



Ready, Aim, Retire.

## **Mutual of Omaha Shines Amidst Market Turmoil**

The volatile markets over the past few months have put financial services companies under the microscope. For a company like Mutual of Omaha, that scrutiny offers a wonderful opportunity to shine the light on its history of traditional values, disciplined investing and forward thinking solutions.

### **A Foundation of Financial Strength**

Mutual of Omaha's philosophy of corporate stewardship is designed to support its clients for the long haul. In fact, in a recent [article](#) in *Forbes*, Mutual was listed as one of the highest credit-rated insurance companies – a quality *Forbes* suggested is the most important factor when choosing a provider.<sup>1</sup> The magazine also said that companies like Mutual have the best balance sheets. And in today's economy, that vote of confidence speaks louder than any advertising ever could.

### **Knowing What Clients Really Need**

Being financially disciplined is not the only thing that matters. Anticipating the real needs of retirement plan participants is equally important in a culture that has yet to master the complexities of personal financial security. Helping individuals learn to manage their financial affairs takes the support and expertise of financial institutions and advisors. That's why Mutual works to create stability for its clients, while keeping an eye on their future needs.

### **Leveraging the Importance of Financial Advisors**

The decisions plan sponsors face when implementing a 401(k) plan are complex. And selecting a plan that supports their participants' retirement needs can go beyond their scope of expertise. This is where financial advisors provide so much value. As a result, the role for many advisors has shifted from helping plan sponsors pick the funds in their plan, to consulting on the plan as a whole.

Mutual makes it easy for advisors to better support their clients by offering a 401(k) product that:

- \* Helps manage risk for participants through actively managed accounts<sup>2</sup>
- \* Helps manage risk for plan sponsors through a three-level fiduciary support program
- \* Offers top-notch service to both plan sponsors and their participants

### **Managing Risk for Plan Participants**

Mutual's industry foresight has made them a leader in 401(k) market innovation. More than 10 years ago, they were among the first to offer non-proprietary, risk-based investment portfolios. These portfolios, which feature an automatic rebalancing mechanism, were designed with the help of objective third-party experts who also monitor and review the funds. In a world of proprietary investment options, this was a major step for plan sponsors and participants looking for cost-effective diversification and guidance.

### **Providing Participant Advice from PMFM**

Mutual also had the foresight to implement an actively managed advice model. With the addition of PMFM's 401k Toolbox<sup>®</sup> last year, participants have the option to entrust their account management to professionals whose guiding principle is to "win by not losing." In other words, when the market is good, they participate. When it's not good, they get out, retreating to maximum cash positions to preserve assets and prior gains. With a proven track record spanning 10+ years, 401k Toolbox has become a powerful leader in advising 401(k) participants who lack the knowledge and/or temperament to manage their own accounts. PMFM's investment performance on behalf of their clients further reinforces the importance of this advice.

*Note: Use of PMFM's 401k Toolbox is neither a guarantee nor insurance against investment losses.*

## **Fiduciary Support Has Never Meant More**

As a result of the instability in U.S. and global markets, the demands on plan fiduciaries have grown. Legislators have tried to protect participants by enacting legislation governing retirement plans, including ERISA and the Pension Protection Act. And plan sponsors need more help to determine which solutions minimize risk for their employees.

The three levels of fiduciary support offered by Mutual give advisors a competitive advantage. Plan sponsors quickly respond to the value of having oversight and guidance by third party organizations to create a sound retirement program.

1. **At the product level**, Callan Associates, Inc. first defines the investment discipline, and then helps to identify the best-suited investment options. They've developed a best practice model to help Mutual build and maintain an investment line-up appropriate for retirement plans. The investment options are diversified and their performance is monitored and evaluated on an ongoing basis.

2. **At the plan level**, Mesirow Financial assists plan sponsors with their fiduciary responsibility as it pertains to investment identification, selection and monitoring. Plan sponsors can opt to have Mesirow Financial provide unbiased investment recommendations within Mutual's retirement program. As a fiduciary to a plan, Mesirow will perform and defend its duties and obligations in accordance with the high standards of care applicable under ERISA.

3. **At the participant level**, PMFM's 401k Toolbox offers individually managed accounts, helping participants who don't have the time or knowledge to be successful investors on their own. An employer also can select 401k Toolbox as the Qualified Default Investment Alternative (QDIA) for their plan. Either way, the option of having professional money managers help participants save for retirement offers a third level of fiduciary protection.

## **Excellent Service Means Long-Term Clients and Great Relationships**

From tested systems and processes to personal service, Mutual knows what it takes to create long lasting relationships. They continually build on their service model, which incorporates the best combination of technology and the human touch.

Their administrative platform offers every component of a sophisticated retirement infrastructure, including administration, recordkeeping, compliance and documentation.

Plan sponsors and participants have access to user-friendly Web sites to help them track the day-to-day details of their plans and accounts. Mutual also creates ongoing educational materials that provide plan sponsors with a rich inventory of tools to help keep their participants knowledgeable and engaged.

The personal attention clients receive from Mutual's relationship managers is another example of their willingness to go the extra mile. A highly trained representative is assigned to every plan. They provide annual plan reviews, enrollment and educational meeting support, phone support and client advocacy.

## **Why Mutual of Omaha Now?**

For plan sponsors and fiduciaries facing the current economic situation, staying put might seem like one approach to weathering the storm. However, if the recent financial crisis has exposed any weaknesses in their current provider's investments or financial stability, now is **not** the time to simply hope for the best.

The most important thing a plan sponsor needs to consider is what is best for their employees going forward. Their current investment provider may no longer stand up to the scrutiny of today's economic conditions.

Even if a plan sponsor believes their current provider has been weakened by the changes in the market, they may still have concerns about making a change at this time. Mutual representatives and advisors are key to helping them see the big picture.

## **Mapping and Dollar Cost Averaging Keep Plan Assets Working**

Because Mutual's investment platform offers such diversity, clients can "map" their current investment options to Mutual's, keeping money invested in the same asset classes. This reduces downtime during the transition to a minimum. Additionally, dollar cost averaging – through regular, continual investing – allows participants to buy shares at lower prices while the market recovers, leading to an overall lower average cost of the shares in their portfolio.

## **Adding It All Up**

These are challenging times for all investors, and the key to helping plan sponsors fulfill their responsibilities is to keep it simple. As you help your clients evaluate their current plans, make sure their provider offers the following:

- \* A reputation clients trust
- \* Financial strength, high credit ratings
- \* Time tested diligent processes for managing risks and maximizing returns
- \* Fiduciary support from the product to the plan to the participant levels
- \* A proven advice provider for participants
- \* Excellent plan service and support
- \* The ability to minimize downtime during transition, should they change providers

As your clients make the difficult decisions that many of them face, remind them that Mutual is in an excellent position to help. Their story is unique, simple and strong. The bottom line is that they have every solid component that matters in a 401(k) plan.

<sup>1</sup> "The Financial Crisis: Safety in Numbers," *Forbes*, Oct. 13, 2008

<sup>2</sup> Actively managed accounts are included only in those plans offering 401k Toolbox as an option

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## **New Fiduciary Database Now Available**

Today, more than ever, the bulk of fiduciary responsibility lies on the shoulders of a plan sponsor. The required paperwork alone can leave plan sponsors scrambling to find what they need to ensure plan compliance. Mutual of Omaha provides an easy way for busy plan sponsors to get their fiduciary documents organized through an online communication library.

**FOCLpoint (Fiduciary Online Communication Library)** is an innovative, online database designed to put plan-specific fiduciary documents in one secure location. When your clients choose Mutual of Omaha for their retirement plans, key documents are populated automatically in the database. Then, as additional paperwork becomes available, plan sponsors can add their own customized documents to meet their specific needs.

[Download the FOCLpoint Fact Sheet](#)

[Download the FOCLpoint User's Guide](#)

**Important note:** FOCLpoint currently is available to new plans only. Existing plans will be given access at a later date. More information will be provided to those clients at that time.



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