Relax — It's The Standard

Wouldn't it be nice to know you can relax when choosing a plan provider?

The Standard®
Positively different.

Peace of mind

Employers have a lot on their minds. Profitability. Human Resources issues. Strategy. The competition. Keeping the doors open. The future.

Wouldn't it be nice to relax when it came to the retirement plan?

Mainspring Retirement Plan Solutions℠

For more than 70 years, companies have trusted The Standard to help their employees pursue their retirement goals with confidence. Public entities, small business owners and Fortune 500 and 1000 companies alike turn to The Standard for their retirement plans.

Drawing on our investment experience and award-winning service, we constantly look for ways to offer true value to our customers. We listen to our partners and plan sponsors to find out what is most important. And we are committed to paving paths to retirement that are right for today and for tomorrow.

The result of that commitment is our comprehensive product family called **Mainspring Retirement Plan Solutions℠.** This revolutionary approach is exactly what employers and employees need to help meet retirement needs.

The Standard has a proven track record in providing retirement plans services:

- First retirement plan in 1936
- First group annuity contract in 1963
- Highly rated by 401kExchange, Boston Research Group and *PLANSPONSOR* magazine

See page 12 for full survey specifics

The Standard is redefining what a retirement plan should be.

Retirement services:

- Plan design and consultation
- Investment selection and monitoring
- Fiduciary support
- Participant advice and education
- Recordkeeping
- Administration
- Compliance
- Actuarial services

Retirement plan products:

- 401(k)
- Roth 401(k)
- 403(b)
- Roth 403(b)
- 457
- Nonqualified deferred compensation
- Money purchase pension
- Profit sharing
- Defined benefit

What clients tell us

Plan sponsors tell us they want a provider that understands and takes care of their business needs, pays unwavering attention to recordkeeping and administration details, and provides guidance through regulatory minefields.

In working closely with plan sponsors over the years, we've had the opportunity to find out firsthand what services and products are wanted and which ones aren't as successful or useful.

For participants, plan sponsors say they want a plan that offers better advice, rewards employees, encourages retention and increases participation.

As for their own needs, plan sponsors want a provider that understands and takes care of their business needs, pays unwavering attention to recordkeeping and administration details and provides guidance through regulatory minefields. Lastly, they want the provider to dramatically reduce administrative time and paperwork associated with the plan.

What have we done with this information? We've used it to develop ways in which we simplify retirement plan duties and processes for our clients.

Key Ways We Make Clients' Lives Easier

- Offer a participant-centric approach
- Ease administrative burden
- Assume fiduciary responsibility for selection and ongoing monitoring of investment options
- Fully disclose all plan fees

Local touch

Client feedback is essential for us to develop solutions suited to the needs of plan sponsors and participants. The expansion of our network of offices across the United States to better provide local service is an outcome of such feedback. This local focus allows us to become very familiar with each plan's goals and circumstances, and just as importantly, it allows plan sponsors to get to know us.

What clients quickly discover is that we have knowledgeable people, competitive products and outstanding service, the most important deliverables of which are backed by guarantees.

Meet some of the primary individuals who work with plan sponsors to help employees meet their retirement income goals.

Pension consultant

This experienced retirement specialist and investment advisor representative provides guidance on plan design and investment option selection.

- Manages and implements the sales process
- Hands off plan to New Business
- Transitions client relationship to client service consultant

Client service consultant

As the primary contact for the ongoing local service relationship, the client service consultant provides advice on plan design and keeps clients updated on service enhancements, marketplace trends and industry legislation.

- Ensures smooth plan transition for new and conversion plans
- Leads customized enrollment process and provides local, ongoing education and enrollment support
- Provides a consultative plan review and action plan for helping the plan sponsor reach objectives for the retirement plan

Participant communication consultant

Working in tandem with the client service consultant, the participant communication consultant develops and oversees a plan to maximize employee involvement in the plan and to increase savings rates.

- Completes enrollment and educational meetings
- Consults and strategizes with plan sponsor to develop employee communication campaigns
- Tracks success by gathering, evaluating and reporting meeting results

Account manager

After the plan is established, the account manager serves as the single point of contact for administration issues and is the keeper of plan records.

- Facilitates contributions and distributions
- Prepares Form 5500 (including auditor's kit and summary annual report)
- Facilitates production of required notices

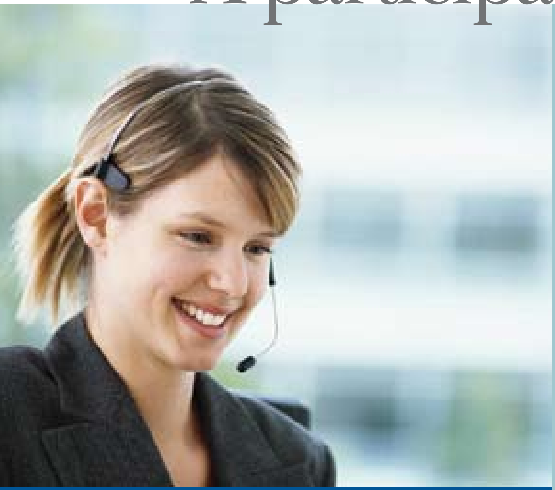
Experienced teams:

- Regional pension consultants average 17 years of experience
- Regional client service consultants average 12 years of experience

Backed by professionals:

- ERISA attorneys
- Plan administration specialists
- Compliance specialists
- Enrolled pension actuaries
- Data collection specialists

A participant-centric approach



At the heart of The Standard's Mainspring Retirement Plan Solutions℠ is a basic philosophy:

- Advocate for plan participants
- Offer a custom salary and savings analysis for each participant that highlights what changes need to be made to help meet retirement goals
- Implement a customized savings and investment plan for participants
- Team up with our partners and plan sponsors to provide hands-on education and resources to participants

"One size fits all" seems an apt description of the common approach to participant education. Over time, the approach has proven to be a poor fit, leaving most plan participants uncomfortable and ill-prepared to make investment and savings decisions.

Participants have instead indicated a desire for proactive communications, human contact and an annual review to ensure that they are on track in meeting their personal retirement income goals. This desire makes sense when considering that each participant has a unique background and set of circumstances.

Simply delivering a computer model and calling it a managed retirement account solution may help performance to some degree, but it likely will not meet the diverse needs of investors as they set their long-term goals for retirement. Instead of cookie-cutter solutions, it's clear that the industry must move toward a customized approach for all types of investors.

Mainspring addresses the unique needs of participants, starting with a gap analysis report that shows them immediately whether or not they are on track to meet their stated retirement income goals.

With Mainspring Managed, we do more than provide participants with “guidance” — we implement it.

Relax — we have solutions for all types of participants

When it comes down to it, most good retirement plans share many of the same characteristics. Besides the savings plan, there are web tools for plan sponsors and participants, education pieces, service features, administration and due diligence.

So what makes The Standard different?

We focus on helping participants reach their retirement income goals.

Our secret is Mainspring Retirement Plan Solutions℠ which serves the needs of three distinct types of investors:

- **Independent:** “I’ll do it myself”
- **Guided:** “Help me do it”
- **Managed:** “Do it for me”

Mainspring’s investment planning options meet the unique needs of plan participants.

Mainspring Managed — we’ll do it for you

- an industry-leading active account management program that does more than just provide participants with “guidance” — we implement it
- provides participants with a personalized savings and investment plan, then automatically executes it
- continuously monitors progress toward each participant’s personal goals and makes changes to savings rates and/or investment strategy to keep them on track to achieve those goals
- offers access to personal investment counselors by phone

Ease administrative burden

The Standard minimizes the burden shouldered by plan sponsors in these ways:

- Engage directly with participants, advising and coaching about saving and investing
- Track eligibility and automatically notify employees when they become eligible to participate in the plan
- Manage the loan and distribution processes directly with the participant, minimizing the sponsor's involvement
- Automatically pay out terminated participants with low account balances
- Easily update payroll data within our systems
- Allow submission of data and contributions with one "push of the button"
- Collect data on *all* participants regardless of eligibility status, simplifying year-end testing

As any plan sponsor or trustee knows, there's a lot of responsibility associated with administering a retirement plan. A plan provider must be chosen from a crowd of qualified candidates, plan investments have to be selected and monitored, employees need educational materials, and withdrawal requests must be considered. And that's just the beginning.

From participant recordkeeping to plan conversion or installation, a provider partner should strive to lighten the load for plan sponsor clients by continually developing and fine-tuning processes and systems.

The Standard's recordkeeping system and data-collection process allow us to track eligibility and streamline year-end testing. Our goal: reduce the time customers spend administering their plan.

Relax — we simplify administration

Our interaction with participants begins as soon as we receive data from plan sponsors. Using that data, we provide a gap analysis that highlights any changes each employee may need to make to meet retirement goals and increase retirement readiness. For Mainspring Managed participants, we implement a personalized Savings and Investment Plan that helps move them toward that goal.

For Mainspring Independent and Guided, The Standard has created print materials and online tools that can boost employees' knowledge and help lead them to more informed decisions. In retirement planning, good tools translate into greater confidence and more satisfaction with the plan. And better decisions translate into a better life in retirement.

The Standard's administrative services are based on a fundamentally different approach to collecting administrative data. We collect data on all employees (not just those participating in the plan), which we validate before using.

Our unique approach provides the following benefits

Accurate contribution and employee data system. Participant Data Management (PDM), a web-based application, allows plan sponsors to easily validate their most current contribution and other employee data and then transmit it directly into The Standard's administration system. The process catches errors before they affect plan administration.

Clients can submit their entire payroll file to The Standard. Our flexible data collection process accepts a variety of payroll file formats, eliminating the need for clients to alter their payroll files before submission.

Year-end census virtually completed. The Standard's data-collection process, Compliance Data Review (CDR), gathers and stores data required to complete compliance testing and government reporting throughout the year, resulting in fast and efficient year-end testing.

Participant data file changes are automatically incorporated into plan records. Data files, including salary deferral and address changes, are automatically updated when clients make changes through PDM.

Ability to contact employees when eligible. Through our Personal Enrollment Program, The Standard will contact employees when they become eligible to join the plan and instruct them on how to enroll.

Assume fiduciary responsibility

The Standard helps plan sponsors understand and fulfill fiduciary responsibilities.

- We can act as the plan fiduciary because we don't offer proprietary funds
- We accept fiduciary liability for the selection, monitoring and release of investment options
- We put accountability in writing

Fiduciary responsibilities for making decisions about the plan and choosing investments is part of the package whenever a retirement plan is offered. These responsibilities aren't to be taken lightly, particularly when decisions have affected the savings of retirement plan participants, resulting in lawsuits and, in worst-case scenarios, jail time for fiduciaries.

The Employee Retirement Income Security Act of 1974 provided the definitive word on fiduciary responsibility. ERISA Section 404(a) requires that a fiduciary shall act "... solely in the interest of the participants and beneficiaries ..." and shall discharge his duties "with the care, skill, prudence and diligence ... that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims."

As retirement plan issues grow increasingly complex, it becomes essential for plan sponsors to partner with a provider who not only provides guidance into ERISA's requirements for fiduciaries, but also assumes fiduciary responsibility for such things as investment option selection and monitoring.

StanCorp Investment Advisers, Inc., accepts fiduciary responsibility for the advisory services it provides, relieving the plan fiduciary or trustee of responsibility for advice given by representatives of StanCorp Investment Advisers, Inc.

Relax — we take responsibility

There's a definite science to selecting the right mix of investment options for a retirement plan. This is where The Standard's experience and expertise can help.

Basic investment advisory services are available through StanCorp Investment Advisers, Inc. to retirement plan clients of The Standard. A representative of StanCorp Investment Advisers can guide plan sponsors through the entire investment selection process.

StanCorp Investment Advisers, Inc.

- is a registered investment advisor firm
- is staffed by experienced investment professionals
- utilizes rigorous portfolio management, performance analysis and asset allocation techniques
- can assist retirement plan clients in selecting investment options and developing an Investment Policy Statement
- provides a quarterly monitoring report

StanCorp Investment Advisers can help the plan sponsor minimize fiduciary responsibility for investment choices. And we put it in writing:

"StanCorp Investment Advisers, Inc. acknowledges that it is a fiduciary under ERISA with respect to the investment advisory services provided to the Client pursuant to this agreement. We accept responsibility for loss incurred by you in connection with our willful misfeasance, bad faith or negligence in the performance of our duties hereunder and agree to hold you harmless from resulting damages, judgments, settlements and defense costs."

Please read the entire Agreement carefully for a full description of the services, conditions, and limitations that apply.

The plan sponsor remains responsible for ensuring that participants have sufficient information about the plan's investment options on an ongoing basis and are able to change their selections as often as appropriate.

The Standard provides plan sponsors with a complete solution to managing plan investments:

- Investment advisory services are available from StanCorp Investment Advisers, Inc., including:
  - fund selection and ongoing monitoring
  - recommendations to add or remove funds
- Low-cost investment solutions are available through institutional share class funds and collective trusts

Fully disclose all plan fees

The Standard helps plan sponsors understand the total costs of operating a plan:

- Provide full disclosure of all fees and expenses (no hidden fees)
- Receive payment from the plan, not fund companies
- Utilize only name-brand institutional share class funds — no proprietary mutual funds
- Remain revenue neutral — revenue received from a fund company results in a reduced asset fee for that fund in the plan

Retirement plan fees have been making regular appearances in the headlines for the past few years. As a result, plan sponsors are being reminded — often by their own employees — of their fiduciary responsibility to accurately determine and evaluate plan fees.

Trying to navigate the universe of fees is rarely easy, particularly with the number of providers involved and the various ways fees are assessed. In short, it can be a challenge even for experts to determine *who* is receiving *how much* and for *which* services. Yet a plan sponsor must be armed with that information to determine if plan costs are fair and reasonable.

Plan sponsors can simplify the process by selecting a provider that has a "full disclosure" policy.

An example of how The Standard deals with fees can be found in the treatment of revenue sharing from investment fund companies: we pass through these payments to clients.

Relax — we eliminate conflicts of interest

The Standard tries to be as transparent as possible when disclosing fees to plan sponsors and participants.

We reduce our asset-based fee by revenue sharing received from fund companies.

And since we do not offer any proprietary mutual funds, we do not profit by a client's choice of one separate account fund over another. We charge the same fee against all funds and pass through revenue received from the fund companies to our customers.

The Standard returns service fees from fund companies to the plan to reduce the cost of administering the plan and ensure that such revenues do not influence our decisions.

A winning combination

The Standard's retirement plans are a winning combination of outstanding product features and service from our experienced administration and sales teams. But don't just take our word for it.

- The Standard was rated the No. 2 Plan Administrator and No. 3 Fund Manager by 401kExchange for plans with $1 million to $10 million in assets for the period of September 1999 – December 2006.
- In *PLANSPONSOR* magazine's 2006 survey of retirement plan clients, The Standard received 16 Best in Class awards for serving plans in the small market category, and another 16 Best in Class awards in the micro market category.
- In Boston Research Group's "DCP 2007" survey of defined contribution plan sponsors, The Standard was rated the No. 1 provider in plan sponsors' overall satisfaction.

Survey specifics

- In 401kExchange's most recent survey of retirement plan sponsors (from July 1 – Dec. 31, 2006), The Standard was rated the No. 2 fund manager and the No. 4 plan administrator for plans with $1 – $10 million in assets. In the fund manager category, 72 providers were rated by 20,186 plan sponsors. In the plan administrator category, 103 providers were rated by 19,933 plan sponsors. For the years 1999 – 2006, 167 providers were rated by 60,287 plan sponsors in the fund manager category and 277 providers were rated by 58,993 plan sponsors in the plan administrator category. Visit 401kExchange.com for details.
- The Standard received 16 Best in Class awards in *PLANSPONSOR* magazine's 2006 "Defined Contribution Survey" as a provider serving plans with less than $5 million in assets (Micro Market), and 16 Best in Class awards for serving plans with $5 million to $49 million in assets (Small Market). Best in Class awards were given to top quartile scores in each service category within each asset size. To qualify for a rating, providers needed a minimum of 30 total client responses and at least 10 client responses in any asset category to be rated in that category. The Micro Market included 37 providers; the Small Market included 46 providers.
- The Standard was rated No. 1 overall provider in plan sponsor client satisfaction in Boston Research Group's 2007 Small Plan Defined Contribution Survey (less than $5 million in assets). Twenty-six providers were included in the 2007 survey.

The industry surveys referenced on Page 1 and above were conducted with employee benefits decision-makers from companies throughout the United States during 2006 (2007 for Boston Research Group) either by telephone or through a web-based medium. Each survey firm asked the benefits representatives, who were provided anonymity, to rate their satisfaction with their plan providers in a number of service categories. For the *PLANSPONSOR* and Boston Research Group surveys, providers were rated on such criteria as employee education, participant website, recordkeeping, ERISA services, plan sponsor website, participant statement, investment selection and performance, and satisfaction with value for cost. For the 401kExchange plan administrator survey, providers were rated on such criteria as fees, plan administration, recordkeeping and customer service. For the fund manager survey, providers were rated on fees, investment options, investment education and fund performance. Past performance is no guarantee of future results. Investments are subject to market risk and fluctuate in value.

To learn about the benefits of a retirement plan from The Standard, contact us at 877.805.1127.

Relax — we don't aspire to be the best known, just the best

About The Standard

StanCorp Financial Group, Inc., through its subsidiaries marketed as The Standard — Standard Insurance Company, The Standard Life Insurance Company of New York, Standard Retirement Services, StanCorp Mortgage Investors, StanCorp Investment Advisers, StanCorp Real Estate, StanCorp Equities, and StanCorp Trust Company — is a leading provider of financial products and services. StanCorp's subsidiaries serve approximately 8.2 million customers nationwide as of June 30, 2007, with group and individual disability insurance, group life, AD&D and dental insurance, retirement plans products and services, individual annuities and investment advice. For more information about StanCorp Financial Group, Inc., visit **www.stancorpfinancial.com.**

About StanCorp Investment Advisers

StanCorp Investment Advisers, Inc., a registered investment advisor, provides strict investment research, unbiased investment advice and fiduciary support to meet the needs of plan sponsors and participants. We provide full fee disclosure and do not retain any mutual fund revenue for our advisory services.

Contact us

Are you and your plan sponsor client ready to relax about the firms' retirement plan? Wouldn't it be a relief just knowing a provider is doing everything possible to ensure that the plan's administrative responsibilities are minimized, fees are fully disclosed, participant advice is available, and that you will receive help shouldering the fiduciary responsibility associated with investment option selection and monitoring?

TheStandard®
Positively different.

StanCorp Equities, Inc.
Subsidiary of StanCorp Financial Group, Inc.
1100 SW Sixth Avenue
Portland, OR 97204-1093
www.standard.com

RP-13634 (8/07)