



No-Load Insurance Planning, Design & Comprehensive Strategies

Volume 10, Issue 1

Fee Advisors Network Newsletter

February 2008

~ Is It Time For "Truth" In Our Profession? ~

By: Joseph W. Maczuga, LIC, CFIS

Time is a strange commodity. It is both relevant and irrelevant. It represents seasons and mechanical function. Einstein referred to it as a Fourth dimension. We track time by seconds, minutes, hours, etc. as a way to keep every one on the same page. Without time, we would never be "on time". And yet, we experience the swiftness (a busy schedule) as well as the agonizing slowness (a one hour boring conference seems to last forever) of time. We mark the age of a person in years, yet that statistic has no bearing on the health, attitude, and whether that person is vibrant or not. Because of this, statistical averages are elusive.

Many scientists believe that time is represented by the expansion of the universe and we therefore may be able to go back in time. The time they refer to is the evolution of this dimension since, before creation, there was no time as we define it. Most scientist and philosophers view time as being marked by "change"; a change in ones life, circumstances, attitudes, faith, etc. Since change is the only constant in life, how will that which is taking place change us and change our profession?

Unlike the political rhetoric that we are exposed to, change for the sake of change is meaningless. Change has to equate to something of positive value for it to be good, otherwise, it becomes a disaster. As advisors, we discuss change with our clients – change in economics, comfort zones, goals and objectives, spending habits, and the like. If we have a high personal bar of professional integrity, these discussions should lead to change that is positive for the client. If the bar of professional integrity is mediocre or low (or non-existent), change represents harm to the client, as it focuses on benefiting something other than the well being of the client.

The time for change in our profession has become an increasing reality, initiated by the muted explosion of fiduciary responsibility. This season of change started to accelerate with the FPA's successful challenge to the Merrill Lynch Rule, followed by some regulatory adjustment, continued class-action litigation against financial firms, and most recently, the SEC proposal on the new Part 2 of the advisors ADV form. And all though there are some ambiguities, the primary issue with this proposal is the focus on truth through transparency and full disclosure.

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« « « « NETWORK UPDATE » » » »

Welcome New Members

J. Wayne Firebaugh, Jr. (VA)
 Darren Kreitz (AL)
 Russell Kyncl (CO)
 James Pearman, Jr. (VA)

Membership Information

Please visit our website at www.feeadvisorsnetwork.com for explanation of membership and information on membership benefits.

In Our Next Issue

To submit articles, letters-to-the-editor, or questions:

E-Mail to: FeeAdvNtwrk@aol.com
 Or, Fax to: (248) 524-0868 / Attn: Janell

Website

* Check out the [Sponsoring Firms](#) link and the [Network Affiliates](#) link on our homepage as they both have been updated.

* To find out more about the 'CFIS Designation' or the 'Universal Life Analyzer', please visit the new [Advisor Tools for Fiduciary Process](#) link on our homepage.

Note: On the homepage you will find an "updated" tag under each link, so you can see 'at a glance' if there have been changes since your last visit.

Meetings & Events

Educational web-casts and a possible workshop are currently in discussion for scheduling. Please check our website link [Meetings and Events](#) periodically, to see if/when these events have been listed.

Changes to Audit-Pro[®]

Important Update: Review Audit Pro on Page 10 (B) and note the change in the Network assisting with data input.

~ Stinger Reports / Topical Index ~

Stinger Reports are e-mail strategies for members of the Network that are both informative and educational and can catch our newer members up-to-speed quickly. Members can and should feel free to request any of our past Stinger Reports. To receive a Topical Index of Stinger Reports from 2004 - 2007, please call (888) 854-0931 or e-mail a request to: FeeAdvNtwrk@aol.com.

** SPONSORING FIRMS & B / D 's **

<p><u>LVM Capital</u> (Advisory Firm) Portage, MI www.lvmcapital.com</p>	<p><u>Questar Capital</u> (Broker/Dealer) Ann Arbor, MI www.questarcapital.com</p>	<p><u>U.S. Wealth Management</u> (Broker/Dealer) Braintree, MA www.uswealthcompanies.com</p>	<p><u>McKinley Carter Wealth Services</u> (Advisory Firm) Wheeling, WV www.mc-ws.com</p>
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Attention: All Registered Representatives with Sponsoring B/D's.....

As your broker / dealer is a sponsor of the Network, all registered representatives are automatically subscribing members.

Important:

Subscribing Members who want a more 'proactive' approach to this market need to contact the Fee Advisors Network and ask to be put on our "Active" Subscribing Member database to receive the following:

- ◆ **Access codes** - to the "Members Only" section of the Fee Advisors Network website.
- ◆ **Additional materials** - to aid your transition into this exciting market.

We look forward to hearing from you!

(Is It Time For Truth Continued . . .)

For some advisors, this represents some additional time and expense to comply once the final draft and dates are established. However, for the majority of wealth management firms and dually licensed RIA's, this change brings to them a Moment of Truth. Truth in how they address the risk management issues of financial planning. Truth in how they bend the bar of professional integrity between image building and practice functionality. Truth in how product implementation is facilitated. Truth in conflicts with compensation.

Independent RIA's and wealth management firms that are not dually licensed will not have to be as concerned with how this ADV Part 2 proposal will effect their bottom line, but does this negate the need to continue to press for a more complete fiduciary capacity within their practice? I would hope not. Our surveys and interviews make it clear that such firms are "light" in the area of risk management application. Life insurance and annuities have been placed in a "closet" of old garments, only to be given away (to the competitor?). Our institutional educational resources have failed to provide unbiased courses so that the advisor is able to grasp the true value of designed strategies and product implementation of risk management that benefits the client. *(Note: Texas Tech University has recognized the need for fiduciary analysis and is integrating our analysis tools into their curriculum.)* From the insurance industry, we get a wealth of information and concepts that have a transactional basis. This creates the unfortunate mindset, which in turn creates a bias for the fee-advisor, and the client suffers the consequences.

An advisor with client focused intentions should not be swayed in either fashion by the compensation environment, but should grasp the process of fiduciary construct. However, providing unbiased analysis of concepts and product application has only been "lightly" addressed, if at all, by any of our educational institutions, certification programs, and professional organizations.

- 1) Allow me to clarify a case in point and where there is a contradiction of failure. The concept of Pension Maximization was born out of the insurance industry and, when properly scrutinized, has sound economic value. For those who are not familiar with this approach, it is a simple analysis of discovery as to the various options of payout from a client's employer qualified pension plan. By comparing a Single Life payout against a Joint and Survivor payout, the amount of payout differential is established. For example, a Single life payout may be \$5,000 a month (\$60,000 annually), and a Joint and Survivor payout would be \$3,500 a month (\$42,000 annually). This represents a "spread of \$1,500 a month (\$18,000 annually). A Single Life payout stops at the death of the retiree. However, a properly constructed **life insurance portfolio** can provide protection to both the retiree and the spouse so that they can elect the Single Life option, providing more spendable income. And, if the retiree dies, the spouse continues to receive the same amount of income (\$60,000) from the insurance proceeds of the **life insurance portfolio**. If the spouse dies, the retiree can terminate the life insurance and realize the continuance of the higher Single Life payout.

If the cost of the required protection is less than the "spread", then there is a sound economical advantage in the concept. Hence, a monthly premium of \$800 will create a net increase of income to the couple of \$700 a month (\$1,500 spread - \$800 premium = \$700), or \$8,400 annual advantage. Should the retiree die, the spouse continues to get the \$60,000 a year and enjoy the total spread benefit (no more premiums due). Should the spouse predecease the retiree, the retiree enjoys the full spread since the insurance premiums are no longer necessary.

The other option is to take the Joint and Survivor payout (\$42,000) which continues regardless of either parties' death.

Insurance is not a dirty word! In order for a client to realize the benefit of this concept, a fiduciary approach to policy design has to be instituted. By investing the time to review the economics of the strategy, the advisor can best complement the retirement planning issue for the client in an unbiased environment. There should not be any restriction of the options when retirement comes. Although this concept is best developed and planned for when the client is 10 to 15 years away from retirement, it can still be advantageous at older ages as well.

(Continued on Page 11)

~ The Pothole in Income Distribution Planning ~

By: Robert B. Ritter, Jr.
(InsMark Chairman / CEO)

The entire financial services industry is concentrating on retirement income distribution planning -- and rightfully so since accumulation planning is only half the story. And by the time an individual or couple is ready for retirement, the accumulation game is over -- all that is left is distribution planning.

So what's the pothole?

Let's take the example of Jason and Lucille Maxwell, age 65 and 60, in an assumed income tax bracket of 28%. In addition to their social security benefits, they have liquid assets available for retirement income consisting of the following:

- \$200,000 Certificate of deposit - assumed yield: 4%
- \$200,000 Municipal Bond Fund -- assumed yield: 3% (mgt fee of 0.40%)
- \$750,000 Mutual Funds -- assumed yield: 6% growth; 2% dividend (mgt fee of 0.80%)
- \$250,000 Jason's 401(k) -- assumed yield: 8% (mgt fee of 0.80%)
- \$300,000 Lucille's IRA -- assumed yield: 8% (mgt fee of 0.80%)
- \$1,700,000 Total

Including a home, personal property, and a vacation cabin, their current Net Worth is \$2,300,000.

Assume their financial adviser has determined that with their \$1,700,000 in liquid assets, 4.50% is a supportable level of after tax cash flow withdrawal compounded by a factor for inflation of 3%. Too high? Too low? Let's check it out.

But first, the pothole. Once the adviser departs, the Maxwells are really on their own to decide how to implement this cash flow strategy. Imagine that it is the first day of the first month of their retirement. They need after tax cash flow of \$6,375 (4.50% of \$1,700,000 / 12 = \$6,375).

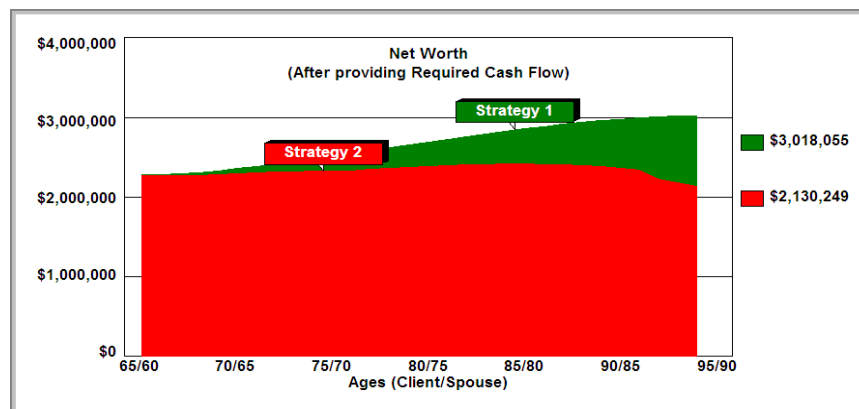
Let's have them access their liquid assets in the order listed above -- income or dividends first; then principal as needed. We'll call this **Strategy 1: Good Distribution Logic**.

We will compare this to a plan that reverses the order of the liquid assets, as follows:

- \$300,000 Lucille's IRA -- assumed yield: 8% (mgt fee of 0.80%)
- \$250,000 Jason's 401(k) -- assumed yield: 8% (mgt fee of 0.80%)
- \$750,000 Mutual Funds -- assumed yield: 6% growth; 2% dividend (mgt fee of 0.80%)
- \$200,000 Municipal Bond Fund -- assumed yield: 3% (mgt fee of 0.40%)
- \$200,000 Certificate of Deposit -- assumed yield: 4%
- \$1,700,000 Total

We'll call this **Strategy 2: Bad Distribution Logic**.

Below is a graphic of the difference in the Maxwell's projected Net Worth based on the two models of accessing their liquid assets.



(Continued on Page 6)

(The Pothole in Income Distribution Planning Continued . . .)

Both withdrawal patterns meet the Maxwell's cash flow needs, but **Strategy 1** produces long-range Net Worth 42% higher than **Strategy 2**.

Strategy 2 is poorly advised for another reason. With it, liquid assets ran out and to provide the liquidity required, we had to illustrate the sale of another of the Maxwell's assets -- their vacation cabin, a place where grandchildren gather regularly.

InsMark has the only computer software in America that can perform these calculations within the context of an overall wealth analysis. That software is Wealthy and Wise®.

I am prouder of the algorithm we developed for this purpose than almost any other financial calculation we have done at InsMark. It involves a "factorial solve", and the problem with such a solve is the vast number of calculations needed when working with a typical client's data base.

For example, with just five liquid assets (as we are showing for the Maxwells), the calculation involves 120 solve routines ($1 \times 2 \times 3 \times 4 \times 5 = 120$). In other words, Wealthy and Wise® calculates a complete analysis 120 different times in order to pick off the highest long-range Net Worth and thus establish the most efficient distribution order. It does this in about 2 seconds.

As you add liquid assets, the solves increase (any of which are too complex to do by hand):

Add a 6th, $1 \times 2 \times 3 \times 4 \times 5 \times 6 = 720$ solves in about 6 seconds;

Add a 7th, $1 \times 2 \times 3 \times 4 \times 5 \times 6 \times 7 = 5,040$ solves in about 12 seconds;

Add a 8th, $1 \times 2 \times 3 \times 4 \times 5 \times 6 \times 7 \times 8 = 40,320$ solves in about 20 seconds;

Add a 9th, $1 \times 2 \times 3 \times 4 \times 5 \times 6 \times 7 \times 8 \times 9 = 362,880$ solves in about 45 seconds;

Add a 10th, $1 \times 2 \times 3 \times 4 \times 5 \times 6 \times 7 \times 8 \times 9 \times 10 = 3,628,800$ solves (take a coffee break).

To be an effective adviser for income distribution planning using this technique, each client's case must be reviewed yearly, assets must be adjusted based on current dollar values, yield assumptions must be confirmed, and new Good Distribution Logic must be established. Consequently, each client will know precisely where to get each and every month's required cash flow. If you are not including this information in all your presentations, you had better hope your competition isn't providing it either.

Now that you know how it works, there may be a significant compliance issue if you ignore it. (Ask your Compliance Officer.)

Could this calculation capacity be a good source of ongoing fees? Assuming the appropriate level of licensing, you bet it is! And once you have your client's data and are performing this service annually, it will be very difficult for a competitor to take over this client's account.

The discussion in this report involves only one of the several unique functions available within a Wealthy and Wise® analysis. Whether the need is comprehensive wealth preservation, retirement, or charitable planning (or a combination), the use of comparative logic ("here's what happens if you do it versus here's what happens if you don't") is likely the most overlooked aspect of financial planning.

~ END ~

Bob Ritter is founder and CEO of InsMark, Inc., a computer software developer and publisher and he can be reached at sacheen@insmark.com. For information on licensing Wealthy and Wise®, call 1-888-InsMark (467-6275). The data and graphic in the article is from Version 9.0 of the Wealthy and Wise®.

~ Exceptional Risk Advisors ~

By: *Ted Tafaro*

Exceptional Risk Advisors, LLC is an outsourcing partner to trusted wealth advisors, providing their affluent clientele with the expertise and resources to effectively manage complex personal property and liability exposures. We provide our services to sophisticated Financial Advisors and Family Offices throughout the country. We treat our Advisor partners like clients, providing them with detailed quarterly reports on their client's insurance portfolios that fall under our management.

Our partners are keenly aware that we work in *conjunction* with them to not only safeguard their clients' assets, but to further advance the completeness of their practices. We are not in the business of providing life insurance, investment or tax advice. We are strictly a one-of-a-kind concierge service that creatively and privately provides personal lines solutions to advisor's affluent clientele, and, as a result, complement their current practice.

One of the most overlooked aspects of any high net worth individual's financial plan is property and casualty insurance. Most professional financial advisors either unknowingly ignore the risks associated with property and casualty exposures (or fail to realize the financial, and coverage benefits that can be gained by aggregating diverse policies) and simply advise their clients to discuss these matters with an insurance agent. Unfortunately for the client, nothing can wipe out an otherwise healthy financial plan than an under or uninsured P&C loss.

Granted, as a client's net worth increases so does the complexity in managing their Personal Lines property and casualty exposures. Most financial advisors lack the expertise to guide their client's decisions, leaving high net worth individuals with a clear void. Faced with filling this void, advisors are faced with three choices when confronting the P&C side of the equation: (1) pass along the responsibility to the client, (2) build the capability internally or (3) outsource it to a qualified partner company. Option (3) is the entire foundation of our business.

Having worked with The Fee Advisors Network for nearly one year, I know how passionate many of you are with respect to Fiduciary Responsibility and Disclosure. The CFP Board Code of Ethics and Professional Responsibility even stipulate that the Advisor recognize when a referral to another Advisor is necessary to meet the clients' need. Communication that an adequate Umbrella Liability protection is a critical component to any sound financial plan is not an uncommon recommendation from most advisors. Making certain these risks are adequately addressed is another matter altogether. Our role is to provide your clients with a well managed insurance portfolio, protecting them from an unexpected loss that could have a devastating financial impact.

Target Market:

- ◆ Clients with at least one home with a replacement cost of at least \$1,000,000
- ◆ Families with large collections (Art, Wine, Cars, etc.)
- ◆ Clients paying in excess of \$15,000 annually for their personal insurance portfolio
- ◆ Families with multiple homes in multiple states

Typical Case Study:

Exceptional Risk Advisors recently met with an entrepreneur in need of help. The family's primary residence was in a wealthy New York City suburb and their vacation home was located in the coastal town of Bay Head, New Jersey. The family maintained a \$5,000,000 excess liability policy and owned three automobiles, all of which were underwritten by a different insurance carrier than their home owner's insurance policies, and established through a different broker. In addition, they owned a 25-foot motorboat that was insured through a nationally known direct writing carrier.

Upon review of the client's assets and insurance coverage, the following key issues were uncovered and addressed:

(Continued on Page 8)

(Exceptional Risk Advisors Continued . . .)

- ◆ The client's vacation home had not been properly added to their \$5,000,000 umbrella liability policy, thus creating a crucial gap in their liability coverage.
- ◆ The liability limits on the auto and watercraft policies were insufficiently tied into their umbrella liability policy, leaving a potential coverage gap of \$200,000.
- ◆ Each policy had separate effective dates, making the tracking and renewal a hassle for the client.

The Result:

- ◆ We negotiated a program with our insurers that offered the family broader coverage at a lower price for the vacation property and its contents by consolidating the policy with the primary residence. Net annual savings: \$1,250!
- ◆ Valuable articles were added to their asset schedule including an antique Grand Piano, inherited family jewelry, and two new art pieces—all of which were underinsured under their current coverage. In addition, three other items were deleted as they had been sold.
- ◆ The umbrella liability coverage was expanded to \$10,000,000 to accommodate the growth in the family's net worth and the entrepreneur's future income.
- ◆ Policies were consolidated and coordinated to have a common expiration date and consolidated billing, making the tracking, annual renewal and payment process far more efficient.

If we are doing our job properly, adding our firm's capability into your practice will enhance your credibility and completeness of your practice. Most affluent clients do not have sophisticated advice on their existing insurance portfolio. Our goal is to deliver a higher standard of care and diligence; making both our firms shine in the process.

~ END ~

Do you have wealthy clients who:

- Are primarily concerned with cash flow rather than estate tax?
- Think gifting equals a reduction in cash flow or lifestyle?
- Will do nothing when in doubt?

Do you have middle-income clients who:

- Want to know if they can retire comfortably?
- Think life insurance premium is an expense?
- Will do nothing when in doubt?

As an advisor, do you need tools to:

- Identify worthwhile prospects and their specific planning needs?
- Generate a professional presentation that analyzes accumulation as well as distribution strategies?
- Improve your distribution allocation and selection options?



"Here's where we stepped up our efforts, and here's where we took the elevator."



If you answer yes to any of the above questions, you need to join the growing number of professional advisors (20,000 plus) using **Wealthy and Wise[®]**.

Trillions in estate assets will be transferred over the next 10 to 15 years. Your job is to help your clients transfer their share effectively. **Wealthy and Wise[®] is the tool you need to do it.**

Or will you simply do nothing when in doubt?

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<http://www.insmark.com/ProductCenter/InsGift/features.html>

~ Tools for Fiduciary Process ~

By: Joseph W. Maczuga, LIC, CFIS

Insurance Inventory Audit-Pro[®]: For RIA Fiduciary Protection

During a meeting with a large wealth management firm in California, the Principal of the firm made the statement that “when we take an inventory of our client’s insurance portfolio, we know what we see, but we don’t know what we don’t see.”

This comment led me to reflect on the circumstances of exposure to the Independent RIA’s who engage in financial planning, including CFP’s who will be under the new “fiduciary” language in the Code-of-Ethics starting June of 2008.

The following is a survey we took of fee-only advisors and independent RIA’s:

Question: When a client engages your services as an advisor and you take an inventory of assets (including insurance policies), what is the client’s expectations?

Answer: That I will review and analyze the insurance policies with the same degree of fiduciary oversight that I have exercised in the area of equity assets and the overall financial planning activity.

Question: Have you done this?

Answer: No

Question: What service do you provide?

Answer: We run a calculation of totals (premiums, cash value, coverage) and present a spreadsheet of these totals as an overview in relation to the client’s coverage needs.

Question: Do you consider this to be adequate with regard to your fiduciary responsibility for risk management?

Answer: No

Question: Why don’t you employ the same high professional standards of fiduciary construct to this part of the financial planning question as you do to asset management?

Answer: Lack of experience, expertise, knowledge, and/or methodology to provide that which the client expects and deserves. Also, lack of staff resources for time involvement, a shift in practice focus is required, and not perceived as an income generating activity.

Situational Truth: Most advisors have run a calculation of totals (premiums, cash value, coverage) and presented a spreadsheet of these totals as an overview in relation to the client’s (often out-of-date) coverage needs. However, the fiduciary responsibility requires a greater depth of analysis, which is void in this process.

Question by the Advisor Community: How can this process be employed, both for the benefit of the client and the protection of the advisor?

Answer to the Advisor Community: Due to the above, we wanted to design a system and methodology that would give depth and fiduciary construct to the advisor’s responsibility over the risk management (insurance) side of the ledger under the financial Planning function.

(Continued on Page 10)

(Tools for Fiduciary Process Continued . . .)

Inventory Audit-Pro® has been created in an Excel-based populatable .PDF format. Links are created in the Policy Style column for each policy, expanding the information gathering process to a depth of three levels of fact finding. Questions first address the policy style and then move on to a more holistic discussion on perceptions and objectives.

By gleaning the information requested, the advisor will be able to provide a summary overview to the client that integrates existing policies in the portfolio to current objectives and/or changes that have occurred since policy inception, such as:

- ◆ Are the policy styles in harmony with current desires?
- ◆ Are the policies performing as projected?
- ◆ Have the policies been monitored annually?
- ◆ Which policies have to be monitored and which do not?
- ◆ Are there cost efficient alternatives?
- ◆ Should a policy be taken to the secondary market?
- ◆ Is there a strategy that can leverage capital more efficiently?
- ◆ Are maturity dates problematic?
- ◆ Are there linkage problems to the planning strategy?

This structure and function was developed to provide a value-added service to your practice without having to redirect considerable time and financial resources away from your primary focus. Review the next section for details.

The methodology of this system allows for the advisor to:

- A) Designate a staff member to complete the policy inventory process through communication with the client without the requirement of vast knowledge.
- B) Outsource to Fee Advisors Network for the completion of the inventory process (at a cost of \$40 per policy). In which case, copies of all client policies and the most recent statement would be required.
 - ◆ FAN would complete the data input and all answers to associated policy questions.
 - ◆ FAN would complete a 'Fact Finding' sheet of objective questions that would be sent to the advisor. The advisor (or staff person) would address these questions with the client and submit the answers back to FAN (keeping the client/advisor relationship first).
 - ◆ FAN would enter remaining answers for completion of Audit-Pro®.
 - ◆ FAN would then submit the completed Audit-Pro® to the Advisor via e-mail.

The advisor can then decide to provide the summary overview in-house, or forward the completed inventory Audit-Pro® system back to the Fee Advisors Network for creation of the summary overview (at a cost of \$60 per policy).

The summary overview does not incorporate in-depth analysis on a policy-by-policy basis, but it is intended to provide red-flag issues and commentary of items that need to be addressed or considered by the client. This summary would also include steps of action and any additional associated costs for further analysis (if needed).

Included with the summary analysis is a declaration of action, or declaration of non-action and hold harmless statement to be signed by the client after presentation of the summary overview.

This process and executed client statement will provide protection to the advisor against future challenges to their fiduciary oversight.

(Continued on Page 11)

(Tools for Fiduciary Process Continued . . .)

Additional benefits from this exercise include:

- 1) You will have a chance to enhance your total relationship with the client and eliminate potential competitors;
- 2) You will discover new information about the client's other assets and their current wishes;
- 3) You will increase fee-revenue and assets under management through the discovery process;
- 4) You will increase fee-revenue through joint participation with the Fee Advisors Network for implementing

System Cost - Retail price is **\$350**, but there is no cost to our members for ordering this system. Once received, you may use it as you see fit.

~ END ~

*For more information, or to request the Inventory Audit-Pro[®] system,
contact Janell via e-mail (FeeAdvNtwrk@aol.com) or by phone (888) 854-0931.*

*"Life is a series of experiences, each one of which makes us bigger,
even though it is hard to realize this.
For the world was built to develop character,
and we must learn that the setbacks and grieves which we endure
help us in our marching onward."*

- Henry Ford

(Is It Time For Truth Continued . . .)

- 2) Another case-in-point is the use of variable annuities with some form of guaranteed retirement income to protect the downside of market volatility, while establishing stability for budgetary requirements. Commission products make this a very costly option, although it provides some advantage. Fee-only RIA's cannot afford to put this concept into a biased box and not explore the availability of use with a no-load VA. The product and rider provided by Ameritas is well worth analysis. The advisor must analyze the cost efficiency of the benefit to the option of not providing this as a tool for consideration. This is the requirement of fiduciary process.

The push back to the SEC proposal for ADV Part 2 will be no different than the push back and opposition to the FPA's challenge to the Merrill Lynch Rule. Those who have a vested interest in their practice status-quo will put up the fight. But those who are independent RIA's and/or Fee-Only need to connect the dots. Current litigation has entered the mix just recently, as advisors have been brought to task for not fulfilling their fiduciary responsibility in the area of risk management (life insurance).

The Moment of Truth is this: "Hocus-Pocus", or "client focus". Now is the time to decide what changes you need to make.

~ END ~



Ashar Group - Life Settlements - Fundamentals for Advisors

Join us for a Webinar on March 10th

[Register Now](#)

Space is limited. . . Click on 'Register Now' to reserve your Webinar seat!

Please join us on Monday, March 10th at noon (eastern) for a one hour webinar (web-based seminar) focusing on the fundamentals of life settlements and how to integrate the opportunity into an overall financial planning strategy for clients.

Webinars are presented in a "listen only" format. Questions can be submitted via the webinar e-mail feature.

To learn more about our webinar series, please contact Kristine Kugler at Kristine.Kugler@ashargroupllc.com or (407) 772-1818.

Next Webinar:

Monday, March 24th at noon (eastern) - please e-mail Kristine (above) to have an invitation announcement sent approximately 1 week prior to webinar.

System Requirements:

PC-based attendees: Windows® 2000, XP Home, XP Pro, 2003 Server, Vista

Macintosh®-based attendees: Mac OS®X 10.3.9 (Panther®) or newer

**** WELCOME NEW NETWORK AFFILIATE SPONSORS ****

Back Nine Financial

Back Nine Financial is an independent facilitation organization that provides education, planning tools, product implementation options and methodology with a focus on how one may successfully navigate and thrive throughout their retirement income phase (the "Back Nine" of the full cycle financial planning process).

As an Affiliate Sponsor of the Fee Advisors Network, their sole objective is to partner with the RIA as a resource for this major event in the lives of your clients. As an industry, we have spent 50+ years assisting clients to accumulate wealth (the Front Nine), with little or no attention given to the distribution phase (the Back Nine)!

Your client does not have the option of skipping the Back Nine of their retirement years. The only question is - what will the weather be like on the course?

Fee Advisors Network has been working with Back Nine Financial over the past year in structuring an educational approach for open architecture planning on the retirement side of your client's ledger. They are familiar with our total fiduciary overview in regard to the financial planning process, including life and annuity issues. Working with our Audit-Pro® system and no-load or fee-engagement venues, they can present a one-on-one discussion as to strategies, concepts, and tools that are available for the retirement income stream scenario with sound asset management.

Dave Zander

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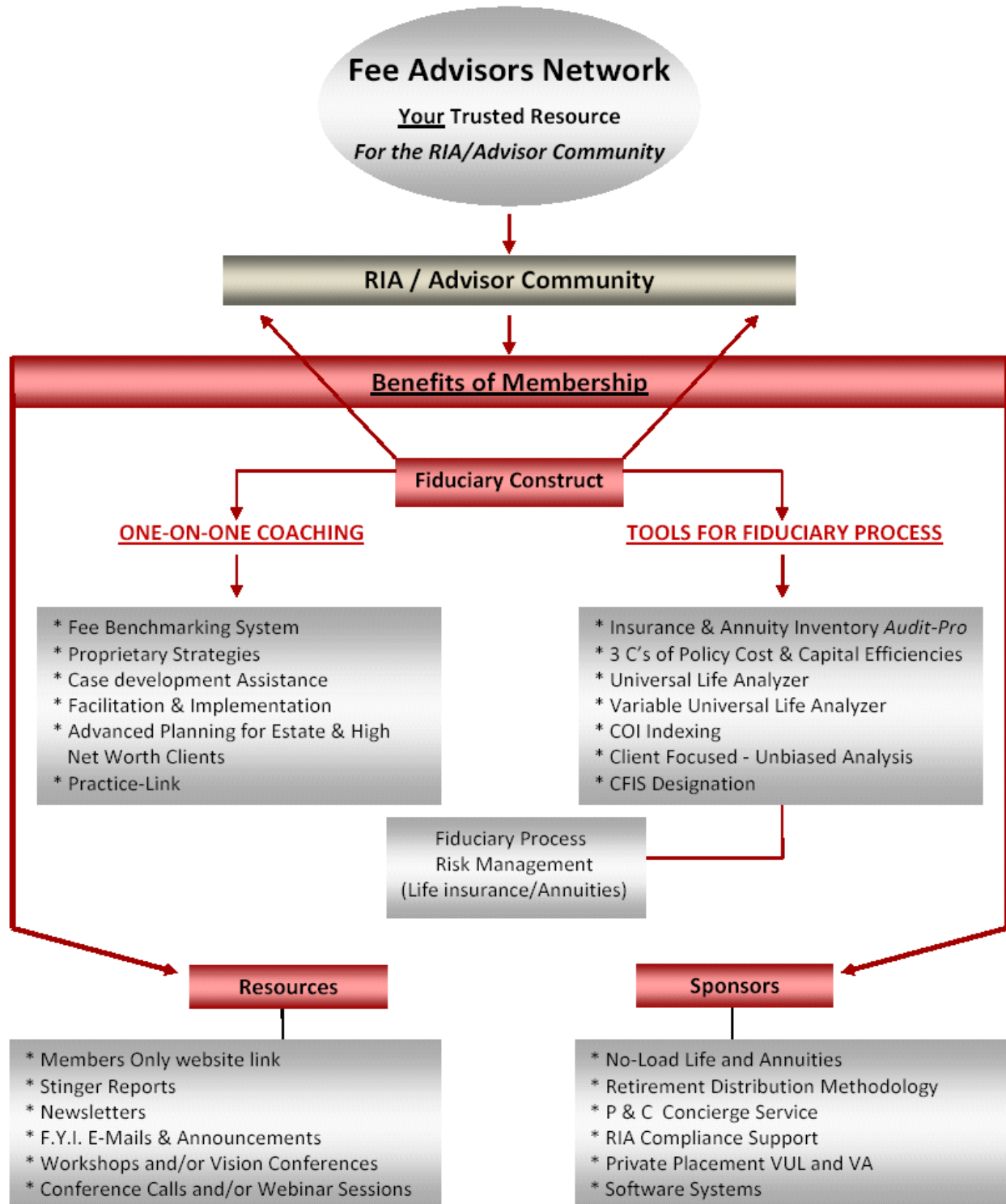
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*When you need to outsource . . . don't just outsource!
 Having a trusted resource and forming a relationship is more than just having a referral contact – so consider the total environment, for the benefit of your clients and your practice.*



KEEP YOUR CLIENTS' RETIREMENT ON THE *right track.*

Help them avoid the detours by offering flexibility, low cost and a guaranteed source of income.



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The Ameritas NLVA is a low-cost, no withdrawal charge deferred annuity that offers professionally managed investment options, a guaranteed death benefit and payment options to help meet your clients' long-term investment needs, especially for retirement.

There's no GLWB Rider charge until your client elects to activate it; so they can

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*Any gains withdrawn are taxed as ordinary income and withdrawals prior to age 59 1/2 may be subject to additional penalties. The No-Load Variable Annuity (form 6150) is issued by Ameritas Life Insurance Corp (ALIC) and underwritten by affiliate Ameritas Investment Corp. Ameritas Advisor Services is a division of ALIC. Rider may not be approved in all states and is available on new issues only. Guarantees based on the claims-paying ability of the issuer. Variable annuities are suitable for long-term investing and are subject to investment risk, including the possible loss of principal. **Before investing, carefully consider the investment objectives, risks, charges and expenses, and other important information about the policy issuer and underlying investments. This information can be found in the policy and investment option prospectuses. Contact us for a prospectus and read it carefully before investing.**