

SELF-DIRECTED BROKERAGE ACCOUNT



MUTUAL OF OMAHA RETIREMENT SERVICES

PLAN SPONSOR INFORMATION

Mutual of Omaha provides access to a Self-Directed Brokerage Account (SDBA) as an investment option within your retirement plan. TD AMERITRADE serves as the brokerage firm for this option.

WHAT IS A SELF-DIRECTED BROKERAGE ACCOUNT?

A self-directed brokerage account is an arrangement that provides plan participants additional options and investment opportunities above and beyond the standard options available in your plan. Plan participants may invest part of their retirement plan account balance in more than 11,000 mutual funds or individual stocks or bonds purchased through your individual brokerage account established with TD AMERITRADE.

Participants will have exclusive responsibility for and control over the investment of assets in their SDBA. Participants must remember that investing involves inherent risk, and they may lose the principal invested. Investments made through the SDBA are not guaranteed by Mutual of Omaha, TD AMERITRADE or any governmental agency. Before participating in the SDBA, plan participants should be encouraged to obtain the services of a professional financial advisor. In addition, participants should read, understand and accept the terms of the prospectus and any other publicly available materials before investing in any individual security, mutual fund or other investment.

AS A PLAN SPONSOR, WHAT ARE MY FIDUCIARY OBLIGATIONS?

The fiduciary implications of a SDBA have not been clearly defined by ERISA or the Department of Labor (DOL). However, plan sponsors may be assuming additional risk by offering a SDBA to their employees. The decision to add a SDBA to a plan is a fiduciary decision. Specifically, ERISA section 404(c) protection may not apply to investments offered through a brokerage account arrangement. The plan fiduciary could be held personally responsible for losses resulting from SDBA investments. The decision to offer a SDBA as part of a retirement plan should be approached with great care and prudence. Among the issues plan fiduciaries should consider are: the

investment sophistication of their workforce; the availability of professional investment advice and education; and the communication effort needed to inform participants of the risks. As a plan sponsor, you may want to consult with legal counsel before making a decision to include the SDBA as part of your retirement plan investment options.

Additionally, the plan fiduciary would have an obligation to restrict investments to those allowed under the plan's documents and ERISA; to establish appropriate procedures relating to the SDBA; and to monitor the overall operation of the SDBA.

IS THERE ANY COST TO ME, THE PLAN SPONSOR, TO ADD THIS OPTION?

Yes. The plan sponsor will be charged \$250 annually to offer this as an additional investment alternative.

IS THERE ANY COST TO PARTICIPANTS WHO UTILIZE THIS OPTION?

Yes. Individual plan participants will be charged a \$125 annual maintenance fee to use this option. Maintenance fees are pro-rated monthly and deducted quarterly. Additionally, TD AMERITRADE will charge participants fees for executing transactions or trades. Trades can be executed online, through an Interactive Voice Response System, or through a registered broker. Fees will vary depending on the type of trade and the method of execution and are detailed in the Commission and Fee Schedule participants will receive when requesting SDBA information. On-line equity trades start at \$9.99 and broker-assisted equity trades start at \$24.99.

WHO IS ELIGIBLE TO PARTICIPATE IN THE SELF-DIRECTED BROKERAGE ACCOUNT?

If a SDBA is offered, all eligible participants must be notified that it is available as an investment option. To utilize this option, a participant must meet the following requirements:

1. Participants must complete all required forms.
2. The minimum initial transfer to the brokerage account is \$2,500.
3. Future contributions can be directed to the Brokerage account. The \$2,500 minimum does not apply to on-going contributions.

HOW DO PLAN PARTICIPANTS ESTABLISH A SELF-DIRECTED BROKERAGE ACCOUNT?

After reviewing the information about the SDBA Account from their plan sponsor, plan participants may request a brokerage account application by calling 1-888-917-7191. Assistance is available on regular business days from 8 a.m. to 8 p.m. Eastern time.

HOW DO PLAN PARTICIPANTS ACCESS THEIR SELF-DIRECTED BROKERAGE ACCOUNT AND MAKE TRADES VIA THE INTERNET?

Plan participants may access their SDBA, do research and make trades on the Internet through the TD AMERITRADE Web site at www.tdameritraderetirement.com. Based on participant preference, TD AMERITRADE will mail a paper or electronic confirmation of any trade activity directly to the plan participant. Up-to-date brokerage account information will be available on the Internet or through TD AMERITRADE client services 24 hours a day, 7 days a week excluding market holidays. In addition, the plan participant will receive a detailed monthly brokerage account statement if there is activity for the month; otherwise, quarterly statements will be sent. Plan participants also will continue to receive quarterly statements illustrating their total retirement account balance.

WHAT INVESTMENTS AND/OR TRANSACTIONS ARE PERMITTED WITH THE SELF-DIRECTED BROKERAGE ACCOUNT?

The plan participant will direct all investment transactions. Trades and investment transactions are limited to the cash balance available in their TD AMERITRADE account. In general, the selection of investments shall be limited to publicly traded securities, mutual funds, money market instruments and other investments that are obtainable by TD AMERITRADE and consistent with their policies and practices. The plan may impose certain additional restrictions pursuant to applicable laws and internal guidelines. All transactions shall be subject to any and all applicable Federal and State laws and regulations and the rules, regulations, customs and usages of any exchange, market or clearing house where the transaction is executed and to TD AMERITRADE's policies and practices. Plan participants are responsible for selecting appropriate investments for their account.

However, certain investments and transactions are prohibited because the SDBA is part of a qualified retirement plan. Examples of prohibited transactions include short sales, purchases on margin, and investments in options or futures.

HOW IS MUTUAL OF OMAHA INVOLVED WITH THE SELF-DIRECTED BROKERAGE ACCOUNT?

Plan assets deposited in a self-directed brokerage account are not held under the Contract issued to the plan and are not retained in United of Omaha's General Asset Account or Separate Account K. Mutual of Omaha does not monitor SDBA investments in any way. The balance in a participant's SDBA will be reflected on the participant's quarterly statements. Neither Mutual of Omaha nor its employees, agents, representatives or affiliates provide investment advice with respect to the SDBA. Plan sponsors and participants should not seek or rely on any investment advice from employees, agents or representatives of Mutual of Omaha.

Questions? For answers about the Self-Directed Brokerage Account, please contact a client service representative at 1-888-917-7120. Assistance is available on regular business days from 8 a.m. to 8 p.m. Eastern time.

Securities are offered and maintained by TD AMERITRADE, Division of TD AMERITRADE, Inc., member FINRA/SIPC

Investment options are offered through a group variable annuity contract (Form 900-GAQC-07(NY)) underwritten by Companion Life Insurance Company in Hauppauge, NY, which accepts full responsibility for all of Companion Life Insurance Company's contractual obligations under the contract but does not guarantee any contributions or investment returns except as to the Guaranteed Account as provided under the contract. Neither Companion Life Insurance Company nor its representatives or affiliates offers investment advice in connection with the contract.

Companion Life Insurance Company
Hauppauge, NY 11788
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