

## Bring (clarity) to this numbers game.

Introducing a 3(38) investment service that offers your clients enhanced fiduciary protection under ERISA.

# Bring clarity to complex investment fiduciary obligations.

New 408(b)(2) regulations are currently set to become effective July 16, 2011. One important aspect of this new regulation will require certain service providers, including Registered Representatives, Broker-Dealers, Investment Advisor Representatives and Registered Investment Advisors to disclose whether they are acting as a fiduciary to the plan and in what capacity.<sup>1</sup> As a result, clients are going to need to clearly understand their service providers' role in helping them meet their investment fiduciary needs.<sup>2</sup>

Many plan sponsors are uncomfortable with their investment fiduciary responsibilities and seek the guidance of an expert. Advisors who educate and help bring clarity to this increasingly important area can enhance their value and distinguish themselves with meaningful support.

Securian has entered into a strategic alliance with an independent third party to help you offer your clients a 3(38) investment service to meet this growing need. It's an effective way for you to bring a clearly defined investment fiduciary solution to your clients and win business.

## ERISA Section 3(21)

Allows for plan sponsors to complete investment selection on their own or hire an advisor or investment manager to assist them. In either case, the sponsor is still a 3(21) fiduciary.

## ERISA Section 3(38)

A 3(38) investment manager is hired by the plan to make **all** investment array decisions. Here, the plan sponsor's fiduciary responsibility only relates to the choosing and monitoring of a 3(38) investment manager.

<sup>1</sup> The duty to disclose fiduciary status is only one important aspect of the new 408(b)(2) regulations. Other equally important requirements exist. This 3(38) investment service is not designed to assist in compliance requirements under 408(b)(2) for any of the service providers listed above.

<sup>2</sup> Providing investment fiduciary services may be subject to registration or other regulatory requirements. If you are affiliated with a firm as a Registered Representative or an Investment Adviser Representative, you should consult with your firm before providing these services or entering into an agreement with a plan sponsor.

# A 3(38) investment service that offers valuable support

Securian is pleased to work with **401(k) Advisors**,<sup>3</sup> a nationally recognized independent investment advisory firm, **to help advisors bring their clients an effective investment liability transfer solution designed to significantly reduce the plan sponsor’s fiduciary liability.**

More information about 401(k) Advisors is provided on the back of this brochure.



## How it works:

**Plan sponsors choose to contract independently with 401(k) Advisors.**<sup>3</sup> 401(k) Advisors accepts full 3(38) fiduciary status with discretion regarding the selection, monitoring and replacement of plan investments.

Acting as the 3(38) fiduciary, 401(k) Advisors will:

- State in writing its fiduciary status
- Construct the plan’s investment menu using the Securian array
- Perform ongoing investment monitoring
- Create the plan’s Investment Policy Statement
- Evaluate active and passive strategies
- Identify fund de-selection and replacement options
- Map existing funds to the new line-up

Plan sponsors who seek this type of service directly will likely pay considerably more for an equally robust 3(38) investment liability transfer program.

Thanks to group pricing, the cost is measurably less.

Annual Fee Structure*	
Plan Assets	Annual Fee
<\$2.5 million	0.20%
\$2.5-\$3 million	0.19%
\$3-\$3.5 million	0.18%
\$3.5-\$4 million	0.17%
\$4-\$4.5 million	0.16%
\$4.5-\$5 million	0.15%
\$5-\$6 million	0.14%
\$6-\$7 million	0.13%
\$7-\$8 million	0.12%
\$8-\$10 million	0.11%

\*Fees are paid out of plan assets or directly by the plan sponsor and sent directly to 401(k) Advisors. Securian accepts no compensation from the plan sponsor or 401(k) Advisors.

## Quarterly Fiduciary Investment Review Package

401(k) Advisors provides a quarterly Fiduciary Investment Review Package that includes detailed investment analysis and investment option scoring along with market and economic updates. Periodic, live web-based events are also provided.

<sup>3</sup>401(k) Advisors is an investment advisor registered with the SEC under the Investment Advisors Act of 1940 and is solely responsible for the services they provide. 401(k) Advisors is not affiliated with Minnesota Life or its group variable annuity contracts.

# Spend more time supporting clients in other key areas

- Be an important resource in their 3(38) provider monitoring<sup>4</sup>
- Provide enrollment and participant educational meetings
- Offer checklists, worksheets, templates, online tools and informational resources to streamline plan management
- Discuss goals and objectives on a regular basis to help ensure the plan continues to meet specific needs
- Ensure administrative/recordkeeping services are being delivered as promised
- Use online reports to view participation, deferral levels, and more
- Provide targeted communications to enhance participant understanding
- Educate participants nearing retirement
- Remind employers of upcoming required administrative events
- Support plan cost benchmarking



<sup>4</sup> While most of the investment fiduciary responsibility is transferred when plan sponsors contract with 401(k) Advisors, under ERISA, plan sponsors are still responsible for monitoring the 3(38) provider.

# Eight great reasons to introduce this service

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In keeping with our practice to avoid conflicts of interest, Securian accepts no compensation from the plan sponsor or 401(k) Advisors.”

- 1.** Few providers, if any, offer this type of program – a significant differentiator for you.
- 2.** Opens the door to another servicing opportunity – supporting the plan sponsor in their 3(38) provider monitoring.
- 3.** Provides additional time for you to focus on relationship building and demonstrating your value in multiple areas.
- 4.** Offer a service that has historically only been accessible to large plan sponsors but now can be offered to smaller plan sponsors who have the same need.
- 5.** Opportunity to enhance relationships. By contracting with 401(k) Advisors, plan sponsors can realize significant relief from their investment fiduciary responsibilities which can lead to greater client satisfaction with you.
- 6.** Group pricing makes this service a feasible solution you can offer to clients of all sizes.
- 7.** This feature is yet another way to demonstrate your goal of looking out for the best interests of your clients.
- 8.** The investment quality you're presenting to plan sponsors is even stronger. Our revenue neutral selection process and in-depth due diligence is enhanced even more with the expertise of 401(k) Advisors.

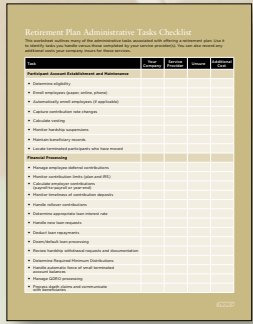
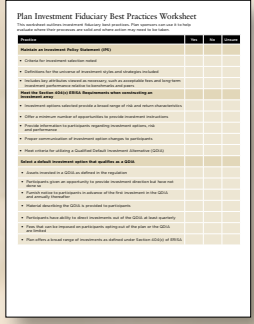
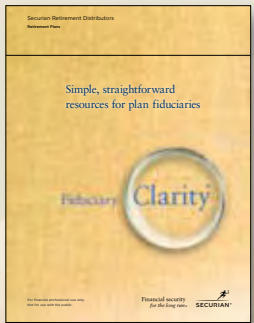
# Flexible, innovative solutions for unique client needs...

We offer a wide range of services that support your role as a trusted advisor and meet the needs of sponsors and participants.

- **Fiduciary Clarity** – This program provides simple, straightforward resources you can offer plan fiduciaries to help them meet their administrative **and** investment fiduciary obligations. **This 3(38) investment service is yet another key component of this comprehensive fiduciary management program.**
- **A•Plus Administration** – Securian serves as a single source for all aspects of plan design, administration and recordkeeping, making it easy for you and your clients to get quick answers and assistance.
- **Investments** – Our revenue neutral approach to investment selection, helps you bring a fiduciary-friendly investment array to clients. Ongoing monitoring, and an annual review performed by an independent third party, ensures investment quality and supports the efforts of 401(k) Advisors.
- **Participant communication/education** – Whether you're seeking to enhance overall understanding, focus on a specific topic or demonstrate your value with relevant and timely information, we have a library of materials to support your needs.

and the materials, tools, and resources to help you bring meaningful support to plan sponsors and participants.

Securian offers an extensive array of communication materials. Local Securian service representatives can help you identify the appropriate pieces for your needs.



## A track record of offering solutions ahead of industry trends

Securian has a history of anticipating change and responding quickly. For example, we have been revenue neutral since 1993, long before most other providers.

It's with this same level of ingenuity and integrity that we now introduce this **3(38) investment service**. Use it along with our *Choosing the right level of investment liability* white paper to start an important investment risk conversation with your clients.

For those plan sponsors who don't have the time or expertise to manage plan investments, or for those who simply want the majority of investment risk off their desks, engaging 401(k) Advisors may be worthy of review and discussion.

Contact the Securian Sales Team at **1-877-876-4015** to learn how this 3(38) investment service can support your clients, help **you** bring even more valuable assistance and enhance your relationships.



Registered Investment Advisor

Measurably Different™

## About 401(k) Advisors

401(k) Advisors is one of the largest independent retirement plan advisory firms in the U.S. today. Founded in 2000 and headquartered in Orange County, California, its 50+ member team focuses exclusively on retirement consulting services to help protect plan fiduciaries from liability and loss, while enhancing investment opportunities for plan participants.

- Service 620 clients representing over \$10 billion in assets under advisement (as of June 30, 2010)
- Wholly owned subsidiary of National Financial Partners (NYSE: NFP)
- Registered with the SEC as an investment advisor under the Investment Advisor's Act of 1940
- Continually recognized by industry trade publications for insight and innovation in the field

## Why Securian Selected 401(k) Advisors

- Comprehensive investment review process led by an experienced, well-established team of investment professionals
- Meaningful user-friendly due diligence materials
- Demonstrated flexibility to help ensure seamless communication with 401(k) Advisors, advisors, plan sponsors and Securian
- Corporate leadership with years of invaluable experience in multiple facets of the retirement industry, including sales, operations, technology, administration, marketing, product development and customer service
- Highly competitive service/price proposition
- Financial strength and prominent standing in the financial services industry

Since 1880, Securian Financial Group and its affiliates have provided financial security for individuals and businesses in the form of insurance, investments and retirement plans. Now one of the nation's largest financial services providers, it is the holding company parent of a group of companies that offer a broad range of financial services.



SECURIAN®

Financial security *for the long run*®

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