

Protect Your Family's Lifestyle



For
Andrew James Elliott
and
Jenny Elliott

Current Situation

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Important Notes

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.

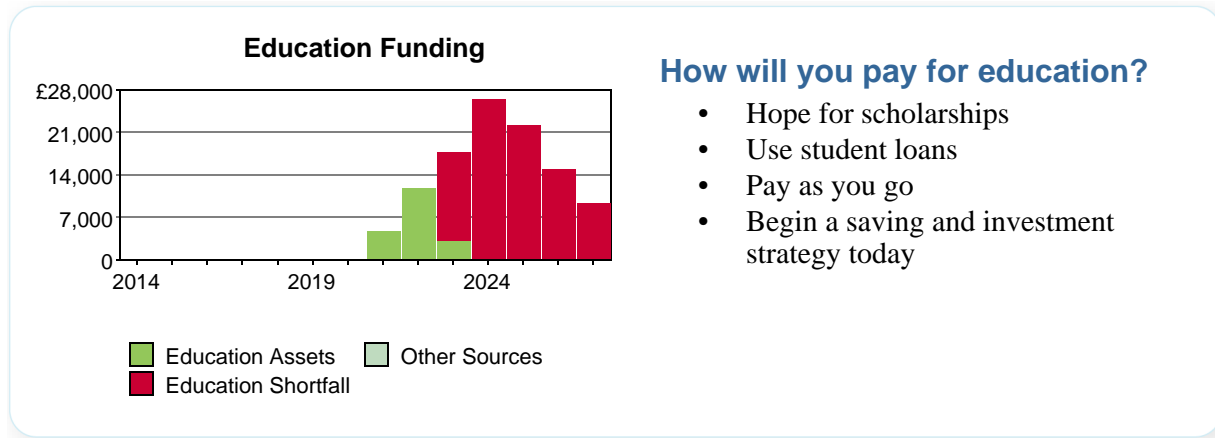
	Andrew	Jenny	Joint	Total
Assets				
Liquid Assets				
Bank Account			£1,250	£1,250
Cash Account				£0
Building Society			£12,000	£12,000
Inherited BT Shares	£7,425			£7,425
Pension Tax-free Cash Proceeds				£0
ABC ISA	£5,430			£5,430
ABC ISA Jenny		£7,632		£7,632
Investment Bond	£14,365			£14,365
Retirement Plans				
Harris Engineering Money Purchase	£25,430			£25,430
Jenny Stakeholder		£9,860		£9,860
Personal Pension	£24,000			£24,000
Fixed Assets				
Average Car Value			£15,000	£15,000
Residence				
Family Home			£345,000	£345,000
Total Assets Today	£76,650	£17,492	£373,250	£467,392
Liabilities				
Mortgages				
Loan for Family Home			£95,000	£95,000
Total Liabilities Today			£95,000	£95,000

Net Worth

Your Assets	£467,392
Less Your Liabilities	£95,000
Total Net Worth Today	£372,392

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
Christopher	University	£7,500	2021	4
Shannon	University	£7,500	2023	4

Total Cost of Education Needs⁴

£49,284

The amount needed today to fund all education goals invested at 7.00% provides the total costs for all years of education of £108,431 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

£38,838

The remaining funds needed today consider your assets designated for education (current value £13,062) as well as anticipated funding from other sources. This amount is assumed to be invested until needed and with 7.00% growth would provide the additional money needed by the start of each education goal.

Monthly Savings Required to Fund Shortfall

£511

An alternative way to provide the additional funds needed today of £38,838 would be a savings fund. These monthly deposits invested at 7.00% 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.

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.*

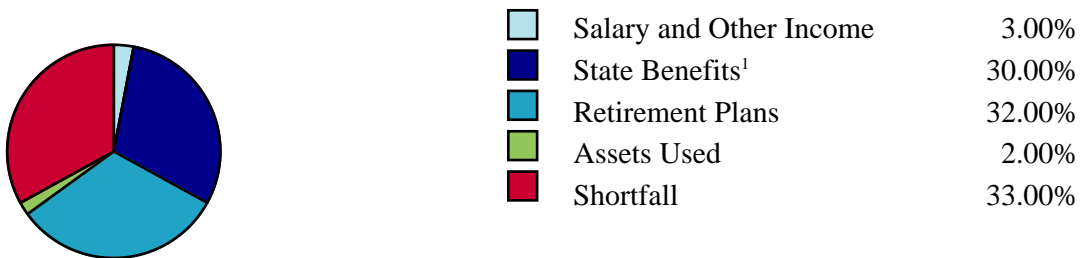
- Retirement begins at Andrew's age 60, Jenny's age 58
- Retirement is illustrated for 27 years.

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



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 2038

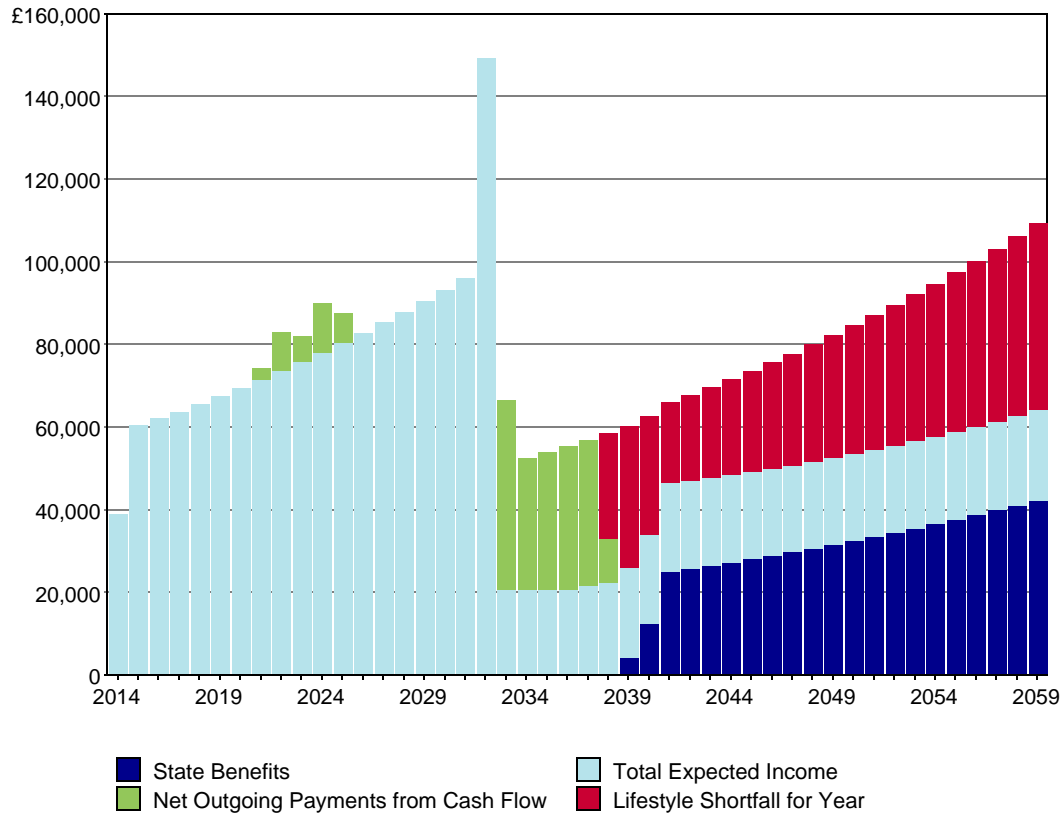
The value of expenses not covered— *the shortfall*— at the start of retirement in year 2032 is £691,470. For the purpose of this analysis, the retirement shortage is the equivalent of reducing outgoing payments during retirement by 33%.

To fund the shortfall assuming a 7.000% growth rate, you would need £191,197 today or make monthly deposits of £1,458 between now and the start of retirement.

¹ Andrew's State Benefits are estimates based on current levels available and Jenny'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 Jenny is age 58. 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
2032

Through Year
2060

**Amount Needed in
Today's Money for
Just this Period**
£66,921

Now Through Retirement Details

Retirement is set to begin when Jenny is age 58. 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	Discretionary Spending	Salary and Other ²	State Benefits ³	Payments Withdrawn from Available Assets	Shortfall ⁴	Net Worth ⁵
2014	£27,040	£0	£36	£5,164	£38,800	£0	£0	-	£421,171
2015	41,424	0	5,158	7,634	60,446	0	0	-	452,601
2016	42,314	0	9,694	8,183	62,244	0	0	-	480,797
2017	43,231	0	10,076	8,749	63,597	0	0	-	510,070
2018	44,175	0	10,447	9,332	65,505	0	0	-	540,564
2019	45,147	0	10,817	9,932	67,470	0	0	-	572,355
2020	46,149	0	11,198	10,550	69,494	0	0	-	605,501
2021	47,180	4,699	11,591	11,000	71,579	0	2,892	-	635,520
2022	48,243	11,954	11,998	11,000	73,726	0	9,468	-	660,046
2023	49,337	17,951	12,418	2,328	75,938	0	6,097	-	689,076
2024	50,465	26,863	12,850	0	78,216	0	11,962	-	713,506
2025	51,626	22,542	13,252	399	80,562	0	7,258	-	743,930
2026	52,822	15,091	13,658	834	82,979	0	0	-	783,781
2027	54,054	9,332	14,116	5,417	85,469	0	0	-	827,351
2028	55,323	0	14,601	11,000	88,033	0	0	-	877,424
2029	56,261	0	15,121	11,000	90,674	0	0	-	930,759
2030	57,424	0	15,666	11,000	93,394	0	0	-	987,313
2031	58,810	0	16,234	11,000	96,196	0	0	-	1,047,040
R 2032	58,622	0	16,793	7,868	149,919	0	0	-	939,537
2033	54,861	0	11,878	0	20,506	0	46,233	-	918,580
2034	52,016	0	528	0	20,470	0	32,073	-	907,248
2035	53,576	0	366	0	20,444	0	33,499	-	894,420
2036	55,184	0	179	0	20,426	0	34,937	-	880,047
2037	56,839	0	0	0	21,320	0	35,519	-	864,277
2038	58,544	0	0	0	22,231	0	10,562	25,752	846,219
2039	60,301	0	0	0	22,008	3,900	0	34,393	830,836
2040	62,110	0	554	0	21,831	12,050	0	28,783	821,918
2041	63,973	0	2,023	0	21,675	24,823	0	19,499	823,152
2042	65,892	0	1,935	0	21,538	25,567	0	20,722	824,045
2043	67,869	0	1,849	0	21,419	26,334	0	21,964	824,596
2044	69,905	0	1,764	0	21,320	27,124	0	23,225	824,803
2045	72,002	0	1,682	0	21,239	27,938	0	24,507	824,661
2046	74,162	0	1,602	0	21,176	28,776	0	25,812	824,169
2047	76,387	0	1,523	0	21,131	29,640	0	27,140	823,322
2048	78,679	0	1,446	0	21,103	30,529	0	28,492	822,116

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 State retirement benefits start at age listed in Assumptions.

⁴ 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.)

⁵ 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 Details (Continued)

Year	Outgoing Payments				Expected Income		Payments Withdrawn from Available Assets	Assets	
	Living Expenses ¹	Education and Spending Goals	Tax Payments and De- ductions	Discre- tionary Spending	Salary and Other Income ²	State ³ Benefits ³		Shortfall ⁴	Net Worth ⁵
2049	81,039	0	1,370	0	21,093	31,445	0	29,871	820,546
2050	83,470	0	1,296	0	21,100	32,388	0	31,278	818,608
2051	85,975	0	1,223	0	21,124	33,360	0	32,713	816,296
2052	88,554	0	1,151	0	21,165	34,360	0	34,179	813,605
2053	91,210	0	1,080	0	21,223	35,391	0	35,676	810,529
2054	93,947	0	1,010	0	21,297	36,453	0	37,207	807,061
2055	96,765	0	941	0	21,387	37,546	0	38,772	803,195
2056	99,668	0	873	0	21,495	38,673	0	40,373	798,923
2057	102,658	0	805	0	21,618	39,833	0	42,012	794,237
2058	105,738	0	738	0	21,758	41,028	0	43,690	789,130
2059	108,910	0	672	0	21,914	42,259	0	45,409	783,594

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 State retirement benefits start at age listed in Assumptions.

⁴ 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.)

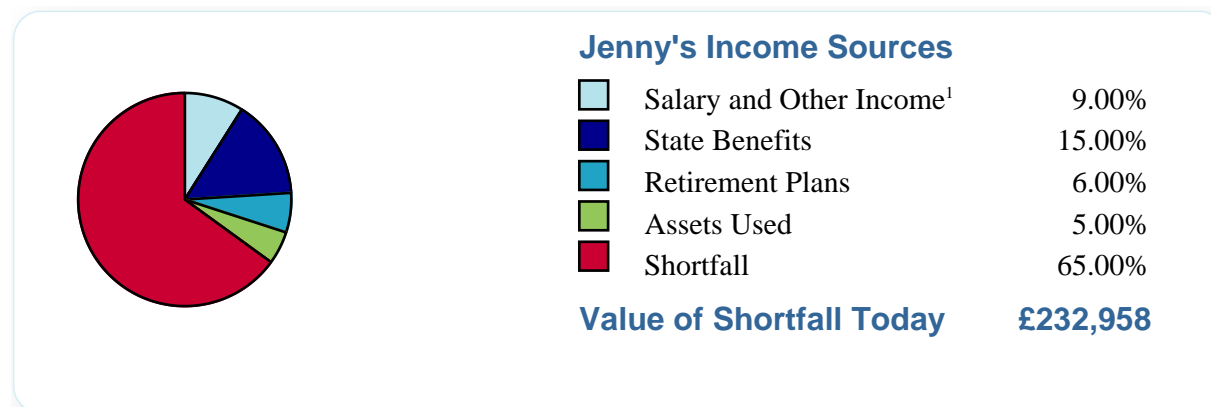
⁵ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

Income Needs at Andrew's Death

If Andrew 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 Andrew's death, the actual level of income provided by the State may be greater or less than the amounts shown.

Life Insurance on Andrew

Life insurance on Andrew'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 Andrew of £150,000.

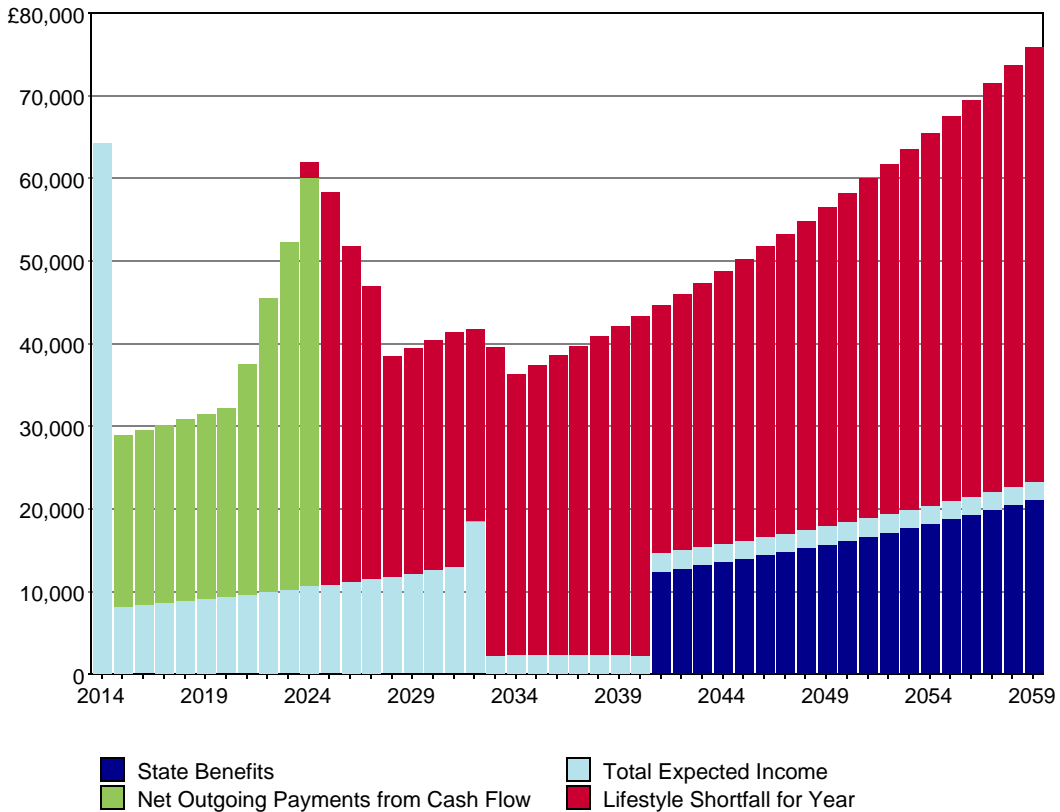
Replacing Your Income for Your Survivors

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 Andrew'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
Before Retirement	2024	2031	£94,232	£94,232
During Retirement	2032	2060	£138,726	£232,958

Lump Sum to Provide Total Amount Needed Today¹

£232,958

Life insurance can protect income needs.

¹ Life Insurance proceeds of £150,000 from Andrew's death have been considered.

An Alternate Approach at Andrew'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

£89,640

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

Emergency Funds¹

£5,370

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

Education Funds²

£38,838

Amount needed to fund education today.

Total Cash Needs at Andrew's Death

£133,848

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

Life Insurance on Andrew

ABC Term	<u>£150,000</u>
Total	£150,000

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 Details at Andrew'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			Assets		
	Living Expenses ¹	Education and Spending Goals	Tax Payments and Deductions	Discretionary Spending	Salary and Other Income ²	State Benefits ³	Payments Withdrawn from Available Assets	Shortfall ⁴	Net Worth ⁵
2014	£23,500	£0	£4	£1,000	£64,556	£0	£0	-	£547,927
2015	28,925	0	0	0	8,034	0	20,891	-	549,533
2016	29,548	0	0	0	8,275	0	21,273	-	551,002
2017	30,189	0	0	0	8,523	0	21,666	-	552,327
2018	30,850	0	0	0	8,779	0	22,071	-	553,505
2019	31,531	0	0	0	9,042	0	22,489	-	554,530
2020	32,232	0	0	0	9,314	0	22,918	-	555,396
2021	32,954	4,699	0	0	9,593	0	28,060	-	551,369
2022	33,698	11,954	0	0	9,881	0	35,771	-	539,535
2023	34,464	17,951	0	0	10,177	0	42,238	-	521,042
2024	35,253	26,863	0	0	10,624	0	49,660	1,831	492,936
2025	36,066	22,542	0	0	10,797	0	0	47,811	468,545
2026	36,903	15,091	0	0	11,121	0	0	40,874	451,992
2027	37,766	9,332	0	0	11,455	0	0	35,643	441,609
2028	38,654	0	0	0	11,798	0	0	26,856	440,990
2029	39,569	0	0	0	12,152	0	0	27,416	440,831
2030	40,511	0	0	0	12,517	0	0	27,994	441,156
2031	41,481	0	0	0	12,892	0	0	28,589	441,995
2032	41,881	0	0	0	18,489	0	67	23,325	379,671
2033	39,710	0	0	0	2,211	0	0	37,500	365,781
2034	36,411	0	0	0	2,211	0	0	34,201	351,489
2035	37,504	0	0	0	2,211	0	0	35,293	336,702
2036	38,629	0	0	0	2,211	0	0	36,418	321,406
2037	39,788	0	0	0	2,211	0	0	37,577	305,583
2038	40,981	0	0	0	2,211	0	0	38,770	289,220
2039	42,211	0	0	0	2,211	0	0	40,000	272,300
2040	43,477	0	0	0	2,211	0	0	41,266	254,806
2041	44,781	0	0	0	2,211	12,411	0	30,159	249,132
2042	46,125	0	0	0	2,211	12,784	0	31,130	243,221
2043	47,508	0	0	0	2,211	13,167	0	32,130	237,067
2044	48,934	0	0	0	2,211	13,562	0	33,161	230,661
2045	50,402	0	0	0	2,211	13,969	0	34,222	223,998
2046	51,914	0	0	0	2,211	14,388	0	35,315	217,068
2047	53,471	0	0	0	2,211	14,820	0	36,441	209,864
2048	55,075	0	0	0	2,211	15,264	0	37,600	202,377

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 State retirement benefits start at age listed in Assumptions.

⁴ 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.)

⁵ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

Income Details at Andrew's Death (Continued)

Year	Outgoing Payments				Expected Income		Payments Withdrawn from Available Assets	Assets	
	Living Expenses ¹	Education and Spending Goals	Tax Payments and De- ductions	Discre- tionary Spending	Salary and Other Income ²	State Benefits ³		Shortfall ⁴	Net Worth ⁵
2049	56,727	0	0	0	2,211	15,722	0	38,794	194,600
2050	58,429	0	0	0	2,211	16,194	0	40,025	186,522
2051	60,182	0	0	0	2,211	16,680	0	41,292	178,137
2052	61,988	0	0	0	2,211	17,180	0	42,597	169,433
2053	63,847	0	0	0	2,211	17,696	0	43,941	160,402
2054	65,763	0	0	0	2,211	18,226	0	45,326	151,033
2055	67,736	0	0	0	2,211	18,773	0	46,752	141,318
2056	69,768	0	0	0	2,211	19,336	0	48,221	131,244
2057	71,861	0	0	0	2,211	19,917	0	49,733	120,802
2058	74,016	0	0	0	2,211	20,514	0	51,292	109,980
2059	76,237	0	0	0	2,211	21,129	0	52,897	98,768

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

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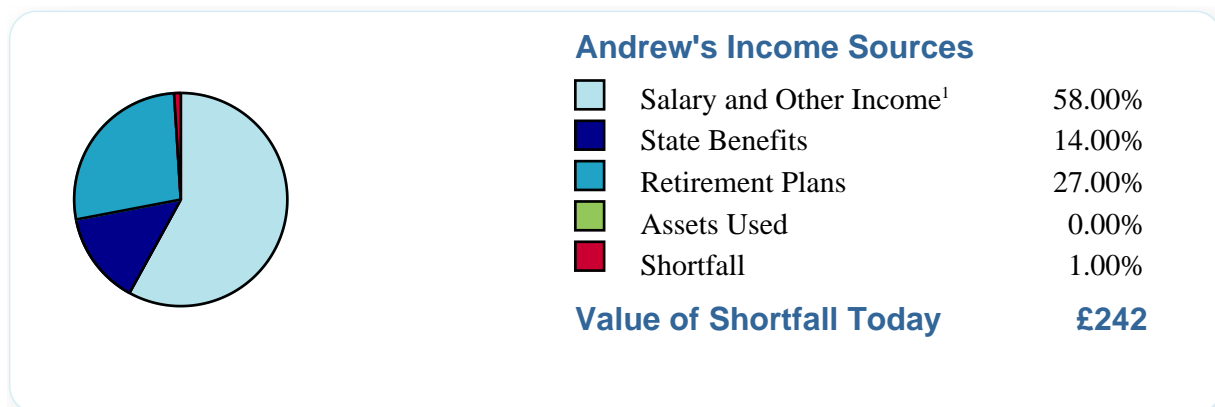
⁵ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

Income Needs at Jenny's Death

If Jenny 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 Jenny's death, the actual level of income provided by the State may be greater or less than the amounts shown.

Life Insurance on Jenny

Life insurance on Jenny'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 Jenny of £150,000.

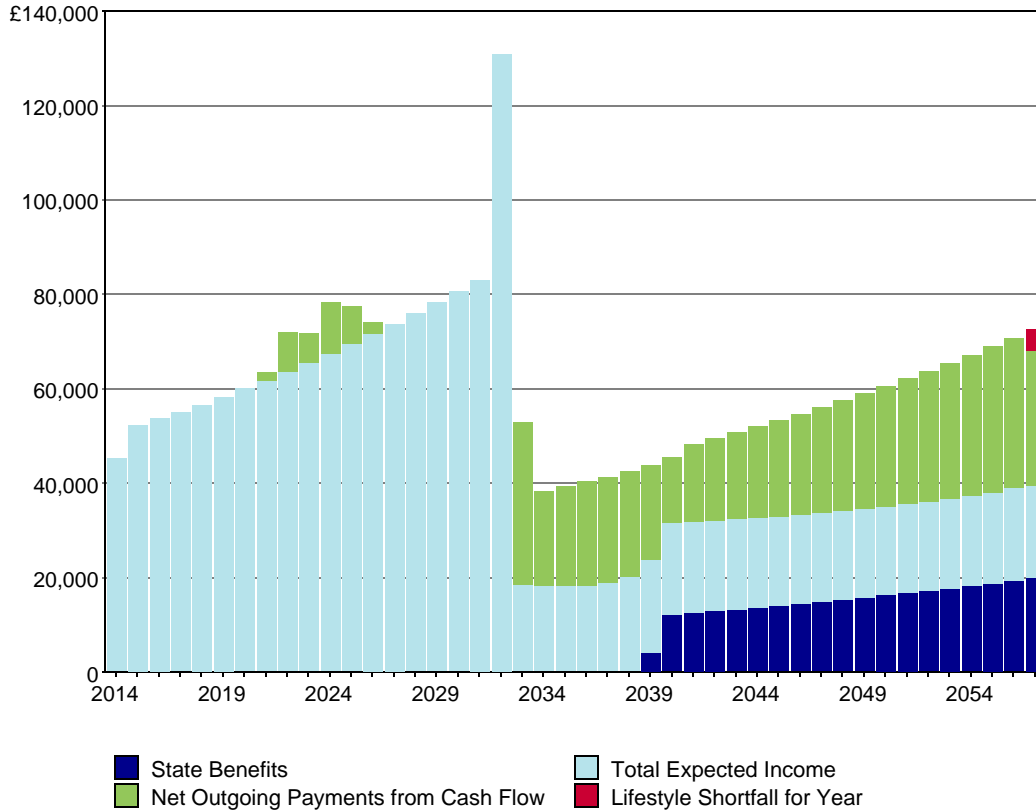
Replacing Your Income for Your Survivors

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 Jenny'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
During Retirement	2032	2058	£242	£242

Lump Sum to Provide Total Amount Needed Today¹

£242

Life insurance can protect income needs.

¹ Life Insurance proceeds of £150,000 from Jenny's death have been considered.

An Alternate Approach at Jenny'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

£89,640

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

Emergency Funds¹

£5,370

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

Education Funds²

£38,838

Amount needed to fund education today.

Total Cash Needs at Jenny's Death

£133,848

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

Life Insurance on Jenny

ABC Term	<u>£150,000</u>
Total	£150,000

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 Details at Jenny'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			Assets	
	Living Expenses ¹	Education and Spending Goals	Tax Payments and Deductions	Discretionary Spending	Salary and Other Income ²	State Benefits ³	Payments Withdrawn from Available Assets	Shortfall ⁴	Net Worth ⁵
2014	£24,928	£0	£36	£3,921	£45,348	£0	£0	-	£571,157
2015	31,373	0	5,439	10,846	52,412	0	0	-	603,182
2016	31,996	0	10,352	11,000	53,969	0	0	-	631,968
2017	32,637	0	10,827	11,000	55,073	0	0	-	662,302
2018	33,298	0	11,271	11,000	56,726	0	0	-	694,370
2019	33,979	0	11,709	11,000	58,427	0	0	-	728,279
2020	34,680	0	12,165	11,000	60,180	0	0	-	764,110
2021	35,402	4,699	12,639	11,000	61,986	0	1,754	-	797,218
2022	36,146	11,954	13,090	11,000	63,845	0	8,345	-	824,827
2023	36,912	17,951	13,559	3,716	65,761	0	6,377	-	855,519
2024	37,701	26,863	14,036	0	67,733	0	10,866	-	882,970
2025	38,514	22,542	14,474	2,214	69,765	0	7,979	-	914,585
2026	39,351	15,091	14,918	4,916	71,858	0	2,419	-	953,264
2027	40,214	9,332	15,409	7,695	74,014	0	0	-	997,356
2028	41,102	0	15,928	11,000	76,235	0	0	-	1,050,186
2029	42,017	0	16,503	11,000	78,522	0	0	-	1,105,861
2030	42,959	0	17,110	11,000	80,877	0	0	-	1,164,496
2031	43,929	0	17,740	11,000	83,304	0	0	-	1,226,224
2032	43,913	0	18,365	8,000	131,433	0	0	-	1,184,025
2033	39,710	0	13,314	0	18,307	0	34,717	-	1,181,025
2034	36,411	0	2,073	0	18,272	0	20,213	-	1,188,311
2035	37,504	0	1,980	0	18,245	0	21,238	-	1,194,974
2036	38,629	0	1,812	0	18,227	0	22,213	-	1,201,053
2037	39,788	0	1,636	0	18,862	0	22,562	-	1,206,515
2038	40,981	0	1,582	0	20,006	0	22,557	-	1,211,160
2039	42,211	0	1,625	0	19,809	3,900	20,127	-	1,218,746
2040	43,477	0	2,173	0	19,633	12,050	13,967	-	1,233,171
2041	44,781	0	3,602	0	19,476	12,411	16,495	-	1,245,770
2042	46,125	0	3,475	0	19,339	12,784	17,477	-	1,258,075
2043	47,508	0	3,343	0	19,221	13,167	18,464	-	1,270,067
2044	48,934	0	3,208	0	19,121	13,562	19,458	-	1,281,725
2045	50,402	0	3,069	0	19,040	13,969	20,461	-	1,293,029
2046	51,914	0	2,925	0	18,977	14,388	21,473	-	1,303,957
2047	53,471	0	2,775	0	18,932	14,820	22,494	-	1,314,486
2048	55,075	0	2,621	0	18,905	15,264	23,527	-	1,324,591

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 State retirement benefits start at age listed in Assumptions.

⁴ 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.)

⁵ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

Income Details at Jenny's Death (Continued)

Year	Outgoing Payments				Expected Income		Assets		
	Living Expenses ¹	Education and Spending Goals	Tax Payments and Deductions	Discretionary Spending	Salary and Other Income ²	State Benefits ³	Payments Withdrawn from Available Assets	Shortfall ⁴	Net Worth ⁵
2049	56,727	0	2,461	0	18,895	15,722	24,572	-	1,334,248
2050	58,429	0	2,295	0	18,902	16,194	25,629	-	1,343,431
2051	60,182	0	2,123	0	18,926	16,680	26,700	-	1,352,112
2052	61,988	0	1,945	0	18,967	17,180	27,785	-	1,360,264
2053	63,847	0	1,759	0	19,024	17,696	28,886	-	1,367,856
2054	65,763	0	1,566	0	19,098	18,226	30,004	-	1,374,858
2055	67,736	0	1,365	0	19,189	18,773	31,139	-	1,381,239
2056	69,768	0	1,156	0	19,836	19,336	31,751	-	1,387,404
2057	71,861	0	951	0	19,587	19,917	28,670	4,638	1,391,971

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 State retirement benefits start at age listed in Assumptions.

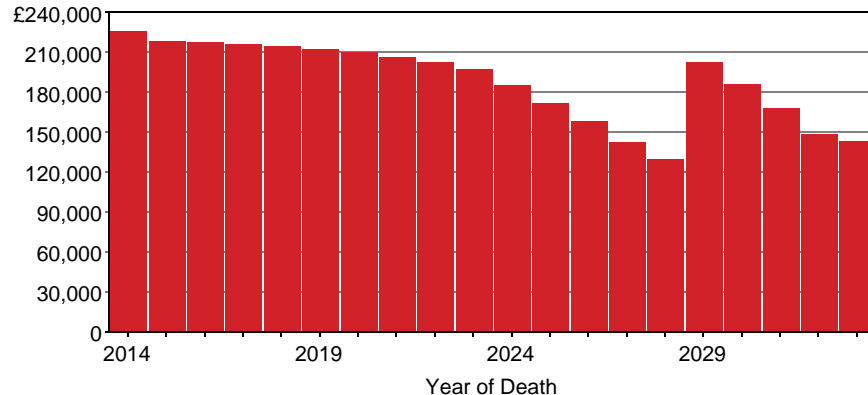
⁴ The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)

⁵ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

Needs if Death in Various Years

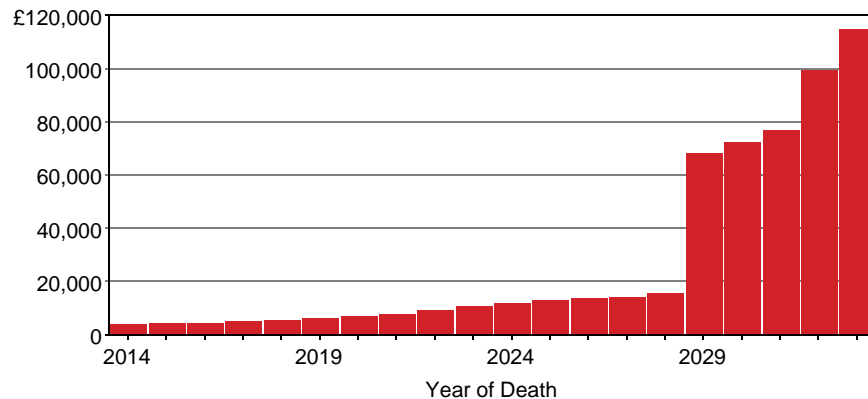
Needs change over time—incomes change, bills are paid and new living expenses are established, and others increase, some assets are sold and others acquired and some assets just increase or decrease in value. The prior charts illustrate the income needs if death occurred today. The charts below show 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 Andrew's death.



At Andrew's death, this is the amount that would need to be invested at 7% to provide the amounts needed for the shortages. The need if death occurred today is £227,897 and the largest need of £227,897 occurs if death is in year 1.

Value of all future needs at Jenny's death.



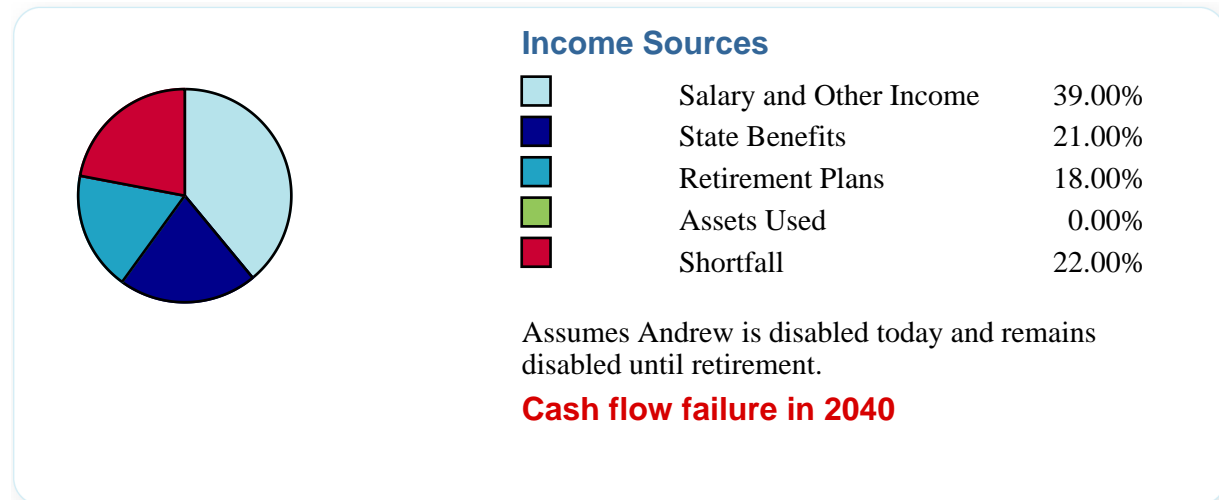
At Jenny's death, this is the amount that would need to be invested at 7% to provide the amounts needed for the shortages. The need if death occurred today is £3,682 and the largest need of £115,899 occurs if death is in year 20.

Life insurance can provide for the needs caused by death.

Andrew's Disability Income Needs

Disability Income Needed

Andrew, 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 Andrew'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 Andrew is Disabled

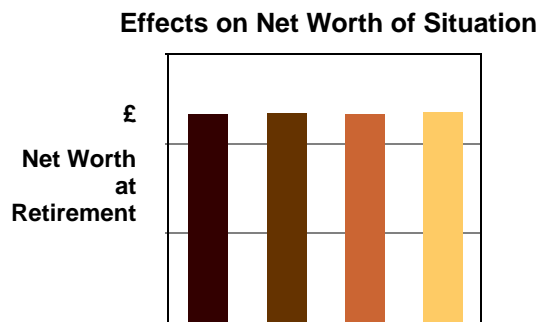
Should you lose your ability to provide income through an accident or illness, how would you maintain your lifestyle? State Benefits may provide a portion of needed income. How long would your present assets provide the necessary funds?

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 Andrew 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?



Situation	Condition Considered	Net Worth at Retirement ²	% Reduction in Net Worth at Retirement
■	Not Disabled	£939,537	—
■	Disabled for Next 2 Years	£944,233	—
■	Disabled for Next 5 Years	£941,360	—
■	Disabled Now until Retirement	£947,030	—

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.

Andrew's Disability Income Details

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 Andrew 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	Discretionary Spending	Salary and Other Income ²	State Benefits ³	Payments Withdrawn from Available Assets	Shortfall ⁴	Net Worth ⁵
2014	£25,008	£0	£0	£4,632	£36,200	£0	£0	-	£419,133
2015	38,376	0	3,813	8,213	57,974	0	0	-	448,779
2016	39,266	0	7,599	8,695	59,698	0	0	-	475,873
2017	40,183	0	7,869	9,192	60,974	0	0	-	503,963
2018	41,127	0	8,147	9,704	62,803	0	0	-	533,234
2019	42,099	0	8,409	10,232	64,687	0	0	-	563,778
2020	43,101	0	8,676	10,775	66,628	0	0	-	595,651
2021	44,132	4,699	8,951	11,000	68,627	0	156	-	624,521
2022	45,195	11,954	9,236	11,000	70,686	0	6,699	-	647,793
2023	46,289	17,951	9,532	2,323	72,806	0	3,289	-	675,459
2024	47,417	26,863	9,834	0	74,991	0	9,123	-	698,401
2025	48,578	22,542	10,102	316	77,240	0	4,297	-	727,296
2026	49,774	15,091	10,368	561	79,557	0	0	-	765,675
2027	51,006	9,332	10,682	5,217	81,944	0	0	-	807,564
2028	52,275	0	11,018	11,000	84,403	0	0	-	855,606
2029	53,213	0	11,383	11,000	86,935	0	0	-	906,751
2030	54,376	0	11,766	11,000	89,543	0	0	-	960,945
2031	55,762	0	12,166	11,000	92,229	0	0	-	1,018,132
R 2032	56,590	0	12,581	7,315	126,535	0	0	-	947,030
2033	54,861	0	8,549	0	26,759	0	36,651	-	937,512
2034	52,016	0	0	0	27,092	0	24,924	-	935,450
2035	53,576	0	0	0	27,442	0	26,134	-	932,309
2036	55,184	0	0	0	27,810	0	27,374	-	928,032
2037	56,839	0	0	0	24,712	0	32,127	-	918,602
2038	58,544	0	0	0	17,691	0	40,853	-	899,414
2039	60,301	0	0	0	17,900	3,900	38,502	-	882,402
2040	62,110	0	0	0	17,607	12,050	19,205	13,248	871,176
2041	63,973	0	1,183	0	17,464	24,823	0	22,869	870,086
2042	65,892	0	1,093	0	17,419	25,567	0	23,998	868,710
2043	67,869	0	1,025	0	17,390	26,334	0	25,169	867,021
2044	69,905	0	959	0	17,377	27,124	0	26,363	865,018
2045	72,002	0	894	0	17,378	27,938	0	27,580	862,695
2046	74,162	0	830	0	17,394	28,776	0	28,822	860,048
2047	76,387	0	767	0	17,425	29,640	0	30,089	857,073
2048	78,679	0	705	0	17,470	30,529	0	31,384	853,764

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 State retirement benefits start at age listed in Assumptions.

⁴ 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.)

⁵ 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.

Andrew's Disability Income Details (Continued)

Year	Outgoing Payments			Expected Income		Payments Withdrawn from Available Assets	Assets		
	Living Expenses ¹	Education and Spending Goals	Tax Payments and De- ductions	Discre- tionary Spending	Salary and Other Income ²		State Benefits ³	Shortfall ⁴	Net Worth ⁵
2049	81,039	0	643	0	17,530	31,445	0	32,708	850,116
2050	83,470	0	583	0	17,604	32,388	0	34,061	846,122
2051	85,975	0	523	0	17,693	33,360	0	35,445	841,777
2052	88,554	0	464	0	17,796	34,360	0	36,862	837,074
2053	91,210	0	406	0	17,913	35,391	0	38,312	832,007
2054	93,947	0	348	0	18,044	36,453	0	39,797	826,567
2055	96,765	0	290	0	18,190	37,546	0	41,319	820,748
2056	99,668	0	233	0	18,350	38,673	0	42,879	814,542
2057	102,658	0	176	0	18,524	39,833	0	44,477	807,939
2058	105,738	0	119	0	18,712	41,028	0	46,117	800,932
2059	108,910	0	63	0	18,915	42,259	0	47,799	793,511

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 State retirement benefits start at age listed in Assumptions.

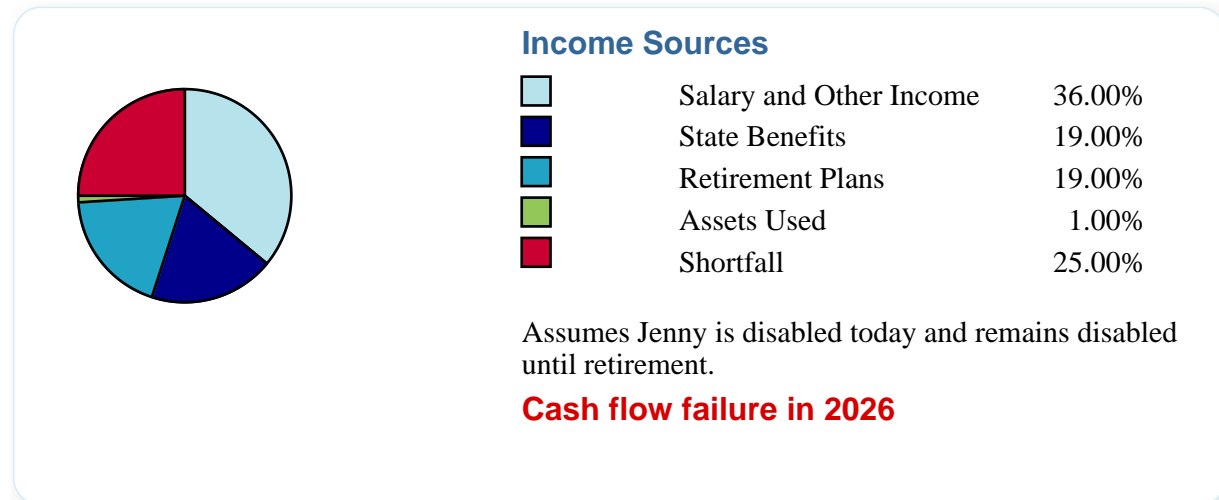
⁴ The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)

⁵ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

Jenny's Disability Income Needs

Disability Income Needed

Jenny, 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 Jenny'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 Jenny is Disabled

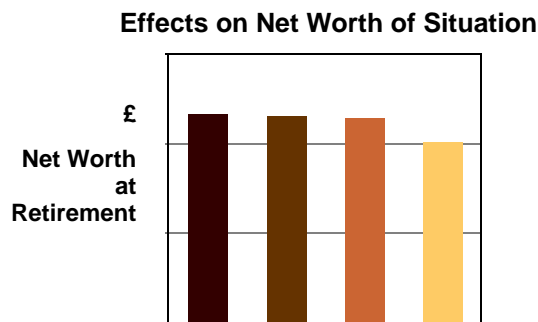
Should you lose your ability to provide income through an accident or illness, how would you maintain your lifestyle? State Benefits may provide a portion of needed income. How long would your present assets provide the necessary funds?

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 5.19 times more likely that Jenny 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?



Situation	Condition Considered	Net Worth at Retirement ²	% Reduction in Net Worth at Retirement
■	Not Disabled	£939,537	—
■	Disabled for Next 2 Years	£932,718	0.73%
■	Disabled for Next 5 Years	£922,516	1.81%
■	Disabled Now until Retirement	£810,937	13.69%

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.

Jenny's Disability Income Details

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 Jenny 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	Discretionary Spending	Salary and Other Income ²	State Benefits ³	Payments Withdrawn from Available Assets	Shortfall ⁴	Net Worth ⁵
2014	£26,640	£0	£36	£1,324	£33,600	£0	£0	-	£419,694
2015	40,824	0	5,157	2,183	52,412	0	0	-	448,282
2016	41,714	0	9,687	2,555	53,969	0	0	-	473,472
2017	42,631	0	10,063	2,939	55,073	0	558	-	499,602
2018	43,575	0	10,421	3,334	56,726	0	604	-	526,797
2019	44,547	0	10,782	3,741	58,427	0	642	-	555,119
2020	45,549	0	11,153	4,160	60,180	0	681	-	584,621
2021	46,580	4,699	11,536	4,591	61,986	0	5,420	-	610,623
2022	47,643	11,954	11,930	5,036	63,845	0	12,718	-	630,275
2023	48,737	17,951	12,338	885	65,761	0	14,150	-	649,435
2024	49,865	26,863	12,748	0	67,733	0	21,742	-	661,958
2025	51,026	22,542	13,110	0	69,829	0	16,849	-	680,228
2026	52,222	15,091	13,477	0	71,864	0	2,837	6,089	707,694
2027	53,454	9,332	13,919	3,394	74,014	0	0	9,319	739,607
2028	54,723	0	14,397	7,998	76,235	0	0	5,076	778,475
2029	55,661	0	14,900	8,913	78,522	0	0	1,156	819,045
2030	56,824	0	15,410	9,615	80,877	0	0	1,180	861,445
2031	58,210	0	15,935	10,195	83,304	0	0	1,251	905,713
R 2032	58,622	0	16,447	7,868	143,848	0	0	-	810,937
2033	54,861	0	11,478	0	19,784	0	46,554	-	786,705
2034	52,016	0	249	0	19,748	0	29,947	2,570	771,872
2035	53,576	0	79	0	19,722	0	0	33,934	755,906
2036	55,184	0	0	0	19,704	0	0	35,480	739,065
2037	56,839	0	0	0	20,339	0	0	36,501	721,244
2038	58,544	0	0	0	21,483	0	0	37,062	702,353
2039	60,301	0	0	0	21,286	3,900	0	35,115	686,248
2040	62,110	0	554	0	21,109	12,050	0	29,505	676,608
2041	63,973	0	2,023	0	20,953	24,823	0	20,221	677,119
2042	65,892	0	1,935	0	20,816	25,567	0	21,444	677,291
2043	67,869	0	1,849	0	20,697	26,334	0	22,686	677,120
2044	69,905	0	1,764	0	20,598	27,124	0	23,947	676,604
2045	72,002	0	1,682	0	20,517	27,938	0	25,229	675,741
2046	74,162	0	1,602	0	20,454	28,776	0	26,534	674,526
2047	76,387	0	1,523	0	20,409	29,640	0	27,862	672,957
2048	78,679	0	1,446	0	20,381	30,529	0	29,214	671,029

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 State retirement benefits start at age listed in Assumptions.

⁴ 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.)

⁵ 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.

Jenny's Disability Income Details (Continued)

Year	Outgoing Payments				Expected Income		Payments Withdrawn from Available Assets	Assets	
	Living Expenses ¹	Education and Spending Goals	Tax Payments and De- ductions	Discre- tionary Spending	Salary and Other Income ²	State ³ Benefits ³		Shortfall ⁴	Net Worth ⁵
2049	81,039	0	1,370	0	20,371	31,445	0	30,593	668,737
2050	83,470	0	1,296	0	20,378	32,388	0	32,000	666,077
2051	85,975	0	1,223	0	20,402	33,360	0	33,435	663,043
2052	88,554	0	1,151	0	20,443	34,360	0	34,901	659,630
2053	91,210	0	1,080	0	20,501	35,391	0	36,398	655,832
2054	93,947	0	1,010	0	20,575	36,453	0	37,929	651,642
2055	96,765	0	941	0	20,665	37,546	0	39,494	647,054
2056	99,668	0	873	0	20,772	38,673	0	41,095	642,060
2057	102,658	0	805	0	20,896	39,833	0	42,734	636,652
2058	105,738	0	738	0	21,036	41,028	0	44,412	630,823
2059	108,910	0	672	0	21,192	42,259	0	46,131	624,564

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 State retirement benefits start at age listed in Assumptions.

⁴ 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.)

⁵ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

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 2008, the average annual cost for a nursing home stay in Staffordshire was £32,916.¹
- **Rapidly Increasing Costs**
Historically, the cost of long-term care has doubled in the past 11 years.²
- **Your Possible Cost**
If Andrew had a nursing home stay at age 70, the expected cost could be £87,304, based on the general inflation rate of 3.00%.
If Jenny had a nursing home stay at age 70, the expected cost could be £92,621, based on the general inflation rate of 3.00%.

Paying for Long-Term Care

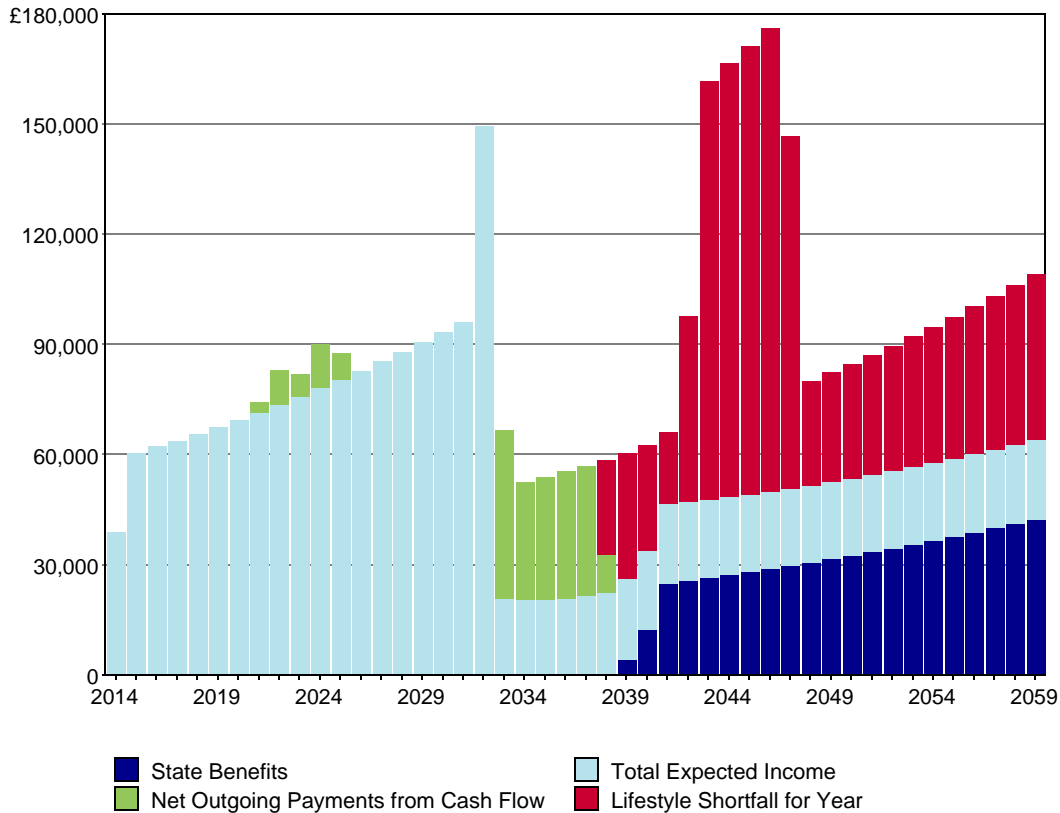
- **The State**
The government will pay for nursing care services but only after your assets have been depleted.
- **Use Retirement Savings**
Will you risk your life-long savings? Will you run out of money?
- **Depend on Family**
What will be the total impact on your family?
- **Long-Term Care Insurance**
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 SAGA Cost of Care Report 2008 from Laing and Buisson

² Annual national rate of 6.5%. Source: SAGA Cost of Care Report 2008 from Laing and Buisson

What if Andrew Needs Long-Term Care?

This illustration assumes that Andrew has a nursing home stay starting at age 70 ending after 5 years. Costs are estimated based on median 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
Retirement Until Nursing Home Stay	2032	2041	£19,217	£19,217
During Nursing Home Stay	2042	2047	£78,252	£0
Healthy Years After Nursing Home Stay	2048	2060	£29,779	£127,248

Lump Sum to Provide Total Amount Needed Today

£127,248

The best way to protect you 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.

Andrew's Long-Term Care Details

This illustration assumes that Andrew has a nursing home stay starting at age 70 ending after 5 years. Costs are estimated based on average costs today increased for the general inflation rate.

Year	Outgoing Payments				Expected Income		Assets		Net Worth ³
	Living Expenses ¹	Education and Spending Goals	Tax Payments and Deductions	Discretionary Spending	Salary and Other Income	State Benefits ²	Payments Withdrawn from Available Assets	Shortfall ³	
2014	£27,040	£0	£36	£5,164	£38,800	£0	£0	-	£421,171
2015	41,424	0	5,158	7,634	60,446	0	0	-	452,601
2016	42,314	0	9,694	8,183	62,244	0	0	-	480,797
2017	43,231	0	10,076	8,749	63,597	0	0	-	510,070
2018	44,175	0	10,447	9,332	65,505	0	0	-	540,564
2019	45,147	0	10,817	9,932	67,470	0	0	-	572,355
2020	46,149	0	11,198	10,550	69,494	0	0	-	605,501
2021	47,180	4,699	11,591	11,000	71,579	0	2,892	-	635,520
2022	48,243	11,954	11,998	11,000	73,726	0	9,468	-	660,046
2023	49,337	17,951	12,418	2,328	75,938	0	6,097	-	689,076
2024	50,465	26,863	12,850	0	78,216	0	11,962	-	713,506
2025	51,626	22,542	13,252	399	80,562	0	7,258	-	743,930
2026	52,822	15,091	13,658	834	82,979	0	0	-	783,781
2027	54,054	9,332	14,116	5,417	85,469	0	0	-	827,351
2028	55,323	0	14,601	11,000	88,033	0	0	-	877,424
2029	56,261	0	15,121	11,000	90,674	0	0	-	930,759
2030	57,424	0	15,666	11,000	93,394	0	0	-	987,313
2031	58,810	0	16,234	11,000	96,196	0	0	-	1,047,040
R 2032	58,622	0	16,793	7,868	149,919	0	0	-	939,537
2033	54,861	0	11,878	0	20,506	0	46,233	-	918,580
2034	52,016	0	528	0	20,470	0	32,073	-	907,248
2035	53,576	0	366	0	20,444	0	33,499	-	894,420
2036	55,184	0	179	0	20,426	0	34,937	-	880,047
2037	56,839	0	0	0	21,320	0	35,519	-	864,277
2038	58,544	0	0	0	22,231	0	10,562	25,752	846,219
2039	60,301	0	0	0	22,008	3,900	0	34,393	830,836
2040	62,110	0	554	0	21,831	12,050	0	28,783	821,918
2041	63,973	0	2,023	0	21,675	24,823	0	19,499	823,152
L 2042	95,867	0	1,935	0	21,538	25,567	0	50,697	794,071
2043	160,490	0	1,849	0	21,419	26,334	0	114,585	702,001
2044	165,305	0	1,764	0	21,320	27,124	0	118,625	606,807
2045	170,264	0	1,682	0	21,239	27,938	0	122,769	508,404
2046	175,372	0	1,602	0	21,176	28,776	0	127,021	406,702
2047	145,884	0	1,523	0	21,131	29,640	0	96,637	336,358
2048	78,679	0	1,446	0	21,103	30,529	0	28,492	335,152
2049	81,039	0	1,370	0	21,093	31,445	0	29,871	333,582
2050	83,470	0	1,296	0	21,100	32,388	0	31,278	331,644
2051	85,975	0	1,223	0	21,124	33,360	0	32,713	329,332
2052	88,554	0	1,151	0	21,165	34,360	0	34,179	326,642
2053	91,210	0	1,080	0	21,223	35,391	0	35,676	323,565

¹ Basic expenses, loan payments, and retirement contributions.

² State retirement benefits start at age listed in Assumptions.

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.)

R-Retirement assumed to begin in this year.

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

Andrew's Long-Term Care Details (Continued)

Year	Outgoing Payments				Expected Income		Payments Withdrawn from Available Assets	Assets	
	Living Expenses ¹	Education and Spending Goals	Tax Payments and De- ductions	Discre- tionary Spending	Salary and Other Income	State Benefits ²		Shortfall ³	Net Worth ³
2054	93,947	0	1,010	0	21,297	36,453	0	37,207	320,098
2055	96,765	0	941	0	21,387	37,546	0	38,772	316,231
2056	99,668	0	873	0	21,495	38,673	0	40,373	311,959
2057	102,658	0	805	0	21,618	39,833	0	42,012	307,274
2058	105,738	0	738	0	21,758	41,028	0	43,690	302,167
2059	108,910	0	672	0	21,914	42,259	0	45,409	296,630

¹ Basic expenses, loan payments, and retirement contributions.

² State retirement benefits start at age listed in Assumptions.

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.)

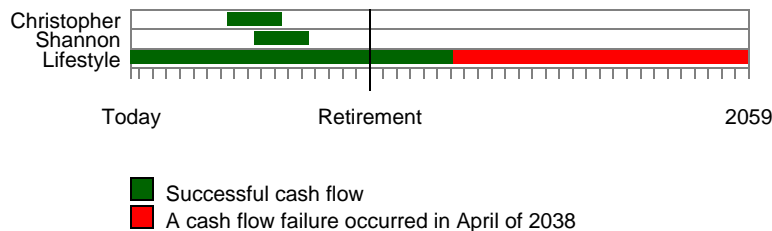
Financial Needs Summary

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

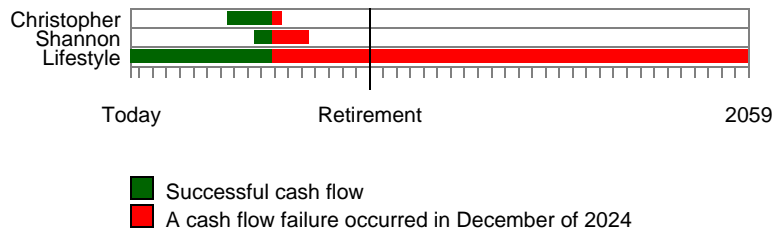


Cash Flow Failure

Value of Shortfall in Today's Money: £66,921

Andrew Dies

Income Needs at Andrew's Death

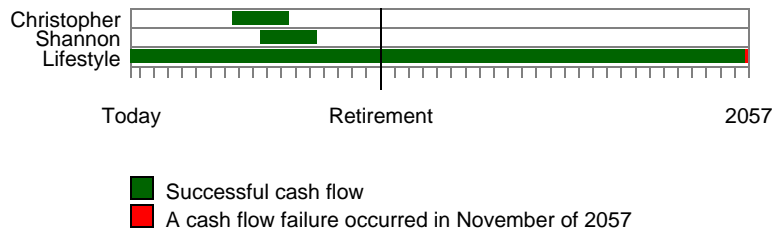


Cash Flow Failure

Value of Shortfall in Today's Money: £232,958

Jenny Dies

Income Needs at Jenny's Death



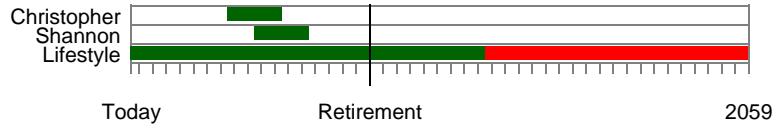
Cash Flow Failure

Value of Shortfall in Today's Money: £242

Financial Needs Summary (Continued)

Andrew Becomes Disabled

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



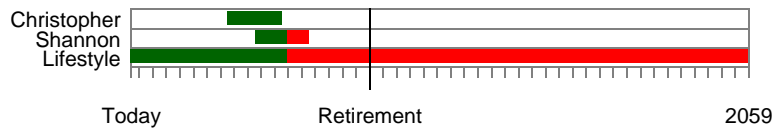
Cash Flow Failure

Value of Shortfall in Today's Money: £58,104

- Successful cash flow
- A cash flow failure occurred in August of 2040

Jenny Becomes Disabled

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



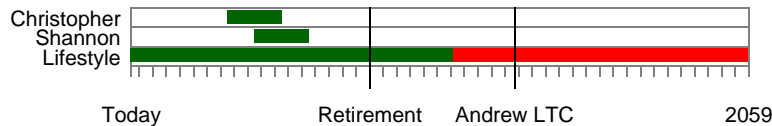
Cash Flow Failure

Value of Shortfall in Today's Money: £104,822

- Successful cash flow
- A cash flow failure occurred in January of 2026

Andrew's Long-Term Care Considered

Effect if Andrew Requires Nursing Home Care



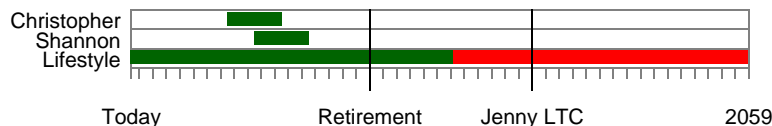
Cash Flow Failure

Value of Shortfall in Today's Money: £127,248

- Successful cash flow
- A cash flow failure occurred in April of 2038

Jenny's Long-Term Care Considered

Effect if Jenny Requires Nursing Home Care



Cash Flow Failure

Value of Shortfall in Today's Money: £124,267

- Successful cash flow
- A cash flow failure occurred in April of 2038

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.

Assumptions

Andrew James Elliott	Age: 41	Male	Born: 12 September, 1972
Jenny Elliott	Age: 40	Female	Born: 8 January, 1974

Andrew and Jenny are married.

State Benefits

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

Jenny is eligible for State Benefits. Jenny's certain State Benefits are based on levels provided in today's terms increased by inflation. Jenny plans to take State Retirement Benefits starting at age 60.

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 30 May, 2014. 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 $1/12^{\text{th}}$ 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

Andrew:
Final Expenses: £0

Jenny:
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.

Restrictive Uses of Assets

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

Assumptions (Continued)

Income Taxes

Income Tax Rates

Basic Income Tax Rate: 20%

Higher Income Tax Rate: 40%

Additional Income Tax Rate: 45%

Capital Gains Tax

Taxation on the gains from assets that are liable to Capital Gains Tax are deducted at the rate of 18% up to the basic tax band and 28% thereafter. 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 Jenny reaches, or would have reached, age 58. 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 (Staffordshire), 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 SAGA Cost of Care Report 2008 from Laing and Buisson.)

Discretionary Spending

For this illustration, it has been assumed that you will spend any excess money in your cash account in excess of £0. In addition, it assumes that any tax refunds are spent. "Sweeps" and all other transactions are processed prior to determining the amount of discretionary spending for each month.

Sweep Excess Money to Other Assets

Monthly transfers of 100% from Cash Account to Building Society; already started and ending after the illustration. Only transfer funds when the balance of the account exceeds £1,000.