

TABLE OF CONTENTS	PAGE
PURPOSE OF THE PLAN	1
WHERE DO I GET ADDITIONAL ASSISTANCE?	1
GROUP LIFE INSURANCE	1
Who is Eligible?	1
When Does Coverage Begin?	1
How Do I Name a Beneficiary?	1
Can I Change My Beneficiary?	2
WHAT IS MY LIFE INSURANCE BENEFIT DURING ACTIVE EMPLOYMENT?	2
Understanding the Calculations for Basic Annual Compensation and Group Life Insurance	2
Active employees under age 70	2
Active employees age 70 or over	2
WHAT IS MY LIFE INSURANCE BENEFIT AFTER RETIREMENT?	3
WHAT IS MY BENEFIT IF I QUALIFY FOR LONG-TERM DISABILITY BENEFITS?	4
ACCELERATED DEATH BENEFIT	5
WHEN DOES MY EMPLOYEE COVERAGE STOP?	5
Termination of Employment	5
Absence	6
Retirement	6
Disability	6
DEPENDENT LIFE INSURANCE	6
Who Is Eligible?	6
Who Is an Eligible Dependent?	6
When Does Coverage Begin?	7
How Do I Name a Beneficiary?	7
How Much Coverage for Dependents?	7
Normal Premium	7
Retirement	7
Dual Philip Morris USA Inc. Couples	7
WHEN DOES MY DEPENDENT COVERAGE STOP?	8
HOW DOES THE CONVERSION PRIVILEGE WORK?	8
HOW DOES MY BENEFICIARY FILE A CLAIM FOR BENEFITS?	8
How to File a Claim	8
If A Claim Is Denied	8
Dependent Life Insurance Claims	9
HOW WILL PAYMENT BE MADE?	10
GENERAL INFORMATION	10
Plan Name	10
Plan Type	10
Plan Identification	10

GROUP LIFE INSURANCE PLAN FOR HOURLY EMPLOYEES

Employer and Plan Administrator	10
Plan Year	10
Plan Financing	10
Plan Continuance	11
Agent for Service of Legal Process	11
Collective Bargaining Agreements	11
STATEMENT OF PARTICIPANT'S RIGHTS UNDER ERISA	11
Receive Information About Your Plan and Benefits	11
Prudent Actions by Plan Fiduciaries	12
Enforce Your Rights	12
Assistance With Your Questions	12
ELIGIBLE CATEGORIES OF EMPLOYEES	13

PURPOSE OF THE PLAN

The Group Life Insurance Plan for Hourly Employees is designed to give financial protection to your beneficiary(ies) in the event of your death. The cost of this benefit is paid in full by the Company. The Dependent Life Insurance provision of the Plan is designed to provide you financial protection in the event of an eligible dependent's death. The cost of the Dependent Life Insurance protection is borne entirely by you and paid through payroll deductions on an after-tax basis.

Benefits are provided through a group insurance policy issued by the Aetna Life Insurance Company (Aetna) of Hartford, Connecticut.

This Summary Plan Description (SPD) describes the benefits under the Group Life Insurance Plan for Hourly Employees. We urge you to read this SPD to become familiar with the Plan benefits and refer to it when you have a question.

WHERE DO I GET ADDITIONAL ASSISTANCE?

If you have any questions about the Plan or how your beneficiary can apply for Plan benefits, you should call the Altria Group Benefits Center (Benefits Center) at 1-800-872-3777.

GROUP LIFE INSURANCE**Who is Eligible?**

If you are a regular full-time hourly employee of the Company in one of the categories listed in the back of this SPD, you are covered under this Group Life Insurance Plan. You will continue to be covered under the Plan if you retire from the Company under the Retirement Plan for Hourly Employees or qualify for benefits under the Long-Term Disability (LTD) Plan for Hourly Employees.

When Does Coverage Begin?

If you are an eligible hourly employee, your coverage begins after three months of continuous service with the Company. If you are sick or injured and away from work on the day your coverage would normally begin, your coverage will begin when you return to work on a regular full-time basis.

How Do I Name a Beneficiary?

Approximately, four weeks after you begin your employment, you will receive a personalized Enrollment Kit from the Altria Group Benefits Center (Benefits Center). This kit will include a "Beneficiary Designation Form" to name a beneficiary to receive your benefit from the Group Life Insurance Plan. To name a beneficiary under the Plan, you must complete, sign and return this form to the Benefits Center in the self-addressed envelope in the Enrollment Kit. If you have any questions, you may call the Benefits Center at 1-800-872-3777.

You may name one or more than one person as primary or contingent beneficiaries. If you elect to name a minor child as your beneficiary, a legal guardian must be appointed by the court to hold and manage the money until the beneficiary reaches the "age of majority" (typically age 18 or 21, depending on state law). One alternative is to name an irrevocable custodian as the beneficiary who has authority over the death benefit until the child reaches the age of

majority. Another alternative is to appoint a trust as beneficiary. The trustee of the trust is entitled to receive the benefit paid from the Plan and disburse the money according to your wishes as written in the trust instrument.

You should consult your attorney for specific legal implications of naming a beneficiary.

Can I Change My Beneficiary?

You can change your beneficiary as often as you wish by contacting the Benefits Center at 1-800-872-3777 to request a "Beneficiary Designation Form" and returning a newly completed form to the Benefits Center.

WHAT IS MY LIFE INSURANCE BENEFIT DURING ACTIVE EMPLOYMENT?

Understanding the Calculations for Basic Annual Compensation and Group Life Insurance:

Your basic annual compensation ("B.A.C.") for the purpose of this Plan equals the current hourly basic rate of pay and uniform allowance (however, uniform allowance is excluded for Park 500 BCTGM) multiplied by the normal number of working hours in a year (1,950 hours if you work a normal 37 1/2-hour week; 2,080 hours for a normal 40-hour week). Adjustments in the amount of your group life insurance are made automatically if your basic annual compensation changes. The adjustment in your coverage will be made on the same date that your compensation changes. If you are sick or disabled and away from work on that day, the adjustment will be made when you return to work on a regular basis.

Active employees under age 70

If you die from any cause before age 70 while you are an active employee covered under the Plan, your beneficiary will receive an amount based on your annual compensation at the time of your death, exclusive of overtime, bonuses, and other allowances. Effective 2/01/95, all active "Tobacco" and "Craft" employees, up to age 70, except BCTGM employees at the Park 500 facility, will receive life insurance coverage equal to their base pay (B.A.C.) plus uniform allowance rounded up to the next five hundred dollars (\$500.00) and doubled. BCTGM employees working at the Park 500 facility will receive life insurance coverage equal to their base pay (B.A.C.), excluding uniform allowance, rounded up to the next five hundred dollars (\$500.00) and doubled.

Active employees age 70 or over

If you die from any cause on or after your 70th birthday while you are an active employee covered under the Plan, your beneficiary will receive an amount equal to your basic annual compensation rounded to the next \$500 and multiplied by one of the following factors based upon your age:

Age	Coverage Schedule
Less than 70	2.00 x B.A.C.
70	1.85 x B.A.C.
71	1.70 x B.A.C.
72	1.55 x B.A.C.

73	1.40 x B.A.C.
74	1.25 x B.A.C.
75	1.00 x B.A.C.

For example, if you are age 72 and your basic annual compensation is \$48,500, you must round it up to \$49,000 and multiply by 1.55 to arrive at a total insurance amount of \$75,950.

WHAT IS MY LIFE INSURANCE BENEFIT AFTER RETIREMENT?

Your life insurance benefit will continue at a reduced amount after you retire.

If you are a “Craft employee” who retired on or after March 15, 1992, or a “BCTGM Tobacco employee” who retired on or after February 1, 1995, your life insurance benefit after retirement is as follows:

Life insurance coverage for all “Tobacco BCTGM” and “Craft” employees will be immediately reduced on your retirement date by fifty percent (50%). For each of the next five (5) years, on the anniversary of your retirement, your coverage will be reduced by an additional ten percent (10%) of the coverage that had been immediately reduced on your retirement date. Your life insurance amount will not be reduced below \$25,000.

Life insurance coverage for the sixth (6th) year following retirement and thereafter will be \$25,000 except that any employee who reaches the age of 65, either at the time of retirement or following, shall be automatically reduced to \$25,000.

Listed below is an example of the schedule of reduction that applies to all BCTGM “Tobacco” and “Craft” employees after you retire. This example assumes that the retiree was age 60 at retirement, had a B.A.C. of \$48,500 rounded up to the next \$500 (\$49,000) and doubled (\$49,000 x 2 = \$98,000), therefore, a life insurance amount of \$98,000 just prior to retirement.

Example:

A retiree, age 60, with a life insurance amount of \$98,000 on the day of retirement, will have a life insurance amount equal to \$49,000 when first retired (\$98,000 x 50%). Thereafter,

<u>Reductions Taken</u>	<u>New Life Insurance Amount</u>
First Retirement Anniversary	\$44,100 (\$49,000 x 90%; 10% reduction)
Second Retirement Anniversary	\$39,200 (\$49,000 x 80%, 20% reduction)
Third Retirement Anniversary	\$34,300 (\$49,000 x 70%, 30% reduction)
Fourth Retirement Anniversary	\$29,400 (\$49,000 x 60%, 40% reduction)
Fifth Retirement Anniversary	\$25,000 (\$49,000 x 50%, 50% reduction or \$24,500, however, the life insurance amount will not be reduced below \$25,000)
	or
Age 65	\$25,000

Whenever a reduction in your group life insurance is made, you have the option to convert the amount of the reduction to individual insurance (see the section [“How Does the Conversion Privilege Work?”](#) in this SPD).

WHAT IS MY BENEFIT IF I QUALIFY FOR LONG-TERM DISABILITY BENEFITS?

BCTGM disabled 2/1/95 and after, Craft disabled 3/15/92 and after refer to the schedule below:

Disability Before Age 60	Base pre-retirement pay plus uniform allowance (Park 500 BCTGM only, uniform allowance not included), rounded up to the next \$500, doubled. Continues unreduced until age 65 at which time, it reduces to \$25,000.
Disability At or After Age 60 but Before Age 65	Base pre-retirement pay plus uniform allowance (Park 500 BCTGM only, uniform allowance not included), rounded up to the next \$500, doubled. Continues unreduced for max. 5 years, at which time it reduces to \$25,000.
Disability At or After Age 65 but Before Age 69	Base pre-retirement pay plus uniform allowance (Park 500 BCTGM only, uniform allowance not included), rounded up to the next \$500, doubled. Continues unreduced to age 70, at which time it reduces to \$25,000.
Disability At or After Age 69	Base pre-retirement pay plus uniform allowance (Park 500 BCTGM only, uniform allowance not included), rounded up to the next \$500, doubled. Continues unreduced until 70th birthday, at which time it reduces to 1.85 times pre-disability salary. 12 months after disability, insurance reduces to \$25,000.

BCTGM disabled before 1/31/95, Craft disabled before 3/14/92 see schedule below:

Disability Before Age 60	Base pre-retirement pay plus uniform allowance, rounded up to the next \$500, doubled. 10% reductions on 65th through 69th birthdays. No reductions after 69
Disability At or After Age 60 but Before Age 65	Base pre-retirement pay plus uniform allowance, rounded up to the next \$500, doubled. No reductions for max. of 5 years, then reduced to amount employee would have had if they retired at age 65 and had appropriate reductions made as indicated above for retirees at age 65.

Disability At or After Age 65 but Before Age 69	Base pre-retirement pay plus uniform allowance, rounded up to the next \$500, doubled. Continues unreduced to age 70, then reduced to amount employee would have had if they retired at age 65 and had appropriate reductions made as indicated above for retirees at age 65.
Disability At or After Age 69	Base pre-retirement pay plus uniform allowance, rounded up to the next \$500, doubled. Continues unreduced until 70th birthday, at which time it reduces to 1.85 times pre-disability salary. 12 months after disability, insurance reduces to amount employee would have had if they retired at age 65 and had appropriate reductions made as indicated above for retirees at age 65.

ACCELERATED DEATH BENEFIT

If you are diagnosed as terminally ill with a life expectancy of 12 months or less, you may be entitled to receive a lump sum payment of up to half of your Group Life Insurance benefit. Eligibility for an accelerated benefit is based on a reasonable medical probability supported by your physician's statement. The maximum amount that will be paid as an accelerated death benefit is 50% of your benefit to a maximum of \$300,000. Upon your death, your Group Life Insurance benefit will be reduced by the amount of the accelerated death benefit you receive.

To file a benefit claim, contact the Benefits Center at 1-800-872-3777 for a claim kit. Aetna makes the final decision whether you are eligible to receive this accelerated benefit and may request that you furnish additional information from your physician and a second opinion from a physician that Aetna chooses.

WHEN DOES MY EMPLOYEE COVERAGE STOP?

This section explains when Company-provided coverage under the Group Life Insurance Plan for Hourly Employees stops.

Termination of Employment

Your coverage under the Group Life Insurance Plan will terminate on the date your employment ends for any reason, including death or layoff, unless you are eligible for early, normal, or late retirement under the Retirement Plan for Hourly Employees. If you lose your benefits under the Long-Term Disability Plan for Hourly Employees and you are terminated, your coverage under the Group Life Insurance Plan will terminate on the date your employment ends.

Absence

If your employment is not terminated, but you stop active work for any reason, you must contact the Altria Groups Benefits Center to find out if you will be covered during your absence. Generally speaking, coverage will normally be continued for up to 12 months during an absence that is caused by illness or injury. This includes a medical, maternity or family leave of absence. If a leave is granted for other reasons—for example, a military leave—coverage is normally discontinued. Be sure to discuss coverage for all such absences with your Human Resources/Benefits Department.

Retirement

If you retire from the Company as a full-time employee, your coverage under the Plan will continue as described in the [“What Is My Life Insurance Benefit after Retirement?”](#) section.

Disability

If you qualify for benefits under the Long-Term Disability Plan for Hourly Employees, your coverage under the Plan will continue as described in the [“What Is My Benefit If I Qualify for Long-Term Disability Benefits?”](#) section as long as you continue to qualify for LTD benefits.

DEPENDENT LIFE INSURANCE**Who Is Eligible?**

If you are a regular full-time hourly employee of the Company in one of the categories listed in the back of this booklet, you are eligible to elect coverage after three months of continuous service under the Dependent Life Insurance provisions.

You will continue to be covered under the Plan when you retire from the Company under the Retirement Plan for Hourly Employees or qualify for benefits under the Long-Term Disability Plan for Hourly Employees.

However, when the retiree’s insurance is reduced, the maximum amount of coverage allowable for the dependent will be limited to a maximum of 50% of the employee’s insurance amount (as stated in the New York State restrictions). An election for dependent life insurance cannot be made at the time of retirement unless the retirement takes place during the Annual Enrollment period in the Fall of the year, nor can the election to enroll occur during any period of retirement.

Who Is an Eligible Dependent?

- The employee’s spouse (unless legally separated or divorced);
- The employee’s unmarried dependent children, beginning on the 14th day after birth. Children include all natural children and legally adopted children. Stepchildren and other children are covered as long as they reside with the employee in the normal parent-child relationship. The limiting age for unmarried dependent children is 23 years. An employee’s unmarried dependent children 23 years of age or over who are incapable of self-support because of mental retardation, mental illness, or physical incapacity are not eligible.

However, the program excludes dependents that are in the armed services full-time.

The number of dependents is unlimited as long as they meet the eligibility requirements outlined above.

When Does Coverage Begin?

Coverage for a newly hired regular full-time hourly employee of the Company listed in the back of this SPD begins after you elect coverage and have completed three months of continuous service.

In cases where there is a **change of status**, marriage, birth or adoption of a child, or other qualifying event, coverage begins immediately after you elect coverage following this event. However, you must enroll the dependent(s) in the Plan within 60 days of the qualifying event and pay the necessary premiums.

In all other cases, coverage begins January 1 following the Fall Annual Enrollment period in which you elected coverage.

If you are sick or injured and away from work on the day your coverage would normally begin, your coverage will begin when you return to work on a regular full-time basis.

How Do I Name a Beneficiary?

The employee must be the designated beneficiary for dependent coverage.

How Much Coverage for Dependents?

The Dependent Life Insurance Provision of the Plan will provide the following levels of insurance coverage:

Spouse \$20,000 (or 50% of the employee's life insurance amount whichever is less)

Dependent Children \$4,000 per child

Normal Premium

You pay the cost of the Dependent Life Insurance Provision in full through payroll deduction. The premium may change on an annual basis and is the same regardless of the number of dependents.

Retirement

Upon your retirement, coverage for dependents can continue at the same amount as long as you are covered under the Group Life Insurance Plan. However, when your insurance is reduced, the maximum amount of coverage allowable for your spouse will be the lesser of \$20,000 or 50% of your insurance amount (as stated in the New York State restrictions). Deductions for premium payments can be made from pension checks with your authorization.

Dual Philip Morris USA Inc. Couples

Your dependents will be covered under a New York contract, which restricts the amount of life insurance payable for any dependent child to \$4,000. Because of these restrictions, dual couples cannot carry coverage for the same child. Further, dual couples cannot carry dependent coverage on each other.

Since it is term life insurance, there is no cash value. Dependent children reaching age 23 can convert to an individual policy, if the conversion is done within 31 days of the dependent's birth date.

WHEN DOES MY DEPENDENT COVERAGE STOP?

Your eligibility to purchase dependent coverage ends when you lose coverage (see [“When Does My Employee Coverage Stop?”](#)) or when your dependent child reaches age 23.

HOW DOES THE CONVERSION PRIVILEGE WORK?

If your coverage under the Group Life Insurance Plan for Hourly Employees ends or is reduced for any of the reasons described previously, you can convert the coverage to an individual policy. You must apply and pay the first premium to Aetna within 31 days of your termination or dependent's 23rd birthday in order to be eligible for the conversion privilege.

The important feature of this conversion privilege, in addition to continuity of coverage, is that the individual policy will be issued without a medical examination and at Aetna's regular rates. If you enter military service while employed by the Company, you are eligible for the conversion privilege. In addition, each time your insurance is reduced after you retire, you may apply to convert the reduced amount to individual insurance. Please be sure to contact the Altria Groups Benefits Center at 1-800-872-3777 in advance so that you will be able to make a timely application. Aetna must receive your completed application for conversion and first premium payment within 31 days of the reduction. If the application is not received within the required time frame, the opportunity to convert coverage will be lost. Special rules would apply for conversion if the Plan were discontinued.

If you, your spouse, and/or your dependent child should die within 31 days of the date your coverage ends without having exercised the conversion privilege, the Group Life and/or Dependent Life Insurance benefit will still be payable.

HOW DOES MY BENEFICIARY FILE A CLAIM FOR BENEFITS?**How to File a Claim**

If you die while insured under the Plan, a family member or your legal representative should immediately contact HR Direct at 1-888-447-2060 if you are an active employee or the Benefits Center at 1-800-872-3777 if you are a retiree.

The Benefits Center will write to your designated beneficiary to obtain an official copy of the death certificate and any other required information. Once this information is returned to the Benefits Center, it will then be submitted to Aetna. Your designated beneficiary or legal representative will be notified of the decision within 90 days of the Plan's receipt of the claim. This may be extended up to an additional 90 days, if needed due to special circumstances. Payment will be forwarded by Aetna to your designated beneficiary or legal representative.

If A Claim Is Denied

If Aetna determines that no benefits are payable from the Plan (the insurance policy), or reduces or terminates any available benefits, Aetna will send your beneficiary or legal representative an explanation of the complete or partial denial of benefits under the Plan. This explanation, which may be sent in writing or by electronic notification will:

- set forth the specific reason or reasons for the adverse determination;
- refer to the specific provisions of the Plan (insurance policy) on which it is based;
- describe any additional material or information that may be needed for the claim to be processed;

- explain why such additional material or information is necessary;
- explain the Plan's claim review procedure;
- set forth the time limits within which to file an appeal; and
- include a statement of your beneficiary's right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review.

Within 60 days after receiving the notice of complete or partial denial by Aetna, your beneficiary (or a duly authorized representative) may write to Aetna Life Insurance Company, 151 Farmington Ave., Hartford, CT 06156, to request a full and fair review of the complete or partial denial by Aetna. The request should be accompanied by any documents, records and other information relating to your beneficiary's claim for benefits that he or she has in support of the claim. Your beneficiary will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relating to the claim for benefits.

Aetna will send your beneficiary (and your duly authorized representative) its decision. Any decision by Aetna which completely or partially denies benefits:

- will set forth the specific reason or reasons for the adverse determination;
- will refer to the specific provisions of the Plan and group insurance policy on which it is based;
- will include a statement that your beneficiary may receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relating to the claim for benefits;
- will include a statement describing any voluntary appeal procedures offered by the Plan and your beneficiary's right to obtain information about these procedures; and
- will include a statement of your beneficiary's right to bring a civil action under section 502(a) of ERISA following the decision of Aetna.

A decision will be made by Aetna within 60 days after they receive the written request for review. The review by Aetna will take into account all comments, documents, records and other information submitted by you (or your duly authorized representative) without regard to whether such information was submitted or considered in the initial determination. However, if special circumstances require an extension of time for a decision, your beneficiary will be notified in writing within this initial 60 day period, of the circumstances that require the extension and the date by which Aetna expects to render a decision. The decision may be sent to your beneficiary in writing or by electronic notification.

Aetna has full discretion and authority to interpret the terms of the Plan. Its decisions shall be final and binding.

Dependent Life Insurance Claims

If your dependent(s) die while insured under the Dependent Life Insurance Provision of the Plan, you are the beneficiary and should follow the same process described in the ["How Does My Beneficiary File a Claim for Benefits?"](#) section.

HOW WILL PAYMENT BE MADE?

The amount of Group Life Insurance for which you are covered will be deposited into an account, and your beneficiary will be sent a checkbook for that account. Your beneficiary may write checks as needed, or may write a check for the entire amount of the life insurance proceeds. If you have more than one beneficiary, each beneficiary will have an account established in their name for their share of the benefit. In the event a beneficiary's share of the benefit is less than \$10,000, a check for the full amount will be sent instead of a checkbook. If your beneficiary is a minor, the checkbook will be sent to the guardian of the beneficiary. Interest is paid on funds remaining in the account at the end of each month. Although life insurance benefits are not taxable, interest paid on this account is taxable as ordinary income.

GENERAL INFORMATION

This is the "Summary Plan Description" called for by the Employee Retirement Income Security Act of 1974 (ERISA). Benefits are provided through an insurance policy issued by Aetna Life Insurance Company of Hartford, Connecticut. The actual provisions of the Plan and the insurance policy will govern in settling any questions that may arise. These documents are on file in your Employee Benefits Department. Benefits provided under the Plan and insurance policy may not be assigned without the express written consent of Aetna.

Plan Name

The official name of the Plan is the "Group Life Insurance Plan for Hourly Employees". In this booklet it is often referred to as the "Group Life Insurance Plan", or simply as "the Plan".

Plan Type

The Group Life Insurance Plan for Hourly Employees is an employee welfare benefit plan under ERISA. The benefits under the Plan are not insured by the Pension Benefit Guaranty Corporation.

Plan Identification

The Plan is identified by the following numbers:

Employer Identification Number 13-1607658

Plan Number 521

Employer and Plan Administrator

The employer and Plan sponsor is Philip Morris USA Inc., P.O. Box 26603, Richmond, Virginia 23261, telephone (804) 274-2000.

The Administrator of the Plan is the Philip Morris USA Inc. Management Committee for Employee Benefits (MCEB), P.O. Box 26603, Richmond, VA 23261, (804) 274-2000.

Plan Year

The Group Life Insurance Plan and all of its records are kept on a calendar year basis, beginning on January 1 and ending on December 31 of each year.

Plan Financing

The Company pays the entire cost of this Plan. There is no cost to you. Benefits are payable to employees, retirees and beneficiaries from the Aetna Life Insurance Company (Aetna). All claims for benefits will be processed by Aetna.

The Company pays the entire cost for employee group coverage. Dependent Life Insurance coverage is paid by the employee through payroll deductions.

The premiums paid to the insurance company are actuarially determined based on such factors as the ages and compensation of covered employees, claims experience, and administrative costs.

Plan Continuance

The Company hopes and expects to continue the Group Life Insurance Plan for Hourly Employees indefinitely, but necessarily reserves the right to change or terminate the Plan in whole or in part at any time. Any decision to change or terminate the Plan requires approval of the MCEB. The Company may amend the Plan to change the amount of Plan coverage that an employee or retiree (or group of employees or retirees) may receive, even if the amendment restricts or terminates for the future an amount of Plan benefit now available, and to exclude one or more classes of employees (or retirees) from coverage under the Plan. The foregoing are not the sole changes that the Company may make to the Plan. Except as expressly authorized by the Plan document or the Company in any action causing the termination of any benefit or the entire Plan, no further benefit payments affected by the action are to be provided by the Plan other than for claims incurred before the date of termination.

Agent for Service of Legal Process

The person designated as agent for service of legal process is the Secretary, Philip Morris USA Inc. Management Committee for Employee Benefits (MCEB), P.O. Box 26603, Richmond, Virginia 23261.

Collective Bargaining Agreements

This Plan is maintained pursuant to one or more collective bargaining agreements. Employees may obtain copies of these agreements by writing to the Plan Administrator. In addition, copies of these agreements are available for examination at your Labor Relations Department.

STATEMENT OF PARTICIPANT'S RIGHTS UNDER ERISA

The Department of Labor (DOL) requires the Company to provide you with a statement of your rights under ERISA with respect to this Plan. The following statement was designed by the DOL to satisfy this requirement.

As a participant in this Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974. ERISA provides that all Plan participants are entitled to:

Receive Information About Your Plan and Benefits

1. Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts, collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
2. Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts, collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for these copies.

3. Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan 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 control of the Administrator. If you have a claim for benefits that 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 medical child support order, you may file suit in 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.

Assistance with Your Questions

If you have any questions about your Plan, see the ["Where Do I Get Additional Assistance"](#) section of this booklet. For information on how to contact the Plan Administrator, call the Benefits Center at 1-800-872-3777. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

ELIGIBLE CATEGORIES OF EMPLOYEES

The Group Life Insurance Plan for Hourly Employees covers regular full-time hourly paid employees in the following categories who meet the eligibility requirements described in this booklet.

This booklet describes Plan benefits for York Manufacturing Hourly Employees, Williamsburg, Virginia and employees represented by the following unions:

Bakery, Confectionery, Tobacco Workers and Grain Millers International Union

Philip Morris USA Inc. Coordinated Craft Unions:

- International Association of Machinists and Aerospace Workers Lodge No.10
- International Association of Machinists and Aerospace Workers Local Lodge No. 108
- International Association of Machinists and Aerospace Workers Local No. 681
- United Association of Journeyman Pipefitters Local No. 522
- United Association of Journeyman Plumbers Local No. 107
- International Brotherhood of Electrical Workers Local No. 369
- International Brotherhood of Firemen and Oilers Local No. 320
- Sheet Metal Workers Local No. 110
- Kentucky State District Council of Carpenters Local No. 64

March 2004

