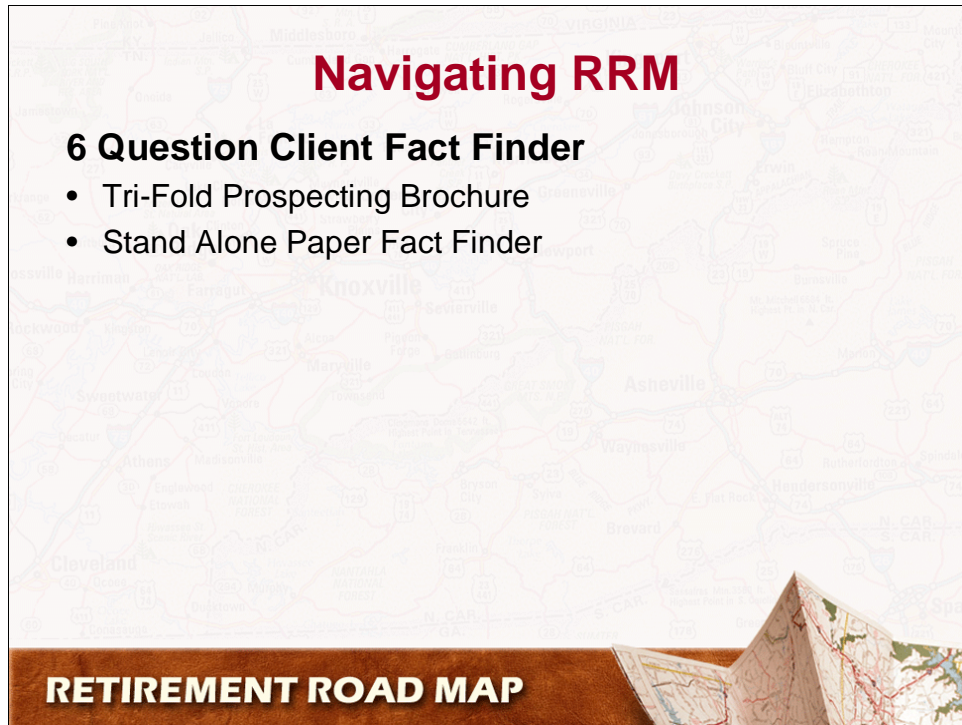




Welcome to the Retirement Road Map Navigation tutorial. This tutorial will walk you through entering client data and creating product recommendations so that you can create powerful retirement distribution planning sales presentations for your clients and prospects. And we hope to give you a few sales tips for the software along the way!



Before we cover navigation in the software, remember there are two main ways to collect the client information you need to run an analysis. One is to use the “6 Questions” section of the Tri-Fold Prospecting Brochure, the other is to simply use the Retirement Road Map stand-alone paper fact finder.

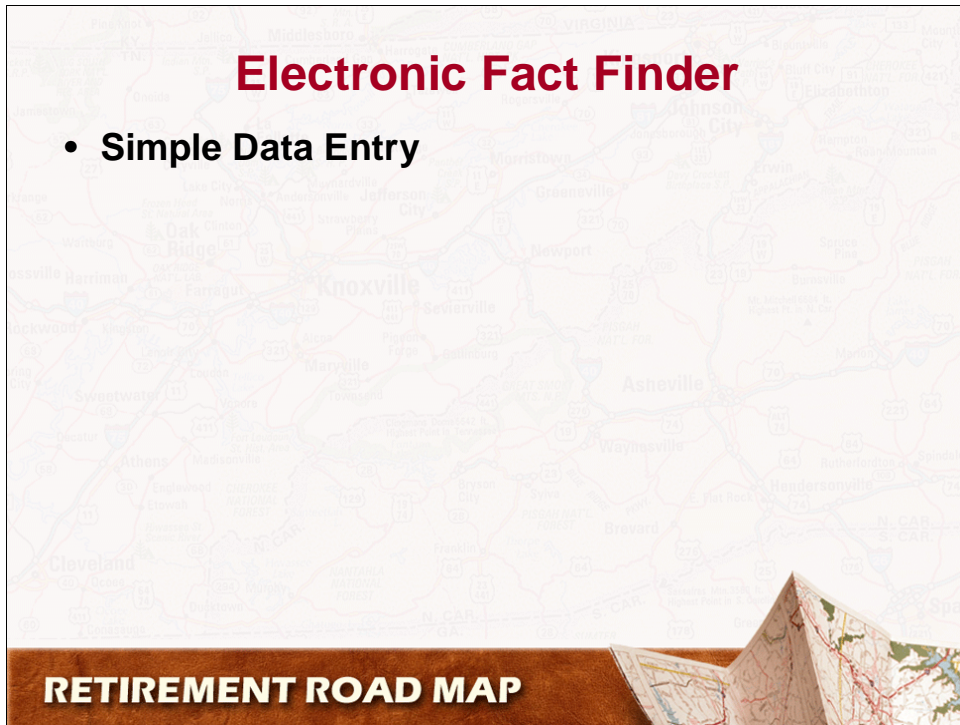
Navigating RRM

- Electronic Fact Finder**
 - Simple and Detailed View
- Recommendations Section**
 - Select which products to recommend
 - View results of recommendations on screen
- Choose Pages to Print**
 - Black and White version

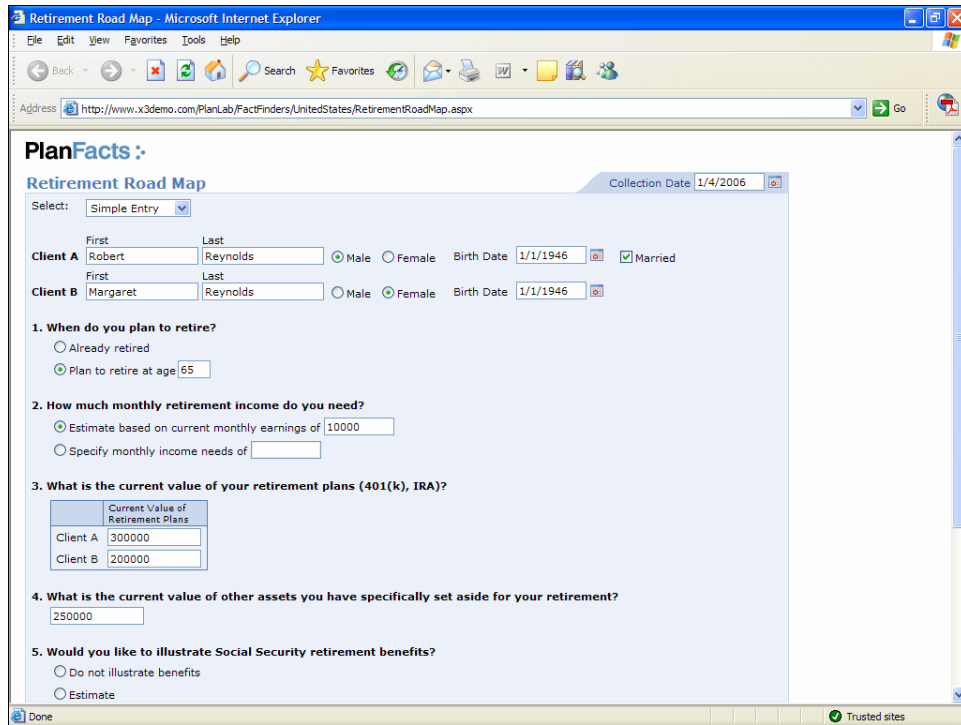
RETIREMENT ROAD MAP

So, assuming you have collected the client information, we will cover three basic sections in the RRM Navigation portion of this tutorial.

- 1) Entering Client Data
- 2) Producing Recommendations
- 3) Choosing the Pages to Print and Creating the Presentation



So let's start with the basics. We will now walk through the simple data entry version of the fact finder.



Open the Retirement Road Map fact finder. Enter Client A and Client B's names, genders and dates of birth. (If your client is single, uncheck the "Married" box and just fill in the information for Client A.) For both single and married cases, the software will always use the age of Client A to establish time frames during retirement – including the retirement start age.

After you have entered the client information, the first question reads:

1. When do you plan to retire?

If the client considers themselves already retired, click "Already retired". For clients who have not yet retired, if you click, "Plan to retire at age", the software will provide a box to fill in an age.

2. How much monthly retirement income do you need?

If the client is unsure of specifically how much money they will need, or if they believe their lifestyle during retirement will be similar to their pre-retirement lifestyle, click "Estimate based on current monthly earnings of" and fill in the current combined household income for Client A and B. The printed presentation will elaborate on how the client's current monthly earnings will translate into income needs during retirement.

If the client knows exactly how much money they will need during retirement, click "Specify monthly income needs of" and fill in the total monthly amount for client A and B in today's dollars in the box. A 3% inflation rate will inflate that need beginning today throughout retirement.

By answering questions 1 and 2, the software is now able to run an analysis based on the information collected. Answers to the additional questions in the fact finder are highly recommended and will create a more realistic and actionable analysis for the client. If a prospective client is reluctant to share any more information than questions 1 and 2, you can still run an analysis and when presenting meaningful results to the client, motivate them to take the next step in the planning process and provide that more sensitive client information.

Retirement Road Map - Microsoft Internet Explorer

Address: <http://www.x3demo.com/PlanLab/FactFinders/UnitedStates/RetirementRoadMap.aspx>

PlanFacts:
Retirement Road Map

Collection Date: 1/4/2006

Select: Simple Entry

Client A: First: Robert, Last: Reynolds, Male (selected), Female, Birth Date: 1/1/1946, Married (checked)

Client B: First: Margaret, Last: Reynolds, Male, Female (selected), Birth Date: 1/1/1946

1. When do you plan to retire?
 Already retired
 Plan to retire at age 65

2. How much monthly retirement income do you need?
 Estimate based on current monthly earnings of 10000
 Specify monthly income needs of

3. What is the current value of your retirement plans (401(k), IRA)?

	Current Value of Retirement Plans
Client A	300000
Client B	200000

4. What is the current value of other assets you have specifically set aside for your retirement?
 250000

5. Would you like to illustrate Social Security retirement benefits?
 Do not illustrate benefits
 Estimate

3. What is the current value of your retirement plans (401(k), IRA)?

Enter in the current total value of all of Client A and B's defined contribution type qualified plans including 401(k)s, IRAs, profit-sharing plans, etc. The software will allow you to illustrate multiple distribution methods to determine which method is best for the client. Retirement plans are assumed to grow at 6% with no additional contributions.

4. What is the current value of other assets you have specifically set aside for your retirement?

Enter any other assets the client has saved and intends to use for retirement. This is a very important number for you in the presentation as this represents a source of funds available for annuities, life insurance and other investments. The presentation will allow you to compare investing these assets versus using them to pay premiums for annuities and life insurance policies. These "other assets set aside for retirement" will be invested according to the asset mix established in the presentation.

5. Would you like to illustrate Social Security retirement benefits?

Click the first option to NOT illustrate Social Security benefits for Client A and B.

Click the 2nd option to illustrate the maximum Social Security benefits for Client A and B. (The maximum Social Security benefit would be paid to someone whose salary has continually been equal to or higher than the maximum wage base. The maximum wage base is inflated annually and is \$94,200 in 2006.)

Click the 3rd option to enter into the boxes the actual monthly full retirement benefit amount for Client A and B off of their annual Social Security Statement.

Social Security benefits will be inflated at 3% in the software.

6. Do you know of any other retirement income?

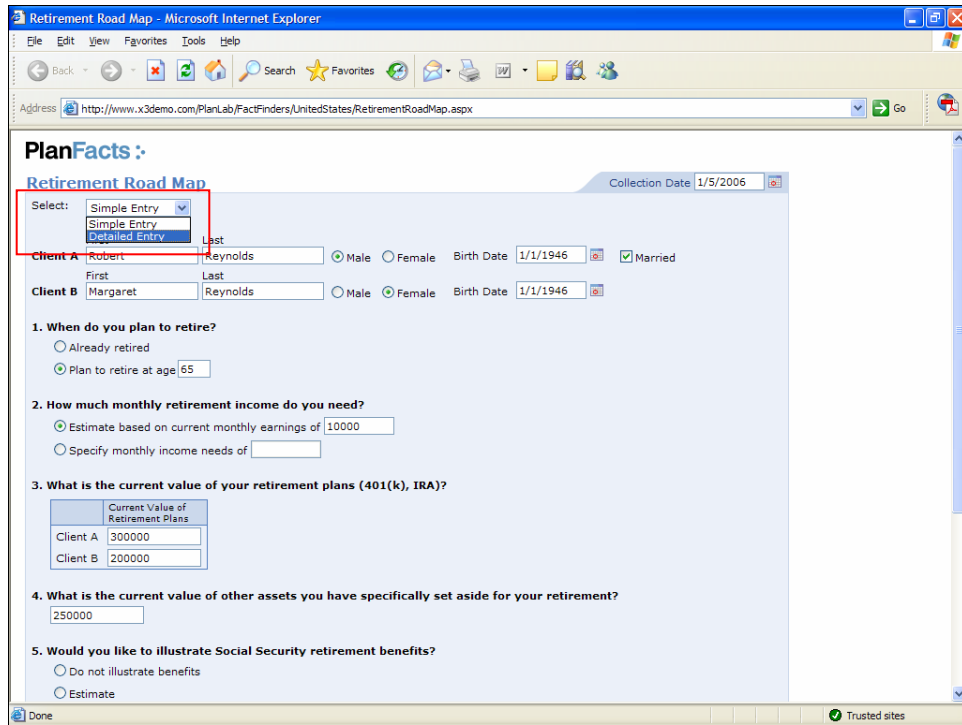
Enter any defined benefit type retirement benefits such as a pension plan or any other known sources of income during retirement. For example business income, rental income, etc. should be entered here. Incomes are assumed to inflate at 3% during retirement.

At the bottom of the fact finder, choose an option:

1. **Save** – Saves the client file in the software, but does not create a printed presentation. (web version only)
2. **Print/Preview** – Creates a printed presentation (and saves the client file in the web version)
3. **Proceed to Recommendations** – Does not create a printed presentation but immediately takes you into the recommendations portion of the fact finder.



Let's go back now and look at some of the more advanced data entry you can do in the software.



To change the fact finder from “Simple Entry” to “Detailed Entry”, simply click on the drop-down list and select “Detailed Entry”.

Retirement Road Map - Microsoft Internet Explorer

Address: http://www.x3demo.com/PlanLab/FacFinders/UnitedStates/RetirementRoadMap.aspx

PlanFacts
Retirement Road Map

Collection Date: 1/5/2006

Select: Detailed Entry

Client A: First: Robert, Last: Reynolds, Male, Birth Date: 1/1/1946, Married

Client B: First: Margaret, Last: Reynolds, Female, Birth Date: 1/1/1946

1. When do you plan to retire?
 Already retired
 Plan to retire at age 65

2. How much monthly retirement income do you need?
 Estimate based on current monthly earnings of
 Specify monthly income needs of
 Enter schedule of needs and wants

Retirement Phases	Basic Lifestyle Needs	Additional Wants
Begins at Client A's age: 65	7000	2000
Description of Retirement Phase: Initial Retirement (more travel, hobbies, activities, etc.)		
75	7000	1000
Description of Retirement Phase: Seasoned Retirement (less activities)		
85	7000	0
Description of Retirement Phase: Matured Retirement (much less activities, perhaps due to health)		
Assume Client A dies at age 92 and the surviving client lives to age 100		
Survivorship Years (After hypothetical death of one client)	6000	0

Monthly Needs Defined in Today's Dollars

3. What is the current value of your retirement plans (401(k), IRA)?

2. How much monthly income do you need?

Click the new 3rd option to enter a schedule of the client's retirement income needs and wants. This allows you to select at which age each of the phases begin and how long the "survivorship" phase will last. If the client doesn't want a specific phase to show, simply use the same start age for the phase they do not want and for the next phase after that and the presentation will adjust automatically. (So the client wants no Seasoned Retirement- just have "Seasoned" start at 85 and "Matured" start at 85. The software will understand to skip over the Seasoned phase.

You can also establish the monthly needs and wants for both Client A and B in today's dollars. "Basic Lifestyle Needs" are defined as how much income the client would need to support their basic lifestyle – pay the bills, their taxes, car and house payments, food, etc. "Additional Wants" is the money they want to do all the things they've ever wanted to do during retirement. They don't *need* the money to survive, but they would be extremely disappointed if they didn't have it.

3. What is the current value of your retirement plans (401(k), IRA)?

	Current Value of Retirement Plans	Total Annual Contributions (including employer)	Apply Annual Increase to Contributions
Client A	300000	0	<input type="radio"/> Yes <input checked="" type="radio"/> No
Client B	200000	0	<input type="radio"/> Yes <input checked="" type="radio"/> No

Expected growth rate: 6 %

Select distribution method: Using Level Payments

4. What is the current value of your Social Security account set aside for your retirement?
250000

5. Would you like to illustrate Social Security retirement benefits?

Do not illustrate benefits
 Estimate
 Enter benefits

Yours: 1800 per month
Your spouse's: 1500 per month

6. Do you know of any other retirement income?

Other retirement income

Yours: 0 per month Start age: 65 Continue for life Continue for ___ years Adjust for inflation
Your spouse's: 0 per month Start age: 65 Continue for life Continue for ___ years Adjust for inflation

Pensions or defined benefit payments

Yours: 0 per month Start age: 65 COLA: 0 % 50 % continuing to spouse
Your spouse's: 0 per month Start age: 65 COLA: 0 % 50 % continuing to spouse

Buttons: Save, Print, Proceed to Recommendations

Impact logo

3. What is the current value of your retirement plans (401(k), IRA)?

In the Detailed Version, you now have the ability to enter Total Annual Contributions for the retirement plans (for both the employee and employer) and the ability to inflate those contributions at 3%. Contributions will continue from now until the retirement start age entered in Question 1.

You can also change the expected growth rate of the retirement plans and the distribution method that will be used in the printed presentation. (The selection of a distribution method can also be done in the Recommendations section of the fact finder.)

6. Do you know of any other retirement income?

Additional options in the “Detailed Version” include specifying an income stream that does not last all the way through retirement. You can enter the start age, how long it lasts and check the box to increase the amount at 3% for inflation. On the pensions, you have the ability to add the start age of the pension, a Cost of Living Adjustment (COLA), and the percentage of the monthly pension benefit that will continue to the spouse.



Remember, Retirement Road Map can create a “one interview sale”. After using the software a few times, you will likely have a good idea of some of the products you would like to recommend to this client. So as opposed to printing out the presentation, showing it to the client and then going back and creating recommendations to show the client in a second appointment, why not skip a step and have the recommendations ready for the first appointment?

Retirement Road Map - Microsoft Internet Explorer

Address http://www.x3demo.com/PlanLab/FacFinders/UnitedStates/RetirementRoadMap.aspx

Plan to retire at age 65

2. How much monthly retirement income do you need?

Estimate based on current monthly earnings of 10000

Specify monthly income needs of

3. What is the current value of your retirement plans (401(k), IRA)?

	Current Value of Retirement Plans
Client A	300000
Client B	200000

4. What is the current value of other assets you have specifically set aside for your retirement?

250000

5. Would you like to illustrate Social Security retirement benefits?

Do not illustrate benefits

Estimate

Enter benefits

Yours 1800 per month

Your spouse's 1500 per month

6. Do you know of any other retirement income?

Other retirement income

Yours 0 per month

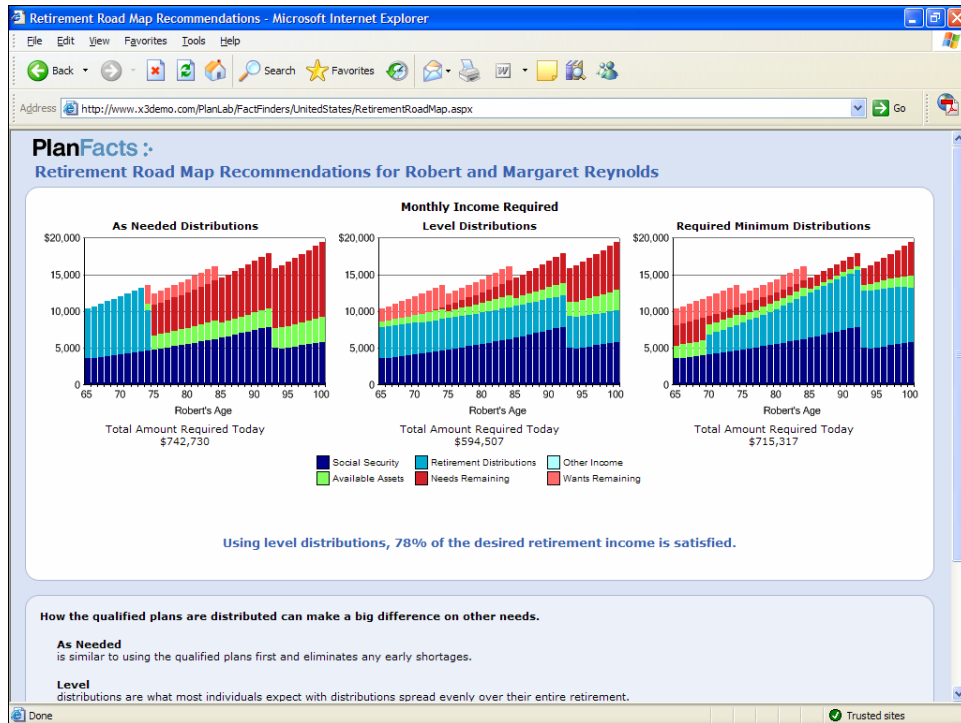
Your spouse's 0 per month

Save Print **Proceed to Recommendations**

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Done Trusted sites

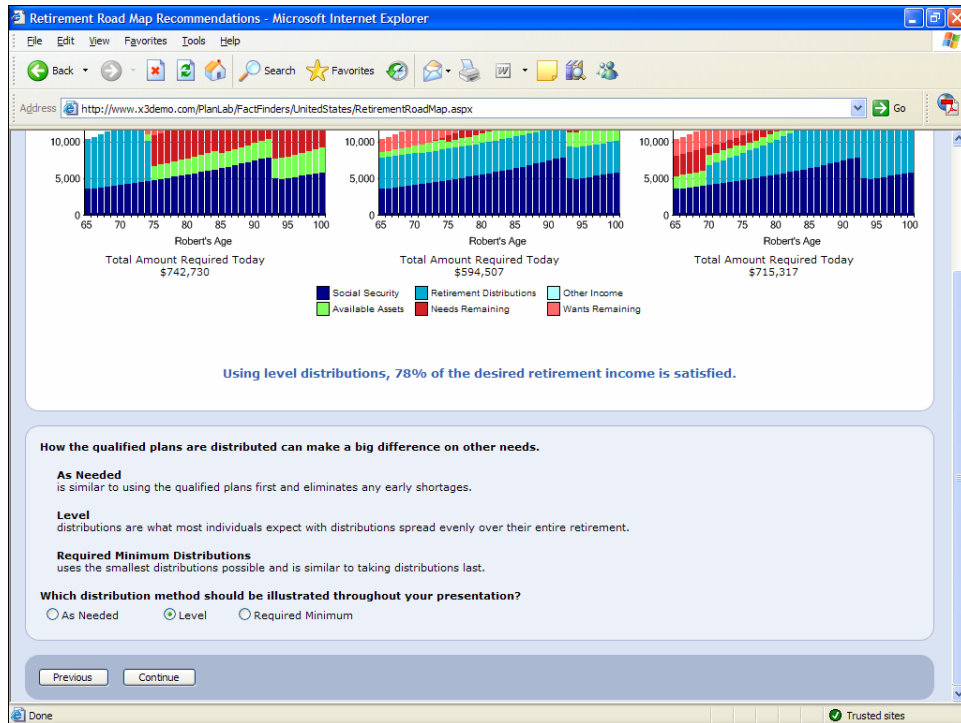
To enter the Recommendations section of the fact finder, simply click the “Proceed to Recommendations” button at the bottom of either the “Simple” or “Detailed” Versions of the fact finder.



The recommendations section will walk you through a series of product recommendations and provide on screen feedback to help you determine what to recommend.

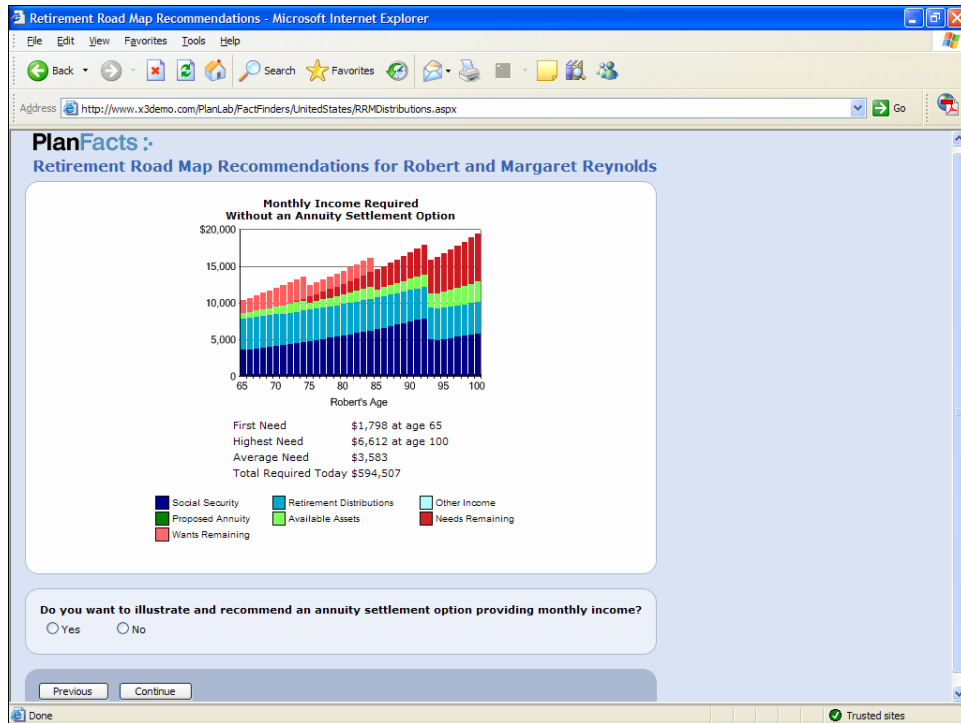
The first recommendation discusses the best way to distribute the qualified plans throughout retirement. There are three graphs displayed on screen, each with a different distribution method. Below each graph is the Total Amount (of other assets) Required Today. The lower the number, the better. This number represents the present value of all the shortfalls illustrated in red on the graphs. The three distribution methods shown are:

1. **As Needed Distributions (left)** – Enough money is distributed from the qualified plans each year to make up the shortfall between the Income Needs (and Wants) and the sum total of all the Social Security, pensions and other assets. In other words, distributions are taken from the qualified plan “as they are needed” to make up for the shortfalls. This method commonly erases any cash shortfalls early in retirement, but creates comparatively larger cash shortfalls later in retirement.
2. **Level Distributions (center)** – Distributions are taken evenly over the lifetimes of the client and spouse. The 72(t) Safe Harbor Amortization distribution method is used starting at the client’s retirement age and calculated on both the client and the spouse. This method commonly leaves comparatively moderate shortfalls evenly throughout the entire retirement.
3. **Required Minimum Distributions (right)** – Distributions from the qualified plans are not taken until they are required at age 70½. This method commonly leaves comparatively higher shortfalls early in retirement and comparatively lower shortfalls later in retirement.



Often, you will choose to recommend and illustrate the distribution method that creates the lowest “Total Amount Required Today”, but that may not always be the case. In the event a client has poor health or a family history of relatively younger ages at death, you may choose to illustrate the “As Needed Distributions” method. Or conversely, a client with high taxes at the start of retirement may choose to defer distributions using the “Required Minimum Distribution” method. Ultimately, the distribution option illustrated must consider both the numbers and client’s circumstances outside of the software.

Scroll down on the screen to select the distribution option you want to illustrate throughout the entire printed presentation. Then click “Continue” to move to the next recommendation.



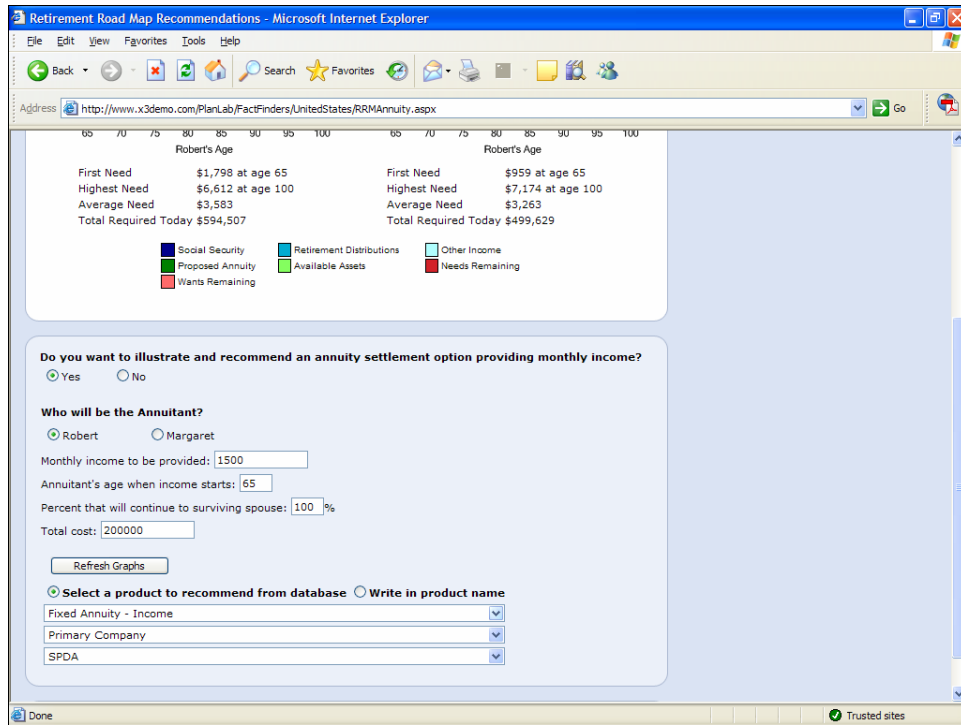
The next screen will ask if you want to illustrate and recommend an annuity settlement option providing monthly income to the client during retirement. This could be in the form of an immediate annuity, or for those clients with a few years before they retire, this may be in the form of a deferred annuity in which the client will start the settlement option in the future. This is NOT designed to illustrate withdrawal or loan provisions from a deferred annuity- that will be covered later.

Above the question, the software illustrates a graph with the annual shortfalls shown in red. Below the graph, the software gives you an idea of how much the annuity settlement option would need to be to eliminate the red. Because the shortfall amount is different each year, the software offers you multiple pieces of information to aid in the decision. It illustrates the First Need - the average monthly need in the first year where a need occurred. It illustrates the Highest Need – the average monthly need in the year where the need was the highest. And it illustrates the Average Need – the average monthly need throughout the entire retirement period.

So you have a choice:

If you choose “NO”, the software will continue to the next recommendation and the printed presentation will not contain any portion of the annuity recommendation pages.

If you choose “YES”, then the software will provide you with prompts to enter the annuity values.



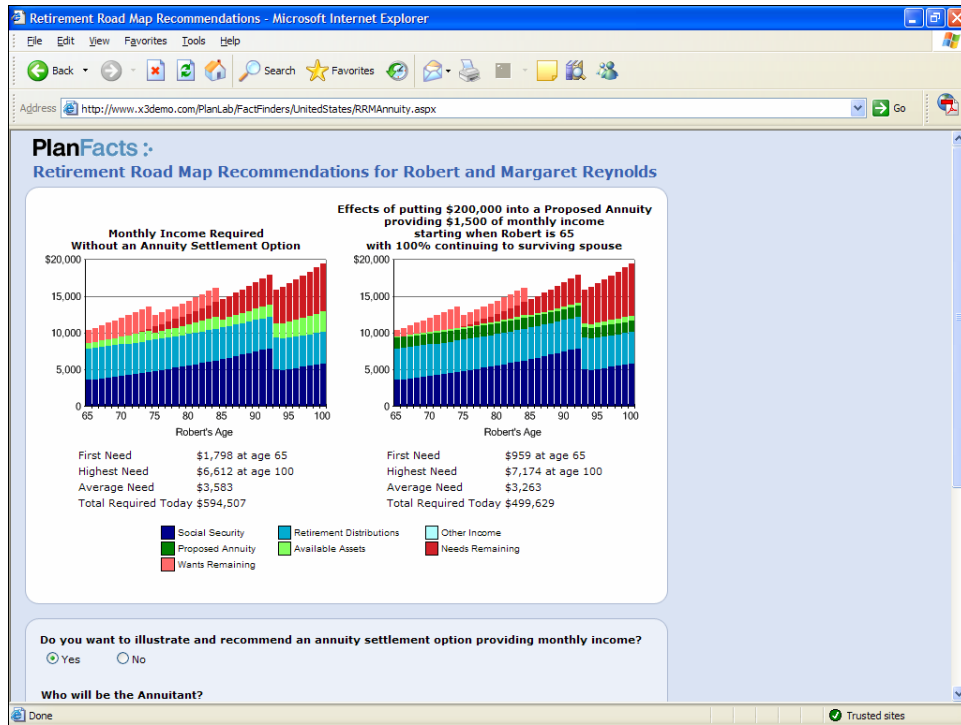
When you select yes, the prompts appear to enter:

- Who will be the annuitant?
- Monthly income amount to be provided
- Annuitant's age at annuitization
- Percentage of the annuity that will continue to the spouse, and
- The total cost of the annuity

The values for these prompts would have to be determined by an outside annuity value calculator and entered into the software. You could then choose from the options in the dropdown lists at the bottom of the screen to enter in the specific annuity name you want to recommend to the client in the printed presentation. So when the annuity recommendation is presented to the client, it will be for a *specific* product and for a *specific* amount.

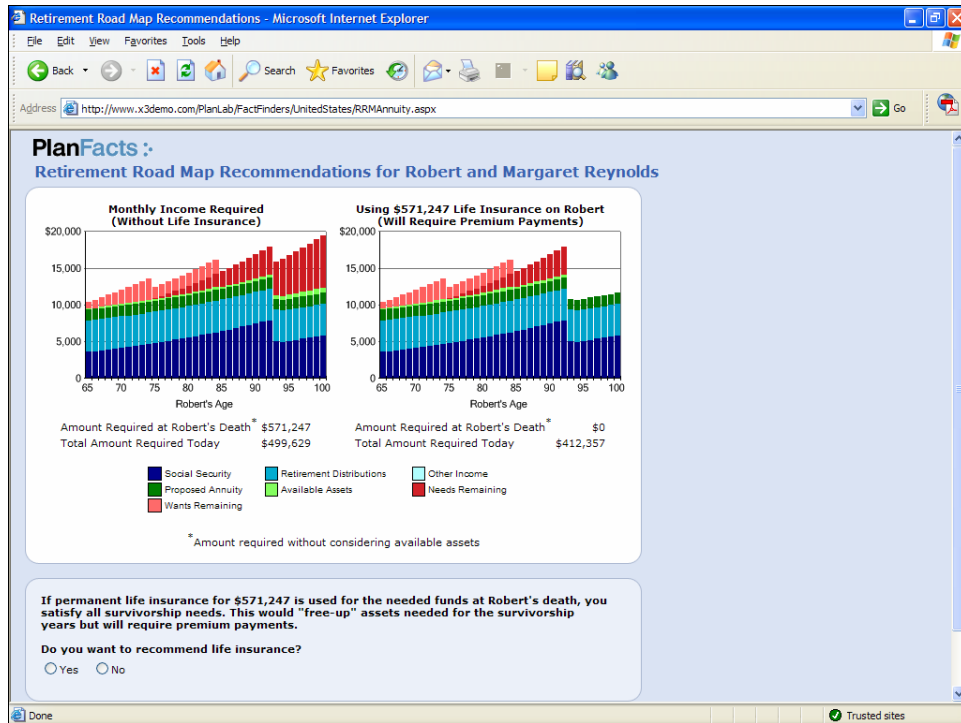
Here, you see a \$1,500 per month annuity starting at client A's age 65 with 100% of the benefit continuing to the spouse. The total cost on the annuity is \$200,000.

The "Refresh Graphs" button just below the "Total Cost" entry allows you to see exactly what effect that annuity will have to the numbers in the presentation.



So if you scroll back up to the top of the same screen, you see the effects of this \$200,000 SPDA that will annuitize \$1,500 per month as long as the client or the spouse is alive. You see the reduced amount of the First Need, Greatest Need and Average Need and you see the change in the Total Amount Required Today. Again, if you have lowered this number with the annuity in place, you have decreased the amount of *other money or other assets* the client will have to come up with to live the lifestyle they want to live during retirement. You can also see by the numbers and by the graph that not only have you recalculated with the annuity payout in place, but you have reduced the “Available Assets” (the \$250,000 of other assets the client told you they had set aside for retirement) by the \$200,000 single premium. So, in effect, you are illustrating the effects of purchasing a \$200,000 SPDA on the right as opposed to on the left, simply investing that \$200,000 and taking money from the investments during retirement.

Sales Note: Even if the Total Required Today number is not decreased with the annuity, you and the client should still consider the fact that the annuity payout is guaranteed whereas if they invest that premium amount, you and the client must attain the assumed rate of return in order to achieve the illustrated lifestyle. So with the annuity, you are moving some of the “investment risk” or “rate of return risk” from the client onto the life insurance company from which you purchased the annuity.



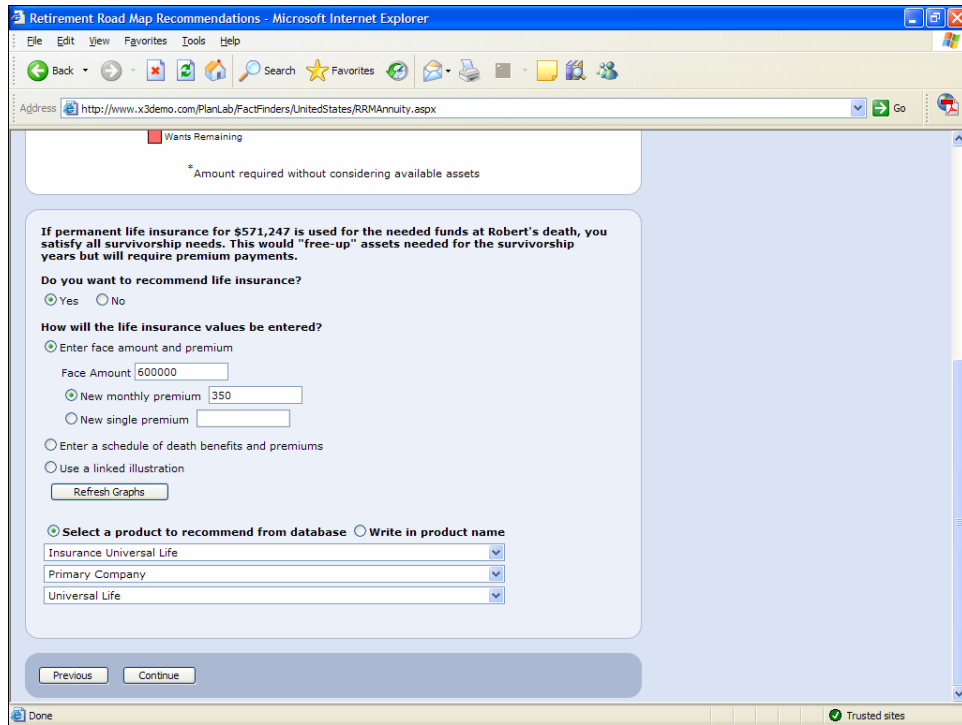
So you liked the annuity and you clicked “Continue” to move to the next screen. This screen asks if you want to illustrate purchasing life insurance on the first to die (Client A) so that the life insurance death benefit could be used to fund the living expenses of the surviving spouse.

So the question is asked:

If permanent life insurance for \$571,247 is used for the needed funds at Robert's death, you satisfy all survivorship needs. This would "free-up" assets needed for the survivorship years but will require premium payments. Do you want to recommend life insurance?

If you choose “NO”, the software will continue to the next recommendation and the printed presentation will not contain any portion of the life insurance recommendation pages.

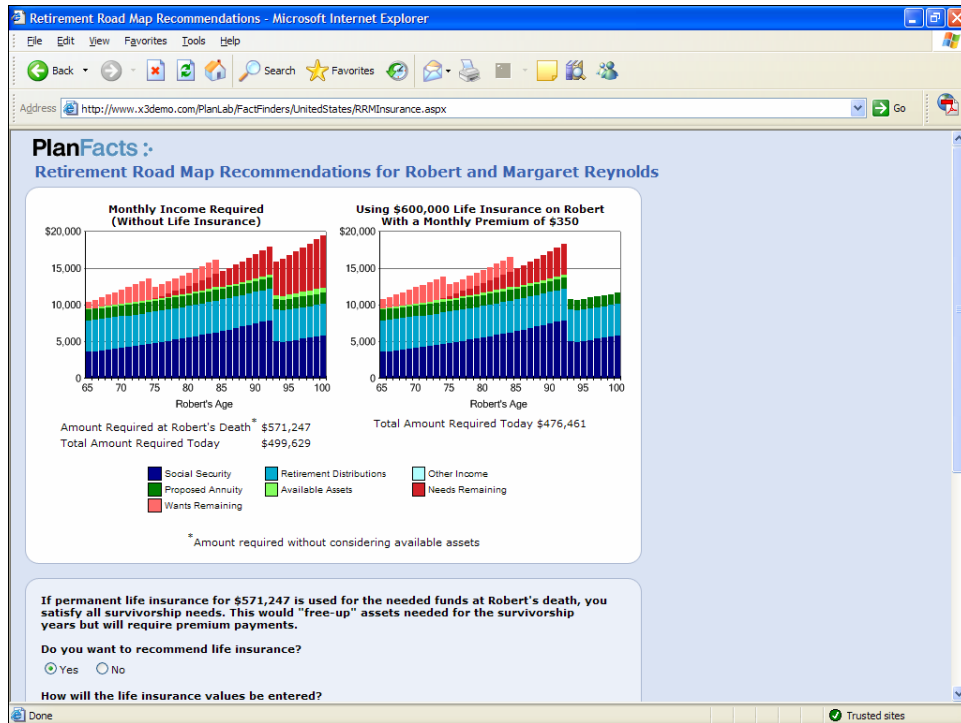
If you choose “YES”, then the software will provide you with prompts to enter the life insurance values.



If you scroll to the bottom of the screen, you can fill out the prompts for the life insurance policy you want to recommend. As you can see, you can choose to enter in only a face amount and either a monthly premium, or a one time single premium today. You could also choose to fill out a schedule which allows them to type in the death benefit and premium amount for each year of the policy, or a third option is to link to an actual policy illustration. This option must be set up beforehand, so check with your home office or with Impact to see if this functionality is available.

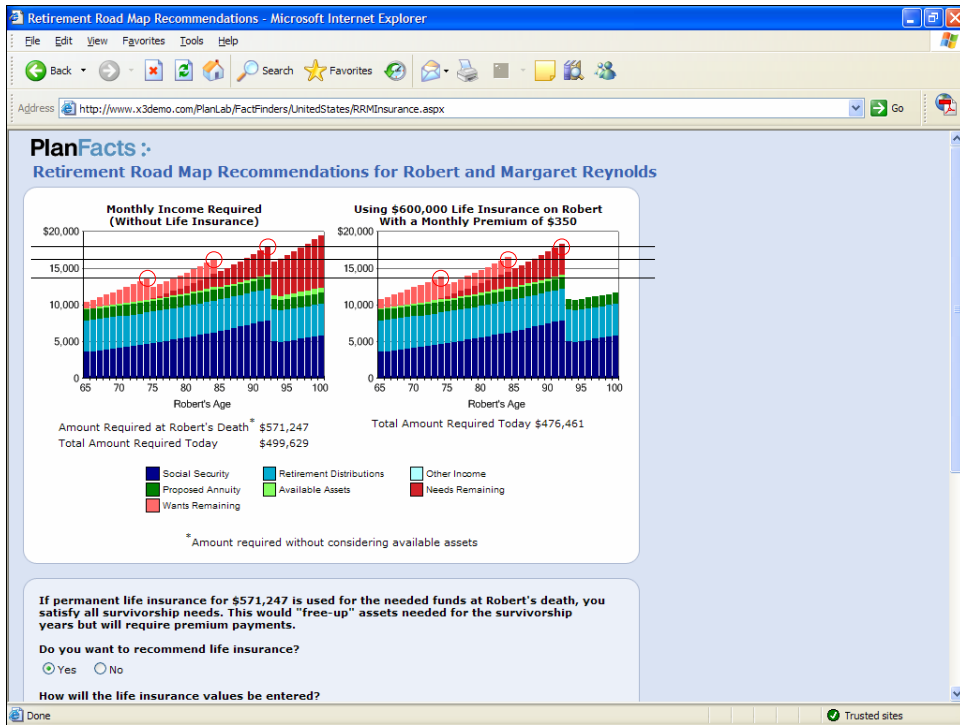
You could then choose from the options in the dropdown lists at the bottom of the screen to enter in the specific policy name you want to recommend to the client in the printed presentation. So when the recommendation is presented to the client, it will be for a specific product and for specific amounts.

The “Refresh Graphs” button just below the “Use a linked illustration” entry allows you to see exactly what effect the life insurance policy will have to the numbers in the presentation.

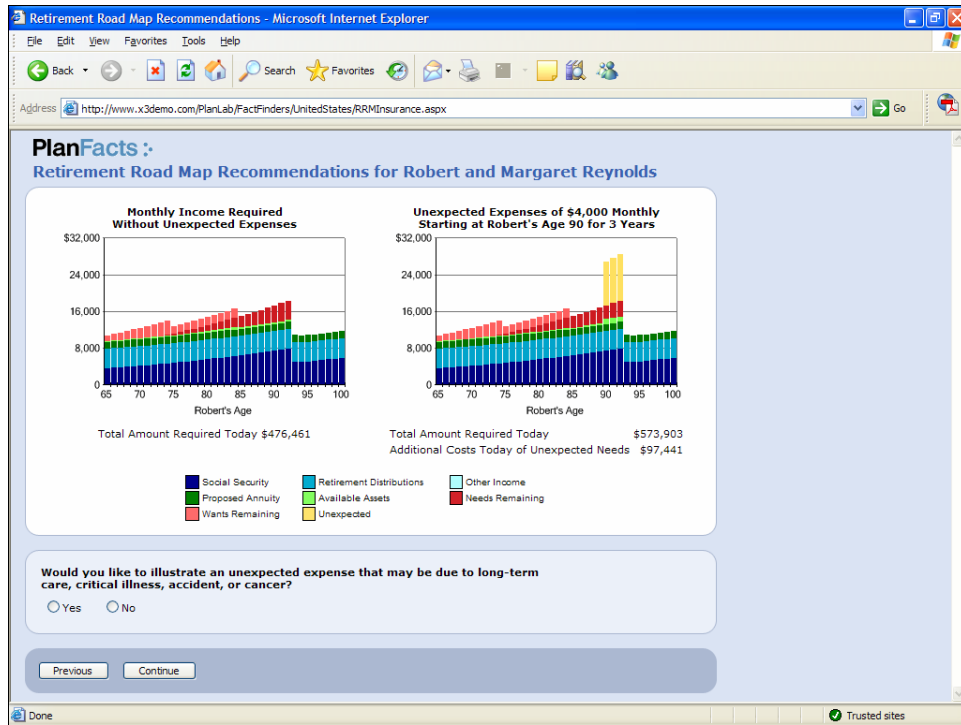


So as you scroll back up to the top of the screen, you see the effects of the \$600,000 death benefit and \$350 per month premium on the client's retirement situation. Notice that the shortfalls after Client A's death are not "covered up" by another color on the graph; they are eliminated. That is because the life insurance proceeds will eliminate the shortfall with a death benefit that is paid in cash at the time it is needed. Below the graphs, the "Total Amount Required Today" is lowered with the life insurance in place showing that the life insurance has reduced the amount of *other assets* the client needs today to live the lifestyle they want to live.

Again, even if the Total Required Today number is not decreased with the insurance, you and the client should still consider the fact that the insurance payout is guaranteed whereas if they invest that premium amount, you and the client must attain the assumed rate of return for 20 to 30 years in order to achieve the illustrated lifestyle. So with the life insurance, you are moving some of the "investment risk" or "rate of return risk" of the premiums from the client and onto the life insurance company.



Just to prove the point that the recommendations graphs and numbers recalculate each time you change numbers in your recommendations, here you can see the effect the \$350 premium has on the annual needs columns in the graph on the right. Notice that if you drew a straight line from the top of the needs in the graph on the left (the one without life insurance) and across the graph on the right (the one with the new life insurance), you would see that the income needs are higher each year because of the \$350 premium.



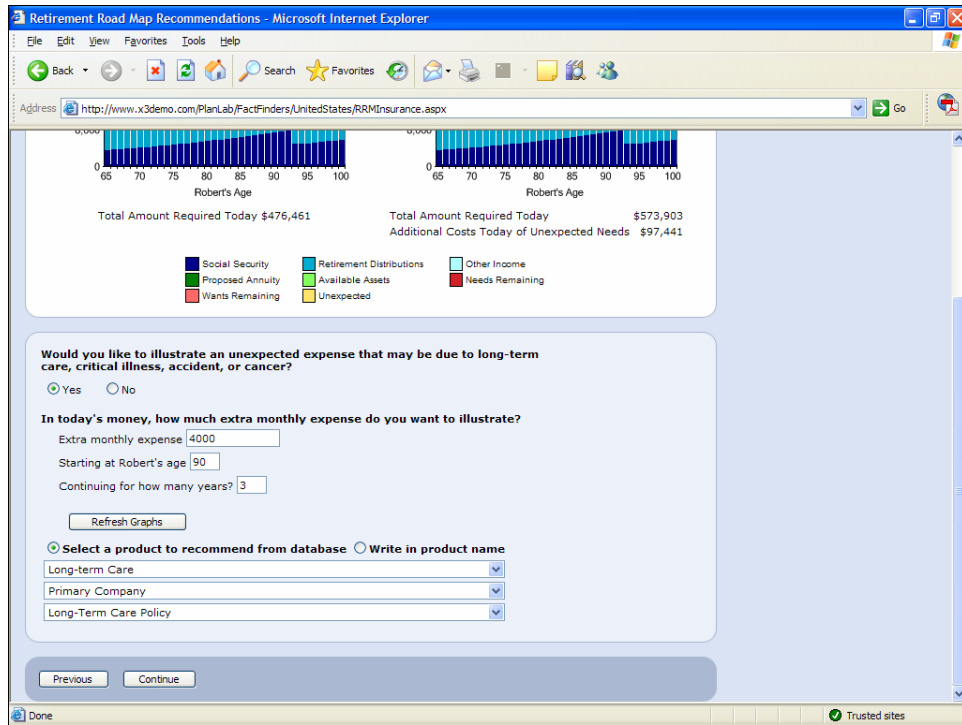
If you are happy with the life insurance recommendation, click “Continue” to move to this screen.

Would you like to illustrate an unexpected expense that may be due to long-term care, critical illness, accident, or cancer?

If you choose “NO”, the software will continue to the next recommendation and the printed presentation will not contain any portion of the LTC recommendation pages.

If you choose “YES”, then the software will provide you with prompts to enter the LTC need values.

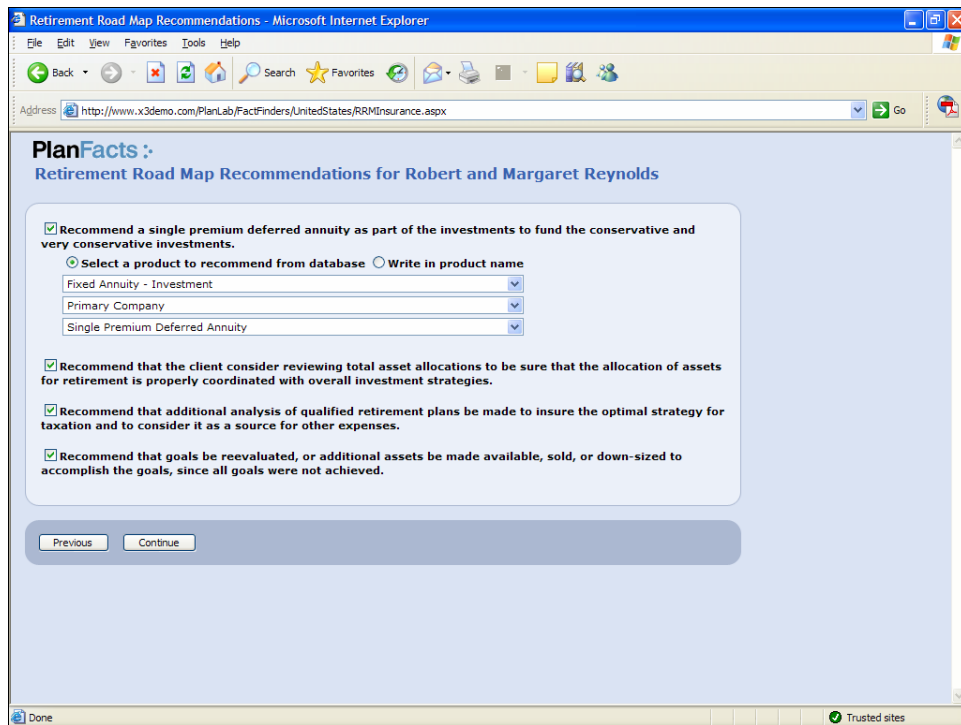
You can see the graph on the right hand side is already illustrating in yellow what the need would be if you illustrated the default values in the software.



If you choose “Yes” and scroll to the bottom of the screen, you can see the prompts to enter exactly how much this unexpected need may be. The software defaults to a monthly amount of \$4,000 which is the national average for long-term care costs, starting at Client A’s age 90 and continuing for 3 years.

Of course, you can click “Refresh Graphs” to see what the extra monthly expenses would look like in the graph at the top right and the numbers below it would illustrate how that unexpected expense increase the “Total Amount Required Today”.

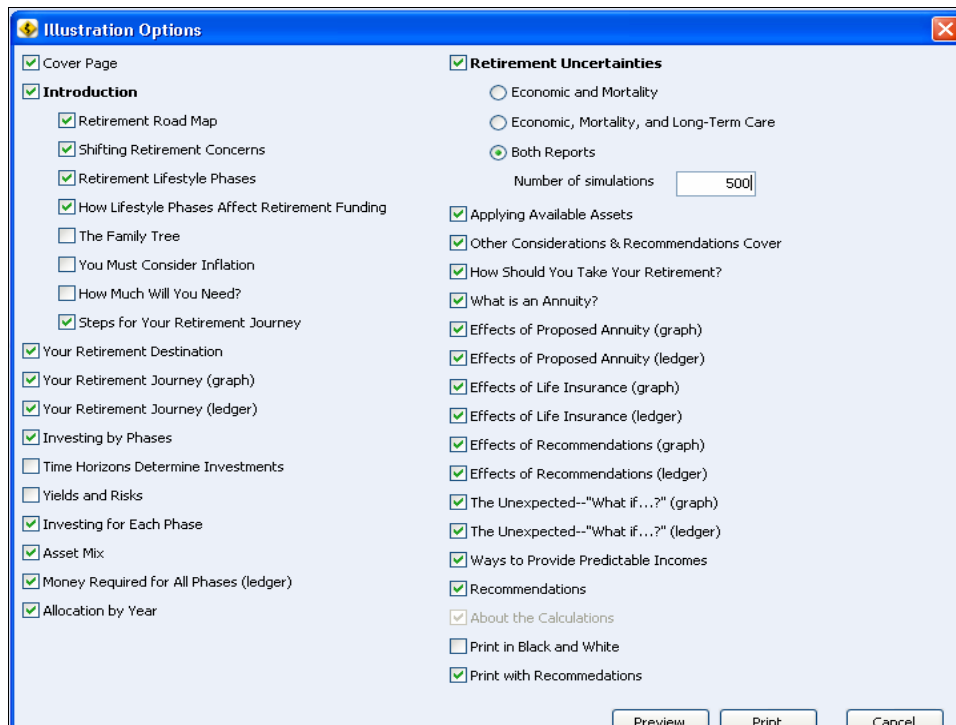
Below, you would select from the policies and riders available in the drop down list to illustrate a product that would cover the unexpected expenses illustrated- whether it was a Long-Term Care need, Critical Illness, Cancer, Accident, Healthcare, etc.



So again you click “Continue” at the bottom of the unexpected need screen and you arrive at our final Recommendations screen. This screen allows you to make other “non-number-specific” recommendations based on their client’s situation.

The first recommendation is that of a deferred annuity where you could substitute this annuity for the Conservative and Very Conservative portions of the recommended asset mix and then take money from the annuity via the withdrawal and loan provisions of the annuity. Before Retirement Road Map, you could only recommend taking a random portion of the client’s assets – generally 10, 15, or 20% and place them into a deferred annuity. Now, because of the software calculations, that number doesn’t have to be an arbitrary percentage amount. The printed presentation will illustrate the deferred annuity recommendation equal to the percentage of the Conservative and Very Conservative investments in the recommended asset mix.

The rest of the recommendations will not show up every time. They will be hidden if they do not apply. For instance, the recommendation where you recommend taking a closer look at the retirement plans will not be available if no retirement plans were entered into the plan. This keeps you from accidentally checking something in the recommendations section that does not apply- giving the recommendations a customized look to the client.

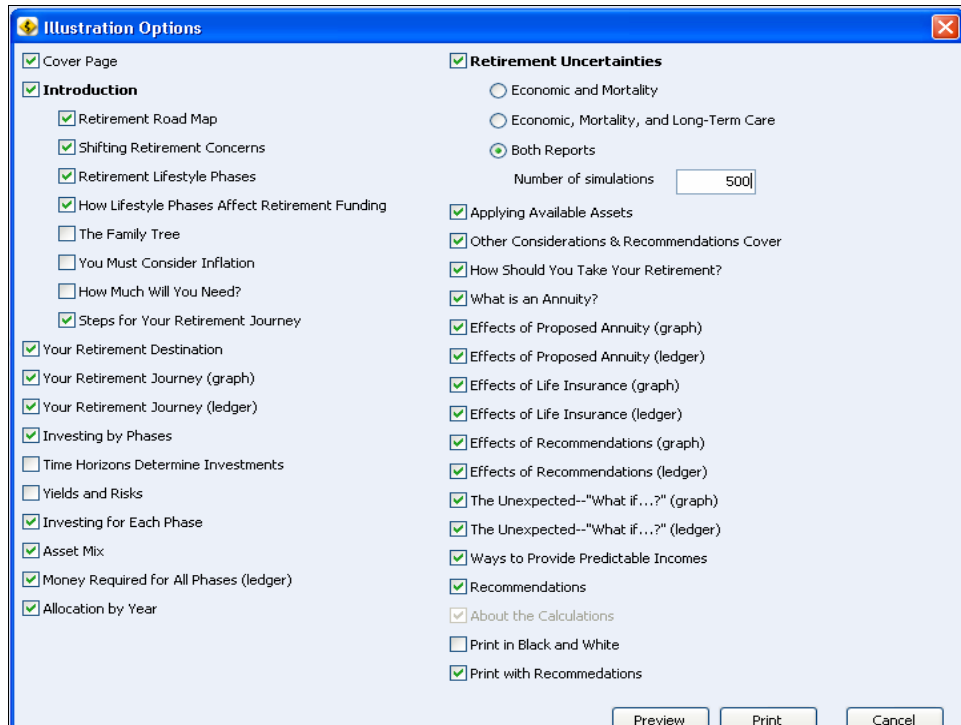


Click “Continue” again to get to the Print Options Menu. The pages listed here are in order as they will appear in the printed presentation. The pages indented on the left side represent the “brochure” section of the analysis, with the rest of the pages belonging to the “current situation analysis” portion of the presentation. Remember, the Brochure section does not contain client specific information, but includes many of the need building pages and conceptual pages needed to convey the idea of Retirement Road Map to the client. The Current Situation Analysis contains the answers to the two questions on the minds of all clients “How much do I need?” and “How should it be invested?”.

The pages on the right, beginning with “Other Considerations and Recommendations Cover,” allow you to illustrate the recommendations just created in the fact finder.

“Retirement Uncertainties” contains the Monte Carlo Simulation pages. To view the print options available for these pages, check the box next to “Retirement Uncertainties.” There are three different print options available—“Economic and Mortality,” “Economic, Mortality, and Long-term Care,” and “Both Reports.” The report pages may be printed individually or together. When printed individually, each page contains the introduction paragraphs and is complete by itself. When printed together, only the first page, the “Economic and Mortality” page, contains the introduction paragraphs so information is not repetitive.

Now that you have selected the desired print pages, enter the number of MCS simulations or trials you want the software to run in the “Number of Simulations” box. The number of trials run is directly related to the relative error used to verify the “One Number” solution for your client. Since Retirement Road Map uses very refined MCS calculations, the default is set to 200 simulations or trials. The number of simulations may be increased or decreased as needed. Typically, the relative error should be below 3%. If the relative error calculated is over 3%, increase the number of simulations and run the report again.



“Print in Black and White” should be used if you are printing to a black and white printer. The software will print the presentation in grayscale so that the pictures and graphs look better from a black and white printer.

“Print with Recommendations” box is pre-selected, allowing all the recommendations pages to be displayed and available for illustration in the presentation. If the box is un-checked, the print options for the recommendations pages will no longer be visible and will not be included in the client presentation.

After selecting all the desired print options, click “Print” at the bottom of the screen and the presentation will appear in PDF format. From there, you can view the presentation on screen and click the printer icon to print to a physical printer, or you can click the Save icon to save it to your computer.

Support Resources

Phone 1-800-438-6017 ext. 2
E-mail Support@impact-tech.com

RETIREMENT ROAD MAP

The graphic consists of a light-colored map of the Southeastern United States, showing major cities like Knoxville, Asheville, and Hendersonville. Overlaid on the map is the text 'Support Resources' in a large, bold, red font. Below this, the phone number '1-800-438-6017 ext. 2' and the email address 'Support@impact-tech.com' are listed in a bold black font. At the bottom of the graphic, there is a dark brown banner with the text 'RETIREMENT ROAD MAP' in white, bold, uppercase letters. To the right of the banner, there is a small, stylized illustration of an open road map.

If you have problems when using the software, please take advantage of Impact's support resources.

Thank you!