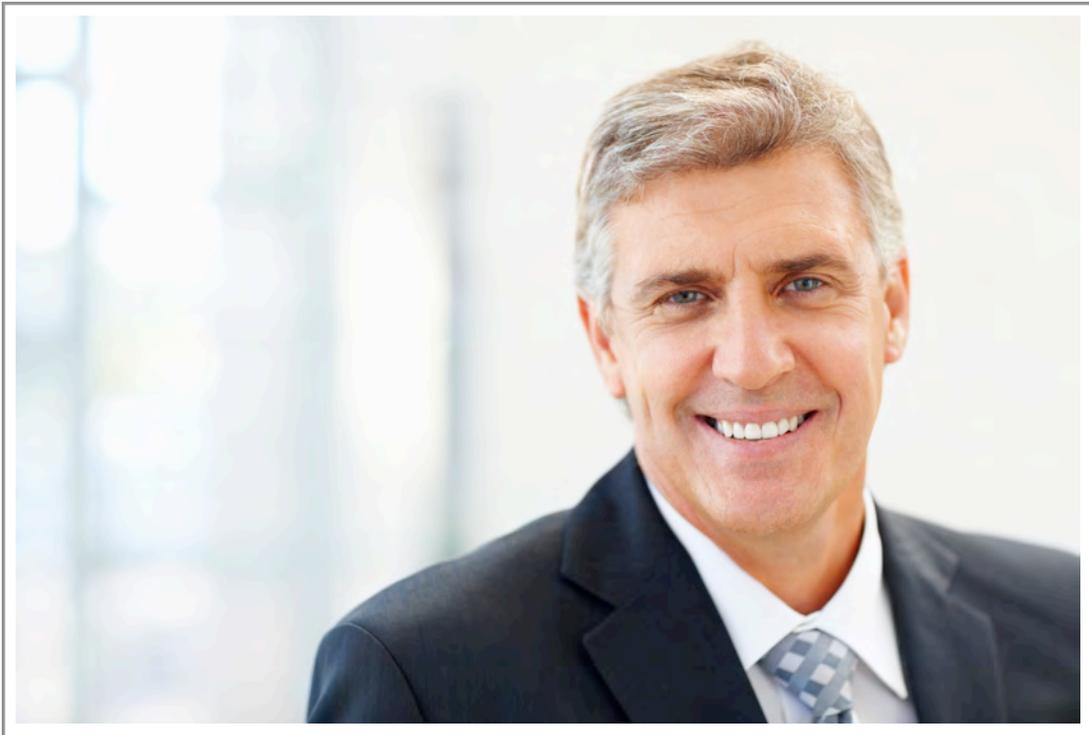


ANNUITY SUPPORT FOR THE SENIOR MARKET



INTEGRATED ANNUITY SUPPORT

EMERGES AS DIFFERENTIATOR IN SENIOR MARKET

With the well-documented “graying of America,” and thousands of Baby Boomer-generation Americans approaching retirement age, the investment and insurance industries are under increasing pressure to serve this burgeoning demographic with new and innovative products – and to provide more and better administrative services along the way. Despite depressed interest rates, the popularity of annuities as a senior investment product continues to grow. Those tasked with administration of the portfolio of products offered to the senior market typically focus on a combination of Life, Long-Term Care, Senior-Specific illness and Medicare supplement products, while annuities are most often administered separately – not in the context of an integrated senior administration solution.

As the growing senior market continues to turn to annuities as part of a diversified portfolio, insurers and administrators are being challenged to offer – and effectively manage – a wide range of Fixed and Indexed annuity vehicles.

Lack of Integrated Support Creates Vacuum

In the past, the primary products geared to the senior market were Senior Health, Senior-Specific illness, Long-Term Care, and Life offerings. Annuities, meanwhile, were more often covered by separate administration solutions or bundled with Life administration. The increasing popularity of annuities in the senior market presents a new set of administrative challenges – as well as new levels of complexity regarding support.

While there are a number of annuity management solutions on the market today, few, if any, are integrated within a single system covering the full spectrum of coverage and investment vehicles.

This lack of integrated, single-system support for fixed and indexed annuities leaves those serving the growing senior market at a distinct disadvantage. The competitive edge will go to those insurers who can efficiently develop and launch a full range of senior-focused products quickly, and provide integrated administrative support across all products.

Integration Drives Clarity, Accuracy, Compliance

Rather than addressing administration and management with a series of standalone solutions, an integrated, single-system approach ensures optimal visibility, consistency, accuracy and compliance. Ideally, a system tailored to address the evolving requirements of insurers and administrators serving this dynamic and growing market would incorporate the following features and benefits:

- A unified, single platform for the administration of all offerings – including support for the evolving and increasingly complex portfolio of senior health, life, and annuity products;
- Solid new business and underwriting, producer management, billing and collections, document management, business analytics, claims, self-service, and policy administration capabilities from a single interface;
- Product roadmap including additional and new Senior-focused products such as hybrid annuity/long-term combination products, hybrid universal life/long-term care combination products, and longevity annuities;
- Hosted solution that enables streamlined deployment, rapid upgrades, and dramatically lower infrastructure requirements;
- Ability to “sunset” multiple standalone legacy packages with a single, integrated solution.

A Senior Market-Specific Solution

With the addition of integrated fixed and indexed annuity support to its proven InsPro Enterprise platform, InsPro Technologies provides a vital missing link in the value chain of senior

health portfolio management. By targeting the most popular annuity products sold today, the InsPro system provides the following client benefits:

- Configurable fixed and indexed deferred annuity product design enables business users to add multiple product variations without custom modifications;
- Clients design pure fixed, pure indexed and fixed/indexed combination annuities, the allowed fund allocation combinations, and select the indexes and index-crediting strategies;
- Systematic withdrawal programs for required minimum distributions and systematic subsequent payments that can be tied to maximum statutory IRA limits;
- Support of guaranteed lifetime withdrawal benefit riders and other organized withdrawal plans such as penalty-free withdrawals, interest only withdrawals and substantially equal periodic payments under sections 72T and 72Q;
- Penalty-free withdrawal rules, surrender charges and market value adjustments are easy to configure in product design;
- A flexible multi-tiered rate structure, immediate bonus, loyalty bonus and non-forfeiture value calculations;
- Easy to add additional benefits and riders with and without charge;
- Support for non-qualified, qualified, and IRA annuity products with complete IRS tax reporting calculations and extracts;
- Support for beneficiary annuities – spousal continuation, spousal and non-spousal beneficiary annuities, and five-year rule inherited annuities;
- Annuity support fully integrated with InsPro Enterprise.

InsPro's Senior Market

InsPro offers a comprehensive Senior Market solution with support for traditional products such as long-term care, Medicare supplement, specified illness, and term and whole life – now integrated with fixed and indexed annuity support. The InsPro Enterprise™ system is a “future proof” platform with extensive functionality that will be further expanded to support variable

annuities, hybrid annuity/long term care products, longevity annuities and an array of immediate annuities on the payout side.

The InsPro Enterprise architecture is scalable and web-based – enabling companies to consolidate multiple policies from disparate systems into one strategic processing platform, reducing ongoing IT costs and facilitating improved customer service.

InsPro draws on over two decades of experience building insurance policy management software. This experience, coupled with long tenures working in the country's top carriers, empowers the InsPro team to anticipate senior market-specific needs with integrated business components to support insurers' solutions. As a result, insurers are better able to bundle products quickly, analyze individual benefit costs, process high claim volumes more efficiently, and track billings, commissions, and collections with greater accuracy.

InsPro's Senior Market team anticipates an increase in government incentives –such as the Pension Protection Act of 2006 and the Treasury's proposed guidance package on lifetime income – that will drive new product designs to better serve the senior health market. Following the launch of this initial annuity offering, InsPro will augment the system and develop universal life support including no-lapse universal life, hybrid universal life in combination with long term care, and indexed universal life.

InsPro Enterprise – Ready Now and for the Future

Market-leading insurers and third-party administrators across North America rely on InsPro Enterprise to support and grow their businesses. The addition of annuity support to this proven suite represents a singular resource to those serving the booming senior market. To learn more about InsPro Enterprise and its support for fixed, indexed and fixed/indexed annuities, visit inspro.com or call (484) 668-1898.