



Mapping Your Financial Future

John and Susan Sample

**1234 Sample Street
Jacksonville, FL 32225**

Presented by:
Mr. Jeff Stoeber

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Introduction

When planning for your future financial security, it is important to set goals, initiate action, and periodically review your progress.

Remember...a sound financial plan can be more important than a lifetime of work!

This analysis uses the information you have shared about your current financial situation and your goals for the future.

The following pages analyze your needs:

- *In the event of death*
- *For college funding*
- *For your retirement years*
- *In the event of a disability*
- *For long-term care*

A sound financial plan...

...can be more important than a lifetime of work.



Important Note...

This financial analysis compares your investments and savings strategy with your financial priorities and concerns. It provides only a broad, general guideline, which may be helpful in shaping your financial thinking about investment objectives and risk tolerance. The reports and graphs are dependent upon the quality and accuracy of data furnished by you.

This analysis is for estimating purposes only and must be reviewed periodically. Past performance is not indicative of future results. Your attorney and accountant should be consulted regarding legal and tax implications. A current prospectus must be read carefully when considering any investment in securities.

No liability is assumed resulting from the use of the information contained in this analysis. Responsibility for financial decisions is assumed by you. It is important to revise your plans periodically in light of your experiences and changing goals.

Liabilities

Name	Amount	Monthly Payment	Final Payment Due	Interest Rate
Mortgage	\$2,400	\$0		0.00%
Home Equity loan	\$15,000	\$150		0.00%
Boat Loan	\$25,000	\$225		0.00%

Needs In The Event Of Death

Income Needs Objective	With children at home: 70.00%	No children at home: 50.00%
Provide Income for	Lifetime	
Fund Children's Education	Yes	

Life Insurance Policies

Name	Company	Insurance Benefit	Annual Premium	Type
John	Group Work	\$50,000	\$0	Group
John	Sample Insurance	\$100,000	\$0	Whole Life
Susan	Group Work	\$50,000	\$0	Group
Susan	Sample Insurance	\$100,000	\$0	Whole Life

College Funding

Child's Name	School	Annual Amount (in Today's Dollars)	Years Needed	Percent Want To Provide
Madison Sample	University of North Florida	\$8,569	4	100%
Delaney Sample	University of Florida	\$8,950	4	100%
Shane Sample	Florida State University	\$9,295	4	100%
Austin Sample	Florida Institute of Technology	\$27,500	4	100%

Total Funds Presently Available	Monthly Savings	Rate of Return
\$4,000	\$0	8.00%

Retirement Needs

Desired Retirement Age	John: 65	Susan: 65
Employer Offers Retirement Plans	Yes	Yes
Maximum amount being contributed	No	No
Percentage of pre-retirement income during retirement	100.00%	

Long-Term Disability

Annual Employment Income	\$75,000	\$35,000
Disability income replacement objective:	John - 60.00%	Susan - 60.00%

Existing Insurance

Insured	Company	Monthly Benefit	Group/Personal	Annual Premium	Waiting Period (Months)	Benefit Period
John	Work Short Term Disab	\$3,250	Group	\$0	1 month	6 months
Susan	Work Short Term Disab	\$1,750	Group	\$0	1 month	6 months

Long-Term Care

Estimated monthly long-term care costs:	\$5,500
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Planning Assumptions Used In This Analysis

Rate of Return on Assets	
During Retirement.....	6.00%
In the Event of Death.....	8.00%
For College Needs.....	8.00%
Number of month's income to set aside for emergency reserves.....	
	3
Long-term inflation rate.....	4.00%
Long-term inflation rate for College Costs.....	8.00%
Life expectancy age.....	100
Final Expenses.....	\$15,000

Odds of Death and Disability



*Odds of Death
At Age*

*Within
15 Years*

*Within
30 Years*

25	1 in 29	1 in 8
30	1 in 22	1 in 5
35	1 in 15	1 in 4
40	1 in 10	1 in 3
45	1 in 7	1 in 2
50	1 in 4	Almost Certain



*Odds of Disability
At Age*

*Within
15 Years*

*Within
30 Years*

25	1 in 8	1 in 3
30	1 in 6	1 in 3
35	1 in 5	1 in 2
40	1 in 4	1 in 2
45	1 in 4	1 in 2
50	1 in 4	Almost Certain

When creating a plan, it is critical that proper planning for death and disability be included.

Source: 1980 Commissioners Standard Ordinary Mortality and 1985 Disability Tables.

Disability - Sources of Income

Savings

If you save 10% annually, one year of disability could wipe out 10 years of savings.

Family, Friends and Charity

Do you want to depend on them?



Other Household Income

Is it enough to cover all of your expenses?

Sell Investments

Will you get a fair price?

Loan

Without an income, will anyone lend you money?

Social Security

Almost 70% of applicants are rejected.*

When disability occurs, most options, except insured income replacement, may be inadequate or quickly exhausted.

Disability is difficult enough - disability without income is even worse. Disability income insurance is the only long-term solution to a long-term disability.

*Source: Social Security Administration, 1997.

Disability Income Insurance

Most people have insurance coverage on their homes, autos, etc., but many have not realized the value of their future earnings may far exceed the value of their tangible assets. If their future earnings cease because of an accident or illness, the loss of income could present serious financial problems. Studies indicate that for people under age 65, the odds of a disability lasting for 90 days or more are much higher than the odds of dying.*

Disability income insurance policies can help replace a portion of the loss of income due to disability during one's working years. The following is a list of features disability income policies can include:

- | Non-cancelable, guaranteed renewable provisions.
- | Protection against inflation for future benefits paid, referred to as Cost of Living Adjustment (COLA).
- | Various elimination periods before benefits begin, typically 30, 60, or 90 days, 6 months, or one year. The longer the elimination period, the lower the premium. A person's liquid reserves, income, and existing disability income insurance must be considered when selecting an appropriate elimination period.
- | Some policies provide "Own Occupation" coverage and will pay benefits if those insured are unable to work in their specialized field.
- | Policies offer varying benefit periods. Some policies, for example, offer a lifetime benefit if the disability was caused by an accident, and to age 65 for a disability caused by illness. Disability can last for a long time. The longer the period covered by the policy, the higher the premium.
- | Disability policies may be purchased by an individual or by a company. Others may be acquired on a group or association basis.

Other types of Disability Income Insurance policies include:

- | Key Employee Disability Insurance - When the employer owns the policy, the insurance benefits can provide funds to help cover expenses related to the loss of services of a disabled employee, such as hiring and training a replacement.
- | Disability Buy-out - Funds can be provided to help effect a buy-out of a disabled business owner or professional under the terms of a Buy-Sell agreement.
- | Business Overhead Expense - If a business owner or professional becomes disabled, these policies can provide funds to help cover ongoing expenses such as rent, employee salaries, etc., to keep the business open during the period of disability.

Of Special Note: Some policies pay benefits when earnings drop by a certain percentage due to a disability. Others require a physician's certification to pay or continue benefits. Also, some policies provide for partial or residual disability benefits where the insured can perform some, but not all of their duties. Policy language and provisions should be carefully reviewed.

*Source: Social Security Administration 6/99.

Financial Needs in the Event of John's Disability

John, according to the 1985 Commissioners Disability Tables, at your age of 41, the odds of you becoming disabled in the next 30 years for 90 days or more are approximately 1 in 2. There are currently over fourteen million people of working age who are disabled.

This analysis shows the financial impact a disability can have on your financial situation.

Your current annual income is \$75,000 and your current long-term disability coverage provides \$0 per year. Your goal is to provide 60% of your current income, or \$45,000, in the event you become disabled.

Without additional coverage you may need to deplete your savings and investments to meet your ongoing living expenses.

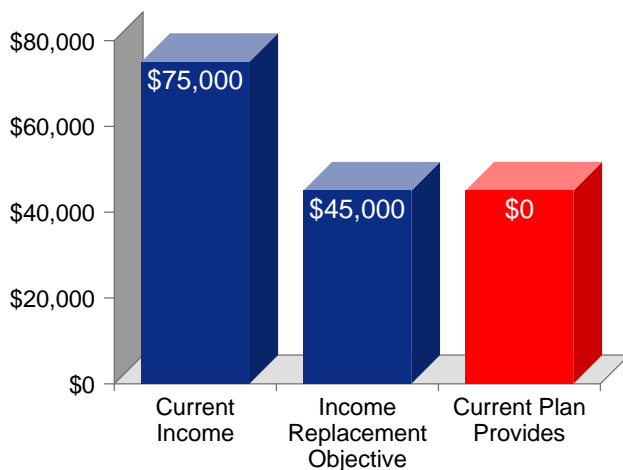
About Disability Income Insurance...

When purchasing disability income protection, there are a number of options to consider:



- Protection against inflation for future Benefits paid, referred to as Cost of Living Adjustment (COLA).
- Non-cancelable, guaranteed renewable provisions.
- Various waiting periods are available. The longer the waiting period, the lower the premium.
- Policies offer varying benefit periods. The longer the period covered by the policy, the higher the premium.
- Some Policies provide "Own Occupation" coverage and will pay benefits if the insured is unable to work in their specialized field.

Disability Income



A word about Social Security...

This analysis does not include any potential benefits from Social Security since Social Security rejects almost 70% of all disability claims.

Social Security defines disability as "the inability to engage in *any* gainful activity by reason of any...physical or mental impairment which has lasted or can be expected to last for a continuous period of *not less than 12 months*, or is expected to *result in death*...There is a five month waiting period."

Source: Social Security Administration, 1997.

Financial Needs Detail

In the event of John's Disability

Assumptions

Income Replacement % of John's Income	60%
Inflation	4.00%

In the first year following a disability

After	Salary to Replace	Desired Replacement	Existing Insurance	(Shortage)/ Surplus
1 Month	\$75,000	\$45,000	\$39,000	(\$6,000)
2 Months	\$75,000	\$45,000	\$39,000	(\$6,000)
3 Months	\$75,000	\$45,000	\$39,000	(\$6,000)
6 Months	\$75,000	\$45,000	\$39,000	(\$6,000)

In the years following a disability

	John's Age	Salary to Replace	Desired Replacement	Existing Insurance	(Shortage)/ Surplus
1 Year	42	\$78,000	\$46,800	\$0	(\$46,800)
2 Years	43	\$81,120	\$48,672	\$0	(\$48,672)
5 Years	46	\$91,249	\$54,749	\$0	(\$54,749)
10 Years	51	\$111,018	\$66,611	\$0	(\$66,611)
Age 64		\$184,854	\$110,912	\$0	(\$110,912)
Age 65		\$192,248	\$115,349	\$0	(\$115,349)

Disability Policies

Policy Name	Monthly Benefit	Type	Waiting Period	Benefit Period	COLA
Work Short Term Disab	\$3,250	Group	1 month	6 months	4.00%

Financial Needs in the Event of Susan's Disability

Susan, according to the 1985 Commissioners Disability Tables, at your age of 41, the odds of you becoming disabled in the next 30 years for 90 days or more are approximately 1 in 2. There are currently over fourteen million people of working age who are disabled.

This analysis shows the financial impact a disability can have on your financial situation.

Your current annual income is \$35,000 and your current long-term disability coverage provides \$0 per year. Your goal is to provide 60% of your current income, or \$21,000, in the event you become disabled.

Without additional coverage you may need to deplete your savings and investments to meet your ongoing living expenses.

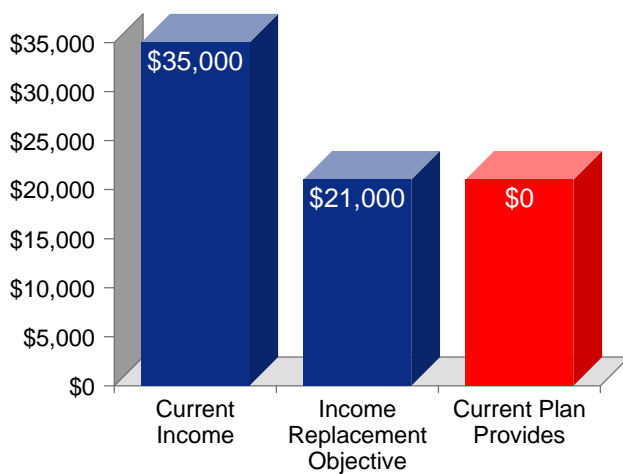
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Source: Social Security Administration, 1997.

Financial Needs Detail

In the event of Susan's Disability

Assumptions	
Income Replacement % of Susan's Income	60%
Inflation	4.00%

In the first year following a disability				
After	Salary to Replace	Desired Replacement	Existing Insurance	(Shortage)/ Surplus
1 Month	\$35,000	\$21,000	\$21,000	\$0
2 Months	\$35,000	\$21,000	\$21,000	\$0
3 Months	\$35,000	\$21,000	\$21,000	\$0
6 Months	\$35,000	\$21,000	\$21,000	\$0

In the years following a disability					
	Susan's Age	Salary to Replace	Desired Replacement	Existing Insurance	(Shortage)/ Surplus
1 Year	42	\$36,400	\$21,840	\$0	(\$21,840)
2 Years	43	\$37,856	\$22,714	\$0	(\$22,714)
5 Years	46	\$42,583	\$25,550	\$0	(\$25,550)
10 Years	51	\$51,809	\$31,085	\$0	(\$31,085)
Age 64		\$86,265	\$51,759	\$0	(\$51,759)
Age 65		\$89,716	\$53,829	\$0	(\$53,829)

Disability Policies					
Policy Name	Monthly Benefit	Type	Waiting Period	Benefit Period	COLA
Work Short Term Disab	\$1,750	Group	1 month	6 months	4.00%