

Protect Your Family's Lifestyle



For
David Simmons
and
Angela Simmons

Current Situation

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Disclosure

This report illustrates your financial lifestyle, or your hypothetical cash flow and its effects on your net worth. This analysis provides only broad, general guidelines, which may be helpful in shaping your thinking about your planning needs. It can serve as a guide for discussions with your professional advisers. The quality of this analysis is dependent upon the accuracy of data provided by you. Calculations contained in this analysis are estimates only.

Actual results may vary substantially from the figures shown. All rates of return are hypothetical and are not a guarantee of future performance of any asset, including insurance or other financial products. All inflation rates are estimates provided by you.

This analysis contains very specific computations concerning the value of your assets today. These computations are based on assumptions you provided concerning the value of your assets today and the rate at which the assets will appreciate. These assumptions must be carefully reviewed for their reasonableness. These assumptions are only a "best guess". The actual values, rates of growth, and tax rates may be significantly different from those illustrated. The actual taxes due may be significantly greater or smaller than those illustrated. No guarantee can be made regarding values and taxes when actual appreciation rates and tax rates cannot be known at this time.

For illustrative purposes, many assumptions must be made concerning the sale of properties or the change of property ownership. These are for illustrative purposes and not to be considered as legal advice; only your solicitors or legal counsel should provide such advice. No legal or accounting advice is being rendered either by this report or through any other oral or written communications. Please discuss legal and accounting matters directly with your advisers in each of those areas. Because your planning concerns and goals may change in the future, periodically monitoring actual results and making appropriate adjustments are essential components of your programme. Annual updating allows a year of estimated values to be replaced with actual results and can be very helpful in your determining whether your plans are on your desired course.

Strategies may be proposed during the course of planning, including the acquisition of insurance and other financial products. When this occurs, additional information about the specific product (including a prospectus, if required) will be provided for your review.

Protecting Your Family's Lifestyle

Important Notes

When you think of protection, you think of your family. You think about protecting the lifestyle you have and are continuing to build together. Protection is best achieved through preparation. The following report uses the information you have shared—your assets, your wishes, and your thoughts about the future. This report uses estimated calculations based on this information so that you can better consider your options. Of course, the actual results may vary substantially from the figures shown. There are many areas of protection for your lifestyle. This report just considers the following:

Education Expenses



The education of your children continues to increase in importance. With educational costs increasing faster than inflation, it is necessary to prepare in advance in order to assure your children an education.

Building and Preparing for Retirement



A financially secure retirement requires careful preparation, as well as, coordination of your existing assets and approved retirement plans.

Immediate Cash Needs if Death Occurs



Life can be unpredictable. If something were to happen to you, would your family have the ability to pay the expenses associated with your death? These expenses are immediate cash needs such as funeral expenses, legal fees, taxes, mortgages, and debts.

Survivor Income Needs if Death Occurs



You provide for your family's lifestyle through your income. In the event of your death, your survivors will need to replace a portion of that income to maintain the lifestyle you have established. State Benefits may provide a portion of the needed income, but usually this is only a part of the income needed. Withdrawals or liquidations of some of your assets may be necessary.

Family Income Needs if Disabled



Should you lose your ability to provide income through an accident or illness, how would you maintain your lifestyle? State Benefits may provide a portion of needed income. How long would your present assets provide the necessary funds?

Long-Term Care



Long-term care, whether it is nursing home or home health care, depletes your accumulation of wealth. The extremely high costs associated with these types of care are seldom covered by regular health insurance. Assets intended for retirement are often used to cover these expenses.

If any new life insurance is proposed, a complete illustration, including any required prospectus, should be attached.

Your Current Situation

Your financial lifestyle is determined by (a) your financial goals and desires and (b) your saving and spending habits. This analysis examines your current assets and liabilities, reviews the cash flow necessary for you to maintain your lifestyle, and then shows you the results or consequences of various scenarios. Below is a summary of your current financial situation.

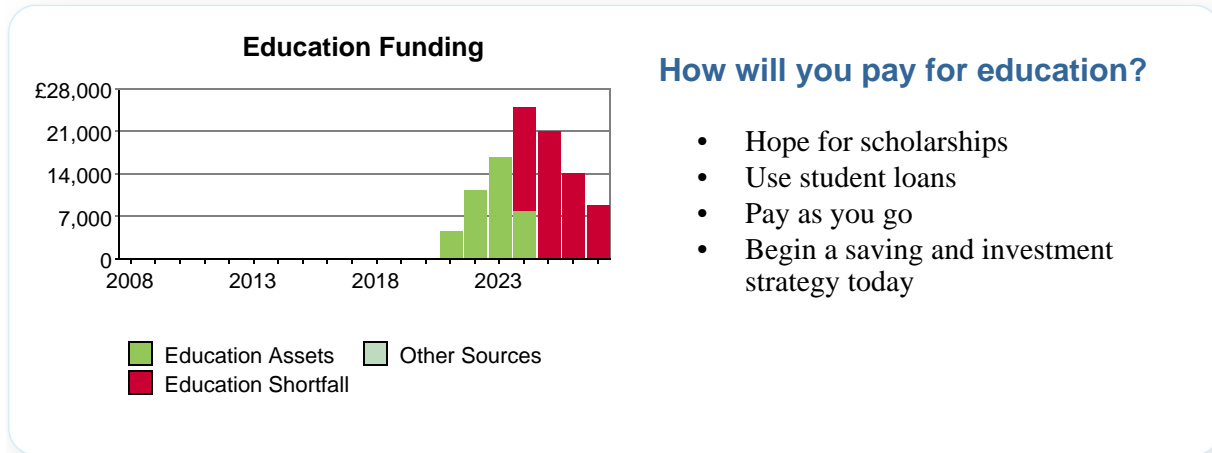
	David	Angela	Joint	Total
Assets				
Liquid Assets				
Cash Account			£1,000	£1,000
Savings Account			£5,000	£5,000
Angela ISAs		£8,650		£8,650
David ISAs	£8,650			£8,650
Retirement Plans				
David Personal Pension	£23,450			£23,450
Angela Stakeholder		£6,540		£6,540
Residence				
Family Home			£245,000	£245,000
Total Assets Today	£32,100	£15,190	£251,000	£298,290
Liabilities				
Mortgages				
Loan for Family Home			£125,000	£125,000
Total Liabilities Today			£125,000	£125,000

Net Worth

Your Assets	£298,290
Less Your Liabilities	£125,000
Total Net Worth Today	£173,290

Education Funding

Education costs have been rising at 6.3%, or more than twice the rate of inflation.¹ Putting one child through private school and funding three years of university is likely to cost around £150,000 —as much as buying the average UK house.²



How will you pay for education?

- Hope for scholarships
- Use student loans
- Pay as you go
- Begin a saving and investment strategy today

Education Goals

Education For	Institution	Education Cost Today	Start in Year ³	Years
Jamie	University	£5,000	2021	4
Susie	University	£5,000	2023	4

Total Cost of Education Needs⁴

£44,424

The amount needed today to fund all education goals invested at 5.00% provides the total costs for all years of education of £102,542 at the start of the individual education goal. This amount assumes inflation at 6.00% but does not consider your education assets or funding provided by other sources.

Education Funding Shortfall Today⁵

£25,438

The remaining funds needed today consider your assets designated for education (current value £17,300) as well as anticipated funding from other sources. This amount is assumed to be invested until needed and with 5.00% growth would provide the additional money needed by the start of each education goal.

Monthly Savings Required to Fund Shortfall

£210

An alternative way to provide the additional funds needed today of £25,438 would be a savings fund. These monthly deposits invested at 5.00% would provide the money needed by the start of each individual education need. The monthly amount would reduce as each education need is started.

¹ Independent Schools Information Council

² Financial Mail, March 2005

³ Annual costs are assumed paid in 12 monthly payments.

⁴ The lump sum investment today that would grow to the amount needed at the start of the education need. Values assume that interest is earned at the rate of 5% each year until needed.

⁵ Additional Funds Needed Today reflects the Total Projected Costs less Education Assets and the Portion from Other Sources.

Summary of Education Needs

Education Goals

Education For	School	Annual Education Cost Today	Start in Year ¹	First Year Cost ²	For Years	Total Projected Costs ²	Amount Required Today ^{3,4}
Jamie	University	£5,000	2021	£10,665	4	£48,287	£22,026
Susie	University	£5,000	2023	£11,983	4	£54,255	£22,398
Total						£102,542	£44,424

Education Needs

Education For	Amount Required Today ^{3,4}	Portion Funded from Other Sources ⁵	Additional Funds Needed Today ⁶	Additional Monthly Savings Required ⁴	Time Monthly Savings Required
Jamie	£22,026	0.00%	£6,974	£62	12 yrs.8 mo.
Susie	£22,398	0.00%	£18,465	£148	14 yrs.8 mo.
Total	£44,424		£25,438	£210	

Annual Education Needs

Year	Annual Education Cost	Paid from Other Sources	Balance of Assets for Education ⁷	Education Shortage for Year
2008	£0	£0	£17,387	£0
2009	0	0	18,459	0
2010	0	0	19,597	0
2011	0	0	20,806	0
2012	0	0	22,089	0
2013	0	0	23,452	0
2014	0	0	24,898	0
2015	0	0	26,434	0
2016	0	0	28,064	0
2017	0	0	29,795	0
2018	0	0	31,633	0
2019	0	0	33,584	0
2020	0	0	35,655	0
2021	4,444	0	33,366	0
2022	11,305	0	23,804	0
2023	16,976	0	7,911	0
2024	25,404	0	0	17,397
2025	21,318	0	0	21,318
2026	14,272	0	0	14,272
2027	8,825	0	0	8,825

¹ Annual costs are assumed paid in 12 monthly payments.

² Estimated costs based on Annual Cost Today and inflation rate of 6.00%. Total Projected Costs is the sum of these costs throughout the education years. Annual costs are assumed paid in 12 monthly payments from August through July. The graph reflects costs by calendar year.

³ The lump sum investment today that would grow to the amount needed at the start of the education need.

⁴ Values assume that interest is earned at the rate of 5.00% each year until needed.

⁵ Other sources may include scholarships, financial aid, gifts, or student work.

⁶ Additional Funds Needed Today reflects the Total Projected Costs less Education Assets and the Portion from Other Sources.

⁷ Balance includes any predetermined deposits to education assets.

Once Retirement Begins

This page considers your expenses during retirement and whether you are currently saving enough to meet your retirement goals. *It does not consider your lifestyle prior to retirement.*

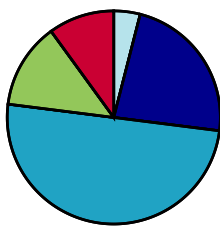
- Retirement begins at David's age 60, Angela's age 60
- Retirement is illustrated for 27 years.

Retirement Income Needed

Instead of asking you to estimate income needed to pay your expenses at retirement, this analysis examines your lifestyle expenses. It then considers sources of income such as any continuing salaries, other income, State Benefits, and your retirement plans. Assets you have designated for use at retirement are also considered. Assets you designated as "Do Not Use," have not been used to pay retirement expenses. Estimated retirement income and available assets are compared to all retirement expenses. Retirement success is defined as:

- Paying all expenses
- Not using any of those assets you have designated not to use
- Not running out of money

Sources of Retirement Income



Salary and Other Income	4.00%
State Benefits ¹	23.00%
Retirement Plans	13.00%
Assets Used	50.00%
Shortfall	10.00%

Retirement Failure

Estimated income and assets available for your retirement appear to be insufficient to provide for the retirement lifestyle.

A cash flow failure occurs in 2039

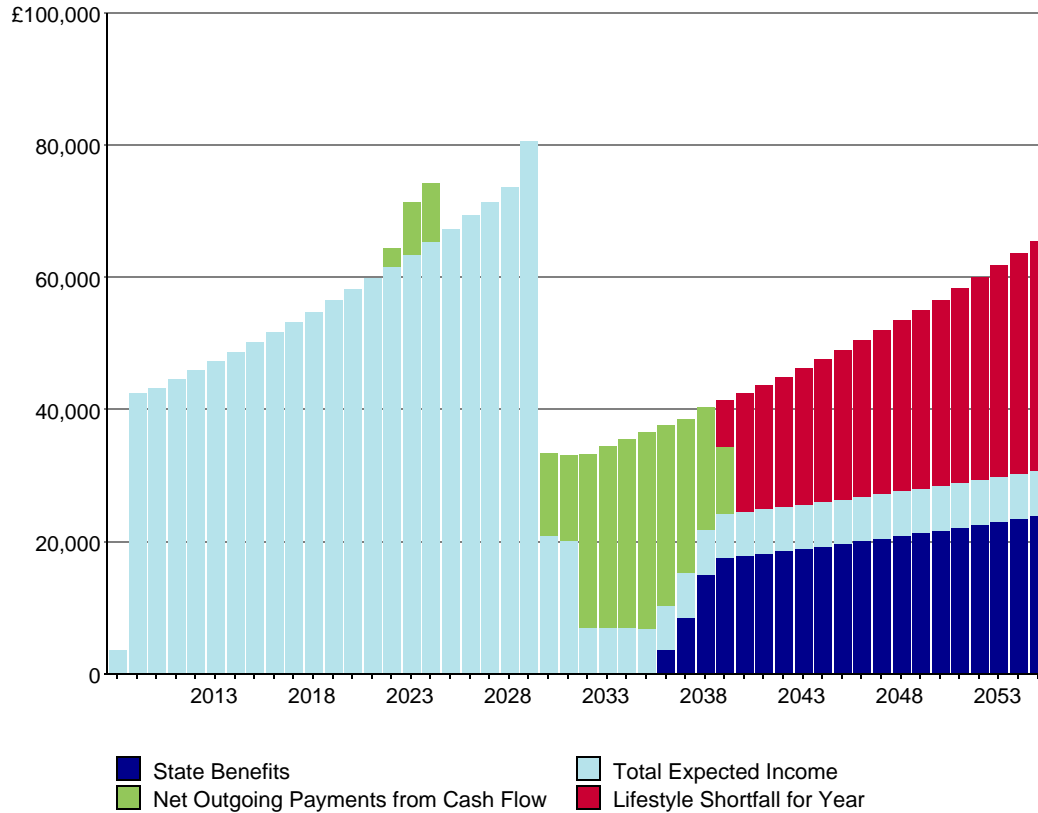
The value of expenses not covered— *the shortfall*— at the start of retirement in year 2029 is £181,357. For the purpose of this analysis, the retirement shortage is the equivalent of reducing outgoing payments during retirement by 14%.

To fund the shortfall assuming a 5% growth rate, you would need £61,997 today or make monthly deposits of £378 between now and the start of retirement.

¹ David's State Benefits are estimates based on current levels available and Angela's State Benefits are estimates based on current levels available. This is an estimate of the monthly benefit available. Actual retirement benefits may be greater or less than the amount shown.

Now Through Retirement

Retirement is set to begin when David is age 60. Retirement is illustrated for 27 years. A successful retirement requires that all lifestyle expenses be satisfied before retirement. Otherwise, assets intended for retirement may be depleted.



Remaining Needs

Period
During Retirement

Start Year
2029

Through Year
2057

**Amount Needed in
Today's Money for
Just this Period**
£65,097

Now Through Retirement

Retirement is set to begin when David is age 60. Retirement is illustrated for 27 years. A successful retirement requires that all lifestyle expenses be satisfied before retirement. Otherwise, assets intended for retirement may be depleted.

Year	Outgoing Payments			Expected Income		Assets		
	Living Expenses ¹	Education and Spending Goals	Tax Payments and Deductions	Salary and Other Income ²	State Benefits	Payments Withdrawn from Available Assets	Shortfall ³	Net Worth ⁴
2008	£2,438	£0	£786	£3,400	£0	£0	-	£174,826
2009	29,765	0	9,256	42,520	0	0	-	194,596
2010	30,289	0	10,002	43,359	0	0	-	215,161
2011	30,828	0	10,339	44,657	0	0	-	236,996
2012	31,384	0	10,687	45,993	0	0	-	260,157
2013	31,957	0	11,047	47,368	0	0	-	284,704
2014	32,546	0	11,418	48,785	0	0	-	310,697
2015	33,154	0	11,802	50,243	0	0	-	338,203
2016	33,779	0	12,198	51,745	0	0	-	367,290
2017	34,424	0	12,615	53,292	0	0	-	398,022
2018	35,087	0	13,117	54,891	0	0	-	430,402
2019	35,771	0	13,558	56,617	0	0	-	464,583
2020	36,475	0	14,092	58,317	0	0	-	500,569
2021	37,200	4,444	14,658	60,056	0	0	-	533,940
2022	37,947	11,305	15,244	61,846	0	2,782	-	561,861
2023	38,717	16,976	15,850	63,690	0	7,978	-	585,358
2024	32,558	25,404	16,478	65,588	0	8,968	-	601,318
2025	28,326	21,318	17,123	67,549	0	0	-	622,681
2026	29,166	14,272	17,777	69,581	0	0	-	652,545
2027	30,032	8,825	18,466	71,661	0	0	-	689,372
2028	30,899	0	19,174	73,798	0	0	-	736,686
R 2029	31,078	0	12,419	80,884	0	0	-	683,103
2030	31,340	0	1,312	20,888	0	12,603	-	689,564
2031	32,049	0	1,123	20,126	0	13,045	-	655,242
2032	32,931	0	330	6,810	0	26,451	-	647,121
2033	33,919	0	568	6,810	0	27,677	-	638,509
2034	34,937	0	613	6,810	0	28,739	-	629,600
2035	35,985	0	663	6,810	0	29,837	-	619,606
2036	37,064	0	593	6,810	3,421	27,426	-	611,317
2037	38,176	0	416	6,810	8,375	23,407	-	606,540
2038	39,322	0	1,031	6,810	14,949	18,593	-	606,139
2039	40,501	0	926	6,810	17,426	10,130	7,061	606,970
2040	41,716	0	858	6,810	17,775	0	17,989	607,401
2041	42,968	0	820	6,810	18,130	0	18,847	607,528
2042	44,257	0	809	6,810	18,493	0	19,763	607,308

¹ Basic expenses, loan payments, and retirement contributions.

² Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions

³ The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)

⁴ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

R-Retirement assumed to begin in this year.

Now Through Retirement (Continued)

Year	Outgoing Payments			Expected Income		Payments Withdrawn from Available Assets	Assets	
	Living, Expenses ¹	Education and Spending Goals	Tax Payments and Deductions	Salary and Other Income ²	State Benefits		Shortfall ³	Net Worth ⁴
2043	45,585	0	798	6,810	18,863	0	20,709	606,728
2044	46,952	0	787	6,810	19,240	0	21,688	605,772
2045	48,361	0	775	6,810	19,625	0	22,701	604,427
2046	49,811	0	764	6,810	20,018	0	23,747	602,675
2047	51,306	0	752	6,810	20,418	0	24,829	600,501
2048	52,845	0	740	6,810	20,826	0	25,948	597,889
2049	54,430	0	727	6,810	21,243	0	27,104	594,819
2050	56,063	0	714	6,810	21,668	0	28,300	591,276
2051	57,745	0	701	6,810	22,101	0	29,535	587,240
2052	59,478	0	688	6,810	22,543	0	30,812	582,691
2053	61,262	0	677	6,810	22,994	0	32,135	577,608
2054	63,100	0	670	6,810	23,454	0	33,506	571,966
2055	64,993	0	663	6,810	23,923	0	34,923	565,743
2056	66,942	0	656	6,810	24,401	0	36,387	558,916

¹ Basic expenses, loan payments, and retirement contributions.

² Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions

³ The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)

⁴ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

Income Needs at David's Death

If David was to die today, how would your loved ones pay the bills that will continue to come in? This analysis considers whether your survivors' income sources and assets will be able to support their cash flow needs after your death.

Survivor Income Needs

- Final expenses of £0 to pay final medical bills, provide funeral arrangements, and pay any final taxes.
- Continuing lifestyle expenses to pay everyday expenses such as food, bills, insurance, mortgages and other debts, taxes, etc. Often it may take some time for the survivors' expenses to "adjust" to a new lifestyle after a death. This period of time is called the adjustment period. This analysis assumes an adjustment period of 6 months.



State Benefits

The amount of State Benefits income listed is based on information provided. If any State Benefits are available in the event of David's death, the actual level of income provided by the State may be greater or less than the amounts shown.

Life Insurance on David

Life insurance on David's life will be paid to the designated beneficiary. The beneficiary designation is very important as it determines if the proceeds will be available to provide the income needs. This illustration has considered the life insurance on the life of David of £125,000.

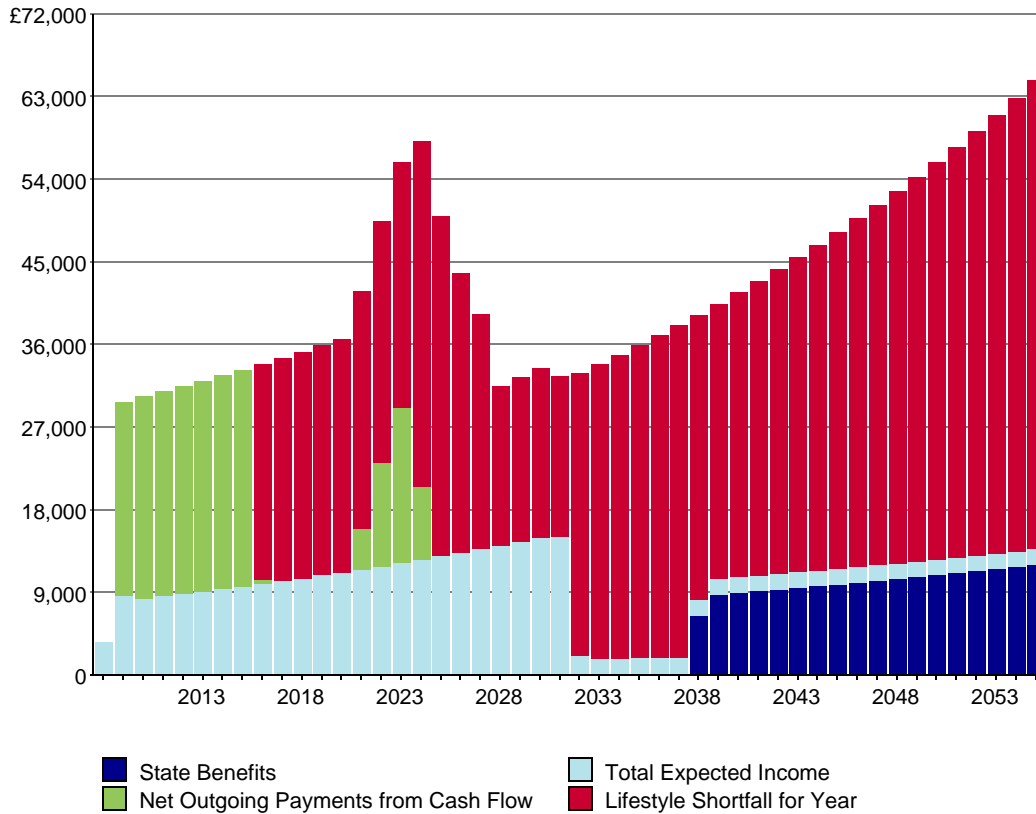
Replacing Your Income for Your Survivors

Additional income is necessary to maintain your family's lifestyle. This income can be provided by increasing spouse's earnings, added withdrawals, and possible liquidation of existing assets, or through a fund provided by life insurance death proceeds. Life insurance death proceeds can provide the monthly income needed to maintain your family's lifestyle and provide cash to pay immediate expenses at your death.

¹ Include Family Income Benefit insurance payments if applicable.

Income Needs at David's Death

You provide for your family's lifestyle through your income. In the event of your death, your survivors will need to replace a portion of that income to maintain the lifestyle you have established. State Benefits may provide a portion of the needed income. Usually, this is only a part of the income needed. Withdrawals or liquidations of some of your assets may be necessary.



Remaining Needs

Period	Start Year	Through Year	Amount Needed in Today's Money for Just this Period	Amount Needed Today to Fund Through Period
With Children at Home	2008	2023	£118,238	£118,238
Before Retirement	2024	2028	£70,854	£189,091
During Retirement	2029	2057	£183,347	£372,438
Lump Sum to Provide Total Amount Needed Today¹				£372,438

Life insurance can protect income needs.

¹ Life Insurance proceeds of £125,000 from David's death have been considered.

An Alternate Approach at David's Death

Rather than supplementing your survivors' income needs on a continuing basis, an alternative approach would be to use life insurance to relieve your survivors of the major financial burdens they would face in order to provide them with a head start on managing their own continuing income needs.

Objective

- Eliminate major financial burdens so that survivor income is less of a concern
- Use life insurance to provide cash immediately at death to pay the following expenses:

Present Debts **£125,000**

It may not be necessary to pay off all of your acquired debts. Although by doing so, Angela will not have to repay the loans plus the interest on these debts and less income will be needed for your family.

Emergency Funds¹ **£10,200**

The best financial analyses can be ruined by unexpected emergencies. Adequate cash reserves can often protect the plans you put in place.

Education Funds² **£44,424**

Amount needed to fund education today.

Total Cash Needs at David's Death **£179,624**

Immediate cash needs at death include debts, emergency funds, final expenses, taxes, and education funds.

Life Insurance on David

Mortgage Protection	£125,000
Total	£125,000

Providing for these expenses at your death will reduce your survivor's income needs.

¹ Emergency funds are estimated at the greater of 5% of all liquid assets or three months salary.

² The amount needed today to fund total costs of education. This does not consider education assets and the portion that may be provided by other sources.

Income Needs at David's Death

You provide for your family's lifestyle through your income. In the event of your death, your survivors will need to replace a portion of that income to maintain the lifestyle you have established. State Benefits may provide a portion of the needed income. Usually, this is only a part of the income needed. Withdrawals or liquidations of some of your assets may be necessary.

Year	Outgoing Payments			Expected Income		Payments Withdrawn from Available Assets	Assets Shortfall ³	Net Worth ⁴
	Living Expenses ¹	Education and Spending Goals	Tax Payments and Deductions	Salary and Other Income ²	State Benefits			
2008	£2,388	£0	£786	£3,400	£0	£0	-	£299,771
2009	28,847	0	362	8,525	0	21,175	-	293,960
2010	29,352	0	1,081	8,275	0	22,158	-	287,701
2011	29,873	0	1,106	8,523	0	22,455	-	281,711
2012	30,409	0	1,131	8,779	0	22,761	-	276,010
2013	30,961	0	1,158	9,042	0	23,077	-	270,621
2014	31,530	0	1,187	9,314	0	23,403	-	265,566
2015	32,116	0	1,217	9,593	0	23,740	-	260,846
2016	32,719	0	1,243	9,881	0	428	23,654	256,316
2017	33,341	0	1,236	10,177	0	0	24,400	252,346
2018	33,981	0	1,292	10,483	0	0	24,791	248,908
2019	34,641	0	1,351	10,797	0	0	25,194	246,035
2020	35,320	0	1,411	11,121	0	0	25,610	243,762
2021	36,019	4,444	1,474	11,455	0	4,444	26,038	237,638
2022	36,740	11,305	1,539	11,798	0	11,305	26,480	224,782
2023	37,482	16,976	1,606	12,152	0	16,976	26,936	206,170
2024	31,296	25,404	1,676	12,517	0	8,007	37,852	178,658
2025	27,034	21,318	1,748	12,892	0	0	37,208	155,174
2026	27,845	14,272	1,823	13,279	0	0	30,661	138,707
2027	28,680	8,825	1,901	13,677	0	0	25,728	127,659
2028	29,541	0	1,981	14,088	0	0	17,434	125,410
R 2029	30,427	0	2,064	14,510	0	0	17,981	123,138
2030	31,340	0	2,151	14,946	0	0	18,545	120,843
2031	32,049	0	560	15,023	0	55	17,532	78,678
2032	32,931	0		2,037	0	0	30,894	62,326
2033	33,919	0	0	1,707	0	0	32,212	45,091
2034	34,937	0	0	1,707	0	0	33,230	27,288
2035	35,985	0	0	1,707	0	0	34,278	8,900
2036	37,064	0	0	1,707	0	0	35,358	-10,091
2037	38,176	0	0	1,707	0	0	36,470	-29,703
2038	39,322	0	0	1,707	6,407	0	31,208	-43,547
2039	40,501	0	0	1,707	8,713	0	30,081	-55,744
2040	41,716	0	76	1,707	8,887	0	31,198	-68,521
2041	42,968	0	70	1,707	9,065	0	32,266	-81,814
2042	44,257	0	65	1,707	9,247	0	33,369	-95,639

¹ Basic expenses, loan payments, and retirement contributions.

² Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions

³ The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)

⁴ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

R-Retirement assumed to begin in this year.

Income Needs at David's Death (Continued)

Year	Outgoing Payments			Expected Income		Payments Withdrawn from Available Assets	Assets	
	Living Expenses ¹	Education and Spending Goals	Tax Payments and Deductions	Salary and Other Income ²	State Benefits		Shortfall ³	Net Worth ⁴
2043	45,585	0	59	1,707	9,431	0	34,506	-110,016
2044	46,952	0	54	1,707	9,620	0	35,679	-124,962
2045	48,361	0	48	1,707	9,813	0	36,889	-140,497
2046	49,811	0	42	1,707	10,009	0	38,138	-156,639
2047	51,306	0	36	1,707	10,209	0	39,426	-173,410
2048	52,845	0	30	1,707	10,413	0	40,755	-190,830
2049	54,430	0	24	1,707	10,621	0	42,126	-208,921
2050	56,063	0	17	1,707	10,834	0	43,540	-227,705
2051	57,745	0	11	1,707	11,050	0	44,999	-247,206
2052	59,478	0	4	1,707	11,271	0	46,504	-267,445
2053	61,262	0	0	1,707	11,497	0	48,058	-288,452
2054	63,100	0	0	1,707	11,727	0	49,666	-310,255
2055	64,993	0	0	1,707	11,961	0	51,325	-332,880
2056	66,942	0	0	1,707	12,201	0	53,035	-356,355

¹ Basic expenses, loan payments, and retirement contributions.

² Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions

³ The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)

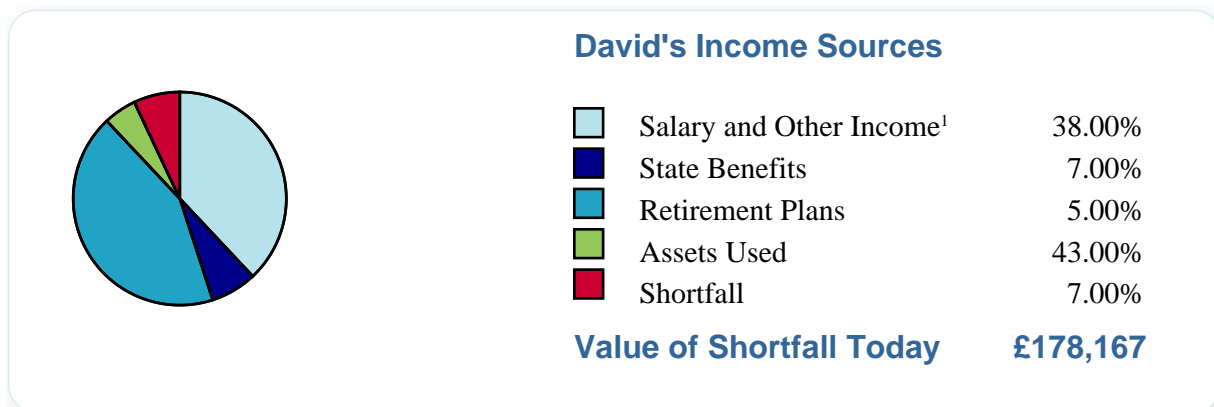
⁴ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

Income Needs at Angela's Death

If Angela was to die today, how would your loved ones pay the bills that will continue to come in? This analysis considers whether your survivors' income sources and assets will be able to support their cash flow needs after your death.

Survivor Income Needs

- Final expenses of £0 to pay final medical bills, provide funeral arrangements, and pay any final taxes.
- Continuing lifestyle expenses to pay everyday expenses such as food, bills, insurance, mortgages and other debts, taxes, etc. Often it may take some time for the survivors' expenses to "adjust" to a new lifestyle after a death. This period of time is called the adjustment period. This analysis assumes an adjustment period of 6 months.



State Benefits

The amount of State Benefits income listed is based on information provided. If any State Benefits are available in the event of Angela's death, the actual level of income provided by the State may be greater or less than the amounts shown.

Life Insurance on Angela

Life insurance on Angela's life will be paid to the designated beneficiary. The beneficiary designation is very important as it determines if the proceeds will be available to provide the income needs.

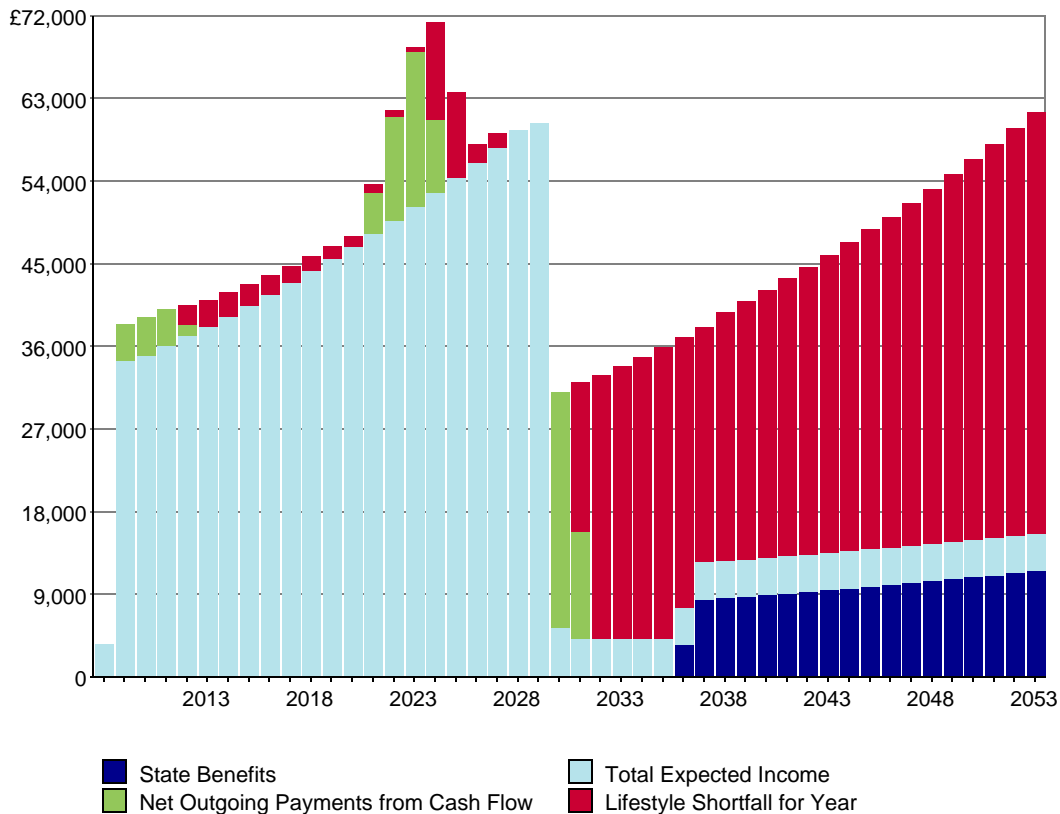
Replacing Your Income for Your Survivors

Additional income is necessary to maintain your family's lifestyle. This income can be provided by increasing spouse's earnings, added withdrawals, and possible liquidation of existing assets, or through a fund provided by life insurance death proceeds. Life insurance death proceeds can provide the monthly income needed to maintain your family's lifestyle and provide cash to pay immediate expenses at your death.

¹ Include Family Income Benefit insurance payments if applicable.

Income Needs at Angela's Death

You provide for your family's lifestyle through your income. In the event of your death, your survivors will need to replace a portion of that income to maintain the lifestyle you have established. State Benefits may provide a portion of the needed income. Usually, this is only a part of the income needed. Withdrawals or liquidations of some of your assets may be necessary.



Remaining Needs

Period	Start Year	Through Year	Amount Needed in Today's Money for Just this Period	Amount Needed Today to Fund Through Period
With Children at Home	2008	2023	£14,024	£14,024
Before Retirement	2024	2028	£10,647	£24,672
During Retirement	2029	2055	£153,495	£178,167
Lump Sum to Provide Total Amount Needed Today				£178,167

Life insurance can protect income needs.

An Alternate Approach at Angela's Death

Rather than supplementing your survivors' income needs on a continuing basis, an alternative approach would be to use life insurance to relieve your survivors of the major financial burdens they would face in order to provide them with a head start on managing their own continuing income needs.

Objective

- Eliminate major financial burdens so that survivor income is less of a concern
- Use life insurance to provide cash immediately at death to pay the following expenses:

Present Debts **£125,000**

It may not be necessary to pay off all of your acquired debts. Although by doing so, David will not have to repay the loans plus the interest on these debts and less income will be needed for your family.

Emergency Funds¹ **£10,200**

The best financial analyses can be ruined by unexpected emergencies. Adequate cash reserves can often protect the plans you put in place.

Education Funds² **£25,438**

Amount needed to fund education today.

Total Cash Needs at Angela's Death **£160,638**

Immediate cash needs at death include debts, emergency funds, final expenses, taxes, and education funds.

Providing for these expenses at your death will reduce your survivor's income needs.

¹ Emergency funds are estimated at the greater of 5% of all liquid assets or three months salary.

² The amount needed today to fund total costs of education. This does not consider education assets and the portion that may be provided by other sources.

Income Needs at Angela's Death

You provide for your family's lifestyle through your income. In the event of your death, your survivors will need to replace a portion of that income to maintain the lifestyle you have established. State Benefits may provide a portion of the needed income. Usually, this is only a part of the income needed. Withdrawals or liquidations of some of your assets may be necessary.

Year	Outgoing Payments			Expected Income		Payments Withdrawn from Available Assets	Assets Shortfall ³	Net Worth ⁴
	Living Expenses ¹	Education and Spending Goals	Tax Payments and Deductions	Salary and Other Income ²	State Benefits			
2008	£2,438	£0	£786	£3,400	£0	£0	-	£174,802
2009	29,604	0	8,405	34,484	0	4,019	-	186,857
2010	30,123	0	9,111	35,081	0	4,224	-	199,429
2011	30,658	0	9,397	36,137	0	3,995	-	212,899
2012	30,758	0	9,675	37,243	0	1,201	2,090	227,287
2013	31,080	0	10,044	38,299	0	0	2,868	242,653
2014	31,644	0	10,407	39,404	0	0	2,647	259,067
2015	32,224	0	10,737	40,586	0	0	2,375	276,620
2016	32,822	0	11,078	41,803	0	0	2,096	295,365
2017	33,437	0	11,436	43,058	0	0	1,815	315,348
2018	34,071	0	11,884	44,349	0	0	1,606	336,546
2019	34,725	0	12,348	45,680	0	0	1,393	359,014
2020	35,397	0	12,828	47,050	0	0	1,175	382,809
2021	36,090	4,444	13,324	48,462	0	4,444	953	403,504
2022	36,804	11,305	13,838	49,915	0	11,305	726	418,242
2023	37,539	16,976	14,369	51,413	0	16,976	495	428,025
2024	31,345	25,404	14,919	52,955	0	8,007	10,706	429,734
2025	27,076	21,318	15,487	54,544	0	0	9,337	436,326
2026	27,879	14,272	16,075	56,180	0	0	2,046	450,816
2027	29,145	8,825	16,683	57,866	0	0	1,547	471,646
2028	30,618	0	17,128	59,775	0	0	-	502,528
R 2029	30,788	0	10,024	60,496	0	0	-	449,415
2030	31,041	0		5,248	0	25,793	-	438,357
2031	31,972	0	206	4,064	0	11,758	16,355	424,490
2032	32,931	0	26	4,064	0	0	28,893	410,139
2033	33,919	0	0	4,064	0	0	29,855	395,262
2034	34,937	0	0	4,064	0	0	30,873	379,817
2035	35,985	0	0	4,064	0	0	31,921	363,786
2036	37,064	0	0	4,064	3,421	0	29,579	350,573
2037	38,176	0	0	4,064	8,375	0	25,737	341,694
2038	39,322	0	557	4,064	8,542	0	27,273	331,785
2039	40,501	0	552	4,064	8,713	0	28,276	321,393
2040	41,716	0	547	4,064	8,887	0	29,312	310,502
2041	42,968	0	542	4,064	9,065	0	30,380	299,095
2042	44,257	0	536	4,064	9,247	0	31,483	287,155

¹ Basic expenses, loan payments, and retirement contributions.

² Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions

³ The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)

⁴ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

R-Retirement assumed to begin in this year.

Income Needs at Angela's Death (Continued)

Year	Outgoing Payments			Expected Income		Assets		
	Living Expenses ¹	Education and Spending Goals	Tax Payments and Deductions	Salary and Other Income ²	State Benefits	Payments Withdrawn from Available Assets	Shortfall ³	Net Worth ⁴
2043	45,585	0	531	4,064	9,431	0	32,620	274,665
2044	46,952	0	525	4,064	9,620	0	33,793	261,604
2045	48,361	0	520	4,064	9,813	0	35,004	247,956
2046	49,811	0	514	4,064	10,009	0	36,252	233,699
2047	51,306	0	508	4,064	10,209	0	37,540	218,814
2048	52,845	0	502	4,064	10,413	0	38,869	203,280
2049	54,430	0	495	4,064	10,621	0	40,240	187,075
2050	56,063	0	489	4,064	10,834	0	41,654	170,177
2051	57,745	0	482	4,064	11,050	0	43,113	152,562
2052	59,478	0	476	4,064	11,271	0	44,618	134,209
2053	61,262	0	469	4,064	11,497	0	46,170	115,090
2054	63,100	0	462	4,064	11,727	0	47,771	95,183

¹ Basic expenses, loan payments, and retirement contributions.

² Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions

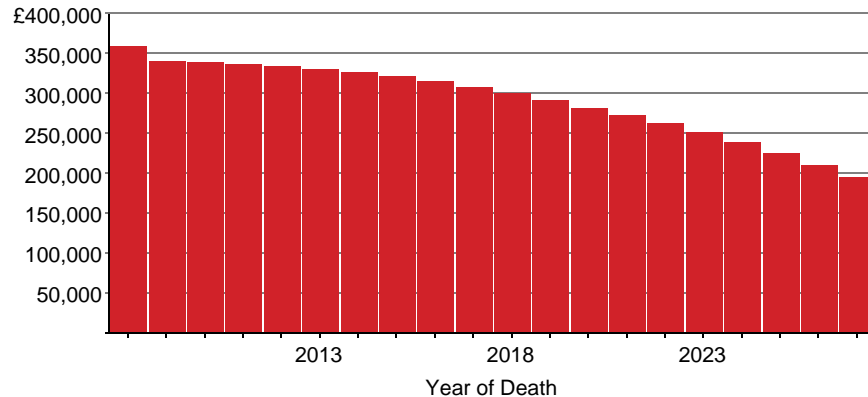
³ The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)

⁴ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

Needs if Death in Various Years

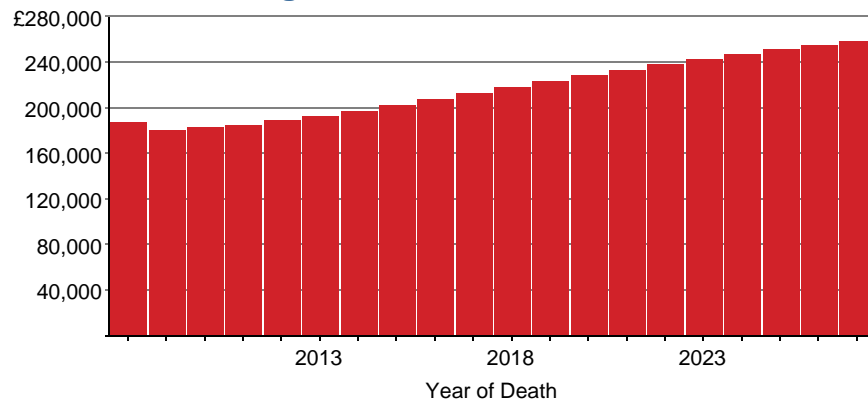
Needs change over time—incomes change, bills are paid and new living expenses are established, and others increase, some assets are sold and others acquired and some assets just increase or decrease in value. The prior charts illustrate the income needs if death occurred today. The charts below show the survivor income needs if death were to occur in any of the next 20 years. Analysis should consider the possibility of death in various years.

Value of all future needs at David's death.



At David's' death, this is the amount that would need to be invested at 5% to provide the amounts needed for the shortages. The need if death occurred today is £361,967 and the largest need of £361,967 occurs if death is in year 1.

Value of all future needs at Angela's death.



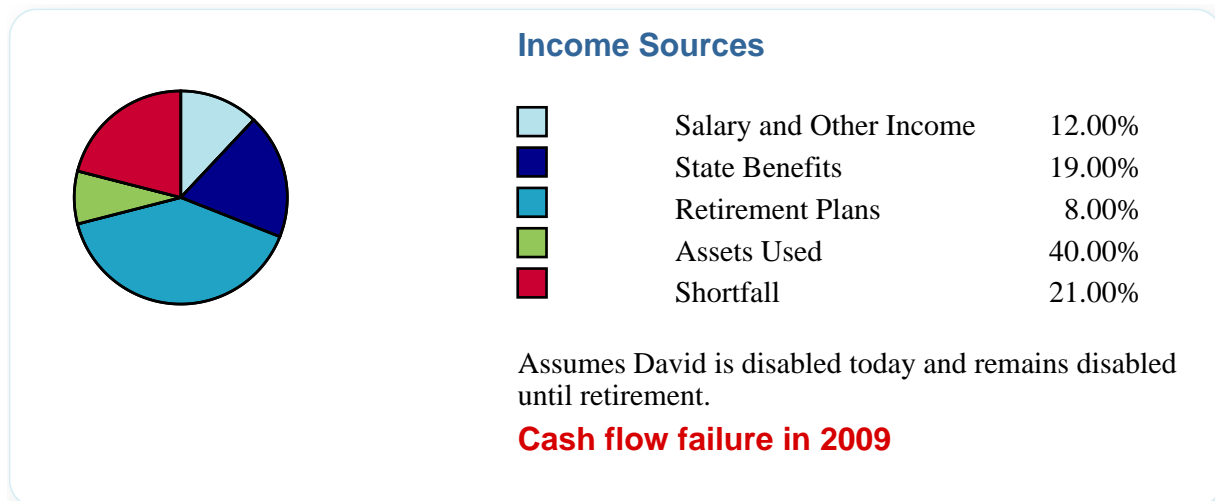
At Angela's' death, this is the amount that would need to be invested at 5% to provide the amounts needed for the shortages. The need if death occurred today is £188,257 and the largest need of £260,485 occurs if death is in year 20.

Life insurance can provide for the needs caused by death.

David's Disability Income Needs

Disability Income Needed

David, should you lose your ability to provide an income due to an accident or illness, how would your family maintain its lifestyle? If you suffered a long-term disability today, most of your needs, or monthly lifestyle expenses, would continue. These needs may change in later years. This illustration assumes they will increase for inflation at 3.00% per year.



State Benefits

The amount of State Benefits income listed is based on information provided. If any State Benefits are available in the event of David's disability, the actual level of income provided by the State may be greater or less than the amounts shown.

Disability Income Replacement

Long-term disability income coverage may be available through employer benefit programs and individual disability income plans. The maximum benefit available is usually limited to a portion of pre-disability earnings. Generally, group insurance has higher limits but must be coordinated with State Benefits and other employer disability plans. Individual coverage is normally limited to 60% of salary. Some policies pay benefits for a limited number of years, while others will pay benefits until retirement. The definition of disability is one of the most important features of any disability income policy.

Family Needs If David Is Disabled

Should you lose your ability to provide income through an accident or illness, how would you maintain your lifestyle? State Benefits may provide a portion of needed income. How long would your present assets provide the necessary funds?

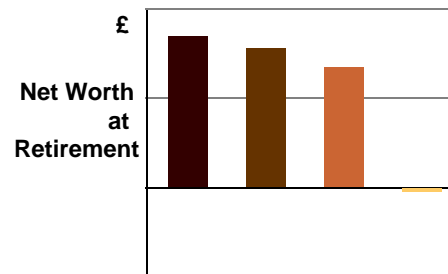
Long-term disability is another life uncertainty that prevents the accumulation of wealth.

- Salary stops
- Living expenses continue (medical care often increases)
- Retirement contributions stop

Before age 65, it is 2.82 times more likely that David will suffer a long-term disability than die!¹

Consider the effects of a long-term disability. What if you were out of work for two years? Five years? Until retirement?

Effects on Net Worth of Situation



Situation	Condition Considered	Net Worth at Retirement ²	% Reduction in Net Worth at Retirement
■	Not Disabled	£683,103	—
■	Disabled for Next 2 Years	£625,804	8.39%
■	Disabled for Next 5 Years	£543,203	20.48%
■	Disabled Now until Retirement	-£15,294	102.24%

A disability before retirement may greatly reduce the amount of assets you will have available for retirement. You should consider disability income insurance based on the amount of benefits for which you qualify.

Protect your greatest asset—your ability to earn!

¹ Office of National Statistics.

² Estimated value at end of year of desired retirement.

David's Disability Income Needs

Should you lose your ability to provide income through an accident or illness, how would you maintain your lifestyle? State Benefits may provide a portion of needed income. How long would your present assets provide the necessary funds? This illustrates the estimated cash flow if David became disabled today and remained disabled until retirement.

Year	Outgoing Payments		Expected Income			Assets		
	Living Expenses ¹	Education and Spending Goals	Tax Payments and Deductions	Salary and Other Income ²	State Benefits	Payments Withdrawn from Available Assets	Shortfall ³	Net Worth ⁴
2008	£2,438	£0	£68	£650	£0	£1,856	-	£172,795
2009	29,250	0	815	8,071	0	4,189	17,841	166,785
2010	29,652	0	899	8,275	0	0	22,276	161,125
2011	30,173	0	938	8,523	0	0	22,588	155,911
2012	30,709	0	983	8,779	0	0	22,913	151,168
2013	31,261	0	1,030	9,042	0	0	23,249	146,925
2014	31,830	0	1,079	9,314	0	0	23,595	143,214
2015	32,416	0	1,129	9,593	0	0	23,952	140,068
2016	33,019	0	1,182	9,881	0	0	24,320	137,522
2017	33,641	0	1,236	10,177	0	0	24,700	135,614
2018	34,281	0	1,292	10,483	0	0	25,091	134,383
2019	34,941	0	1,351	10,797	0	0	25,494	133,871
2020	35,620	0	1,411	11,121	0	0	25,910	134,124
2021	36,319	4,444	1,474	11,455	0	4,444	26,338	130,701
2022	37,040	11,305	1,539	11,798	0	11,305	26,780	120,730
2023	37,782	16,976	1,606	12,152	0	16,976	27,236	105,200
2024	31,596	25,404	1,676	12,517	0	8,007	38,152	80,978
2025	27,334	21,318	1,748	12,892	0	0	37,508	61,006
2026	28,145	14,272	1,823	13,279	0	0	30,961	48,285
2027	28,980	8,825	1,901	13,677	0	0	26,028	41,234
2028	29,816	0	1,981	14,088	0	0	17,709	43,271
R 2029	30,427	0	2,064	36,471	0	0	10,489	-15,294
2030	31,340	0	2,190	18,623	0	14,907	-	-13,587
2031	32,049	0	633	18,700	0	255	13,727	-52,136
2032	32,931	0		5,712	0	0	27,219	-64,813
2033	33,919	0	0	5,384	0	0	28,535	-78,371
2034	34,937	0	0	5,384	0	0	29,553	-92,497
2035	35,985	0	0	5,384	0	0	30,601	-107,208
2036	37,064	0	0	5,384	3,421	0	28,260	-119,100
2037	38,176	0	0	5,384	8,375	0	24,418	-126,660
2038	39,322	0	480	5,384	14,949	0	19,469	-128,766
2039	40,501	0	475	5,384	17,426	0	18,166	-129,047
2040	41,716	0	545	5,384	17,775	0	19,103	-129,729
2041	42,968	0	535	5,384	18,130	0	19,988	-130,744
2042	44,257	0	524	5,384	18,493	0	20,904	-132,105

¹ Basic expenses, loan payments, and retirement contributions.

² Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions

³ The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)

⁴ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

R-Retirement assumed to begin in this year.

David's Disability Income Needs (Continued)

Year	Outgoing Payments			Expected Income		Payments Withdrawn from Available Assets	Assets	
	Living, Expenses ¹	Education and Spending Goals	Tax Payments and Deductions	Salary and Other Income ²	State Benefits		Shortfall ³	Net Worth ⁴
2043	45,585	0	513	5,384	18,863	0	21,851	-133,827
2044	46,952	0	502	5,384	19,240	0	22,830	-135,924
2045	48,361	0	490	5,384	19,625	0	23,842	-138,411
2046	49,811	0	478	5,384	20,018	0	24,889	-141,304
2047	51,306	0	466	5,384	20,418	0	25,971	-144,619
2048	52,845	0	454	5,384	20,826	0	27,089	-148,373
2049	54,430	0	442	5,384	21,243	0	28,246	-152,583
2050	56,063	0	429	5,384	21,668	0	29,441	-157,268
2051	57,745	0	416	5,384	22,101	0	30,676	-162,446
2052	59,478	0	403	5,384	22,543	0	31,954	-168,135
2053	61,262	0	392	5,384	22,994	0	33,276	-174,360
2054	63,100	0	385	5,384	23,454	0	34,647	-181,143
2055	64,993	0	378	5,384	23,923	0	36,064	-188,508
2056	66,942	0	371	5,384	24,401	0	37,528	-196,476

¹ Basic expenses, loan payments, and retirement contributions.

² Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions

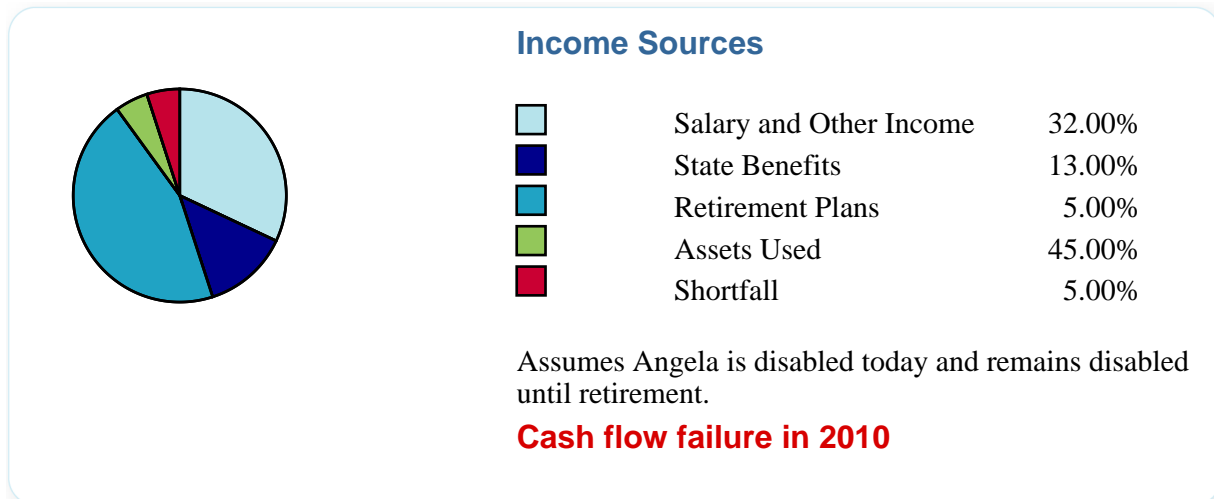
³ The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)

⁴ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

Angela's Disability Income Needs

Disability Income Needed

Angela, should you lose your ability to provide an income due to an accident or illness, how would your family maintain its lifestyle? If you suffered a long-term disability today, most of your needs, or monthly lifestyle expenses, would continue. These needs may change in later years. This illustration assumes they will increase for inflation at 3.00% per year.



State Benefits

The amount of State Benefits income listed is based on information provided. If any State Benefits are available in the event of Angela's disability, the actual level of income provided by the State may be greater or less than the amounts shown.

Disability Income Replacement

Long-term disability income coverage may be available through employer benefit programs and individual disability income plans. The maximum benefit available is usually limited to a portion of pre-disability earnings. Generally, group insurance has higher limits but must be coordinated with State Benefits and other employer disability plans. Individual coverage is normally limited to 60% of salary. Some policies pay benefits for a limited number of years, while others will pay benefits until retirement. The definition of disability is one of the most important features of any disability income policy.

Family Needs If Angela Is Disabled

Should you lose your ability to provide income through an accident or illness, how would you maintain your lifestyle? State Benefits may provide a portion of needed income. How long would your present assets provide the necessary funds?

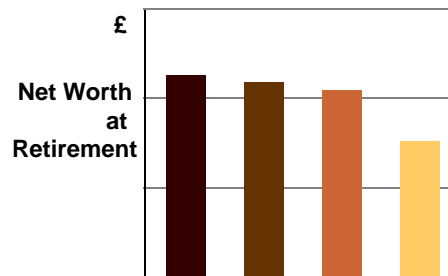
Long-term disability is another life uncertainty that prevents the accumulation of wealth.

- Salary stops
- Living expenses continue (medical care often increases)
- Retirement contributions stop

Before age 65, it is 5.35 times more likely that Angela will suffer a long-term disability than die!¹

Consider the effects of a long-term disability. What if you were out of work for two years? Five years? Until retirement?

Effects on Net Worth of Situation



Situation	Condition Considered	Net Worth at Retirement ²	% Reduction in Net Worth at Retirement
■	Not Disabled	£683,103	—
■	Disabled for Next 2 Years	£660,595	3.29%
■	Disabled for Next 5 Years	£634,216	7.16%
■	Disabled Now until Retirement	£460,585	32.57%

A disability before retirement may greatly reduce the amount of assets you will have available for retirement. You should consider disability income insurance based on the amount of benefits for which you qualify.

Protect your greatest asset—your ability to earn!

¹ Office of National Statistics.

² Estimated value at end of year of desired retirement.

What if You Need Long-Term Care?

Planning 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.

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.



Thirty-three percent of women over 65 will require some long-term care.

Royal Commission Report, March 1999



Twenty percent of men over 65 will require some long-term care.

Royal Commission Report, March 1999

As people live longer, these odds are likely to increase.

What Will Long-Term Care Cost?

- **Cost Today**
In 2002, the average annual cost for a nursing home stay in Shropshire was £23,244.¹
- **Rapidly Increasing Costs**
Historically, the cost of long-term care has doubled in the past 11 years.²
- **Your Possible Cost**
If David had a nursing home stay at age 70, the expected cost could be £65,405, based on the general inflation rate of 3.00%.
If Angela had a nursing home stay at age 70, the expected cost could be £69,389, based on the general inflation rate of 3.00%.

Paying for Long-Term Care

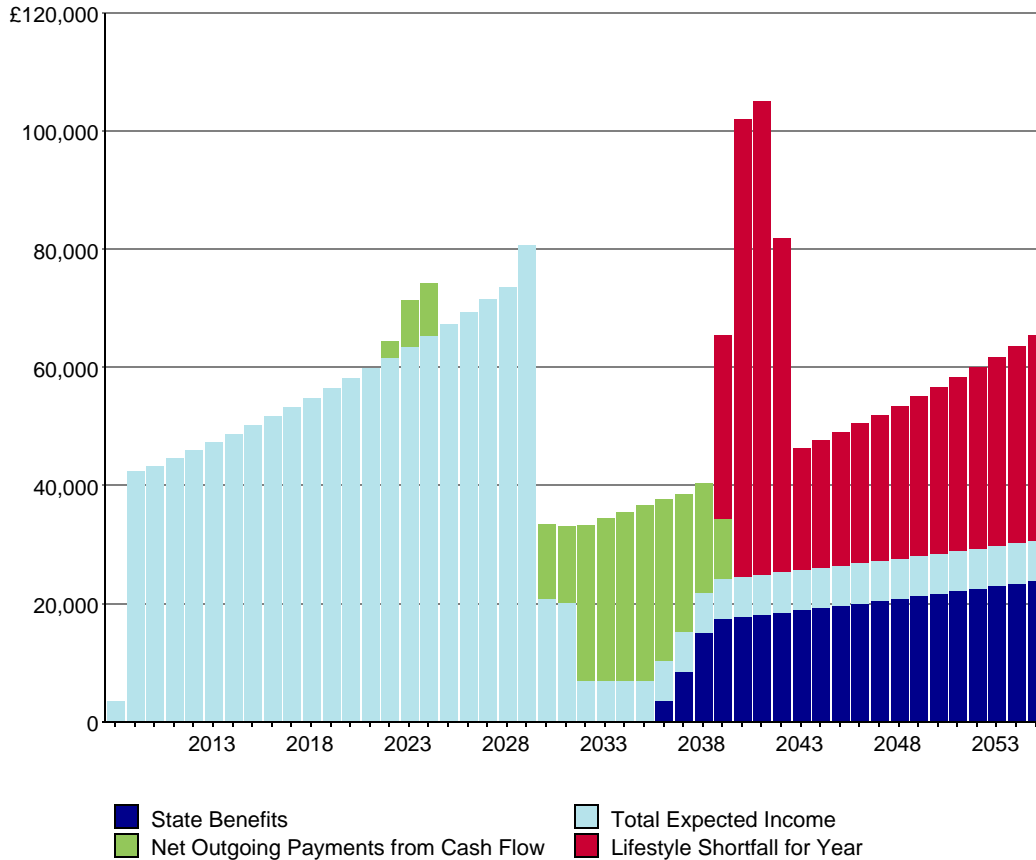
- **The State**
The government will pay for nursing care services but only after your assets have been depleted.
- **Use Retirement Savings**
Will you risk your life-long savings? Will you run out of money?
- **Depend on Family**
What will be the total impact on your family?
- **Long-Term Care Insurance**
Insurance is available to protect you and your family, but it must be obtained before incurring the long-term care expense.

¹ Your county of residence based on a study by Laing and Buisson, survey 2003

² Annual national rate of 6.5%. Source: Laing and Buisson, survey 2003

What if David Needs Long-Term Care?

This illustration assumes that David has a nursing home stay starting at age 70 ending after 3 years. Costs are estimated based on average costs today increased for the general inflation rate.



Remaining Needs

Period	Start Year	Through Year	Amount Needed in Today's Money for Just this Period	Amount Needed Today to Fund Through Period
During Nursing Home Stay	2039	2042	£51,047	£0
Healthy Years After Nursing Home Stay	2043	2057	£52,008	£103,055

Lump Sum to Provide Total Amount Needed Today

£103,055

The best way to protect yourself from unexpected expenses like nursing home stays is through various forms of insurance. Long-term care insurance can provide additional funds to help cover the cost of a nursing home stay, but you cannot wait until you need it to get it.

Don't let an unexpected expense ruin your plans.

What if David Needs Long-Term Care?

This illustration assumes that David has a nursing home stay starting at age 70 ending after 3 years. Costs are estimated based on average costs today increased for the general inflation rate.

Year	Outgoing Payments		Expected Income		Assets		Shortfall ²	Net Worth ²
	Living Expenses	Education and Spending Goals	Tax Payments and Deductions	Salary and Other Income	State Benefits	Payments Withdrawn from Available Assets		
2008	£2,438	£0	£786	£3,400	£0	£0	-	£174,826
2009	29,765	0	9,256	42,520	0	0	-	194,596
2010	30,289	0	10,002	43,359	0	0	-	215,161
2011	30,828	0	10,339	44,657	0	0	-	236,996
2012	31,384	0	10,687	45,993	0	0	-	260,157
2013	31,957	0	11,047	47,368	0	0	-	284,704
2014	32,546	0	11,418	48,785	0	0	-	310,697
2015	33,154	0	11,802	50,243	0	0	-	338,203
2016	33,779	0	12,198	51,745	0	0	-	367,290
2017	34,424	0	12,615	53,292	0	0	-	398,022
2018	35,087	0	13,117	54,891	0	0	-	430,402
2019	35,771	0	13,558	56,617	0	0	-	464,583
2020	36,475	0	14,092	58,317	0	0	-	500,569
2021	37,200	4,444	14,658	60,056	0	0	-	533,940
2022	37,947	11,305	15,244	61,846	0	2,782	-	561,861
2023	38,717	16,976	15,850	63,690	0	7,978	-	585,358
2024	32,558	25,404	16,478	65,588	0	8,968	-	601,318
2025	28,326	21,318	17,123	67,549	0	0	-	622,681
2026	29,166	14,272	17,777	69,581	0	0	-	652,545
2027	30,032	8,825	18,466	71,661	0	0	-	689,372
2028	30,899	0	19,174	73,798	0	0	-	736,686
R 2029	31,078	0	12,419	80,884	0	0	-	683,103
2030	31,340	0	1,312	20,888	0	12,603	-	689,564
2031	32,049	0	1,123	20,126	0	13,045	-	655,242
2032	32,931	0	330	6,810	0	26,451	-	647,121
2033	33,919	0	568	6,810	0	27,677	-	638,509
2034	34,937	0	613	6,810	0	28,739	-	629,600
2035	35,985	0	663	6,810	0	29,837	-	619,606
2036	37,064	0	593	6,810	3,421	27,426	-	611,317
2037	38,176	0	416	6,810	8,375	23,407	-	606,540
2038	39,322	0	1,031	6,810	14,949	18,593	-	606,139
L 2039	64,715	0	926	6,810	17,426	10,130	31,274	582,756
2040	101,572	0	858	6,810	17,775	0	77,844	523,333
2041	104,619	0	820	6,810	18,130	0	80,498	461,809
2042	81,299	0	809	6,810	18,493	0	56,804	424,547
2043	45,585	0	798	6,810	18,863	0	20,709	423,967
2044	46,952	0	787	6,810	19,240	0	21,688	423,011
2045	48,361	0	775	6,810	19,625	0	22,701	421,666
2046	49,811	0	764	6,810	20,018	0	23,747	419,914
2047	51,306	0	752	6,810	20,418	0	24,829	417,740

¹ Basic expenses, loan payments, and retirement contributions.

² The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)

R-Retirement assumed to begin in this year.

L-Long-term care assumed to begin in this year.

What if David Needs Long-Term Care?

Year	Outgoing Payments			Expected Income		Payments Withdrawn from Available Assets	Assets	
	Living, Expenses ¹	Education and Spending Goals	Tax Payments and Deductions	Salary and Other Income	State Benefits		Shortfall ²	Net Worth ²
2048	52,845	0	740	6,810	20,826	0	25,948	415,127
2049	54,430	0	727	6,810	21,243	0	27,104	412,058
2050	56,063	0	714	6,810	21,668	0	28,300	408,515
2051	57,745	0	701	6,810	22,101	0	29,535	404,478
2052	59,478	0	688	6,810	22,543	0	30,812	399,930
2053	61,262	0	677	6,810	22,994	0	32,135	394,847
2054	63,100	0	670	6,810	23,454	0	33,506	389,205
2055	64,993	0	663	6,810	23,923	0	34,923	382,981
2056	66,942	0	656	6,810	24,401	0	36,387	376,155

¹ Basic expenses, loan payments, and retirement contributions.

² The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)

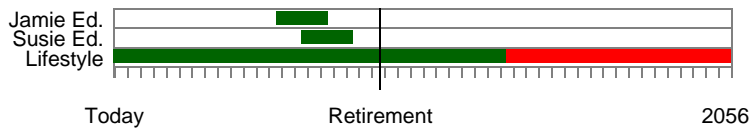
Financial Needs Summary

Will your present analyses provide the funds to meet your financial goals and maintain your lifestyle? Do your analyses work for different needs? Do your analyses consider death, disability, retirement, and long-term care?

Your financial timeline below assumes you pay for each need as it occurs. Funds designated for a specific need such as education or retirement are used for those needs. Some funds, such as your home, may be designated as "Do Not Use." The remaining assets supplement your income to provide the remaining needs and goals. These timelines show whether your cash flow is sufficient to meet your needs as they occur while using only those assets you have made available.

Retirement

Cash Flow through Retirement



Cash Flow Failure

Value of Shortfall in Today's Money: £65,097

- Successful cash flow
- A cash flow failure occurred in August of 2039 with assets designated as "Do Not Use" equal to £614,030 at the end of that year.

David Dies

Income Needs at David's Death



Cash Flow Failure

Value of Shortfall in Today's Money: £372,438

- Successful cash flow
- A cash flow failure occurred in February of 2016 with assets designated as "Do Not Use" equal to £352,950 at the end of that year.

Angela Dies

Income Needs at Angela's Death



Cash Flow Failure

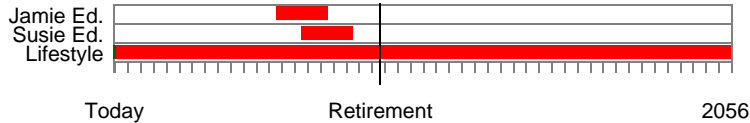
Value of Shortfall in Today's Money: £178,167

- Successful cash flow
- A cash flow failure occurred in June of 2012 with assets designated as "Do Not Use" equal to £330,974 at the end of that year.

Financial Needs Summary (Continued)

David Becomes Disabled

Cash Flow with a Long-Term Disability Starting Today and Lasting until Retirement



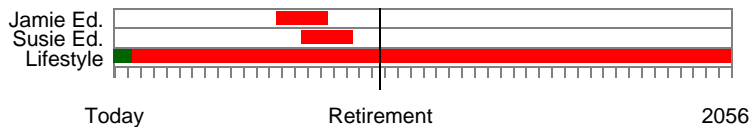
Cash Flow Failure

Value of Shortfall in Today's Money: £446,383

- Successful cash flow
- A cash flow failure occurred in April of 2009 with assets designated as "Do Not Use" equal to £303,919 at the end of that year.

Angela Becomes Disabled

Cash Flow with a Long-Term Disability Starting Today and Lasting until Retirement



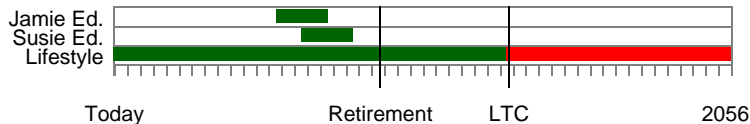
Cash Flow Failure

Value of Shortfall in Today's Money: £159,924

- Successful cash flow
- A cash flow failure occurred in July of 2010 with assets designated as "Do Not Use" equal to £314,988 at the end of that year.

David's Long-Term Care Considered

Effect if David Requires Nursing Home Care



Cash Flow Failure

Value of Shortfall in Today's Money: £103,055

- Successful cash flow
- A cash flow failure occurred in August of 2039 with assets designated as "Do Not Use" equal to £614,030 at the end of that year.

Angela's Long-Term Care Considered

Effect if Angela Requires Nursing Home Care



Cash Flow Failure

Value of Shortfall in Today's Money: £101,858

- Successful cash flow
- A cash flow failure occurred in August of 2039 with assets designated as "Do Not Use" equal to £614,030 at the end of that year.

Financial Needs Summary (Continued)

Your financial lifestyle is determined by (a) your financial goals and desires and (b) your saving and spending habits. This analysis examines your current assets and liabilities, reviews the cash flow necessary for you to maintain your lifestyle, and then shows you the results or consequences of various scenarios.

Confirmation of Facts

David Simmons

Age: 39 **Male** **Born:** 23 Aug., 1969

David and Angela are married.

Home Phone: 01743 248515

Business Phone: 01952 344721

Mailing Address

36 Cherry Tree Lane
Shrewsbury, , SY1 2AJ

Angela Simmons

Age: 37 **Female** **Born:** 19 Apr., 1971

Children and Dependents

Name	Date of Birth	Gender	Relationship	Dependent of
Jamie	08 Oct., 2003	Male	Child	David, Angela
Susie	25 Feb., 2005	Female	Child	David, Angela

Salaries

Employer	Employee	Current Salary	Frequency	Inflation Rate
David Salary	David	£2,750	Monthly	3.000%
Angela Salary	Angela	£650	Monthly	3.000%

Current Bank Accounts, Savings, Deposit

Account Name	Owner	Current Balance	Balance As Of	Interest Rate
Cash Account	David, Angela	£1,000	25 Nov., 2008	0.500%
Savings Account	David, Angela	£5,000	25 Nov., 2008	4.500%

This asset is the Cash Account

Tax-Efficient Investments

Account Name	Owner	Current Balance	Balance As Of	Interest Rate
Angela ISAs	Angela	£8,650	25 Nov., 2008	6.000%
David ISAs	David	£8,650	25 Nov., 2008	6.000%

Retirement Plans

Name	Owner	Current Balance	Balance As Of	Growth Rate	Owner Contrib.	Employer Contrib.
David Personal Pension	David	£23,450	25 Nov., 2008	6.000%	n/a	n/a
Angela Stakeholder	Angela	£6,540	25 Nov., 2008	6.000%	2.000%	2.000%

Residences

Family Home

Owner	Current Value	Balance As Of	Cost Basis	Appreciation Rate
David, Angela	£245,000	25 Nov., 2008	£245,000	3.000%

Personal Loan Secured by this Asset

Balance as of	Mortgage Balance	Payment	Frequency	Interest Rate
25 Nov., 2008	£125,000	£1,000	Monthly	5.500%

Confirmation of Facts

Life Insurance-Individual

Name	Insured	Owner	Beneficiary	Face Amount	Premium	Frequency	Cash Value
Mortgage Protection	David	David	David	£125,000	£25	Monthly	£0

Essential Living Expenses

Description	Amount	Frequency	Percent Continuing after First Death	Percent Continuing after First Disability	Percent Continuing after First Retirement
Joint General Living Expenses Already started and ending after the illustration.	£1,350	Monthly	100%	100%	100%

Education Expenses

Description	Amount	Frequency	Percent of Estimated Aid
University Starting when Jamie turns 18 and ending after 4 years.	£5,000	Annual	0%
University Starting when Susie turns 18 and ending after 4 years.	£5,000	Annual	0%

Debt

Liability Name	Owner	Current Balance	Balance As Of	Interest Rate
Loan for Family Home	David, Angela	£125,000	25 Nov., 2008	5.500%

Assumptions

David Simmons	Age: 39	Male	Born: 23 August, 1969
Angela Simmons	Age: 37	Female	Born: 19 April, 1971

David and Angela are married.

State Benefits

David is eligible for State Benefits. David's State Benefits are based on levels provided in today's terms increased by inflation. David plans to take State Retirement Benefits starting at age 65.

Angela is eligible for State Benefits. Angela's certain State Benefits are based on levels provided in today's terms increased by inflation. Angela plans to take State Retirement Benefits starting at age 65.

Ages and Events

Ages illustrated are based on the age as of the last birthday.

Calculation Date

The starting date for the calculations in this report is 5 December, 2008. Assets that were entered with a valuation date more than one month prior to this date have their value adjusted for appreciation to approximate the value of the asset on this calculation date.

Calendar Year Processing

Each year of the illustration ends with December. The current year will calculate from the month of the Calculation Date through December of that year.

Nature of Monthly Calculations

Calculations are made each month, based on the amounts available at the start of the month. No attempt is made to determine the exact date within a month various transactions occur.

Interest Rates and Earnings

Interest and earnings are credited for 1/12th of the annual amount requested for each month. This is for the purpose of helping to determine the applicable cash flow and does not represent a guarantee of this or any interest or earnings. All rates of return illustrated are hypothetical and are not associated with any particular investment product.

Insurance

The numbers produced by this analysis in no way guarantee the right to purchase life insurance in the amounts illustrated. If any new life insurance is illustrated, this presentation is not valid unless accompanied by a complete illustration of proposed policy values.

Final Expenses

David:
Final Expenses: £0

Angela:
Final Expenses: £0

Loans, Credit Cards, and Lines of Credit

Any form of credit illustrated is not a guarantee that such credit will be accepted by a lending institution. Different forms of credit may have a number of fees associated with various uses of the credit. Please consult the lending institution for details as well as all fees and rules for using that credit.

Assumptions (Continued)

Restrictive Uses of Assets

Assets that are marked for restricted use will only be used to provide cash for that purpose.

Income Taxes

Income Tax Rates

Basic Income Tax Rate: 20%

Higher Income Tax Rate: 40%

Capital Gains Tax

Taxation on the gains from assets that are liable to Capital Gains Tax is deducted at the fixed rate of 18% in the year the asset is liquidated or sold. Liable gains on Investment Bonds are taxed at 20%. An individual's Annual Exemption amount is deducted from the total gains in any given year before Capital Gains Tax is applied. The current Annual Exemption amount is increased annually by the State Benefits inflation rate. Capital Gains Tax is not applied to the following asset types: Bank Accounts, Other Bonds (Government), ISAs PEPs TESSAs, Property – Main Residence, Savings (Cash Equiv.) and Venture Capital Trusts. Entrepreneur Capital Gains Tax relief is not applied.

Assumed Retirement

Retirement is assumed to be when David reaches, or would have reached, age 60. Any change you indicated in the basic living expenses is applied at that time.

General Inflation Rate

A general inflation rate of 3% is used for all basic living expenses and where indicated.

Education Payments

Education costs are stated as annual amounts but are assumed to be paid in 12 monthly payments. Payments are assumed to start in August of each year unless a specific starting date is stated.

Education Inflation Rate

An education inflation rate of 6% is used for all education funding expenses. Historically, the cost of education has experienced a rate different than the general inflation rate of all goods and services. Adjustments for the education inflation rate are made in January of each year.

Costs Associated with Long-Term Care

Estimated costs of long-term care are based on the average costs for a nursing home stay in the current county of residence (Shropshire), adjusted for the current level of long-term care inflation rate. Basic living expenses are further adjusted as if disabled and any salary or retirement contributions are discontinued. (Estimated costs based on Laing and Buisson survey carried out in 2003.)