

Stress Test your Client's Retirement Portfolio- Cash Flow Decisions

Cash Flow Decisions now lets you stress test the retirement plan. By stress testing the plan, the returns entered (or selected) in the *Illustrate Losses* section will impact the client's current plan as well as the proposed plan. You'll have the ability to stress test the plan when an annuity, life insurance policy and/or a reverse mortgage is being proposed. This is the fairest way to propose annuities.

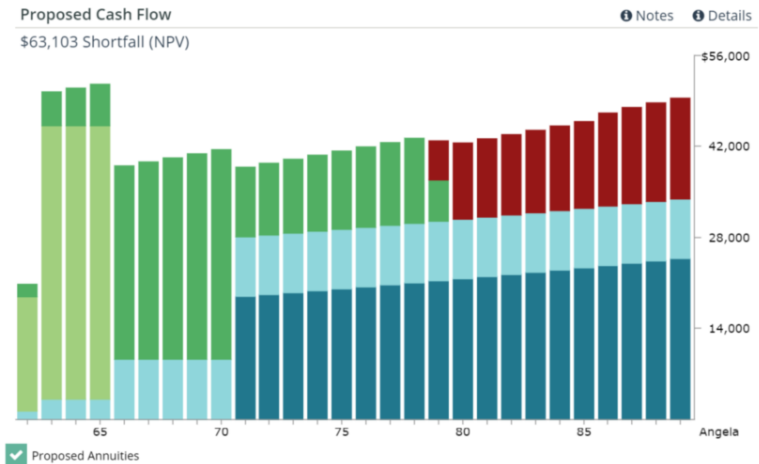
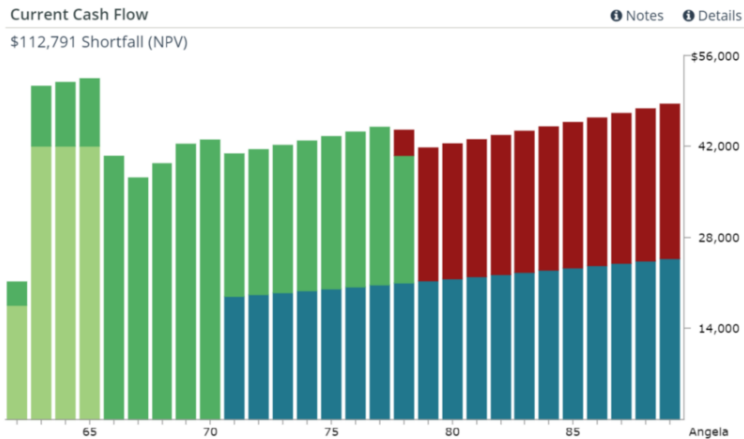
The stress being applied to the plan usually makes the annuity look like a no brainer. The overall cash flow result after the stress is applied tends to be a much better (and safer) outcome than the client's current situation without the income floor vehicle. Below is the cash flow comparison between current and proposed, with 2007, 2008 and 2009 annual returns being applied to the portfolio one year before the client's retirement is due to begin. Which side would you choose?

Add Reliable Income Sources

Proposed Reverse Mortgage

Proposed Life Insurance

Proposed Annuities



Current Proposed

Social Security
Angela starts at age 70
Filing Method: File for Benefits

Order of Asset Use
1 IRAs/401Ks
2 Savings
3 Investments
4 Roth IRAs

Automatic Optimization Manual Selection

Assumptions (apply to both current and proposed plans)

Illustrate Portfolio Losses: Yes

Illustrate losses? Yes No

Occurs at Angela age: 65

Pct loss/gain age 65: 5% (-50% to +30%)

Pct loss/gain age 66: -37% (-50% to +30%)

Pct loss/gain age 67: 26% (-50% to +30%)

Simulate 2000-2002 Simulate 2007-2009