



The Navigators 403(B) Supplemental Retirement Plan EIN: 84-6007896, Plan No. 002

Summary of Material Modifications

The Navigators (the “Company”) has amended The Navigators 403(b) Supplemental Retirement Plan (the “Plan”) to provide that Employees who are eligible to receive a distribution or take an in-service withdrawal from the Plan can convert up to all their Salary Deferral Contributions account, Rollover Contributions account, and earnings on after-tax Employee contributions to Roth Contributions by making a direct rollover to a Roth Conversion account in the Plan. The amendment will be effective as of June 27, 2011, which means that Employees can make an In-Plan direct rollover beginning June 27, 2011.

Eligibility to Make an In-Plan Roth Conversion

You are eligible to make an In-Plan Roth conversion if you are:

1. Age 59 ½ or older
2. Disabled (you qualify for benefits under the Company’s long-term disability plan) or
3. You have terminated employment with the Company and its related companies

In-Plan Direct Rollover to Roth Conversion Account

You can make a direct rollover to a Roth Conversion account in the Plan as follows:

1. If you are at least age 59½ and you are still employed by the Company, you can make a direct rollover of up to all your Salary Deferral Contributions Account, your Rollover Contributions Account, and your After-Tax Contributions Account. You cannot make a direct rollover of any portion of your Roth Contributions Account, if any.
2. If you are disabled or if you have terminated employment with the Company and it’s related companies, you can make a direct rollover of up to all your Accounts, except your Roth Contributions Account, if any.

The amount directly rolled over (other than the amount that represents a return of your basis) to a Roth Conversion account in the Plan will be taxed in the calendar year in which you made the direct rollover (the conversion). However, the 10% additional tax on early distributions will not apply (unless you withdraw the amount rolled over within the 5-year period that begins on the January 1 of the calendar year of the direct rollover). Once you have made a direct rollover to a Roth Conversion account in the Plan, you cannot reverse it; it is irrevocable.

If you receive a “qualified distribution” (described generally below) from your Roth Conversion account, you will not be taxed on any amounts distributed.

The rules governing Roth conversions, direct rollovers, and allocation of basis are very complicated. Each Participant is strongly urged to consult with a tax advisor before making a conversion.

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“Qualified Distributions”

In general, if you receive a “qualified distribution” of your Roth Contributions account and/or your Roth Conversion account, the earnings on your Roth Contributions and on the amounts that were directly rolled over into the Roth Conversion account (and were taxed at the time of the direct rollover) will not be subject to income tax. A “qualified distribution” is a distribution that is made after at least five years have elapsed from the start of the calendar year in which you made your first Roth Contribution to the Plan (or, in the case of a conversion, the first direct rollover to a Roth Conversion account) and is distributed (1) after you attain age 59½, or (2) to your beneficiary after your death, or (3) on account of your disability.

Restrictions on Distributions from Roth Conversion Accounts

Because of the potential adverse tax consequences and the complicated rules for accounting for amounts directly rolled over to a Roth Conversion account if you make an in-service withdrawal from your Roth Conversion account, the amendment provides that you will not be able to withdraw any amount from your Roth Conversion account until you separate from employment with the Company. For example, if you have a hardship (as defined in the Plan) and are eligible to take a hardship withdrawal, you may not withdraw any amounts from your Roth Conversion account (the sum of the amount directly rolled into the account (and that was taxed), and basis recovered, and the earnings on those amounts).

If you have any questions, you should contact:

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Because the information in this Summary of Material Modifications changes certain information in your Summary Plan Description, you should file it with your Summary Plan Description.