form of payment, but if you are married your spouse must give written consent to the waiver. If you (and your spouse, if applicable) do waive monthly annuity payments, your Account will be distributed in a lump sum.

BENEFIT UPON DISABILITY

If you become disabled while you are still employed by the Employer, you can retire and receive the Vested Interest in your Account. To be considered disabled, you must suffer a physical or mental condition that qualifies you for disability benefits under the Social Security Act; but even if you qualify for Social Security disability benefits, you will not be considered disabled if the condition is caused (1) by the use of intoxicants or other substances; (2) by an intentionally self-inflicted injury or sickness; (3) by an unlawful act on your part; or (4) by military service which qualifies you for a military disability pension.

Your Vested Interest will be distributed as soon as administratively feasible after you retire on account of the disability, but if your Vested Interest exceeds \$5,000, you can defer distribution. However, you cannot defer distribution beyond your Normal Retirement Age.

If your Vested Interest does not exceed \$5,000, it will be distributed in a lump sum. If it exceeds \$5,000, it will be distributed as monthly annuity payments. If you are not married, annuity payments will cease when you die. If you are married, annuity payments will continue after your death for the life of your surviving spouse. Each monthly payment to your surviving spouse will be at least 50% of the monthly payment you were receiving during your lifetime, but not more than 100%. You can choose any percentage between 50% and 100%, but the higher the percentage you choose, the smaller the annuity payments will be to you and to your surviving spouse.

You can waive the annuity form of payment, but if you are married your spouse must give written consent to the waiver. If you (and your spouse, if applicable) do waive monthly annuity payments, your Vested Interest will be distributed in a lump sum.

BENEFIT UPON DEATH

If you die before your Account is distributed, your beneficiary will receive the Vested Interest in your Account as a death benefit. If you are married, your spouse is designated by law to be the beneficiary of 50% of your Vested Interest, but you can name anyone else (including your spouse) to receive the other 50%. Your spouse can waive in writing his or her statutory death benefit entirely, in which case you can name another beneficiary to receive 100% of your Vested Interest.

Any death benefit payable to a non-spouse beneficiary will be distributed in a lump sum as soon as administratively feasible after your death. Any death benefit payable to your spouse will be distributed as monthly annuity payments until his or her death, and distribution will begin as soon as administratively feasible after your death. You can waive the annuity form of payment if your spouse consents in writing, in which case your spouse will receive a lump sum distribution.

BENEFIT UPON TERMINATION OF EMPLOYMENT

If you terminate employment before Normal or Early Retirement Age, or before death or disability, you are entitled to the Vested Interest in your Account.

Your Vested Interest will be distributed as soon as administratively feasible after the last day of the Plan Year in which you terminate employment, but if your Vested Interest exceeds \$5,000, you can defer distribution to a later date (but not beyond Normal Retirement Age).

If your Vested Interest does not exceed \$5,000, it will be distributed in a lump sum. If it exceeds \$5,000, it will be distributed as monthly annuity payments. If you are not married, annuity payments will cease when you die. If you are married, annuity payments will continue after your death for the life of your surviving spouse. Each monthly payment to your surviving spouse will be at least 50% of the monthly payment you were receiving during your lifetime, but not more than 100%. You can choose any percentage between 50% and 100%, but the higher the percentage you choose, the smaller the annuity payments will be to you and to your surviving spouse.

You can waive the annuity form of payment, but if you are married your spouse must give written consent to the waiver. If you (and your spouse, if applicable) do waive monthly annuity payments, your Vested Interest will be distributed in a lump sum.

DETERMINATION OF VESTED INTEREST

Your Vested Interest is the percentage of your Account to which you are entitled at any point in time. You will have a 100% Vested Interest in your Account when you reach Normal or Early Retirement Age prior to termination of employment, or upon your death or disability prior to that date. The determination of your Vested Interest at any other time, including termination of employment prior to your retirement, death or disability, is described in the next paragraph.

Your Vested Interest in all Elective Deferrals allocated to your Account will be 100% at all times; but your Vested Interest in all Matching Contributions and Non-Elective Contributions will be determined by the number of Years of Service you have completed as indicated in the vesting schedule following this paragraph. In determining your Vested Interest, Years of Service you completed before reaching age 18 will not be counted. A Year of Service for vesting purposes is a Plan Year in which you complete at least 1,000 Hours of Service. Any part of your Account which is not vested will be forfeited when you terminate employment. **An Employee will also receive vesting credit for all Years of Service with Teachers Insurance & Annuity Association.**

Years of Service	Vested Interest
1	25%
2	50%
3	75%
4	100%

PRE-RETIREMENT DISTRIBUTIONS

After you reach Age 59½, you can request in writing that the Administrator distribute up to 100% of your Elective Deferral Account even though you are still employed and you have not reached retirement age. In addition, you can request in writing that up to 100% of the Vested Interest in your Non-Elective Contribution Account and Matching Contribution Account be distributed, provided the contributions being distributed have accumulated in your Account for at least 2 years or you have been a Participant in the Plan for at least 5 years. In addition, you must also have reached Age 59½ and must also have a 100% Vested Interest in the amount being distributed. Pre-retirement distributions will only be made in a lump sum, and if you are married, your spouse must consent to the distribution in writing.

HARDSHIP DISTRIBUTIONS

You can withdraw up to 100% of your Elective Deferrals to help pay for a financial hardship caused by (1) eligible medical expenses incurred by you or your family; (2) the purchase (excluding mortgage payments) of your principal residence; (3) tuition for the next 12 months of college for you or your family; (4) payments needed to prevent your eviction from, or foreclosure on the mortgage of, your principal residence; (5) funeral expenses for a member of your family; or (6) any other immediate and heavy financial need as determined by the Administrator. A hardship distribution cannot exceed the amount required to relieve the financial need, and you must give the Administrator a written statement that you cannot satisfy the hardship from other resources available to you, such as ceasing your Elective Deferrals to the Plan or borrowing from the Plan or from a commercial source on reasonable terms. In the alternative, no written representation will be required if the distribution is made for one of the reasons described in (1), (2), (3) or (4) above, provided you agree to suspend your Elective Deferrals for 12 months after you receive the hardship distribution, and you agree to limit the maximum amount you can defer for the calendar year after the hardship distribution is made to your maximum permitted deferral minus the amount you actually deferred during the calendar year in which the hardship distribution was made. Distribution can only be made with the written consent of your spouse, and will be made in a lump sum.

PARTICIPANT LOANS

General Loan Requirements

You are permitted to borrow from the Plan with the consent of the Administrator. The maximum amount you can borrow is 50% of your Vested Interest or \$50,000, whichever is less. If a loan is approved, your Account must be pledged as security and your spouse must give written consent. Each loan will bear a rate of interest to be determined when the loan is made, and must be repaid within 5 years by equal payments at least quarterly, except that a loan used to buy your principal residence can be repaid over more than 5 years. The interest you pay will be credited directly to your own Account.

Repayment and Default

If you fail to make payments for two successive quarters, your loan will be considered in default and your Account will be reduced by the outstanding loan balance. If you terminate employment before the loan is repaid, you will have a reasonable time after termination to repay the loan (generally 60 days) and if you fail to repay the loan, it will be considered in default. You will be liable in the year of default for federal and state income taxes on the outstanding loan balance, and, if you have not reached age 59½, a 10% penalty tax. If there is an outstanding loan balance at the time your Account is to be distributed, the loan balance will be subtracted from your Account before distribution.

INVESTMENT OF CONTRIBUTIONS

You can direct the investment of all or a portion of your Account. Any amount that is not self directed will be invested in the trust maintained by the Trustee. With regard to these funds, you will share in the investment performance of the trust. The Trustee will invest the funds in a diversified set of investment vehicles, including but not limited to stocks, bonds, and mutual funds. You can invest in a range of mutual funds and related investments approved by the Trustee. You can switch between investment alternatives offered under this option at any time by contacting the Trustee or the Trustee's designee either in writing or through an 800 number which will be made available to you. The change will go into effect as soon as practicable after it is received by the Trustee or the Trustee's designee.

TAX WITHHOLDING ON PLAN BENEFITS

Distributions Not Subject To Withholding

Any distribution from this Plan that is eligible to be rolled over and that is directly transferred from this Plan to another qualified retirement plan or to an individual retirement account (IRA) is not subject to income tax withholding. Generally, any part of a distribution from this Plan can be rolled over to another qualified plan or to an (IRA) unless the distribution (1) is part of a series of equal periodic payments made over your lifetime, over the lifetime of you and your beneficiary, or over a period of 10 years or more; (2) is a minimum benefit payment which must be paid to you because you have reached age 70½; or (3) is attributable to your elective deferrals that are distributed because of hardship. There are other distributions that cannot be rolled over, and you should contact the Administrator if you have questions about whether a distribution can be rolled over.

Distributions Subject To Withholding

If you choose to have your Plan benefit paid to you and the benefit is eligible to be rolled over, you only receive 80% of the benefit payment. The Administrator is required by law to withhold 20% of the benefit payment and remit it to the Internal Revenue Service as income tax withholding to be credited against your taxes. If you receive the distribution before you reach age 59½, you may also have to pay an additional 10% tax. You cannot elect out of the 20% withholding.

The only way to avoid the 20% withholding is to leave your benefit in this Plan or have it transferred directly to an IRA or to another qualified retirement plan that accepts rollovers. You can still rollover any eligible distribution that is paid to you by putting the eligible distribution into an IRA or into another qualified retirement plan within 60 days of receiving it. If you want to rollover 100% of the eligible distribution to an IRA or to another qualified retirement plan, you must find other money to replace the 20% that was withheld. Due to the complexities and frequency of changes in the federal tax law that governs withdrawal penalties and taxes, you should consult your tax advisor to determine your personal tax situation before taking any distribution from the Plan.

OTHER INFORMATION**Claims For Benefits**

If you are not satisfied with a decision made about your benefits, you should submit a written claim to the Administrator. If your claim is denied, the Administrator will notify you within 90 days after you filed your claim. If your claim is denied, you can have the denial reviewed by making a written request to the Administrator, which along with a written statement explaining your position must be filed within 60 days of the date you were notified in writing that the claim was denied. The Administrator may (but is not required to) provide you with a hearing, but the Administrator must decide your appeal within 60 days and give written notice of the decision. If your claim for benefits is denied or ignored, in whole or part, you can file suit in a state or federal court.

Non-Alienation Of Benefits

Your creditors cannot garnish or levy upon your Account, and you cannot sell, transfer, assign, or pledge your Account except as collateral for a loan from the Plan, in which case any distribution you receive will be offset by any unpaid loan. If you separate from or divorce your spouse, a court can direct that all or part of your Account be paid to another person, usually your ex-spouse or children.

Amendment Or Termination

Although the Plan is intended to be permanent, the Employer can amend or terminate it at any time. Upon termination, all Participants will have a 100% Vested Interest in their Accounts as of the date of termination, and all Accounts will be distributed either in a lump sum or in the form of a deferred annuity purchased from an insurance company to guarantee payment of a monthly pension at your Normal Retirement Age. Should the Plan ever be amended or terminated, each Participant and each beneficiary receiving benefits will be notified in writing.

Your Account is not insured by the Pension Benefit Guaranty Corporation (PBGC) because the insurance provisions of the Employee Retirement Income Security Act do not apply to 401(k) plans. For more information on PBGC coverage, ask the Administrator or the PBGC. Written inquiries to the PBGC should be addressed to the Technical Assistance Division, PBGC, 1200 K Street NW, Suite 930, Washington, D.C. 20005-4026, or you can call (202) 326-4000.

STATEMENT OF ERISA RIGHTS

As a Participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Participants are entitled: (a) to examine without charge at the Administrator's office and at other specified locations (such as work-sites and union halls) all Plan documents, including insurance contracts, collective bargaining agreements and copies of all Plan documents filed with the U.S. Department of Labor, such as detailed annual reports and Plan objectives; (b) to obtain copies of all Plan documents and other information upon written request to the Administrator (who may make a reasonable charge); (c) to receive a summary of the Plan's annual financial report and a copy of the Administrator's summary annual report; and (d) to obtain a statement telling if you have a right to receive a pension at normal retirement age and if so, what your benefits would be if you stopped working now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a pension. This statement must be requested in writing, is not required to be given more than once a year, and must be provided by the Administrator free of charge.

ERISA also imposes duties upon the people responsible for the operation of the plan. These people, who are called fiduciaries, have a duty to do so prudently and in the interest of all Participants. No one, including the Employer, a union, or any other person, may fire you or discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your ERISA rights.

If your claim for benefits is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Administrator review and reconsider your claim. Under ERISA, there are steps you can take to enforce these rights. For instance, if you request materials about the Plan and do not receive them within 30 days, you may file suit in a federal court. If you do so, the court may require the Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the Administrator's control.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in a federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about this Plan, contact the Administrator. If you have any questions about this statement or your rights under ERISA, contact the nearest Area Office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, D.C. 20210.