



Mapping Your Financial Future

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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

Medicare

The Medicare program has two parts. Part A is Hospital Insurance (HI) and Part B is Supplemental Medical Insurance (SMI). Part A is financed by payroll taxes based on covered work before and after eligibility for Medicare. Part B (SMI) is partly financed by premiums and partly by the general tax revenues of the government. Medicare becomes available at the beginning of the month in which an individual reaches age 65, whether you are retired or still working. It is also available if one has been receiving Social Security disability benefits for two years or has a chronic kidney disorder.

Part A. Hospital Insurance

The amounts you pay for hospitalization change every year, depending on the increases in hospital costs. Amounts shown reflect those in effect for 2003. However, you never have to pay more than the actual charges.

Hospital Stays: On immediate admission the client must pay a deductible. In 2003, it is \$840 per stay. After the first 60 days you must pay \$210 per day. After 90 days the co-insurance amount is \$420 for each "non-renewable, lifetime, reserve day." After 150 days, you pay all costs. With each admission, you will need to pay another deductible charge.

Skilled Nursing Facility Care: You may qualify for nursing facility benefits if both your situation and the facility meet Medicare's strict standards. Skilled nursing facility care is available only after a hospital stay of at least three days. It is important to note that custodial care is not covered. If you qualify, you pay nothing for the first 20 days of covered expenses, and for the next 80 days, you pay \$105 per day. Benefits stop after 100 days.

Home Health Care: Care such as part-time or intermittent skilled nursing care, physical therapy, medical social services, medical supplies, durable medical equipment and some rehabilitation equipment may be covered if prescribed by a doctor. You pay 20% of the approved amount for durable medical equipment. A hospital stay prior to these benefits is not required.

Hospice Care: The patient can be charged \$5 per prescription and 5% of the Medicare Payment per day for respite care, for no more than 5 days. However, if hospice care is selected, all other Medicare benefits stop.

Monthly Premium: \$316 (if have less than 30 quarters of Social Security); \$174 (if have between 30 to 39 quarters of Social Security).

Part B. Supplemental Medical Insurance Benefits

In 2003 you pay for the first \$100 of qualified charges for covered medical services. This is the deductible. After that, Supplemental Medical Insurance will pay 80% of covered expenses, subject to the maximum of the standard charges recognized by Medicare.

Monthly Premium: \$58.70 - A surcharge of 10% is assessed for each full 12 months (in the same continuous period of eligibility) in which a beneficiary could have been enrolled but was not.

Covered Expenses:

Physician services, wherever provided, and supplies furnished as part of the services.

Physical, speech, and occupational therapies, with limits.

Non-routine vision services by qualified optometrists, if covered under standards.

Diagnostic services: X-ray, laboratory, and other tests.

Continued...

Blood for transfusions after the first three pints per year.
X-ray, radium, and radioactive-isotope therapy.
Surgical dressings, casts, splints, or other supplies.
Artificial replacements for all or part of an internal body organ.
Braces for limbs, back, or neck.
Ambulance services, if required.
Outpatient mental illness under special rules covered to the extent of 50%.

Non-Covered Expenses:

Items and services not medically or reasonably necessary.
Items or services for which you are not legally obligated to pay (a very vague statement that requires a call to Medicare services).
Routine physical exams, eye exams, glasses, hearing aids, and dental care.
Acupuncture
Prescription drugs and medicines taken at home.
Routine foot care and orthopedic shoes.
Cosmetic surgery, except after an accident.
Private nurses.
Extra charges for inpatient personal comfort items, i.e., telephone and television.
Services provided outside the U.S. (some exceptions exist for care in Canadian facilities if closer to your home).

Source: Medicare and You - U.S. Department of Health and Human Services, 2003

Long-Term Care

Long-Term Care refers to the medical and/or personal care services required by a person with a chronic disability or illness. The Health Insurance Association of America estimated in 2002 that at least 40% of the population over age 65 would spend some time in a nursing home. Half of those requiring care are released within six months ¹. Of those remaining, the average stay is 2½ years ². The average cost is about \$50,000 a year ¹. By the year 2030, the average annual cost of a nursing home stay is expected to increase to more than \$130,000 assuming 4% inflation. Of course, younger people also may require nursing home care due to accidents, cancer, strokes, etc. Over 7 million men and women required Long-Term Care services in 2002 ².

Who pays the cost of Long-Term Care - The patient or family pays for nursing home care costs not paid by Medicare or Medicaid. Only about 12% of the nursing home costs are paid by Medicare ², which offers limited coverage for the first 100 days in a skilled care facility, and no coverage for the intermediate or custodial care that the vast majority of nursing home residents require. In 1999, Medicaid paid 59% of the total nursing home bills ². To qualify for Medicaid the patient must be impoverished under the state's definition. In most states the patient must not have income greater than the cost of the nursing home facility. Other states have "income caps" to limit eligibility for Medicaid, for example, "income cannot exceed three times the Federal Social Security Income benefit level for that year." For the most part, the people who need this care, or their families, pay the bills.

The Need - Some people may require daily medical attention, while others may simply need help with the basic activities of daily living (ADL's) such as bathing, dressing, taking medication, eating, using the toilet, getting in or out of bed, or walking. A typical nursing home stay commonly falls into two categories: short-term stays (1-3 months), which involves skilled nursing care, and typically follows a hospital confinement; and lengthy stays that comprise mostly maintenance and custodial care and are often two years or longer.

Level of Care

1. Skilled care - Refers to a patient who needs daily nursing care, physical therapy, etc., provided or supervised by professional nurses and/or therapists under a physician's orders.
2. Intermediate care - Patient requires only intermittent or occasional rehabilitative care or nursing.
3. Custodial care - Patient needs help with activities of daily living (ADL's). Does not require a registered nurse or a therapist, but need for such care is based on physician's orders.

Long-Term Care Insurance - Policy may be issued on an individual or a group basis. The Health Insurance Association of America has prepared a list of "typical coverage" offered by leading sellers of Long-Term Care insurance.* Long-Term Care insurance may provide for:

1. Services covered: skilled, intermediate and custodial care, home health care, adult day care (often covered in the policy)
2. Daily benefit: \$50-\$300/day
3. Benefit eligibility: ADL's or cognitive impairment
4. Benefit period: two years, three years, five years or unlimited
5. Alzheimer coverage: Yes
6. Deductible period: 0-20 days; or 90-100 days
7. Renewability: Guaranteed
8. Pre-existing Condition: six months
9. Inflation consideration: Yes (often 5% annual increase in daily benefit amount)
10. Age limits for purchasing: 18-99
11. Waiver of premium: Yes
12. Free look: 30 days

*Note: Of course, the more benefits included in the policy, the larger the premium. Since every policy may be different, the terms, conditions, and limitations of the policy must be carefully reviewed before making a purchase.

Sources: ¹ Health Insurance Association of America, Guide to Long-Term Care, 2002.

² Department of Health and Human Services, National Nursing Home Survey 1999.

Long-Term Care Needs



Long-term care expenses can have a devastating impact on a financial situation.

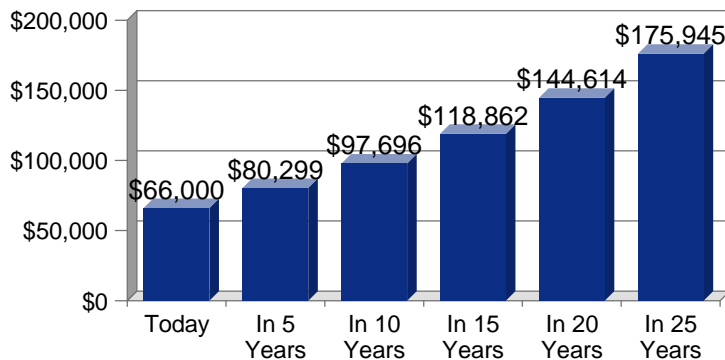
According to the Health Insurance Association of America in 2002, over 40% of those age 65 and older will enter a nursing home before they die. Over 70% will require home health care services.

John and Susan, since you do not have any long-term care coverage, you may need to deplete your savings and investments in order to meet long-term care expenses.

Did you know...

- In 2002, over seven million people required Long-Term Care services and the number was expected to double over the next 30 years.¹
- The average nursing home stay lasts more than 2.5 years.²
- The average cost for a nursing home stay is \$50,000 per year and can easily be \$100,000 per year in some regions.¹
- Disability income insurance will not cover most long-term care expenses.
- People will need to spend almost all of their assets in order to qualify for Medicaid benefits.

Projected Annual Nursing Home Costs*



* Assumes 4% annual increases in nursing home care costs.

¹ Health Insurance Association of America, Guide to Long-Term Care, 2002.
² Department of Health and Human Services, National Nursing Home Survey, 1999.
³ Centers for Medicare and Medicaid Services 2003.

About Medicare...

Medicare pays only about 12% of total nursing home care costs.³ There is only limited coverage, and only for the first 100 days. Additionally, no coverage is offered for intermediate or custodial care that the vast majority of nursing home residents require.

About Medicaid...

To qualify for Medicaid, a patient must be impoverished under their state's definition. According to Federal guidelines, in order to qualify for Medicaid your assets cannot exceed \$90,660³, excluding:

- One residence provided spouse or children live there
- One car
- Personal and household items

Any gifts of assets must occur at least 36 months prior to applying for Medicaid in order to meet the asset guidelines.