LIFE GOALS

For Larry and Susan Gold

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Important Notes

This analysis provides only broad, general guidelines, which may be helpful in shaping your thinking about your financial needs. It can serve as a guide for discussions with your professional advisors. Each of the “life goals” illustrated in this analysis are calculated independently and are not intended to be a comprehensive financial plan.

Each scenario shown illustrates your current situation or an alternative strategy and its possible effects on the financial situation you provided. Inclusion of one or more of these strategies does not constitute a recommendation of that strategy over any other strategy.

Calculations contained in this analysis are estimates only based on the information you provided, such as the value of your assets today, and the rate at which the assets appreciate. The actual values, rates of growth, and tax rates may be significantly different from those illustrated. These assumptions are only a “best guess.” No guarantee can be made regarding values, as all rates are the hypothetical rates you provided. These computations are not a guarantee of future performance of any asset, including insurance or other financial products.

No legal or accounting advice is being rendered either by this report or through any other oral or written communications. Nothing contained in this report is intended to be used on any tax form or to support any tax deduction. Unless indicated, the tax aspect of the federal Generation-Skipping Transfer Tax (GSTT) is not reflected. The GSTT is similar to an additional level of estate tax on certain transfers to grandchildren, or individuals two or more generations removed from the transferor. State laws vary regarding the distribution of property, and individual circumstances are unique and subject to change. You should discuss all strategies, transfers, and assumptions with your legal and tax advisors.

To implement a strategy, it may be necessary to restructure the ownership of property, or change designated beneficiaries before specific will or trust provisions, prepared by the client’s counsel, become effective. The transfer of a life insurance policy may not result in its removal from the estate of the prior owner for three years.

Strategies may be proposed to support the purchase of various products such as insurance and other financial products. When this occurs, additional information about the specific product (including a prospectus, if required, or an insurer provided policy illustration) will be provided for your review.

IMPORTANT: The projections or other information generated by this investment analysis tool (Life Goals) regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

Broker-Dealer disclosure go here!

Confirmation of Facts

Personal Information

Larry Gold	Susan Gold	Address
40	38	
Male	Female	
Jan. 01, 1975	Jan. 01, 1977	

Larry and Susan are married.

Children and Dependents

Name	Date of Birth	Relationship
Michael	Jan. 01, 2004	Child
Karen	Jan. 01, 2006	Child

Salaries

Larry's Current Salary:	$95,000
Susan's Current Salary:	$72,000
Estimated Average Income Tax Rate:	20%

Assets

Description	Owner	Current Amount	Monthly Savings	Growth Rate	Available for Emergency Fund?
All Other Assets	Larry / Susan	$80,000	$200	3.000%	No
Mutual Funds	Larry / Susan	$50,000	$100	4.000%	No
House	Larry / Susan	$500,000	$0	2.000%	No

Total Assets:	**$630,000**
Total Monthly Savings:	**$300**
Average Growth Rate:	**2.290%**

Debts

Description	Balance	Monthly Payment	Interest Rate
House - 1st mortgage	$350,000	$2,500	4.500%

Total Mortgage Balance:	**$350,000**
Total Other Debts:	**$0**

Retirement Assets

Description	Owner	Current Amount	Monthly Savings	Company Match	Growth Rate
401(k)	Larry	$25,000	$200	$160	5.000%
IRA	Susan	$10,000	$100	$0	5.000%

Total Retirement Assets:	**$35,000**
Total Monthly Contributions:	**$300**
Average Growth Rate:	**5.000%**

Survivor Needs

Existing Policies	Insured	Death Benefit	Annual Premium
Larry's Existing LI Policy	Larry	$200,000	$500

Education Savings

Current Savings Amount:	**$12,000**
Current Monthly Savings:	**$300**
Growth Rate:	**5.000%**

Advisor Notes Page

This page will display the information you enter in the Advisor notes for a case.

Isn't It Time You Started Dreaming Again?

Most dreams in life require having the money to achieve them—buying a new home or car, taking that trip of a lifetime, sending children to college, or retiring in comfort. But skyrocketing costs, mountains of debt, lack of savings and a lack of an understanding about how money works have forced many people to downsize or even eliminate their dreams.

We believe you shouldn't have to compromise your dreams. Instead, we advocate taking a practical approach to finances, one that incorporates powerful financial concepts and programs to provide you with the information and tools needed to make smart choices. Using a comprehensive financial needs analysis program, our associates work with people, just like you, every day to create personalized Life Goals. The result is a strategy to help you move from dreaming to doing.

Your Goals and Dreams

The last time we met, I asked you to identify the goals and dreams you hope to achieve through your Life Goals. Here's what you told me:

1 My Short-term Dreams (1 to 3 years)

- Build savings for unexpected expenses (emergency fund)
- Build retirement wealth
- College for child(ren)

2 My Mid-term Dreams (3 to 7 years)

- Build retirement wealth
- Reduce or pay off mortgage

3 My Long-term Dreams (7+ years)

- Alternate income in case of death or disability

Now that you know where you want to go, let's take a look at how we get there.

Your Life Goals

Charting a Course to Financial Independence

Your journey to financial independence begins today. As you move through each of the areas highlighted, you'll evaluate your current financial situation, identify your goals, objectives and dreams, and what products and services would be suitable to help you meet your objectives and dreams. The result is your personalized Life Goals.

Cash Flow

- Earn additional income
- Manage expenses

Proper Protection

- Protect against loss of income
- Protect family assets

Emergency Fund

- Save 3-6 month's income
- Prepare for emergency expenses

Debt Management

- Consolidate debt
- Eliminate bad uses of debt

Asset Accumulation

- Outpace inflation/minimize taxation
- Professional money management

Estate Preservation

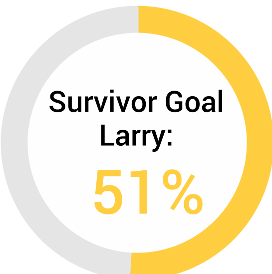
- Reduce estate taxes
- Build a family legacy

Your Strategies

Many people today, whether through poor planning or lack of a financial education, have downsized or discarded their dreams. You have determined that your family deserves better—they deserve to achieve their dreams.

We believe that there is no room for compromise when it comes to someone's dreams. So let us work with you to help you move from dreaming to doing today.

Recommendations



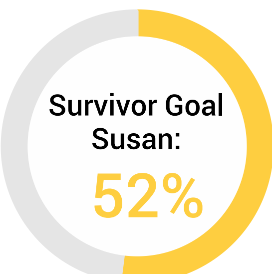
Total Current Need:	$1,690,678
Current Have:	$200,000
Assets Available:	$665,000
Remaining Life Insurance Need:	**$825,678**

Insurance Policy Details

Death Benefit: ______________________

Monthly Premium: ______________________

Policy Type: ______________________



Total Current Need:	$1,283,835
Current Have:	$0
Assets Available:	$665,000
Remaining Life Insurance Need:	**$618,835**

Insurance Policy Details

Death Benefit: ______________________

Monthly Premium: ______________________

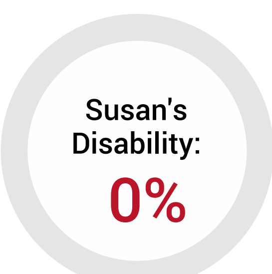
Policy Type: ______________________

Total Current Monthly Need:	$4,750
Total Current Disability Income Have:	$0
Disability Insurance Need:	**$4,750**

Insurance Policy Details

Monthly Benefit: ______________________

Monthly Premium: ______________________



Total Current Monthly Need:	$3,600
Total Current Disability Income Have:	$0
Disability Insurance Need:	**$3,600**

Insurance Policy Details

Monthly Benefit: ______________________

Monthly Premium: ______________________

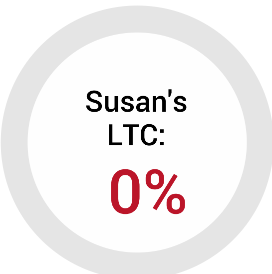
Recommendations

Total Monthly Need:	$16,883
Total Current Policy Benefits Have:	$0
Remaining Need:	**$16,883**

Insurance Policy Details

Monthly Benefit: ____________________

Monthly Premium: ____________________

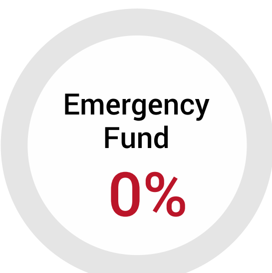


Total Monthly Need:	$17,911
Total Current Policy Benefits Have:	$0
Remaining Need:	**$17,911**

Insurance Policy Details

Monthly Benefit: ____________________

Monthly Premium: ____________________



Total Need:	$41,750
Total Have:	$0
Remaining Need:	**$41,750**

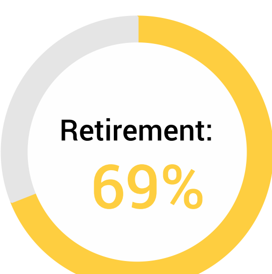
Monthly Committment to Emergency Fund

Monthly Amount: ____________________

Total Monthly Debt:	$2,500
Total Monthly Income:	$13,917
Debt-Earned Income Ratio:	**17.96%**

Priority List for Managing Debt

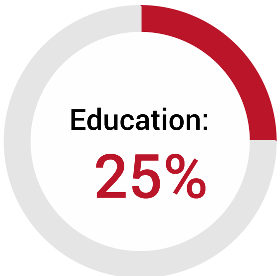
1. ____________________
2. ____________________
3. ____________________



Total Projected Need:	$4,957,423
Total Projected Have:	$3,408,468
Monthly Savings Need:	**$3,814**

Commitment to Building Retirement Funds

Monthly Amount: ____________________



Total Need:	$176,418
Total Have:	$43,908
Monthly Savings Need:	**$1,246**

Recommendations

Commitment to Building Education Funds

Monthly Amount: ______________________

Cash Flow

An important step along the path to financial independence is increasing the amount of money available to you. This money can help you reduce debt and build savings.

Salary	$13,917
Other Income	$0
+ Estimated Gross Monthly Income	**$13,917**
Estimated Monthly Taxes on Income	$2,783
Mortgage, Rent, Other Debts	$2,500
Savings (Education, Retirement, Other)	$900
Life Insurance Premiums	$42
Food and Clothing	$1,600
Auto and Property Maint./Ins./Taxes	$1,700
Utilities	$1,150
Personal Expenses	$100
Gifts, Charity	$200
Entertainment	$250
− Estimated Monthly Expenses	**$11,225**
= Estimated Discretionary Income	**$2,692**

What Your Cash Flow Objectives Should Be:

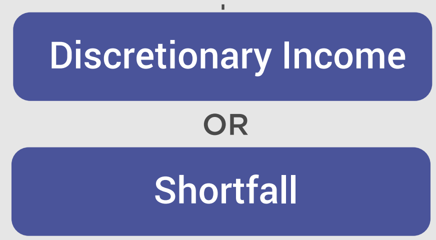
- Pay all lifestyle expenses and outgoing payments
- After applying education funds, pay any remaining education costs
- Make payments on all loans

Increasing Cash Flow

The first step in developing your financial strategy is to evaluate your cash flow—the money that comes in and goes out every month. Money comes to you from both income sources and asset sources. This money is used for outgoing payments.

Discretionary Income: After all outgoing payments have been met each month, the portion of the money left over is known as discretionary income. Each month, you choose to spend this money on unspecified expenses, or you choose to save it.

Shortfall: If outgoing payments exceed incoming cash flows, the difference between them is known as a shortfall.



Ways to Increase Cash Flow

Increasing your income and managing expenses are the keys to increasing your cash flow. Here are some ideas on ways to increase your cash flow.

Manage Expenses

- [ ] Strive to spend less than you earn
- [ ] Create a budget—weigh your monthly expenses as wants vs. needs
- [ ] Raise the deductibles to an appropriate level on your auto, homeowners and medical insurance policies
- [ ] Drop Private Mortgage Insurance (PMI) when equity in your home reaches 20% of your home's value
- [ ] Cancel credit life insurance on car loans, mortgages and credit cards
- [ ] Explore a qualified plan option
- [ ] Earn tax deductions by starting your own business

Increase Your Available Income

- [ ] Consult your tax advisor about adjusting your W-2 allowances if you are expecting a tax refund
- [ ] Look for ways to reposition low-interest savings accounts

Proper Protection

On the following pages, we'll examine the value of proper protection based on what you've indicated is important to you.

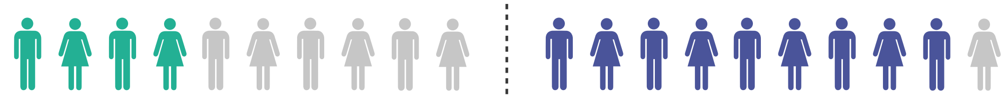
1 Your Survivor Needs Goal

What is the effect of a premature death on the family? Examine the immediate cash needs and funds needed to assure their lifestyle expenses.

2 Your Long Term Care Goal

Who will need Long-Term Care?[1]

People Age 65+	People Age 80+
4 OUT OF 10	9 OUT OF 10



3 Your Disability Income Needs Goal

If disabled, what is the effect on the family's lifestyle?

Larry, before your age 65, a long-term disability is **2.82 times** more likely to occur than death![2]

Cost of Disability (In Terms of Lost Salary)

	2 Years	5 Years	15 Years	To Age 67
0%	$190,000	$475,000	$1,425,000	$2,375,000
2%	$191,900	$494,380	$1,642,835	$3,042,850
4%	$193,800	$514,520	$1,902,280	$3,956,370

Percentage of Assumed Salary Increase

Susan, before your age 65, a long-term disability is **5.31 times** more likely to occur than death![2]

Cost of Disability (In Terms of Lost Salary)

	2 Years	5 Years	15 Years	To Age 67
0%	$144,000	$360,000	$1,080,000	$1,944,000
2%	$145,440	$374,688	$1,245,096	$2,544,768
4%	$146,880	$389,952	$1,441,728	$3,390,048

Percentage of Assumed Salary Increase

[1] Journal of Financial Service Professionals, January 2001 & 1996 National Nursing Home Study by AARP.
[2] Based on a disability expected to last more than 2 years following a 60 day elimination period (see "Assumptions & Notes" section).

How Much Life Insurance Protection is Enough?

How Much Life Insurance Protection Is Enough?

The basic rule of thumb is to have enough life insurance to provide approximately 10 times your annual family income. But there are many other factors that should be taken into consideration, including your age, your medical condition, how many dependents you have, your income or current financial status, and most importantly, which tasks, or uses, do you want to assign to your life insurance policy?

Common Uses for Life Insurance

Protect Your Family

- ☐ Income replacement
- ☐ Education funding
- ☐ Disability funds
- ☐ Home/property protection
- ☐ Protecting business interests
- ☐ Cash value accumulation

Final Expenses

- ☐ Funeral expenses
- ☐ Medical expenses
- ☐ Probate fees
- ☐ Administration fees

Debts

- ☐ Mortgage protection
- ☐ Settlement of individual
- ☐ Loans at death
- ☐ Consumer debt

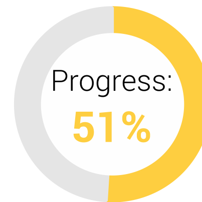
Taxes

- ☐ Property
- ☐ Income taxes
- ☐ Estate taxes

Survivor Goal

Assumes Larry Dies Today

Total Cost of Life Insurance Funding Goals:	Total Existing Life Insurance for Larry:	Assets Available to Fund Survivor Needs:	Remaining Life Insurance Need for Larry:
$1,690,678	**$200,000**	**$665,000**	**$825,678**



How Will Your Life Insurance Work for You?

In the event of your death, you indicated that you would use your life insurance policy to fund the following goals:

Debts—Pay off present debts	$0
Income—Include survivor funding[1]	$1,134,510
Mortgage—Pay off mortgage	$350,000
Education—Include college funding[2]	$164,418
Establish emergency fund	$41,750
Total Cost of Your Life Insurance Funding Goals	**$1,690,678**

Larry's Existing Life Insurance

Larry's Existing LI Policy (Annual Premium: $500)	$200,000
Total Existing Life Insurance For Larry	**$200,000**

Your Available Assets

You may wish to use some or all of your existing assets to pay for your funding goals.

Larry's Retirement Assets	$25,000
Susan's Retirement Assets	$10,000
Other Assets	$630,000
Assets Available to Fund Survivor Needs	**$665,000**
Remaining Life Insurance Need[3]	**$825,678**

[1] Income replacement at 100% of current household income while the children are at home, 60% for 30 years.
[2] Considers Current College Savings of $12,000 today
[3] The amount of needed insurance reflected in the analysis is based on information that you provided, and may have been included in determining your final expenses, present debts, emergency fund, education fund and survivor fund. However, the amount of insurance that you may be able to obtain at this time will be subject to your current financial situations, including annual income, the type of insurance product being purchased, underwriting guidelines by the insurance carrier(s), and suitability guidelines that may be set by the insurance agency.

Survivor Goal

Assumes Susan Dies Today

Total Cost of Life Insurance Funding Goals:	Total Existing Life Insurance for Susan:	Assets Available to Fund Survivor Needs:	Remaining Life Insurance Need for Susan:	Progress:
$1,283,835	**$0**	**$665,000**	**$618,835**	**52%**

How Will Your Life Insurance Work for You?

In the event of your death, you indicated that you would use your life insurance policy to fund the following goals:

Debts—Pay off present debts	$0
Income—Include survivor funding[1]	$727,667
Mortgage—Pay off mortgage	$350,000
Education—Include college funding[2]	$164,418
Establish emergency fund	$41,750
Total Cost of Your Life Insurance Funding Goals	**$1,283,835**

Susan's Existing Life Insurance

Total Existing Life Insurance For Susan	**$0**

Your Available Assets

You may wish to use some or all of your existing assets to pay for your funding goals.

Larry's Retirement Assets	$25,000
Susan's Retirement Assets	$10,000
Other Assets	$630,000
Assets Available to Fund Survivor Needs	**$665,000**
Remaining Life Insurance Need[3]	**$618,835**

[1] Income replacement at 100% of current household income while the children are at home, 60% for 30 years.
[2] Considers Current College Savings of $12,000 today
[3] The amount of needed insurance reflected in the analysis is based on information that you provided, and may have been included in determining your final expenses, present debts, emergency fund, education fund and survivor fund. However, the amount of insurance that you may be able to obtain at this time will be subject to your current financial situations, including annual income, the type of insurance product being purchased, underwriting guidelines by the insurance carrier(s), and suitability guidelines that may be set by the insurance agency.

Types of Life Insurance Policies

The most widely used policy types are:

- Term Life Insurance—This is used to provide death benefit protection for a set period of time at an affordable premium.
- Whole Life Insurance—Whole life insurance policies provide permanent death benefit protection for a fixed premium and remain in force as long as premium payments are made. Whole life policies accumulate guaranteed cash values and often pay dividends as well.
- Universal Life Insurance—Universal Life policies are also known as "Flexible Premium" policies. These flexible policies have an adjustable benefit and accumulate account value. Universal Life Insurance is used to provide death benefit protection with flexibility to adjust to your future insurance needs.
- Indexed Universal Life Insurance—Index Universal Life is similar to conventional Universal Life Insurance. It provides a death benefit, and the policy has a cash value that can grow over time.
- Variable Universal Life Insurance—Variable Universal Life is a life insurance policy that blends the premium payment flexibility benefits of universal life insurance with the invested portfolio and upside market potential of variable life. The death benefit and return of policy values are guarantees subject to the claims-paying ability of the issuing insurer.

In addition to the different types of insurance policies, there is also two different policy categories—Fixed and Variable.

- Fixed policies—offer a predetermined death benefit and rate of return on policy values that are guaranteed through the policy contract.
- Variable policies—are designed to provide death benefit protection but may NOT offer the guarantees that fixed policies do. The rate of return on your policy values, as well as the death benefit, may fluctuate up and down depending on your investment choices and performance. Variable policies are subject to market risk and therefore require the delivery of a prospectus.

Keep in mind that in order to obtain more detailed information on how a specific life insurance policy works, the premiums associated and any additional information, you must carefully review the policy details and prospectus.

Life Insurance Uses

Life insurance is a fundamental tool designed to provide liquidity after your death. The proceeds generated from a life insurance policy can be used to pay for many of the expenses associated with your death, so that your heirs and your business partners (if applicable) are better equipped to handle financial burdens during that difficult time.

Common Uses for Life Insurance

Protect Your Family

- Income Replacement—Life insurance can replace your income in the event of your untimely death. Upon your death, your beneficiary would receive the death benefit proceeds and could help your surviving spouse and children maintain the lifestyle you created for them.
- Education Funding—In the event of your premature death, life insurance can help supplement your children's education funds through the death proceeds of the policy and provide for them at your death what you would have provided during your lifetime.

Final Expenses

- Funeral Expenses—There are many costs associated with funerals. These costs may include but are not limited to cemetery plots, caskets, funeral home facilities, limousines, transportation, and grave markers. Through life insurance, you may be able to take care of these expenses before your death and avoid placing financial burdens on your family members.
- Medical Expenses—Illness or accidents often result in large medical bills that need to be paid after your death. Use life insurance to help protect your family from unnecessary financial strains.

Charitable Contributions

- Charitable Institutions—Life insurance proceeds can be donated to a designated charity upon death. To some, this gives the lifetime satisfaction of knowing that you are helping others and allows you to enjoy potential tax benefits.

Common Uses for Life Insurance

Debts

- Mortgage Protection—A mortgage is often the largest debt and largest monthly payment for the surviving heirs, but a necessary one. Most people are not willing to give up their home, but sometimes they are forced to for financial reasons. Insurance can help pay remaining mortgages.
- Other Loans—All individual loans must be settled at death, often using cash assets intended for other purposes. Life insurance can help provide cash to eliminate these debts at your death.
- Consumer Debt—The balances of all individual credit cards are due at the time of death and any jointly owned cards can no longer be used. Life insurance can help provide cash to eliminate these debts at your death.

Estate Expenses

- Probate Fees—Probate is the legal process of ensuring that all assets are transferred to the proper heirs and in accordance with all legal documents. Probate fees are the expenses required to handle the legal concerns associated with death, and they can be expensive. Life insurance can help offset these expenses and keep them from eroding away your estate and your heirs' inheritance.
- Administrative Fees—These are usually the fees for various professional services that may be required to settle the estate, such as legal and accounting services. Administrative fees are often combined with probate fees.

Taxes

- Property Taxes—All property taxes must be paid for the year of death.
- Income Taxes—State and federal income taxes must be paid for a portion of the year in which death occurred. Also, income taxes are due on earnings from assets between death and the distribution of those assets.
- Estate Taxes—Estate taxes are only due for larger estates, but if estate taxes are due, they must be paid in cash within nine months of death and and the rate is 40%.

Common Uses for Life Insurance

Business

- Protecting Business Interests—Business partners or co-owners that are concerned about the continuation of their business in the event of their partner's premature death can use life insurance to help protect their interests in the business. Typically, each business partner or the business itself, purchases life insurance and upon death, the proceeds are used to buy the business and continue operation.

Survivor Goal Details

Assumes Larry Dies Today

Immediate Cash Needs

Present Debts—Pay off the existing debts listed below to protect the family from creditors		$350,000
House - 1st mortgage	$350,000	
Emergency Fund—3 months household income to protect against a family emergency		$41,750
Education Needs—A college fund to protect your children's future[1]		$164,418

Michael: Providing $21,726 a year starting at age 18 for 4 years would require $94,201 today.
Karen: Providing $18,606 a year starting at age 18 for 4 years would require $82,217 today.

Immediate Cash Needs Due at Larry's Death	$556,168

Survivor Income Needed

Period Based on Susan's Age	Current Household Income	Replacement Income Needed	Annual Need Today	Annual Amount at Start of Period	Lump Sum Value Today
38 - 46	$167,000	100%	$167,000	$167,000	$1,446,471
47 - 67	$167,000	60%	$100,200	$130,738	$1,754,300

Total Amount Needed Today to Fund Survivor Income Needs	$3,200,771

Survivor Income Sources

Income Source[2]	Annual Amount when Income Source Begins	Annual Increase	Lump Sum Value Today
Employment	$72,000	3%	$1,719,396
Social Security[3]	$42,120	3%	$346,864

Total Amount Today of All Survivor Income Sources	$2,066,260

[1] Considers Current College Savings of $12,000 today
[2] See Confirmation of Facts for income details.
[3] See Assumptions & Notes section for details.

Survivor Goal Details

Assumes Larry Dies Today

		Annual Income			Assets			
Year	Susan's Age	Income Needed	Salary & Other	Social Security	Withdrawals From Assets	Annual Shortfall	Asset Balance	Cumulative Shortfall
2016	38	$167,000	$72,000	$42,120	$52,880	$0	$266,190	$0
2017	39	172,010	74,160	43,384	54,466	0	220,193	0
2018	40	177,170	76,385	44,685	56,100	0	170,656	0
2019	41	182,485	78,676	46,026	57,783	0	117,388	0
2020	42	187,960	81,037	47,406	59,517	0	60,186	0
2021	43	193,599	83,468	48,829	60,186	1,117	0	1,117
2022	44	199,407	85,972	50,293	0	63,141	0	64,258
2023	45	205,389	88,551	25,901	0	90,937	0	155,195
2024	46	211,551	91,207	26,678	0	93,665	0	248,860
2025	47	130,738	93,944	0	0	36,795	0	285,655
2026	48	134,660	96,762	0	0	37,898	0	323,553
2027	49	138,700	99,665	0	0	39,035	0	362,589
2028	50	142,861	102,655	0	0	40,206	0	402,795
2029	51	147,147	105,734	0	0	41,413	0	444,208
2030	52	151,561	108,906	0	0	42,655	0	486,863
2031	53	156,108	112,174	0	0	43,935	0	530,797
2032	54	160,792	115,539	0	0	45,253	0	576,050
2033	55	165,615	119,005	0	0	46,610	0	622,660
2034	56	170,584	122,575	0	0	48,009	0	670,669
2035	57	175,701	126,252	0	0	49,449	0	720,118
2036	58	180,972	130,040	0	0	50,932	0	771,050
2037	59	186,402	133,941	0	0	52,460	0	823,511
2038	60	191,994	137,959	0	0	54,034	0	877,545
2039	61	197,753	142,098	0	0	55,655	0	933,200
2040	62	203,686	146,361	0	0	57,325	0	990,525
2041	63	209,797	150,752	0	0	59,045	0	1,049,569
2042	64	216,090	155,275	0	0	60,816	0	1,110,385
2043	65	222,573	0	0	0	222,573	0	1,332,958
2044	66	229,250	0	0	0	229,250	0	1,562,209
2045	67	236,128	0	66,172	0	169,956	0	1,732,164

Survivor Goal Details

Assumes Susan Dies Today

Immediate Cash Needs

Present Debts—Pay off the existing debts listed below to protect the family from creditors		$350,000
House - 1st mortgage	$350,000	
Emergency Fund—3 months household income to protect against a family emergency		$41,750
Education Needs—A college fund to protect your children's future[1]		$164,418

Michael: Providing $21,726 a year starting at age 18 for 4 years would require $94,201 today.
Karen: Providing $18,606 a year starting at age 18 for 4 years would require $82,217 today.

Immediate Cash Needs Due at Susan's Death	**$556,168**

Survivor Income Needed

Period Based on Larry's Age	Current Household Income	Replacement Income Needed	Annual Need Today	Annual Amount at Start of Period	Lump Sum Value Today
40 - 48	$167,000	100%	$167,000	$167,000	$1,446,471
49 - 69	$167,000	60%	$100,200	$130,738	$1,754,300

Total Amount Needed Today to Fund Survivor Income Needs	**$3,200,771**

Survivor Income Sources

Income Source[2]	Annual Amount when Income Source Begins	Annual Increase	Lump Sum Value Today
Employment	$95,000	3%	$2,120,137
Social Security[3]	$37,638	3%	$352,967

Total Amount Today of All Survivor Income Sources	**$2,473,104**

[1] Considers Current College Savings of $12,000 today
[2] See Confirmation of Facts for income details.
[3] See Assumptions & Notes section for details.

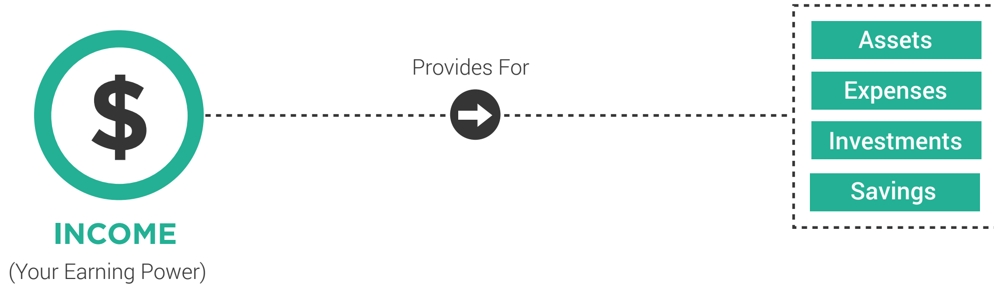
Survivor Goal Details

Assumes Susan Dies Today

		Annual Income			Assets			
Year	Larry's Age	Income Needed	Salary & Other	Social Security	Withdrawals From Assets	Annual Shortfall	Asset Balance	Cumulative Shortfall
2016	40	$167,000	$95,000	$37,638	$34,362	$0	$77,449	$0
2017	41	172,010	97,850	38,767	35,393	0	43,738	0
2018	42	177,170	100,786	39,930	36,455	0	7,575	0
2019	43	182,485	103,809	41,128	7,575	29,973	0	29,973
2020	44	187,960	106,923	42,362	0	38,675	0	68,648
2021	45	193,599	110,131	43,633	0	39,835	0	108,483
2022	46	199,407	113,435	44,942	0	41,030	0	149,513
2023	47	205,389	116,838	23,145	0	65,406	0	214,919
2024	48	211,551	120,343	23,839	0	67,368	0	282,287
2025	49	130,738	123,953	0	0	6,785	0	289,072
2026	50	134,660	127,672	0	0	6,988	0	296,060
2027	51	138,700	131,502	0	0	7,198	0	303,258
2028	52	142,861	135,447	0	0	7,414	0	310,672
2029	53	147,147	139,511	0	0	7,636	0	318,309
2030	54	151,561	143,696	0	0	7,865	0	326,174
2031	55	156,108	148,007	0	0	8,101	0	334,275
2032	56	160,792	152,447	0	0	8,344	0	342,620
2033	57	165,615	157,021	0	0	8,595	0	351,215
2034	58	170,584	161,731	0	0	8,853	0	360,067
2035	59	175,701	166,583	0	0	9,118	0	369,186
2036	60	180,972	171,581	0	0	9,392	0	378,577
2037	61	186,402	176,728	0	0	9,674	0	388,251
2038	62	191,994	182,030	0	0	9,964	0	398,215
2039	63	197,753	187,491	0	0	10,263	0	408,477
2040	64	203,686	193,115	0	0	10,571	0	419,048
2041	65	209,797	0	0	0	209,797	0	628,844
2042	66	216,090	0	0	0	216,090	0	844,935
2043	67	222,573	0	55,737	0	166,837	0	1,011,771
2044	68	229,250	0	64,245	0	165,005	0	1,176,777
2045	69	236,128	0	66,172	0	169,956	0	1,346,732

Have You Insured Your Most Valuable Asset?

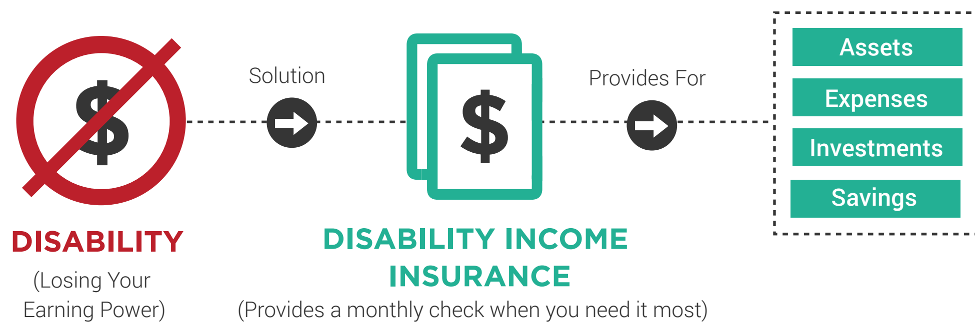
Most people insure their homes, their cars, and even their lives. However, they have a tendency to leave potentially their greatest asset uncovered—their income.



If you think about it, most of your valuable possessions are purchased with the income that you generate from work. So it makes sense to be protected against the risk of losing your earning power.

If you multiply your annual income adjusted by the number of years until you retire, you will earn a fortune!

If anything happens to your assets, you may be able to replace them, even if they are not insured, as long as you have your income. However, if you lose your ability to generate income due to disability, the only optimal solution would be to have some form of disability income insurance protection.



Think of your income as an asset. One that is valuable and one that should be considered as important as the other items you normally insure, such as your car or your house.

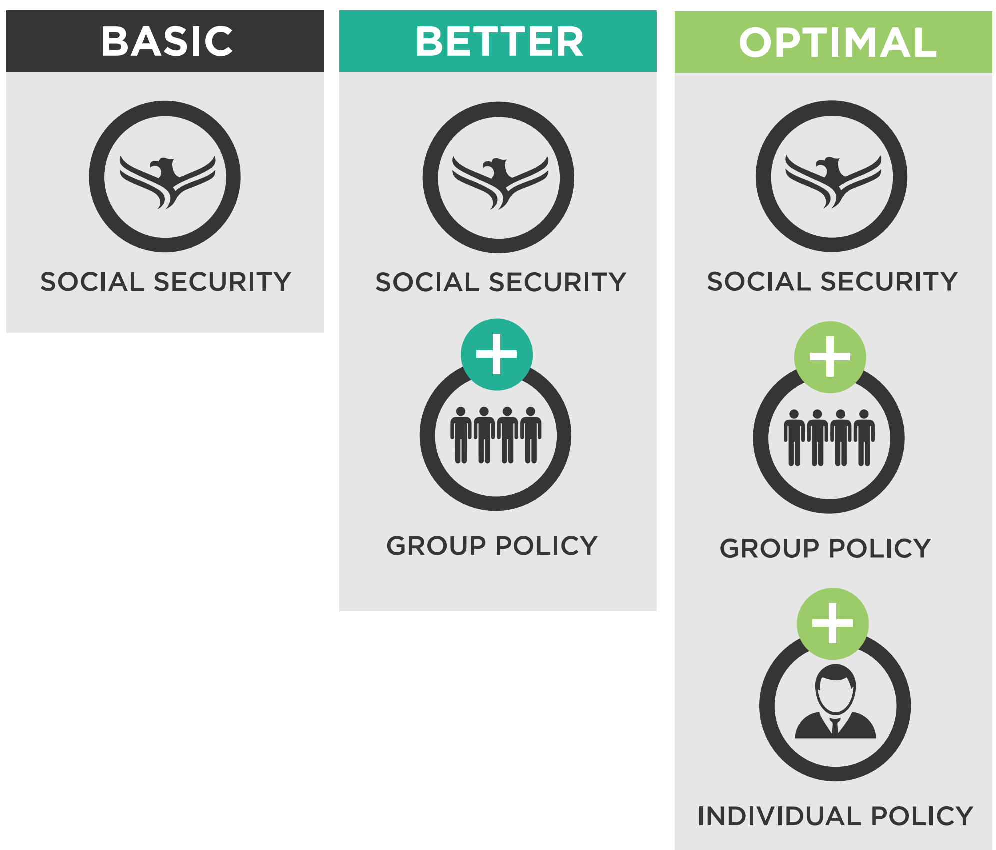
Take the appropriate steps to protect your income!

Protection Against Disability

Many companies offer group long-term disability insurance as part of their employee group benefits. This is an important protection; however the benefits from this policy are usually a partial percentage of salary and are taxable as income.

If you are an employee and have disability coverage through your company, you need to review the policy coverage and the benefits. Normally, group long-term disability insurance doesn't provide sufficient coverage to maintain your standard of living and pay for the extra expenses associated with disability. In the event the amount generated by the group policy is not sufficient, you should consider purchasing an individual disability insurance policy to be fully protected.

An individual disability policy may help supplement the group disability policy provided at work.



Disability Goal

Assumes Larry Becomes Disabled Today

Annual Disability Income Goal:	Annual Disability Income Benefit:	Remaining Annual Disability Income Needed:	Progress:
$57,000	**$0**	**$57,000**	**0%**

Objective

Provide for 60% of your current salary ($95,000) if you become disabled today.

The Cost If You Become Disabled Today

Current Annual Salary	$95,000
Percent of Salary Needed During Disability	60%
Annual Disability Income Goal	$57,000
Annual Disability Income Benefit	- $0
Remaining Annual Disability Income Needed	**$57,000**

Not Everyone Qualifies for Social Security Disability Benefits

Just being eligible for Social Security benefits is not enough. In order to qualify for Social Security disability benefits, you must NOT be able to perform ANY substantial employment. If you qualify, benefits begin after a full five-month waiting period and continue as long as you remain disabled.

You should carefully consider the likelihood of receiving Social Security disability benefits when determining your disability needs.

Remaining Need Assuming Social Security	**$14,880**
(Assuming potential annual Social Security Disability Benefits of $42,120)	

Disability Goal Details

Assumes Larry Becomes Disabled Today

Your First Year of Disability

Beginning of Month	Monthly Income Need	Monthly Disability Policy Benefit	Potential Social Security Benefit	Additional Income Needed
1	$4,750	$0	$0	$4,750
2	4,750	0	0	4,750
3	4,750	0	0	4,750
4	4,750	0	0	4,750
5	4,750	0	0	4,750
6	4,750	0	3,510	1,240
7	4,750	0	3,510	1,240
8	4,750	0	3,510	1,240
9	4,750	0	3,510	1,240
10	4,750	0	3,510	1,240
11	4,750	0	3,510	1,240
12	4,750	0	3,510	1,240

Additional Income Needs in Year 1 (With Social Security)	**$32,430**
Additional Income Needs in Year 1 (With NO Social Security)	**$57,000**

Disability Goal Details

Assumes Larry Becomes Disabled Today

		Annual Income			Annual Shortfall		
Year	Larry's Age	Income Needed	Social Security Benefit	Disability Policy Benefit	Shortfall (With SS)	Shortfall (No SS)	Shortfall (% of Salary)
1	40	$57,000	$24,570	$0	$32,430	$57,000	60
2	41	58,710	43,384	0	15,326	58,710	60
3	42	60,471	44,685	0	15,786	60,471	60
4	43	62,285	46,026	0	16,260	62,285	60
5	44	64,154	47,406	0	16,748	64,154	60
6	45	66,079	48,829	0	17,250	66,079	60
7	46	68,061	50,293	0	17,767	68,061	60
8	47	70,103	51,802	0	18,301	70,103	60
9	48	72,206	53,356	0	18,850	72,206	60
10	49	74,372	36,638	0	37,734	74,372	60
11	50	76,603	37,737	0	38,866	76,603	60
12	51	78,901	38,869	0	40,032	78,901	60
13	52	81,268	40,035	0	41,233	81,268	60
14	53	83,706	41,236	0	42,470	83,706	60
15	54	86,218	42,474	0	43,744	86,218	60
16	55	88,804	43,748	0	45,056	88,804	60
17	56	91,468	45,060	0	46,408	91,468	60
18	57	94,212	46,412	0	47,800	94,212	60
19	58	97,039	47,804	0	49,234	97,039	60
20	59	99,950	49,238	0	50,711	99,950	60
21	60	102,948	50,716	0	52,233	102,948	60
22	61	106,037	52,237	0	53,800	106,037	60
23	62	109,218	53,804	0	55,414	109,218	60
24	63	112,494	55,418	0	57,076	112,494	60
25	64	115,869	57,081	0	58,788	115,869	60
26	65	119,345	58,793	0	60,552	119,345	60
27	66	122,926	60,557	0	62,369	122,926	60

Disability Goal

Assumes Susan Becomes Disabled Today

Annual Disability Income Goal:
$43,200

Annual Disability Income Benefit:
$0

Remaining Annual Disability Income Needed:
$43,200

Objective

Provide for 60% of your current salary ($72,000) if you become disabled today.

The Cost If You Become Disabled Today

Current Annual Salary	$72,000
Percent of Salary Needed During Disability	60%
Annual Disability Income Goal	$43,200
Annual Disability Income Benefit	- $0
Remaining Annual Disability Income Needed	**$43,200**

Not Everyone Qualifies for Social Security Disability Benefits

Just being eligible for Social Security benefits is not enough. In order to qualify for Social Security disability benefits, you must NOT be able to perform ANY substantial employment. If you qualify, benefits begin after a full five-month waiting period and continue as long as you remain disabled.

You should carefully consider the likelihood of receiving Social Security disability benefits when determining your disability needs.

Remaining Need Assuming Social Security	**$0**
(Assuming potential annual Social Security Disability Benefits of $49,140)	

Disability Goal Details

Assumes Susan Becomes Disabled Today

Your First Year of Disability

Beginning of Month	Monthly Income Need	Monthly Disability Policy Benefit	Potential Social Security Benefit	Additional Income Needed
1	$3,600	$0	$0	$3,600
2	3,600	0	0	3,600
3	3,600	0	0	3,600
4	3,600	0	0	3,600
5	3,600	0	0	3,600
6	3,600	0	4,095	0
7	3,600	0	4,095	0
8	3,600	0	4,095	0
9	3,600	0	4,095	0
10	3,600	0	4,095	0
11	3,600	0	4,095	0
12	3,600	0	4,095	0

Additional Income Needs in Year 1 (With Social Security)	**$14,532**
Additional Income Needs in Year 1 (With NO Social Security)	**$43,200**

Disability Goal Details

Assumes Susan Becomes Disabled Today

		Annual Income			Annual Shortfall		
Year	Susan's Age	Income Needed	Social Security Benefit	Disability Policy Benefit	Shortfall (With SS)	Shortfall (No SS)	Shortfall (% of Salary)
1	38	$43,200	$28,668	$0	$14,532	$43,200	60
2	39	44,496	50,619	0	0	44,496	60
3	40	45,831	52,138	0	0	45,831	60
4	41	47,206	53,702	0	0	47,206	60
5	42	48,622	55,313	0	0	48,622	60
6	43	50,081	56,973	0	0	50,081	60
7	44	51,583	58,682	0	0	51,583	60
8	45	53,131	46,290	0	6,841	53,131	60
9	46	54,724	47,679	0	7,046	54,724	60
10	47	56,366	32,739	0	23,627	56,366	60
11	48	58,057	33,722	0	24,336	58,057	60
12	49	59,799	34,733	0	25,066	59,799	60
13	50	61,593	35,775	0	25,818	61,593	60
14	51	63,441	36,848	0	26,592	63,441	60
15	52	65,344	37,954	0	27,390	65,344	60
16	53	67,304	39,093	0	28,212	67,304	60
17	54	69,323	40,265	0	29,058	69,323	60
18	55	71,403	41,473	0	29,930	71,403	60
19	56	73,545	42,717	0	30,828	73,545	60
20	57	75,751	43,999	0	31,752	75,751	60
21	58	78,024	45,319	0	32,705	78,024	60
22	59	80,365	46,679	0	33,686	80,365	60
23	60	82,776	48,079	0	34,697	82,776	60
24	61	85,259	49,521	0	35,738	85,259	60
25	62	87,817	51,007	0	36,810	87,817	60
26	63	90,451	52,537	0	37,914	90,451	60
27	64	93,165	54,113	0	39,052	93,165	60
28	65	95,960	55,737	0	40,223	95,960	60
29	66	98,838	121,654	0	0	98,838	60

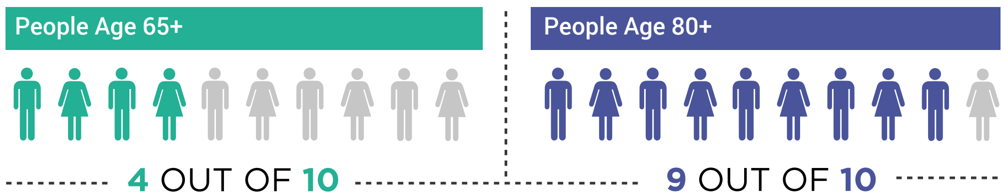
What if You Need Long-Term Care

Preparing for long-term care means thinking ahead and being prepared for the consequences of needing long-term care. While almost all people face long-term care at some point in their lives, few adequately consider its financial burden. As people live longer, these odds are likely to increase.

Odds of Needing Long-Term Care

The possibility of needing long-term care is one of the greatest threats to your personal well-being, financial goals and financial security.

Who will need Long-Term Care?[1]



What Will Long-Term Care Cost?

- Cost Today—In 2016, the median annual cost for a nursing home stay in the US was $92,378[2].
- Rapidly Increasing Costs—The cost of long-term care has increased an average of 4.28% per year over each of the past 5 years.[2].

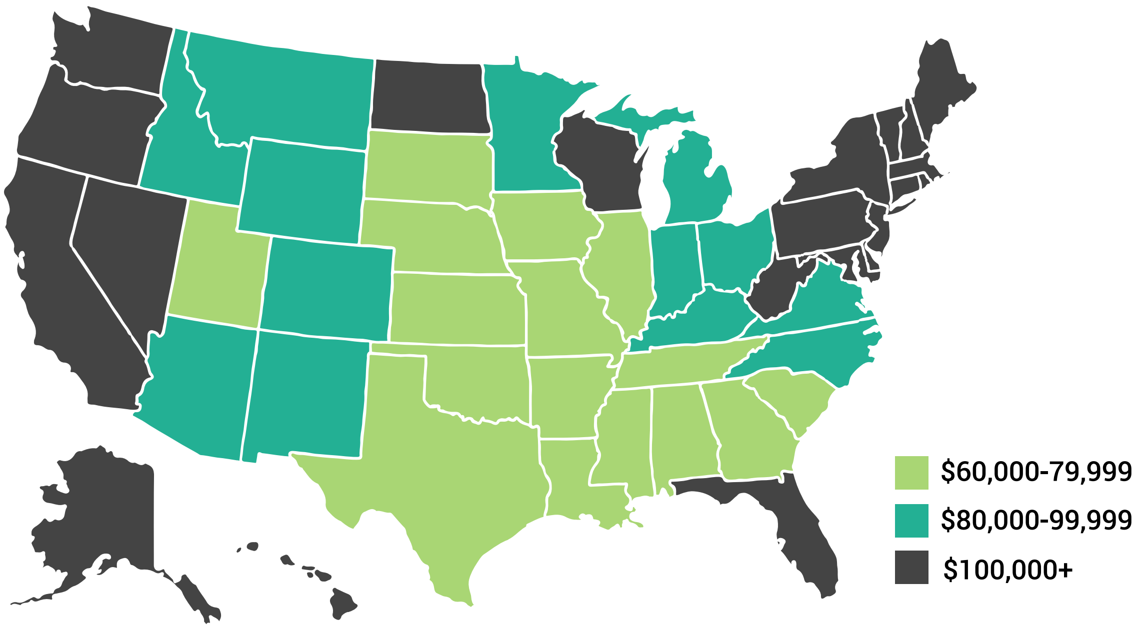
Paying for Long-Term Care

- Medicare and Medicaid—These government benefits are occasionally available after you have depleted your assets.
- Use Retirement Savings—Will you risk your life-long savings? Will you run out of money?
- Depend on Family—What will be the total impact on your family?
- Long-Term Care Insurance—Insurance is available to protect you and your family, but it must be obtained before incurring the long-term care expense.

[1] Journal of Financial Service Professionals, January 2001 & 1996 National Nursing Home Study by AARP.
[2] "Genworth 2016 Cost of Care Survey," Genworth Financial, Inc. and National Eldercare Referral Systems, LLC (CareScout®), April 2016

Median Long-Term Care Costs, By State

Long-term care expenses vary by state. Rather than receiving long-term care in your state of residence, you may choose to move to a different state so that you're closer to relatives. The median U.S. long-term care cost for 2016 was $92,378[1].



State	Average Cost	State	Average Cost	State	Average Cost
Alabama	$75,190	Kentucky	$83,768	North Dakota	$129,276
Alaska	297,840	Louisiana	61,663	Ohio	87,600
Arizona	86,742	Maine	108,223	Oklahoma	60,225
Arkansas	70,343	Maryland	113,333	Oregon	107,310
California	112,055	Massachusetts	144,175	Pennsylvania	116,800
Colorado	97,546	Michigan	98,185	Rhode Island	114,975
Connecticut	160,600	Minnesota	97,032	South Carolina	79,147
Delaware	118,808	Mississippi	79,030	South Dakota	78,110
DC	137,058	Missouri	63,171	Tennessee	75,719
Florida	100,375	Montana	83,220	Texas	71,175
Georgia	74,095	Nebraska	76,833	Utah	76,650
Hawaii	141,310	Nevada	103,773	Vermont	106,763
Idaho	88,878	New Hampshire	123,370	Virginia	89,060
Illinois	74,825	New Jersey	133,835	Washington	107,675
Indiana	91,980	New Mexico	86,742	West Virginia	104,390
Iowa	73,000	New York	135,963	Wisconsin	102,200
Kansas	67,525	North Carolina	89,425	Wyoming	88,505

[1] "Genworth 2016 Cost of Care Survey," Genworth Financial, Inc. and National Eldercare Referral Systems, LLC (CareScout®), April 2016

Long-Term Care Goal

Assumes Larry Has a LTC Need at Age 75

Long-Term Care Monthly Need:	Existing LTC Policy Benefits:	Remaining Monthly Need for Larry:	Progress:
$16,883	**$0**	**$16,883**	**0%**

Objective

- Consider effects of a hypothetical long-term care need at age 75 for 5 years
- Assume monthly need (in today's dollars) of $6,000 and a 3% inflation rate

The Cost of Your Monthly Long-Term Care Needs

Hypothetical Monthly Long-Term Care Need at Age 75 (based on $6,000 per month in today's dollars)	$16,883
Existing LTC Policy Benefits ($0 Daily Benefit x 30 days) [1]	- $0
Remaining Monthly Long-Term Care Need at Age 75	**$16,883**

Funding a Long-Term Care Need for 5 Years

These are the amounts needed to fund your hypothetical long-term care need for 5 years, starting at age 75. These amounts are in addition to what you need for retirement.

Lump Sum Needed at Age 75	**$1,024,356**
Monthly Savings Needed Until Age 75 (Assumes a 2.43% rate of return)	**$1,575**

[1] Long-Term Care policy Daily Benefit is not adjusted for a COLA benefit.

Long-Term Care Goal Details

Assumes Larry Has a LTC Need at Age 75

Your Long-Term Care Need Details

			Annual Income		Annual Shortfall	
Year	Larry's Age	Susan's Age	Long-Term Care Need	Long-Term Care Policy Benefit	Shortfall	Cumulative Shortfall
36	75	73	$202,598	$0	$202,598	$202,598
37	76	74	208,676	0	208,676	411,274
38	77	75	214,936	0	214,936	626,210
39	78	76	221,384	0	221,384	847,595
40	79	77	228,026	0	228,026	1,075,621

Long-Term Care Goal

Assumes Susan Has a LTC Need at Age 75

Long-Term Care Monthly Need:	Existing LTC Policy Benefits:	Remaining Monthly Need for Susan:
$17,911	**$0**	**$17,911**

Objective

- Consider effects of a hypothetical long-term care need at age 75 for 5 years
- Assume monthly need (in today's dollars) of $6,000 and a 3% inflation rate

The Cost of Your Monthly Long-Term Care Needs

Hypothetical Monthly Long-Term Care Need at Age 75 (based on $6,000 per month in today's dollars)	$17,911
Existing LTC Policy Benefits ($0 Daily Benefit x 30 days) [1]	- $0
Remaining Monthly Long-Term Care Need at Age 75	**$17,911**

Funding a Long-Term Care Need for 5 Years

These are the amounts needed to fund your hypothetical long-term care need for 5 years, starting at age 75. These amounts are in addition to what you need for retirement.

Lump Sum Needed at Age 75	**$1,086,740**
Monthly Savings Needed Until Age 75 (Assumes a 2.43% rate of return)	**$1,538**

[1] Long-Term Care policy Daily Benefit is not adjusted for a COLA benefit.

Long-Term Care Goal Details

Assumes Susan Has a LTC Need at Age 75

Your Long-Term Care Need Details

			Annual Income		Annual Shortfall	
Year	Larry's Age	Susan's Age	Long-Term Care Need	Long-Term Care Policy Benefit	Shortfall	Cumulative Shortfall
38	77	75	$214,936	$0	$214,936	$214,936
39	78	76	221,384	0	221,384	436,321
40	79	77	228,026	0	228,026	664,347
41	80	78	234,867	0	234,867	899,213
42	81	79	241,913	0	241,913	1,141,126

Medicare

Medicare is a government sponsored health insurance program designed to provide health care for individuals age 65 or older. There are two primary types of Medicare: Medicare Part A and Medicare Part B.

Medicare Part A

Medicare Part A benefits are provided automatically to persons eligible for Social Security retirement benefits when they reach age 65. Medicare Part A pays benefits for hospitalization, skilled nursing facilities, home health care services, hospice care and blood. Deductibles, co-payments and coinsurance apply to most of these services.

Hospitalization requires an initial deductible from the beneficiary for the first 60 days of hospitalization and Medicare covers 100% of the cost once this is paid. The 61st to the 90th day of hospitalization requires the beneficiary to pay a co-payment for each day of hospitalization. After the 90th day, the beneficiary is responsible for all expenses. There is an exception that allows the beneficiary a lifetime benefit of up to 60 additional days after the first 60 days has been exhausted.

Note: This can be used at separate periods but once the total 60 days has been used, the benefit ends.

Medicare pays limited benefits for services rendered in an approved skilled nursing facility for up to 100 days per occurrence. Solely custodial care is not covered. The first three days must be spent in a hospital and Medicare will then pay all allowed costs for the first 20 days of the nursing home stay and day 21 through 100 the beneficiary pays a co-payment.

Home health care services such as part-time skilled nursing care, physical therapy, etc. are provided up to 21 days per occurrence of illness. Hospice benefits for terminally ill patients are paid for a limit of 210 days.

Inpatient psychiatric hospital care costs can be covered for 190 days in a lifetime. All blood is covered after a deductible is paid for the first three pints per year.

Medicare Part B

Medicare Part B is a supplementary medical insurance and is offered as a voluntary program of which beneficiaries must pay a portion of the premium. Part B provides benefits for physician services, surgical procedures, hospital outpatient services and medical supplies. The beneficiary is required to pay a calendar year deductible and a 20% coinsurance. It does not cover prescription drugs, which are offered to beneficiaries under Medicare Part D.

Medicare Part D

Medicare Part D is prescription drug coverage that covers both brand name and generic prescription medications and effective January 1, 2006 is available to any person eligible to receive Medicare benefits. The eligible beneficiary may not be able to have both Medicare Part D and an employer sponsored prescription drug plan, therefore, the employee may have to make a choice of whether or not to accept Medicare Part D or keep the employer sponsored prescription drug plan. For specific information regarding your employer sponsored plan, contact your employee benefits department and ask what arrangements they have made with Medicare.

Emergency Fund

Emergency Fund Goal: **$41,750**

Current Emergency Funds Available: **$0**

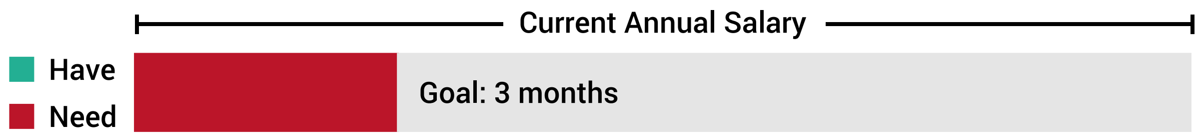
Your Remaining Need: **$41,750**

Progress: **0%**

How Much Will I Need?

A good rule of thumb is that your emergency fund should equal to 3-6 months' salary. Emergency funds should be kept in cash or any other form of liquid assets that can quickly provide the resources needed after a short-term financial crisis.

Your Emergency Fund



Emergency Fund Goal (Based on 3 months salary of $13,917)	$41,750
Current Emergency Funds Available	- $0
Remaining Emergency Funds Needed	**$41,750**

Don't Think You Need an Emergency Fund?

Whether natural or man-made, disasters and emergencies can happen at any time. Even a small 'catastrophe', requiring cash, can occur with little or no warning. The key is to be prepared for whatever life throws your way.

Consider how you would pay for any of the following unexpected events. A source of available funds will provide the peace of mind of knowing you can recover quickly—with the least disruption to your life.

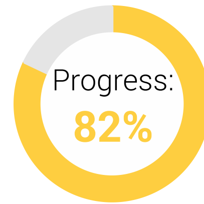
- Major car repairs
- Major home repairs
- Rainy day fund
- Serious illness or hospitalization
- Job interruption
- Major appliance replacement

Debt Management

Total Existing Debt: **$350,000**

Total Credit Card Debt: **$0**

Debt-to-Earned Income Ratio: **18%**



Analyzing Your Debt

The effective use of debt can enhance your financial plans. Debt management starts with examining your existing debt. You should examine each individual debt as well as your total, overall debt. Total debt is often analyzed by comparing earned income to debt payments.

Finding the Right Ratio of Debt and Income

Total Monthly Debt Payments	$2,500
Total Monthly Earned Income	$13,917

Your Debt-to-Earned Income Ratio:
17.96%

A debt-to-earned income ratio of 20% is considered average. The lower your debt-to-earned income ratio, the better your financial flexibility will be. Depending on your particular circumstances a ratio of 20% or higher may be a sign that your credit is out of control, could lead to difficulty obtaining future loans and/or a lower credit rating. You may also be unable to qualify for the best rates and terms.

Your Existing Debt

Debt	Balance	Monthly Payment	Interest Rate	Years Until Paid Off[1]
House - 1st mortgage	$350,000	$2,500	4.500%	16 Years 7 Months
Total Current Debt	**$350,000**			

Total Current Credit Card Debt: $0

Average Interest Rate on Credit Cards: 0.000%

[1] Assumes no additions to the balance, you continue the current monthly payment, and the current interest rate stays the same.

Nothing can derail your Life Goals faster than excessive, revolving, high-interest credit card debt. There are many steps you can take to manage your debt, but the most important step is to start today. It likely won't be easy, but with a consistent strategy, you can find your way out of debt. Here are some ways to manage your debt:

- Pay yourself first—simultaneously work on savings and debt elimination
- Cut spending and stop borrowing
- Pay off the right debt first
- Pay more than the minimum payment
- Consider restructuring your debt
- Consolidate multiple credit cards to one card with a lower rate
- Consolidate bad debt into better debt at lower rate
- Call the credit card company and ask for a lower rate
- Cut up credit cards you don't need
- Stop credit card solicitations (1-888-5-OPTOUT)

Good Uses of Debt

There are situations where debt is not only a necessity, but potentially smart. Debt can actually provide flexibility and convenience that can help you manage your money and provide for your lifestyle needs. Good uses of debt may include purchasing assets or financing an education.

Other favorable uses of debt may include:

- Purchasing a home
- Purchasing an appreciating asset or investment
- Investment in education

Bad Uses of Debt

Bad uses of debt can be the biggest obstacle for achieving your desired lifestyle. Debt that spirals upward because of high interest charges and poor purchase decisions can strain monthly cash flow. Large interest payments perpetuate the debt and can consume the cash flow necessary to maintain your lifestyle and to accomplish your goals.

Bad uses of debt include:

- Using credit cards to pay for lifestyle needs
- Using credit cards to pay credit cards
- Using credit cards to purchase depreciating assets

All debt, good and bad, must be analyzed together for proper debt management. Better debt management means better cash flow and better financial planning.

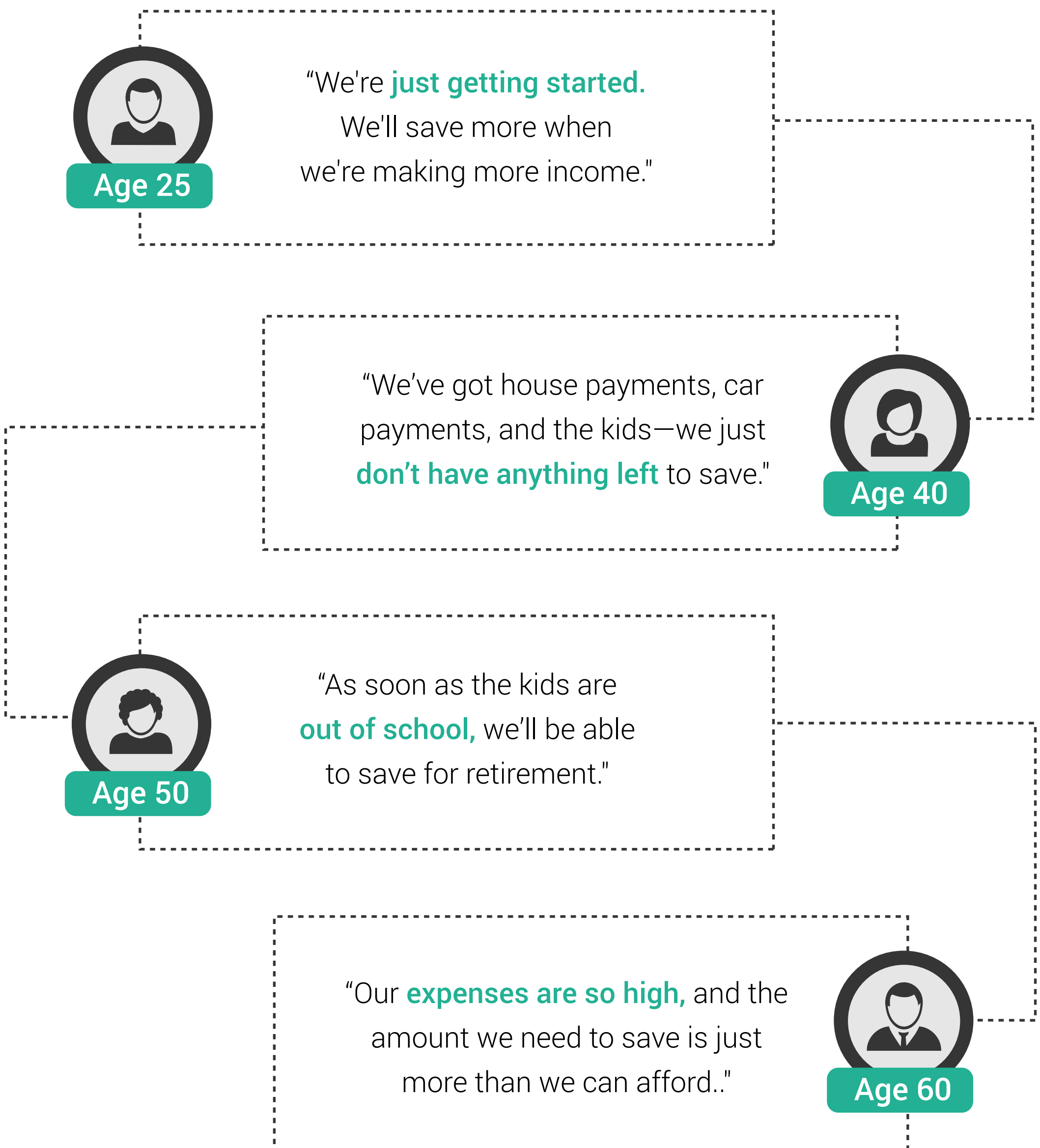
Asset Accumulation

The major mistake people make is procrastination—not putting their strategy into effect. Getting started often is the hardest step of any strategy.

Time can help you reach your objectives. The younger you start, the smaller the amount of money you have to set aside each month to reach your goals. Your sacrifices today may be worth a fortune in the future.

The best time to start saving is NOW!

At any age it's easy to find an excuse not to save...



The Power of Compounding

Time is a fundamental factor in any investment. The earlier you start to invest and the longer you hold onto your investment, the more your investment can grow in value. This is possible due to compounding. Compounding makes time work in your favor!

Starting your savings and investments as soon as possible is very important. Even the month you start to make savings contributions can make a big difference. For example, by starting your contributions in January instead of December of the same year, you can increase your financial gains substantially. This is possible, given the compounding interest generated by starting earlier.

Compounding takes place when you reinvest your earnings such as interest or dividends. This means that your investment base gets larger because your investment earnings are added to your principal; therefore, the forming larger base has the potential to grow at a faster pace.

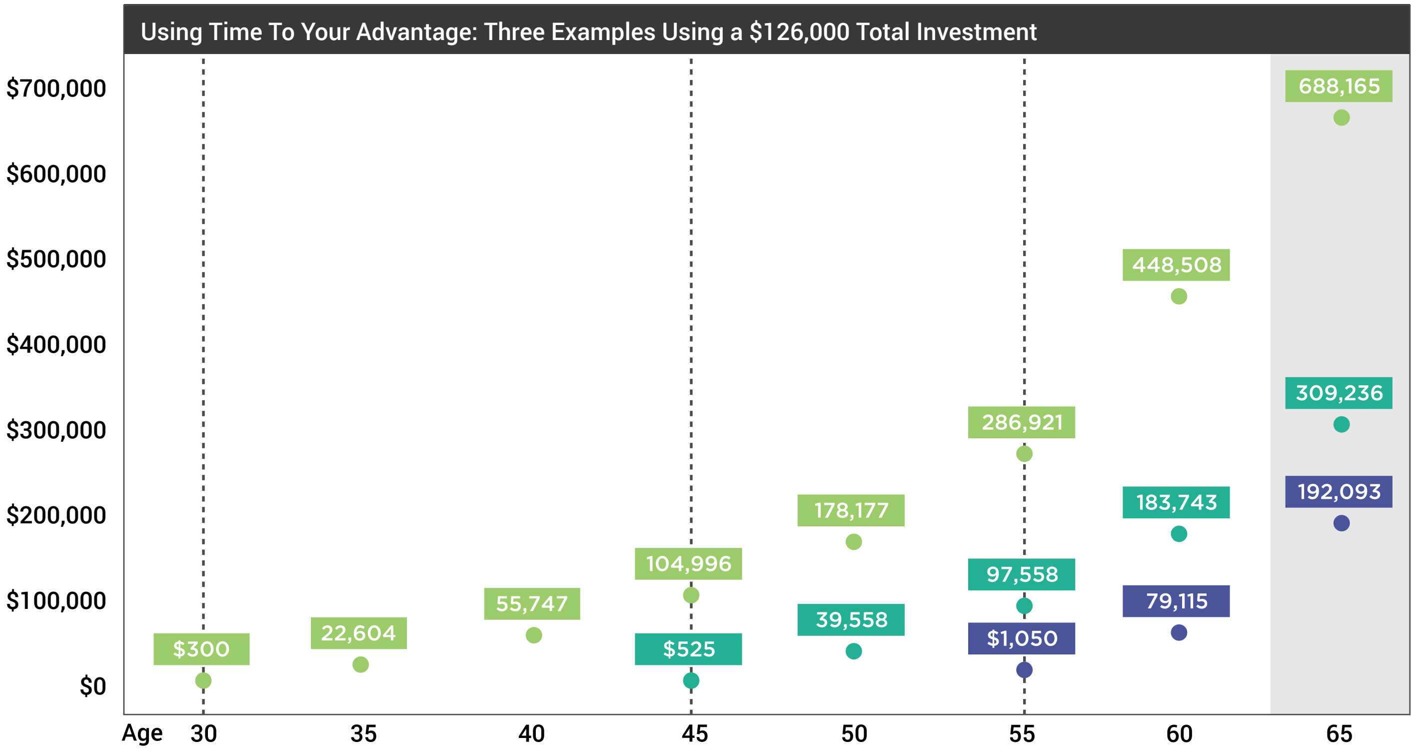
Importance of time and lessons of compounding

- The sooner you begin to invest, the less you need to contribute each month to reach your financial goals.
- The earlier you start, the greater the financial risk you can afford.
- The longer you hold your investments, the better chance you have of riding out any downturns in the market.

Opportunities to accumulate

There are many instruments in the market that can help you take advantage of compounding.

- Contribute to an employer sponsored, tax-deferred retirement plan.
- Open a Roth IRA or IRA account.
- Set up an investment account with a brokerage firm, mutual fund, or bank.
- Set up a life insurance policy that offers cash value.



Option 1: Start Investing at Age 30

Monthly Contribution:	$300
Number of Years:	35
Investment Rate:	8%
Total Investment:	$126,000

Your Retirement Account At Age 65:

$688,165

Option 2: Start Investing at Age 45

Monthly Contribution:	$525
Number of Years:	20
Investment Rate:	8%
Total Investment:	$126,000

Your Retirement Account At Age 65:

$309,236

Option 3: Start Investing at Age 55

Monthly Contribution:	$1,050
Number of Years:	10
Investment Rate:	8%
Total Investment:	$126,000

Your Retirement Account At Age 65:

$192,093

In either case at age 65, you will have invested a total of $126,000, but your investment would have grown to $688,165 by starting at age 30. If you would have started at age 45 or 55 your investments would have only grown to $309,236 and $192,093 respectively.

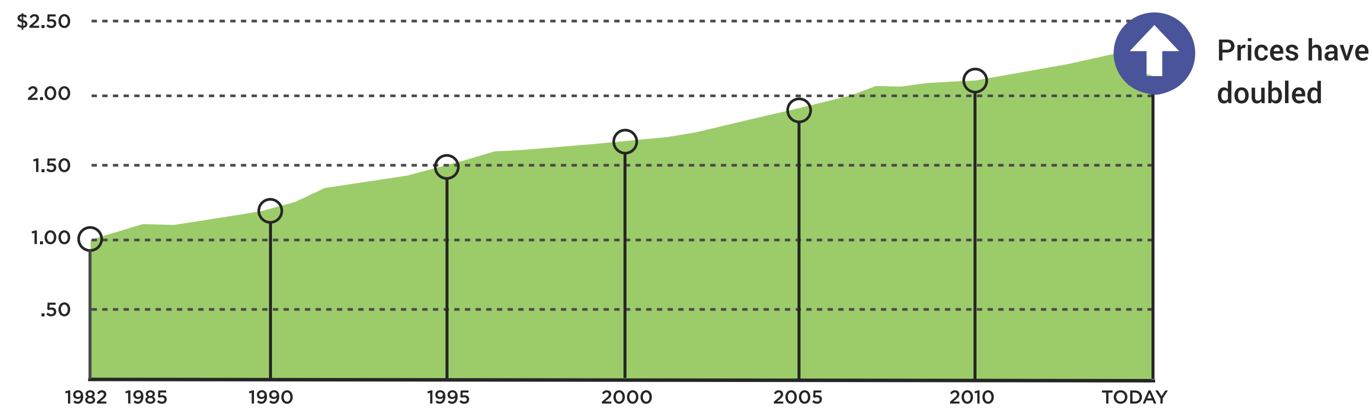
- By starting 15 years earlier and taking advantage of compounding, you can accumulate $378,929 more, while still investing the same amount.
- By starting 25 years earlier and taking advantage of compounding, you can accumulate $496,071 more, while still investing the same amount.

The different final outputs on investment that have the same interest rate and the same amount invested are explained by the extra years of compounding.

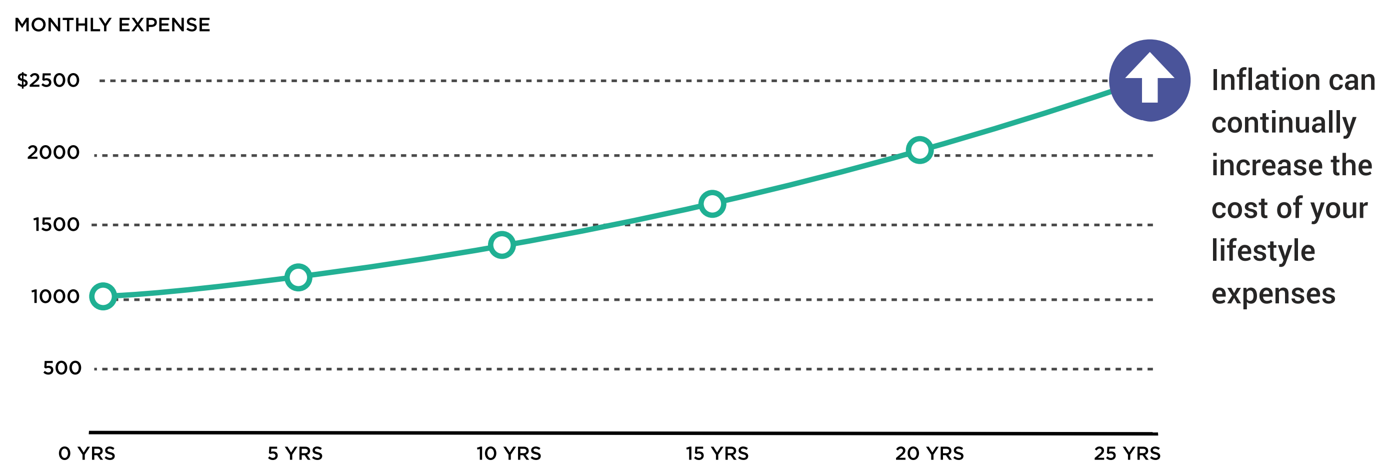
Outpacing Inflation

If inflation continues as it has in the past, your retirement income will need to increase during retirement for you to maintain the same spending power. If inflation averaged 3% during retirement, your income would need to double in 24 years to maintain the same lifestyle.

Consumer Price Index: 1982-Today



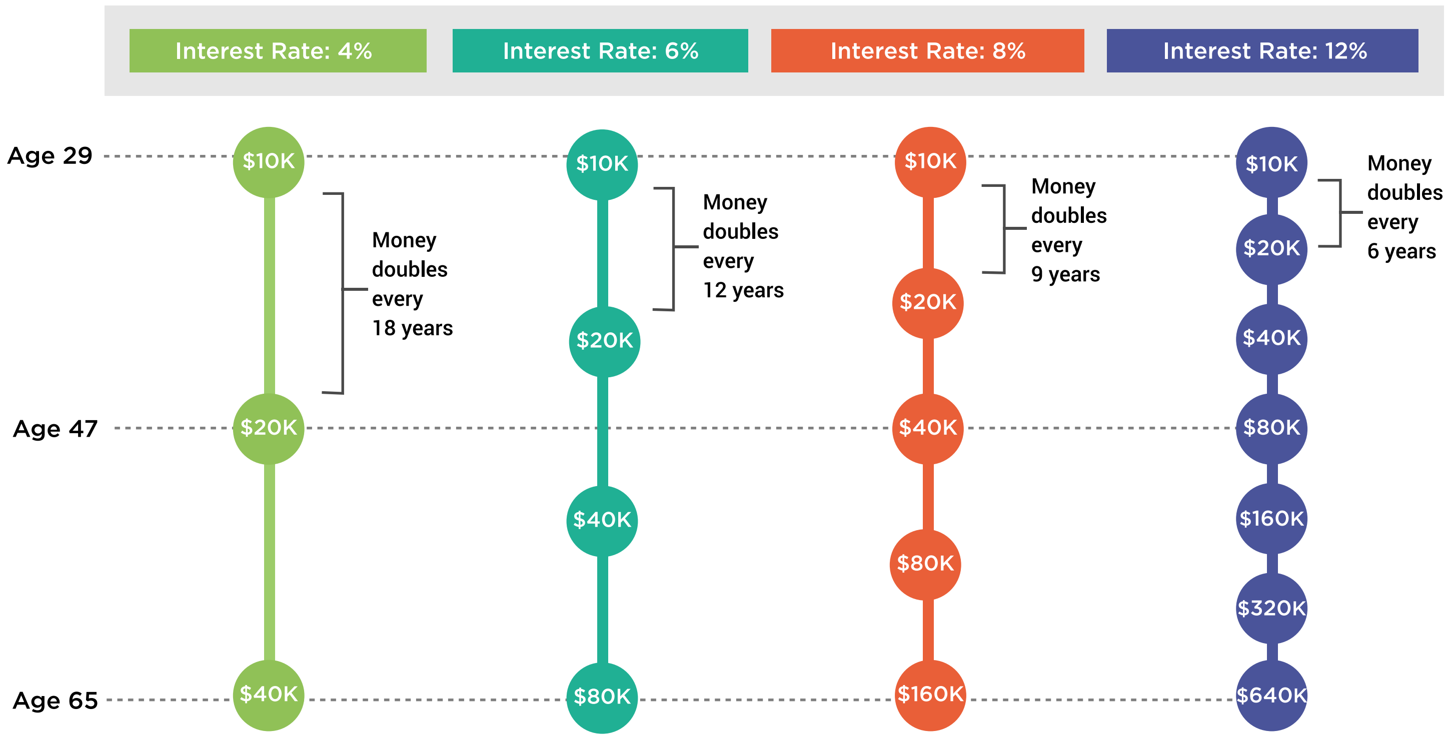
Effect of Inflation on $1,000 Monthly Expense (Increasing at 3% Inflation)



The Rule of 72

The Rule of 72 can help you determine how long it will take for your savings to double. Dividing the number 72 by the interest rate that your savings or investment is earning provides you with the total number of years it will take for you to double your initial investment.

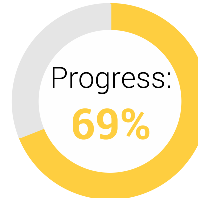
The examples below show how much you can earn over time with an investment of $10,000 at a different rates of interest.[1]



[1] All figures are for illustrative purposes only and do not reflect an actual investment in any product. They do not reflect the performance risks, expenses or charges associated with any actual investment. Past performance is not an indication of future performance. The Rule of 72 is a mathematical concept that approximates the number of years it would take to double the principle at a constant rate of return. The performance of investments fluctuate over time, and as a result, the actual time it will take an investment to double in value cannot be predicted with any certainty. Additionally, there are no guarantees that any investment or savings program can outpace inflation. Please note that high risk has been historically associated with higher rates of return.

Retirement Goal

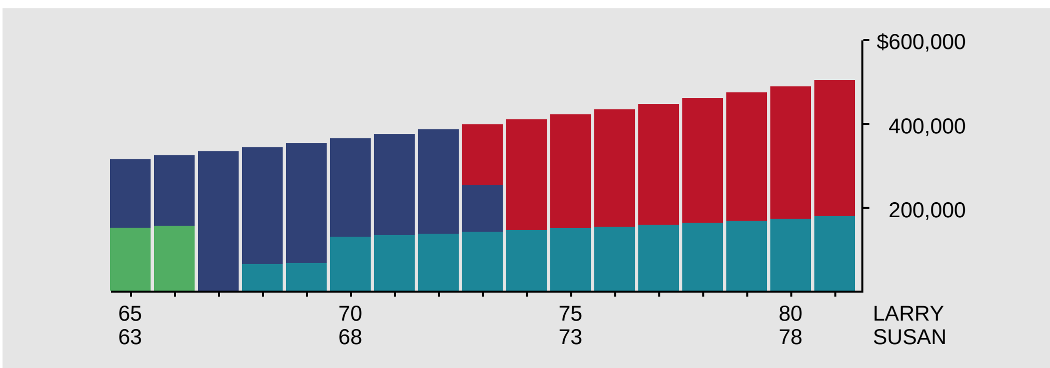
Lump Sum Needed When You Retire:	Amount Available When You Retire:	Lump Sum Shortfall When You Retire:
$4,957,423	**$3,408,468**	**$1,548,955**



Objective

- Larry retires at age 65, Susan retires at age 65
- Retirement lasts for 17 years
- Provide money to fund a retirement lifestyle equal to 90% of your current lifestyle

The Cost of Your Retirement Lifestyle



	Lump Sum Needed When You Retire Provides 90% of Your Current Household Income ($167,000) for 17 Years of Retirement. Adjusted for Inflation.		$4,957,423
■	Lump Sum Value of All Future Social Security Benefits		$1,321,428
■	Lump Sum Value of All Future Salary and Other Income		$300,054
■	Lump Sum of Your Retirement Assets When You Retire[1]		$1,786,986
	Value of Larry's Retirement Plans When You Retire	$363,856	
	Value of Susan's Retirement Plans When You Retire	$111,418	
	Value of Other Assets When You Retire	$1,311,712	
■	**Lump Sum Shortfall When You Retire**		**$1,548,955**

Monthly Savings Needed **$3,814**

assuming your average rate of return of 2.43%
(if assuming 6% $2,353) (if assuming 8% $1,766) (if assuming 10% $1,312)

[1] The Growth Rate(s) reflected in Life Goals for the Current Retirement Assets held by the Client(s) have been provided by the Client(s) and is not representative of any analysis or verification by the associate nor is a guaranteed representation of the likelihood of future returns on the assets currently held by the Client(s).

Retirement Goal Details

Retirement Income Needed

Period Based on Larry's Age	Household Income Today	Percent Needed During Retirement	Annual Need Starting at Retirement	Lump Sum Needed at Retirement
65 - 82	$167,000	90%	$314,695	$4,957,423

Amount Needed to Fund Retirement Lifestyle at Retirement	**$4,957,423**

Retirement Income Sources

Income Source During Retirement	Income Recipient	Annual Increase	Age When Received	Annual Amount When Income Begins	Lump Sum Value at Retirement
Social Security[1]	Larry	3%	67	$64,245	$1,321,428
	Susan	3%	67		
Salary	Susan	3%	38	$72,000	$300,054
Other Income					$0

Less the Value of Retirement Income Sources at Retirement	**$1,621,482**
Total Value of Assets Needed at Retirement	**$3,335,941**

Existing Retirement Assets at Retirement

Retirement Plan	Current Value	Monthly Contributions	Rate of Return	Value at Retirement
Larry	$25,000	$200	5.000%	$363,856
Susan	$10,000	$100	5.000%	$111,418
			Total Value of Retirement Plans	**$475,274**

	Current Value	Monthly Savings	Rate of Return	Value at Retirement
Other Assets	$630,000	$300	2.290%	$1,311,712
			Total Value of Other Assets at Retirement	**$1,311,712**

Less the Value of Existing Retirement Assets at Retirement	**$1,786,986**
Retirement Asset Shortfall at Retirement	**$1,548,955**

[1] See Assumptions & Notes section for details.

Social Security

Social Security provides benefits when you die, become disabled, or retire. Most workers are covered by Social Security, exceptions include railroad employees, some state and local government employees, and federal workers hired prior to 1984. Benefits are based on earnings and the length of time employed. Spouses and children of eligible workers may also receive benefits based on the worker's record.

Qualifications differ for each kind of benefit, as does the size of the benefit payable. Monthly benefits increase each January based on changes in the cost of living during the preceding year. You and your employer each contribute 6.2% of earnings up to the maximum taxable amount for Social Security and 1.45% of all earnings for Medicare. Self-employed workers pay both employee and employer amounts.

Calculations of benefits are based on the Primary Insurance Amount (PIA) which is based on your Average Indexed Monthly Earnings (AIME) over your employment history. Both the PIA and the AIME are calculated by formulas published each year by the Social Security Administration. You may get an estimate of your benefits by filling out a Request for Earnings and Benefit Estimate Statement from the Social Security Administration. In return you receive a report which shows your earnings history, AIME and estimated retirement, disability and survivor benefits.

Survivor Benefits

Family members of an eligible worker may receive monthly benefits based on the earnings record of the deceased individual. Benefits are paid to children under 18 and spouses who are retired, disabled or caring for children under 16. In addition, a one-time death benefit of $255 is payable.

Monthly survivor benefits are limited to a Maximum Family Benefit, approximately 150%-188% of the calculated PIA. Each child's benefit is equal to 75% of the PIA; a spouse caring for a child under age 16 receives an equal benefit. If there are no children under age 16, the spouse can receive a monthly benefit if disabled and over age 50 or retired and age 60 or more. The benefit is adjusted if the spouse is less than the normal retirement age.

Disability Benefits

If you become fully disabled, you and your family may qualify for disability benefits. To be eligible, you must be disabled for more than 6 months and unable to perform any meaningful employment. Benefits start after a five-month waiting period and continue as long as you are fully disabled. Family members of an eligible worker may also receive monthly benefits. Benefits are paid to children under 18 and spouses who are retired, disabled or caring for children under 16. The maximum family benefit is 150% of the disabled individual's benefit.

Retirement Benefits

Retired workers who are age 62 or older receive retirement benefits based on earnings history. In addition, spouse is eligible for retirement benefits based on the workers record, if that benefit exceeds the spouse's own retirement benefit. Normal retirement age (NRA) is based on the year of birth. For persons born before 1938, NRA is age 65; NRA gradually increases to 67 for individuals born after 1960. If you retire before your normal retirement age, your benefits will be reduced by a percentage for each month prior to NRA. If you retire later than your normal retirement age, benefits will be increased by a percentage up to 8% of the PIA per year.

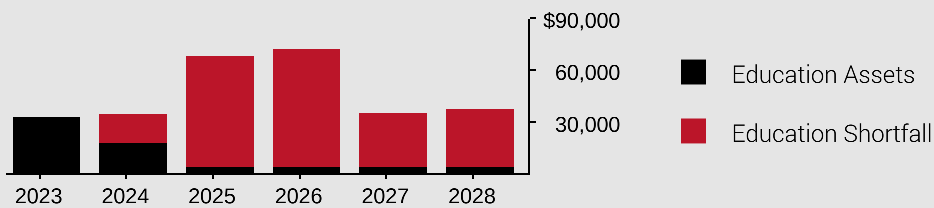
Education Goal

Lump Sum Cost of Education Needs:	Current Value of Education Assets:	Lump Sum Shortfall:	Monthly Savings Need:
$176,418	**$43,908**	**$132,510**	**$1,246**

Objective

Michael: Provide 100% of the total cost of Clemson University for 4 years.

Karen: Provide 100% of the total cost of The University of North Carolina at Chapel Hill for 4 years.



The Cost of Your Education Needs

Dependent's Name	Current Age	Start at Age	Annual Cost Today	First Year Funding Needed	% of Annual Cost to Fund	Number of Years	Lump Sum Needed Today
Michael	11	18	$21,726	$32,668	100%	4	$94,201
Karen	9	18	$18,606	$31,434	100%	4	$82,217

Lump Sum Cost Today of Your Education Needs	$176,418
Current Value of Your Education Assets	- $43,908
Lump Sum Shortfall Today	**$132,510**
Monthly Savings Needed	**$1,246**

(Amount you need to save between now and the start of the last year of your education funding to fund the education shortfall, assuming 5.000% rate of return.)

Education Funding Options

You should consider several important issues when saving for your child's education. Ownership and control of the assets used to fund education is often an important and justifiable concern for parents. In addition, Congress has enacted laws pertaining to the accumulation of assets in a child's name. Because your situation or economic conditions may change in the future, it is important to review your education funding plan periodically.

Qualified State Tuition Programs (Section 529 Plans)

Section 529 Plans are described under IRC Section 529. These plans are operated by individual states and therefore may differ from state to state. Contributions to a 529 Plan can be made as a lump sum or through monthly savings. Contributions are not tax deductible for federal tax purposes. One of the main benefits of a 529 Plan is your account grows tax-deferred and distributions used for the beneficiary's college costs are tax-free (federally).

Coverdell Education Savings Accounts (formerly, Education IRAs)

Also known as Education IRAs, Coverdell Education Savings Plans may be set up for each of your children. You may contribute a maximum of $2,000 per year for each child until the child's 18th birthday. While contributions to an Education IRA do not provide a tax deduction, earnings on the funds will grow tax-free as long as the distribution is for qualified education expenses. Qualified education expenses include tuition, fees, books, supplies, equipment, and room and board. If a Coverdell ESA is not used for the child, the funds may be rolled over to another beneficiary. If funds are not used for qualified expenses, distributions are taxable and subject to a 10% penalty tax.

Personal Savings

If you have savings and/or investments from which you may draw, you might consider using these funds to pay your child's private school or college tuition expenses when they become due. The disadvantage of using your savings to pay educational costs is that the more you deplete your funds, the less money you will have available for emergencies or other lifetime goals.

Uniform Gift to Minors Act (UGMA) and Uniform Transfer to Minors Act (UTMA)

A Uniform Gifts to Minors Act (UGMA)/Uniform Transfers to Minors Act (UTMA) is an account established at a financial institution for the benefit of a minor child. UGMA/UTMA accounts are managed by the child's parent or by another designated custodian. Any money placed in a custodial account is gifted irrevocably to the child. While the child is a minor, the money is controlled by the custodian and can be used only for the benefit of the child.

Education Loans

Education loans can be a big help in paying for college. Education loans offer a low interest rate and a generous repayment period. Of course, loans must be repaid, usually with interest. However, some education loans have provisions for cancellation if the borrower performs a program-related service. The interest paid on qualified education loans after 2001 is completely tax deductible for single taxpayers with incomes less than $55,000 ($110,000 for joint tax returns), and there is a phase-out provision allowing partial deductions for incomes up to $70,000 for single filers ($140,000 for joint filers).

Cash Value Life Insurance

Some life insurance policies such as whole life and universal life offer an investment component that earns interest, creating an asset (cash value). Policy holders can use the policy cash value or borrow against it to pay for education expenses. In most cases withdrawals may produce penalty fees, and loans will require repayment with interest or a reduction in the face value of the policy. If the insured dies before the need for education expenses, the proceeds from the policy can be saved and used in the future when college expenses begin.

Benefits of 529 Plans

529 Plans, described under IRC Section 529, are operated by individual states and, thus, may differ from state to state. Contributions to a 529 Plan, which can be made as a lump sum or through monthly savings, are not tax deductible for federal tax purposes. One of the main benefits of 529 plans is your account grows tax-deferred and distributions used for the beneficiary's college costs are tax-free (federally).

Contributions

- Can be lump sum or monthly savings
- May be made by any person who is the account owner, limited to what 5 years of undergraduate schooling would cost
- Contributions are NOT tax deductible for federal tax purposes
- Are considered a completed gift to the beneficiary
- 529 plans may have high contribution limits (as high as $250,000 for some plans)

Tax Advantages

- People of all income levels are eligible to contribute to a 529
- Most state savings plans are open to residents of any state
- You can generally open a 529 account after your child reaches age 18
- Plan contributions grow income tax-deferred
- Your account grows tax-deferred and distributions used for the beneficiary's college costs are tax-free (federally)
- The beneficiary of the account may be changed to another member of the family and you may roll one state's plan to another's
- The account owner (parent) has full control over the account withdrawals, however penalties may be assessed if the monies aren't used for education

Benefits of 529 Plans for Estate Planning

- Plan contributions qualify for the $12,000 ($24,000 for joint gifts) annual gift tax exclusion (2007 figures), and a special election lets you contribute up to $60,000 ($120,000 for joint gifts) in a single year and avoid gift tax by treating the amount as a gift over five years

Benefits of 529 Plans for Estate Planning

- Plan contributions aren't considered part of your estate for federal tax purposes, yet you still retain control of the account during your lifetime as the account owner
- You can change the beneficiary without penalty if certain conditions are met
- A 529 account owned by someone other than the parent (like a grandparent) is not considered an asset of the parent for financial aid purposes

Estate Preservation

Don't let a lifetime of successful savings be devoured by taxes, lawyers and unintended heirs. A proper estate plan can take care of your family during your life and after your death. Estate planning can help you develop a firm strategy for the proper transfer of your wealth. By minimizing the costs associated with transferring wealth, you can increase the amount passed on to your heirs.

Keys to preserving your estate include:

- Adequate life insurance protection
- Understand what a trust is
- Understand your state's probate process
- Learn how to minimize estate taxes
- Have a will
- Transfer assets through trusts
- Avoid probate
- Don't delay

The risks of not having an estate plan[1]

Your Life Insurance

Your Pension

Your Business

Your Home

Your Personal Assets & Real Estate

Settlement Costs

Probate Costs[2]
2-7% or more of the total estate value[3]

Estate Tax
up to 40%

Income Taxes[2]
up to 35% on Pensions and Annuities (plus estate tax up to 40%)

Your Heirs Receive What Is Left

[1] Strategic planning may include the proper use of: life insurance, wills, trusts, gifts, charitable donations, appropriate ownership of property, implementation of buy-sell agreements and should include consultation with an attorney knowledgeable in estate planning. Please consult with your representative for services he/she can offer.
[2] Please consult with your personal tax professional for additional guidance regarding the estate tax and other tax matters.
[3] Skipping Out on Probate Costs," Steven Merkel, CFP ChFC, Dec. 13, 2004, Investopedia.com.

Assumptions

Your Monthly Cash Flow

Your Monthly Cash Flow represents an estimate of your current household income and expenses. This may not represent all of your current income and expenses, and your income and expenses may change in the future.

Calculation Assumptions

- Estimated Monthly Taxes equals Estimated Gross Monthly Income multiplied by the Estimated Average (Effective) Income Tax Rate of 20%.

Debt Management

Calculation Assumptions

- Debt-to-Earned Income Ratio equals your Total Household Current Monthly Debt Payments divided by Your Total Household Current Gross Monthly Salaries.
- Years Until Debt is Paid Off equals the number of years it will take to pay off the Current Balance, assuming you continue to pay the current Monthly Payment, at the current Interest Rate, with no additions to the current Balance.
- Average Interest Rate on Credit Cards represents a weighted average based on each credit card current Balance.

Emergency Fund

Calculation Assumptions

- Emergency Fund Needed based on total household current gross monthly salaries multiplied by 3 months.

Survivor Needs—For Susan

Assumed Years of Death

- This presentation assumes Larry dies immediately.

Income Needs Assumption

- Susan will require 100% of current household income while the children are at home.
  When the youngest child turns 18, Susan will require 60% of current household income for remaining years.
  Needs are provided for 30 years.

Survivor Needs—For Susan (Continued)

Interest Rate Assumptions

- Education costs are assumed to increase at a 6% annual inflation rate.
- All other living expenses are assumed to increase at a 3% annual inflation rate.
- All lump sum values in today's dollars are assumed to grow at 4.000% annually.

Social Security Assumptions

- Larry and Susan's Social Security benefit amounts are based on their current salaries. Social Security survivor benefit ends when youngest child turns 16, however children's benefits are paid until age 18. Social Security retirement benefit begins at Susan's age 67. No Social Security benefits will be paid if there are years after the youngest child turns 18, but before Susan's age 67.

Survivor Needs—For Larry

Assumed Years of Death

- This presentation assumes Susan dies immediately.

Income Needs Assumption

- Larry will require 100% of current household income while the children are at home.
  When the youngest child turns 18, Larry will require 60% of current household income for remaining years.
  Needs are provided for 30 years.

Interest Rate Assumptions

- Education costs are assumed to increase at a 6% annual inflation rate.
- All other living expenses are assumed to increase at a 3% annual inflation rate.
- All lump sum values in today's dollars are assumed to grow at 4.000% annually.

Survivor Needs—For Larry (Continued)

Social Security Assumptions

- Larry and Susan's Social Security benefit amounts are based on their current salaries. Social Security survivor benefit ends when youngest child turns 16, however children's benefits are paid until age 18. Social Security retirement benefit begins at Larry's age 67. No Social Security benefits will be paid if there are years after the youngest child turns 18, but before Larry's age 67.

Disability Needs—For Larry

Assumed Disability

- This presentation assumes Larry becomes disabled immediately.

Income Needs Assumption

- Larry will require 60% of current household income during disability.

Disability versus Death Probability

- The probabilities of dying before age 65 are based on the 1990-1995 U.S. Basic Male and Female Tables (Age Nearest Birthday) developed by the Society of Actuaries. The probabilities of becoming disabled before age 65 are based on the 1985 Commissioner's Individual Disability A Tables for occupation class 1 (white collar) and a 60-day elimination period. Disability is assumed to last at least two years or longer.

Social Security Assumptions

- Larry's Social Security benefit amount is based on his current salary.

Disability Needs—For Susan

Assumed Disability

- This presentation assumes Susan becomes disabled immediately.

Income Needs Assumption

- Susan will require 60% of current household income during disability.

Disability versus Death Probability

- The probabilities of dying before age 65 are based on the 1990-1995 U.S. Basic Male and Female Tables (Age Nearest Birthday) developed by the Society of Actuaries. The probabilities of becoming disabled before age 65 are based on the 1985 Commissioner's Individual Disability A Tables for occupation class 1 (white collar) and a 60-day elimination period. Disability is assumed to last at least two years or longer.

Disability Needs—For Susan (Continued)

Social Security Assumptions

- Susan's Social Security benefit amount is based on her current salary.

Long-Term Care Needs—For Larry

Long-Term Care Need Assumptions

- Monthly long-term care need (in today's dollars) of $6,000 with a 3% inflation rate. Long-term care need will begin at age 75 and continue for 5 years.

Annual Savings Assumptions

- The annual savings assumed rate of return (2.43%) is the average rate of return of all existing assets.

Long-Term Care Needs— For Susan

Long-Term Care Need Assumptions

- Monthly long-term care need (in today's dollars) of $6,000 with a 3% inflation rate. Long-term care need will begin at age 75 and continue for 5 years.

Annual Savings Assumptions

- The annual savings assumed rate of return (2.43%) is the average rate of return of all existing assets.

Retirement Needs

Years Illustrated

- This presentation continues until Susan reaches age 80.

Income Needs Assumption

- Larry retires at 65, Susan retires at 65.
- Larry and Susan require 90% of current household income during retirement.

Retirement Needs (Continued)

Interest Rate Assumptions

- All income needs are assumed to increase at a 3% annual general inflation rate.
- Income sources and asset balances increase annually based on the rate listed on the Your Personal Information page.
- All lump sum values at retirement are assumed to grow at 4.000% annually.
- All interest rates compounded annually with all monthly contributions for the year added at the end of the year.
- Monthly Savings Needed amount assumes your additional savings will be invested similarly to your current assets, and therefore assumes the average rate of return of all your existing assets.

Social Security Assumptions

- Larry's and Susan's Social Security benefit amounts are based on their current salaries and their age when the benefit begins. Larry starts Social Security benefits at 67, Susan starts Social Security benefits at 67.

Education Needs

- For Michael, requires 100% of the total cost of Clemson University for 4 years.
  For Karen, requires 100% of the total cost of The University of North Carolina at Chapel Hill for 4 years.
- Education costs inflation rate: 6%
- Education savings rate of return: 5.000%
- Current and additional savings begin today and continue until the start of the last dependent's final year of education.
- All interest rates compounded annually with all monthly contributions for the year added at the end of the year.

Disability Income Insurance

Disability income insurance protects working adults from the possibility of income loss when they are out of work for an extended period due to an illness or injury.

Disability income insurance has three primary provisions. The provisions determine the amount of benefits payable, when benefits are paid (monthly or weekly basis), and the elimination period and maximum benefit period.

In order to be eligible for disability benefits, the insured must be under a physician's care and the disability must be a result of a cause stated in the policy. There are two primary benefits recognized: total disability and partial disability.

Additional coverage options are often offered with disability income insurance, most of which are optional and at additional costs. These additional coverage options are as follows:

- Social Security Rider—This coverage may also be known as short-term monthly indemnity. The purpose of this coverage is to provide additional monthly payments during the first few months of total disability while the insured applies for Social Security benefits. Typically, this payment is limited for the first six months but may vary by policy.
- Social Insurance Substitute (SIS)—This coverage provides you with additional disability benefits during periods that you are not receiving funds from government social insurance programs, such as social security disability, retirement or workers compensation.
- Future Increase Option (FIO)—This option is designed to protect your future earnings. The disability policy by itself protects your earnings at the time you acquire the policy but will not grow your monthly benefit by itself. The FIO rider preserves your insurability and guarantees that you will be able to increase your monthly benefit in the future. Typically, the only documentation required at the time of increase is proof of income as the same income guidelines will apply.
- Return-of-Premium Option—With this option, the insured has the right to receive a percentage of the total premium after a specified period of time if they do not become disabled (normally 5 to 10 years).

- Cost-of-Living Adjustment Rider (COLA)—This provision allows for an increase of benefit payments based on the effects of inflation during a lengthy period of disability.

Could a Disability Affect Your Retirement?

Although traditional disability policies are focused on replacing income while a person is unable to work, careful advice must consider how a disability could affect your retirement lifestyle. Without adequate disability coverage, you may be forced to use savings otherwise earmarked for retirement. So even though the disability does not create cash flow shortfalls during the disability, the use of retirement assets could be catastrophic to your retirement plans. For this reason, when considering disability coverage, it is important to consider the disability's effects on retirement.

What If You Become Disabled?

Disability income insurance may help protect you and your family from the possibility of income loss in the event that you are out of work for an extended period due to an illness or injury.

The negative physical and psychological effects of a disability are exacerbated by the fact that without adequate protection you will need to find a way to replace your income.

If disability occurs, your income decreases, and normally your expenses often increase as a result of treatment and recuperation costs. This scenario can jeopardize your family's future and your ability to keep the wealth that you accumulated over the years. If you do not have disability protection, you will need to replace the lost income and cover the extra expenses from other sources besides your salary. Usually these sources don't generate an optimal solution:

- Savings—Normally a disability produces expenses such as medical bills and therapy costs. With these additional expenses and the need to replace your lost income, it is likely that your savings could be exhausted very quickly.
- Social Security—You may be eligible for Social Security benefits[1] if you comply with the Social Security requirements. You have to make sure that you qualify.
- Loans—You can get loans to replace your income, however it is very unlikely that anyone will lend you money with a low interest rate or without compromising your assets if you do not have expected income.
- Other Household Income—The income from other family members can help, however it is not likely to be enough to maintain your lifestyle and keep your financial strategies in place.

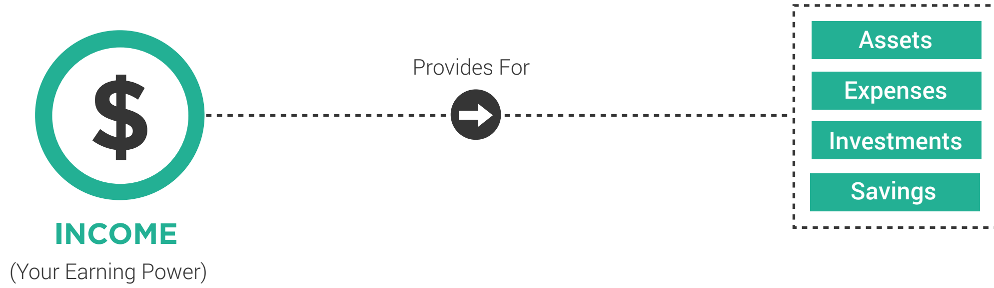
The best option to protect yourself and your family against disability is a disability insurance policy.

Disability insurance can provide income when you need it the most!

[1] To be considered eligible for Social Security disability benefits, you must be unable to perform the work you did before becoming disabled, and a Social Security office must decide that you cannot adjust to other work because of your medical condition. Also, your disability must last or be expected to last for at least one year or be expected to result in death.

Have You Insured Your Most Valuable Asset?

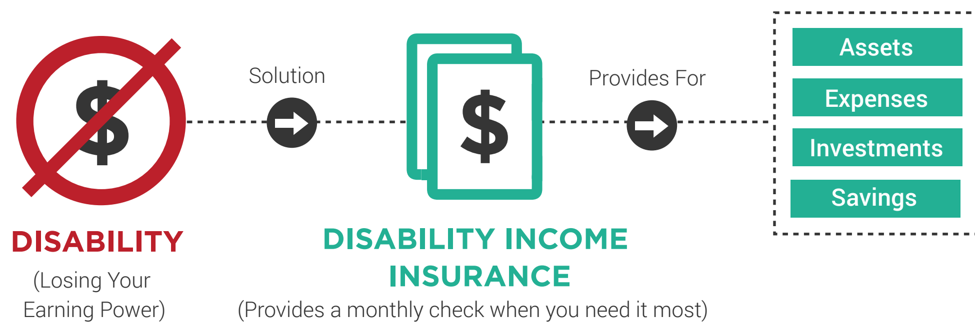
Most people insure their homes, their cars, and even their lives. However, they have a tendency to leave potentially their greatest asset uncovered—their income.



If you think about it, most of your valuable possessions are purchased with the income that you generate from work. So it makes sense to be protected against the risk of losing your earning power.

If you multiply your annual income adjusted by the number of years until you retire, you will earn a fortune!

If anything happens to your assets, you may be able to replace them, even if they are not insured, as long as you have your income. However, if you lose your ability to generate income due to disability, the only optimal solution would be to have some form of disability income insurance protection.



Think of your income as an asset. One that is valuable and one that should be considered as important as the other items you normally insure, such as your car or your house.

Take the appropriate steps to protect your income!

Debt Management

Nothing can derail your Life Goals faster than excessive, revolving, high-interest credit card debt. There are many steps you can take to manage your debt, but the most important step is to start today. It likely won't be easy, but with a consistent strategy, you can find your way out of debt. Here are some ways to manage your debt:

- Pay yourself first—simultaneously work on savings and debt elimination
- Cut spending and stop borrowing
- Pay off the right debt first
- Pay more than the minimum payment
- Consider restructuring your debt
- Consolidate multiple credit cards to one card with a lower rate
- Consolidate bad debt into better debt at lower rate
- Call the credit card company and ask for a lower rate
- Cut up credit cards you don't need
- Stop credit card solicitations (1-888-5-OPTOUT)

Good Uses of Debt

There are situations where debt is not only a necessity, but potentially smart. Debt can actually provide flexibility and convenience that can help you manage your money and provide for your lifestyle needs. Good uses of debt may include purchasing assets or financing an education.

Other favorable uses of debt may include:

- Purchasing a home
- Purchasing an appreciating asset or investment
- Investment in education

Bad Uses of Debt

Bad uses of debt can be the biggest obstacle for achieving your desired lifestyle. Debt that spirals upward because of high interest charges and poor purchase decisions can strain monthly cash flow. Large interest payments perpetuate the debt and can consume the cash flow necessary to maintain your lifestyle and to accomplish your goals.

Bad uses of debt include:

- Using credit cards to pay for lifestyle needs
- Using credit cards to pay credit cards
- Using credit cards to purchase depreciating assets

All debt, good and bad, must be analyzed together for proper debt management. Better debt management means better cash flow and better financial planning.