



Ready, Aim, Retire.

## **401(k) Gloom Offers Silver Lining for Advisors**

Over the past year, terms like “meltdown” and “crisis” frequently have been used to describe our global financial markets. And if you’re like most Americans, at some point those terms have become more than just impersonal headlines – they’ve turned into firsthand headaches.

Even for the most seasoned industry veterans, recent market volatility has raised some difficult questions from clients when it comes to their 401(k) plans. Perhaps some have even questioned whether or not the 401(k) system is still valid as a retirement savings vehicle.

That’s a scary proposition. But in the midst of the gloom and doom, if you look close enough, you’ll see a silver lining for advisors who are prepared to seize the opportunity.

### **The Problem**

Unfortunately, when it comes to 401(k) plans, many individual participants aren’t evaluating and adjusting their investment choices to match their risk tolerance and life stage. As a result, their risk exposure often exceeds their tolerance, leaving them with losses at the worst possible time. Witnessing those losses firsthand has unsettled many employers, who are concerned about the retirement security of their employees as well as their own fiduciary risk exposure.

Understandably, emotion has clouded the perspective of these plan sponsors and participants, revealing a need for better education, advice as well as professional management. In fact, it’s exactly at uncertain times that people most need sound, objective solutions. Therein lies the silver lining for advisors.

### **A Golden Opportunity**

During this period of extraordinary market volatility, advisors have a perfect opportunity to educate clients about market risk and introduce them to risk-minimizing options within 401(k) plans. What may come as a surprise to many employers and their employees is that most leading retirement providers already offer these solutions. Yet, many of these solutions have been ignored in the name of higher-risk, higher-return investments – until now.

Suddenly, plan sponsors and participants are seeking safer investments and guaranteed returns, marking a paradigm shift in the 401(k) mindset from high risk to managed risk. And the advisors best positioned to offer risk-minimizing options will also be best positioned to win.

For example, take guaranteed accounts and managed accounts – two options already offered by Mutual of Omaha. As their name implies, guaranteed accounts (also known as fixed income or stable value funds) offer a guaranteed rate of return with no exposure to market risk, meeting the needs of participants who desire a risk-free 401(k) experience.

On the other hand, managed accounts provide numerous advantages to 401(k) plan sponsors, as well as to plan participants who are willing to accept some degree of risk in an attempt to generate higher returns. The following are two of the primary advantages offered by managed accounts, particularly when it comes to investing during volatile markets:

- **Fiduciary Protection** – Managed accounts – such as those offered in Mutual of Omaha’s product through Stadion – can serve as a Qualified Default Investment Alternative (QDIA) and reduce fiduciary risk exposure for advisors and plan sponsors. Because a Registered Investment Advisor (RIA) offers ongoing account management services on behalf of the participants, the RIA assumes the fiduciary obligations associated with providing those discretionary management services, which reduces the risk to the plan sponsor and advisor.

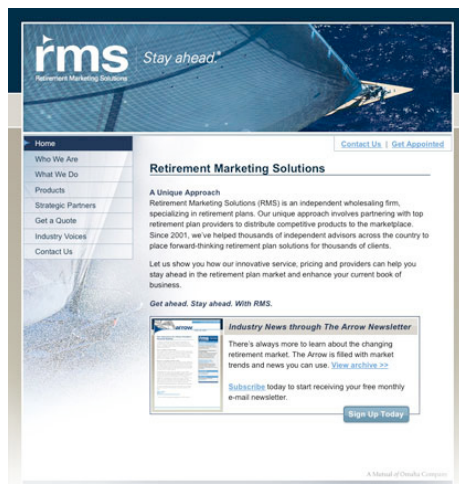
- **Emotion-free Investing** – Far too often, plan participants allow their emotions to dictate their investment decisions, placing their retirement savings at the mercy of market upswings and downturns. Knee-jerk reactions lead many participants to buy high and sell low – the opposite of a sound investment strategy. By electing the managed account option, participants benefit from the objective management services performed by RIAs, who often utilize sophisticated tools to assess the market's historic performance and allocate assets according to the participant's risk profile and investment objectives. Ultimately, this allows participants to capitalize on market upswings, while minimizing the impact of downturns.

Recommending Mutual of Omaha's retirement product, which offers these risk-minimizing options, is a great first step in helping clients transition from shock and disbelief to opportunity. The advantages offered by solutions like managed accounts are exactly what your clients are looking for – they just need someone to point them in the right direction. In the midst of a "crisis" and "meltdown," clients need a sound solution – and a trustworthy advisor.

## **Marketing Materials and Investment Reports on rms401k.com**

To provide you with access to all the information you need in a single place, we've added more marketing materials and fund performance information to the Strategic Partners section of our Web site at [rms401k.com](http://rms401k.com).

If you previously looked for Mutual of Omaha materials and fund information on [GetRetirementRight.com/rms](http://GetRetirementRight.com/rms), please note that all content from that site has moved to [rms401k.com](http://rms401k.com).



### **What's New on [rms401k.com](http://rms401k.com)**

The Mutual of Omaha 401(k) marketing materials (located on the Strategic Partners page) have been organized into the following categories:

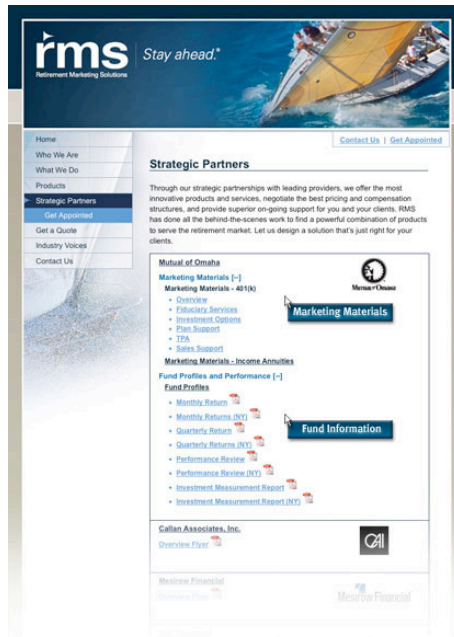
- Overview
- Fiduciary Services
- Investment Options
- Plan Support
- TPA
- Sales Support

Please note that the PDFs of these materials are for illustration purposes only and should not be printed for use with your clients. Please call your RMS wholesaler for printed copies of these materials.

In addition to Mutual of Omaha's fund profiles, the following investment reports also are available:

- Monthly Returns
- Quarterly Returns

- Performance Review
- Investment Measurement Report
- Performance returns for the Stadion fund options (formerly 401kToolbox) are available under the Stadion heading on the Strategic Partners page



Please take a few minutes to familiarize yourself with the new content on [rms401k.com](http://rms401k.com) and let us know if you have any questions. We appreciate your business and hope you find the upgrade to our site valuable.



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*Investment options are offered through a group variable annuity contract (Forms 902-GAQC-09 or 902-GAQC-09(OR) or 901-GAQC-07 or 901-GAQC-07(OR)) underwritten by United of Omaha Life Insurance Company for contracts issued in all states except New York. United of Omaha Life Insurance Company is not licensed in New York. In New York, Companion Life Insurance Company, Hauppauge, NY underwrites the group variable annuity (Form 900-GAQC-07(NY)). Each company accepts full responsibility for each of their respective contractual obligations under the contract but does not guarantee any contributions or investment returns except as to the Guaranteed Account and the Lifetime Guaranteed Income Account as provided under the contract. Neither United of Omaha, Companion Life Insurance, nor their representatives or affiliates offers investment advice in connection with the contract.*

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