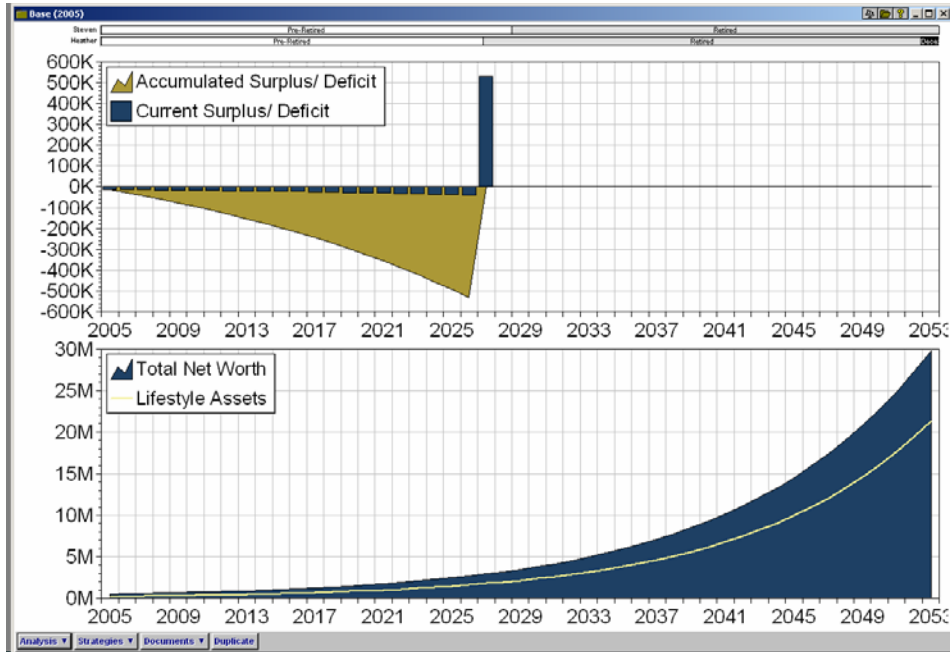


Targeted deficit coverage vs. full deficit coverage

By default, NaviPlan does not redeem assets to fund all pre-retirement deficits. If assets were redeemed automatically, it would be more difficult to identify potential pre-retirement cash flow problems.



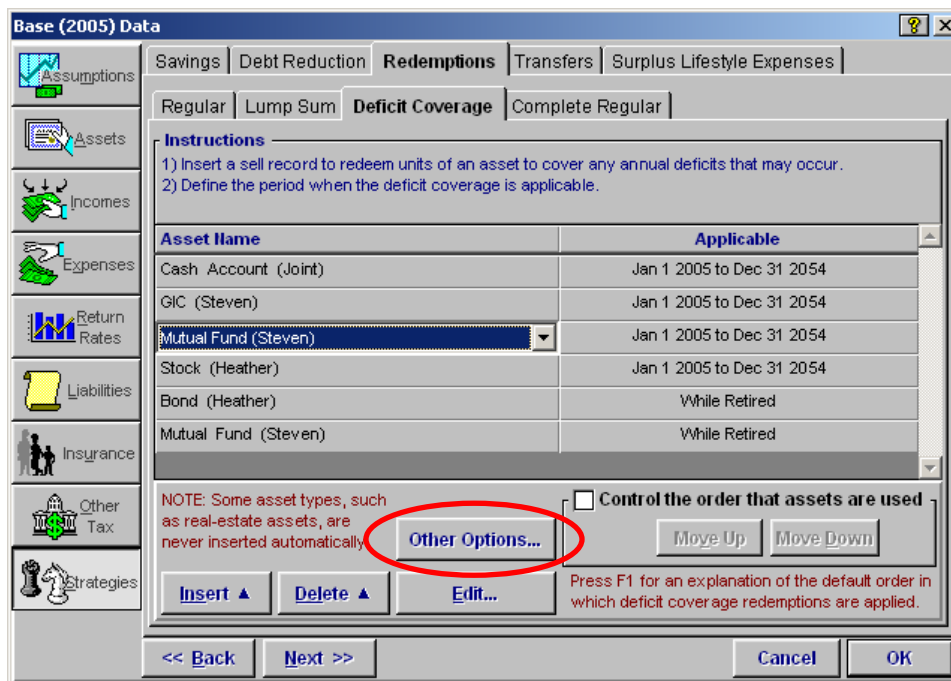
If the client runs a pre-retirement deficit with targeted deficit coverage in effect, the deficit accumulates until the plan enters the retirement period.

However, this default can be changed.

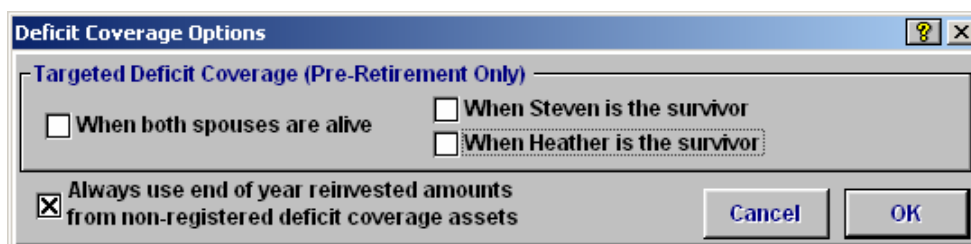
To model the client selling liquid assets to cover *all* pre-retirement expenses, you can change the deficit coverage settings.

To model sale of liquid assets

1. Go to the **Strategies** category – **Redemptions** tab – **Deficit Coverage** subtab, and then click **Other Options**. The *Deficit Coverage Options* dialog box opens.



2. To turn off targeted deficit coverage, clear the **When both spouses are alive** check box, and then click **OK**. (If your plan has a single (unmarried) client, select **Inactive**, and then click **OK**.)



Full deficit coverage will then be implemented throughout the entire planning period.

