

First American 401(K) Solution™ targets an untapped FBS market

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As the 401(k) market gets larger and larger, FBS's focus on the market is getting smaller and smaller. According to one industry study, about 59% of companies with 100 employees or fewer do not have a retirement plan. Beginning in the middle of July, FBS will be introducing a new 401(k) product targeting these growing businesses.

The First American 401(k) Solution is just that — a simple and cost-effective retirement benefits solution for businesses with 10 to 100 employees. The plan provides everything a company needs to get their 401(k) going. First American conducts employee enrollment meetings, so owners don't have that responsibility. The overall service fees for the plan are very competitive. First Trust provides a standard prototype document; thus it's less costly than the more customized 401(k) plans that larger businesses require.

The First American 401(k) Solution is geared for small businesses, but offers big plan features. It's valued daily so customers can see their current balance, based on the market price of their mutual funds that day. Using an 800 number, plan participants can change their investment allocation within their funds and do loan modeling — all through a Voice Response Unit (VRU), accessible 24-hours a day, seven days a week.

"We're trying to grow our relationships with a wide range of small businesses, from auto repair shops to law firms," says Kris Riesterer, senior product manager, Business Retirement Plans. "Small businesses that offer no retirement benefits struggle with attracting and keeping good employees." To meet these needs, FBS has designed a more economical long-term retirement strategy that's not going to cost the employer a lot of money. In most cases, plan expenses and employer contributions are tax-deductible.

Each plan participant is provided with the First American Retirement Planner, a very comprehensive software that helps them to learn about retirement planning and investments overall. "We're trying to educate people as to what the differences are if you start saving now, versus two years from now, five years, ten years, and so forth," says Riesterer. The software calculates what they're currently saving and whether that strategy will produce the retirement income they require. It also shows how to structure investments with the 401(k) to help build a nest egg faster.

All First American funds, with the exception of the tax-free funds, will be available through the this plan. ISI Investment Specialists will be selling the First American 401(k) Solution in all First Bank and Colorado National markets.

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