



WFG FINANCIAL DREAM MAP PRO™



PRO



PREPARED EXCLUSIVELY FOR

Robert and Margaret Reynolds



WORLD FINANCIAL
G R O U P

an AEGON company

Your Dreams, Our Strategies™

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Disclosure

WFG Financial Dream Map™ is a **suitability and needs analysis** developed to define your current financial situation and to identify products and services offered through World Financial Group's affiliates.

This analysis provides only broad, general guidelines, which may be helpful in shaping your thinking about your financial needs. It can serve as a guide for discussions with your insurance agent or registered representative. The quality of this analysis is dependent upon the accuracy of data provided by you. Calculations contained in this analysis are estimates only. **This is not nor is it intended to be a financial plan.**

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 and rates of return on current financial holdings 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 and rates of growth may be significantly different from those illustrated. No guarantee can be made regarding values and taxes when actual appreciation rates and tax rates cannot be known at this time.

Any assumptions are for illustrative purposes and not to be considered as legal advice; only your legal counsel should provide such advice. No legal, accounting or tax advice is being rendered either by this report or through any other oral or written communications. Please discuss legal, accounting or tax matters directly with your counselors in each of those areas. Because your financial concerns and goals may change in the future, periodically monitoring actual results and making appropriate adjustments are essential components of your program. Annual updating allows a year of estimated values to be replaced with actual results and can be very helpful in your determining whether your analyses are on your desired course. Strategies may be proposed, 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.

IMPORTANT: The projections or other information generated by this financial analysis tool (WFG Financial Dream Map™) regarding the likelihood of various financial product outcomes are hypothetical in nature, do not reflect actual results and are not guarantees of future results.

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Confirmation of Facts

Robert Reynolds

Age: 42 Male Born: Jan. 01, 1967

Robert and Margaret are married.

Home Phone: (123) 456-7890

Business Phone: (123) 555-6677

Mailing Address

1610 Magnolia Way
Charlotte, NC, 28202

Margaret Reynolds

Age: 42 Female Born: Jan. 01, 1967

Children and Dependents

Name	Date of Birth	Gender	Relationship	Dependent of
Stephen	Jan. 01, 1998	Male	Child	Robert, Margaret
Mary	Jan. 01, 2002	Female	Child	Robert, Margaret

Salaries

Employer	Employee	Current Salary	Frequency	Inflation Rate
ABC, Inc.	Robert	\$7,000	Monthly	3.000%
Margaret's Smoothie Bar (Salary)	Margaret	\$3,000	Monthly	3.000%

Checking, Savings, CDs

Account Name	Owner	Current Balance	Balance As Of	Interest Rate	
Checking Account	Robert, Margaret	\$6,000	Feb. 23, 2009	0.000%	This asset is the Cash Account
Savings/CDs	Robert, Margaret	\$8,000	Feb. 23, 2009	3.000%	

Mutual Funds

Name/ Symbol	Owner	Account Balance	Balance As Of	Basis	Rates		
					Qual. Div.	Cap. Gains	App.
Investment Account	Robert, Margaret	\$12,000	Feb. 23, 2009	\$20,000	0.000% ¹	0.000% ¹	6.000%

Retirement Plans

Name	Owner	Current Balance	Balance As Of	Growth Rate	Owner Contrib.	Employer Contrib.
Robert's 401(k)	Robert	\$89,000	Feb. 23, 2009	7.000%	\$0	n/a

IRAs

Name	Owner	Current Balance	Balance As Of	Growth Rate	Type
Margaret's Roth IRA	Margaret	\$28,000	Feb. 23, 2009	7.000%	Roth

Business Property

Margaret's Smoothie Bar (Business)

Owner	Current Value	Balance As Of	Cost Basis	Appreciation Rate
Margaret	\$85,000	Feb. 23, 2009	\$50,000	6.000%

¹ Dividends are assumed to be reinvested in similar investments.

Confirmation of Facts

Business Property (Continued)

Business Form	% of Total Bus. Value	Income	Income Frequency	Monthly Expenses	Annual Expenses	Inflation Rate
Sole Proprietorship	100%	n/a	n/a	n/a	n/a	n/a

Residences

Primary Residence

Owner	Current Value	Balance As Of	Cost Basis	Appreciation Rate
Robert, Margaret	\$380,000	Feb. 23, 2009	\$300,000	3.000%

Personal Loan Secured by this Asset

Balance as of	Mortgage Balance	Payment	Frequency	Interest Rate
Feb. 23, 2009	\$255,000	\$1,722	Monthly	6.500%

Essential Living Expenses

Description	Amount	Frequency	Tax Deductible	Percent Continuing after First Death	Percent Continuing after First Disability	Percent Continuing after First Retirement
Property Taxes Already started and ending after the illustration.	\$8,000	Annual	Yes	100%	100%	100%
Business Expenses Already started and ending after the illustration.	\$2,500	Monthly	Yes	100%	100%	100%
Family Living Expenses Already started and ending after the illustration.	\$3,500	Monthly	No	100%	100%	100%

Education Expenses

Description	Amount	Frequency	Percent of Estimated Aid
The University of North Carolina at Chapel Hill Starting when Stephen turns 18 and ending after 4 years.	\$14,036	Annual	0%
North Carolina State University Starting when Mary turns 18 and ending after 4 years.	\$12,490	Annual	0%

Debt

Liability Name	Owner	Current Balance	Balance As Of	Interest Rate
Loan for Primary Residence	Robert, Margaret	\$255,000	Feb. 23, 2009	6.500%
Credit Card Debt	Robert, Margaret	\$13,000	Feb. 23, 2009	12.000%

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.

	Robert	Margaret	Joint	Total
Assets				
Liquid Assets				
Checking Account			\$6,000	\$6,000
Savings/CDs			\$8,000	\$8,000
Investment Account			\$12,000	\$12,000
Retirement Plans				
Robert's 401(k)	\$89,000			\$89,000
Margaret's Roth IRA		\$28,000		\$28,000
Fixed Assets				
Margaret's Smoothie Bar (Business)		\$85,000		\$85,000
Residence				
Primary Residence			\$380,000	\$380,000
Total Assets Today	\$89,000	\$113,000	\$406,000	\$608,000
Liabilities				
Mortgages				
Loan for Primary Residence			\$255,000	\$255,000
Credit Cards				
Credit Card Debt			\$13,000	\$13,000
Total Liabilities Today			\$268,000	\$268,000

Net Worth

Your Assets	\$608,000
Less Your Liabilities	\$268,000
Total Net Worth Today	\$340,000

THE WFG FINANCIAL DREAM MAP™^{1,2}

Charting a Course to Financial Independence

Your journey to financial independence begins today. As you move through each of the areas highlighted, you'll evaluate your current financial situation, determining where you want to be and what it will take to get you there. The result is your personalized WFG Financial Dream Map™, complete with the action steps you need to take to achieve your dreams.

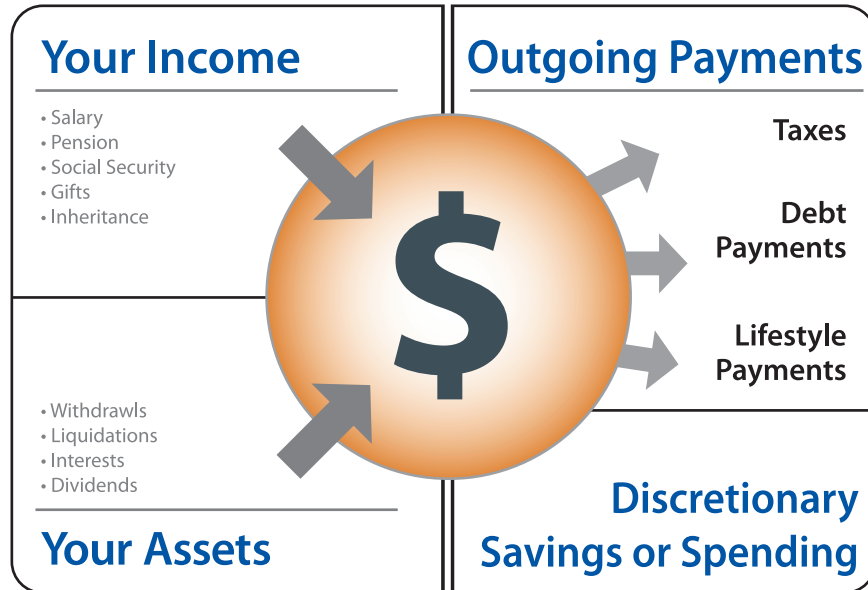


¹ The WFG Financial Dream Map™ is a suitability and needs analysis that is based upon information obtained from sources believed to be complete and accurate. However, discuss any legal, tax or financial matter with the appropriate professional. Neither the information presented nor any opinion expressed constitutes a solicitation for the purchase or sale of any specific security or financial service.

² All figures are for illustrative purposes only and do not reflect an actual investment in any product, nor do they reflect the performance risks, expenses or charges associated with any actual investment. Past performance is not an indication of future performance. Actual results may vary substantially from the figures in the example. All rates of return are hypothetical and are not a guarantee of future performance of any asset, including insurance or other financial products. Higher rates of return have been associated with higher volatility. All inflation rates and rates of return on current financial holdings are estimates provided by the client. Examples including information on Variable Universal Life and Variable Life insurance policies' death benefit and return of policy values are guarantees subject to the claims-paying ability of the issuing insurer.

Cash Flow

The first step in developing your financial strategy is to evaluate your cash flow – the money that comes in and goes out every month. Money comes to you from both income sources (such as salary) and asset sources (such as cash dividends or withdrawals). This money is used for outgoing payments (such as taxes, debt payments or lifestyle expenses).



After all outgoing payments have been met each month, the portion of the money left over is known as **discretionary** income. Each month, you choose to spend this money on unspecified expenses, or you choose to save it. If outgoing payments exceed incoming cash flows, the difference between them is known as a **shortfall**.

Your Net Worth Changes with Your Cash Flow

Your net worth is a financial "snapshot", a balance sheet of your finances at a particular moment in time. You receive incoming cash and make outgoing payments. Any excess produces more assets and any shortage results in a decrease in assets. Of course, the value of your assets may grow. If you borrowed to provide needed cash flow, your liabilities increased. Cash flow affects your assets and your liabilities; therefore net worth changes with cash flow.

What Your Cash Flow Objectives Should Be:

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

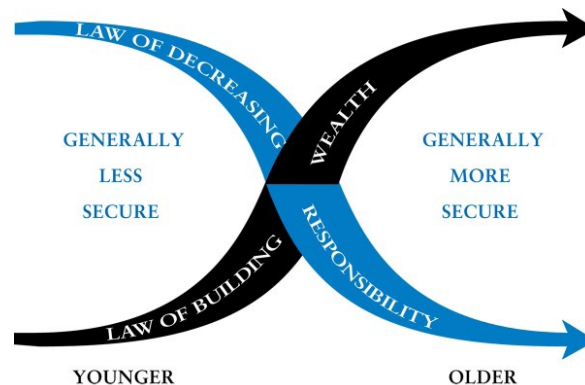
Let's take a look at your cash flow, and how you can increase it to help achieve your financial goals.

Proper Protection

A key to charting your WFG Financial Dream Map™ is to ensure that you have proper protection to replace your income and your assets. This can be achieved by having the proper amount of life insurance.

The Principle of Building Equity

The Principle of Building Equity illustrates the need to protect you and your family in the event you die too soon or live too long. When you are young, you want to make certain your family's source of income is protected in the event of death or disability. When you are older, you need to protect the retirement assets you have accumulated so you can provide for yourself and your loved ones as you age.



Types of Life Insurance Policies

- **Term Life Insurance** – This is used to provide death benefit protection for a set period of time at an affordable premium.
- **Whole Life Insurance** – Whole life insurance policies provide permanent death benefit protection for a fixed premium and remain in force as long as premium payments are made. Whole life policies accumulate guaranteed cash values and often pay dividends as well.
- **Universal Life Insurance** – Universal Life policies are also known as "Flexible Premium" policies. These flexible policies have an adjustable benefit and accumulate account value. Universal Life Insurance is used to provide death benefit protection with flexibility to adjust to your future insurance needs.
- **Indexed Universal Life Insurance** – Index Universal Life is similar to conventional Universal Life Insurance. It provides a death benefit, and the policy has a cash value that can grow over time.
- **Variable Universal Life Insurance**¹ – Variable Universal Life is a life insurance policy that blends the premium payment flexibility benefits of universal life insurance with the invested portfolio and upside market potential of variable life.

In addition to the different types of insurance policies, there are also two different policy categories:

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

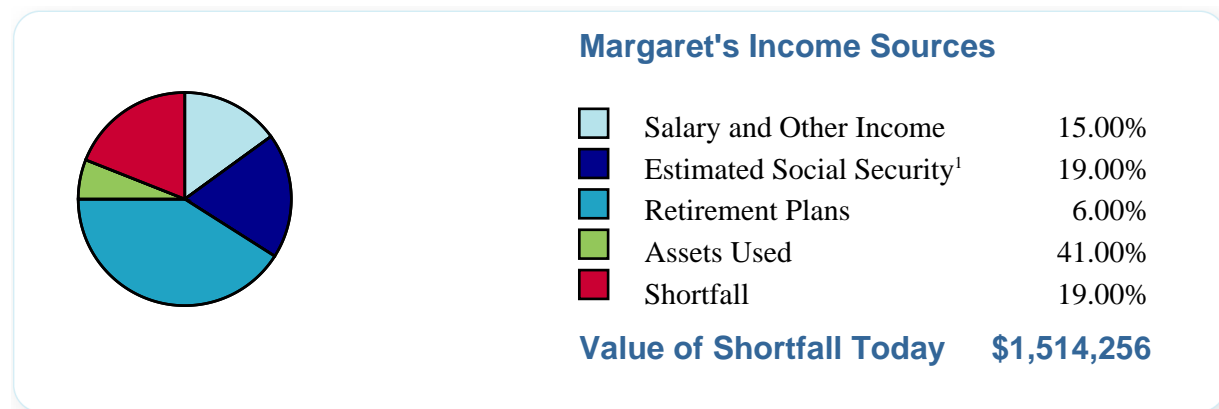
¹ Securities offered through **World Group Securities, Inc.** (WGS), member FINRA/SIPC. WFG and WGS are affiliated companies. Insurance products are offered through World Financial Group Insurance Agency, Inc. (WFGIA) or its subsidiaries.

Income Needs at Robert's Death

If Robert 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 24 months.



Social Security Benefits

Social Security benefits are available to those who fulfill work requirements in positions covered by Social Security. If you die, benefits are payable to your spouse and children under 18 years of age, subject to a family maximum benefit. The monthly benefit is based on your earnings record at the date of your death. Survivor benefits each year may increase to reflect changes in the cost of living. In addition, there is a one-time lump sum death benefit of \$255. The estimated initial monthly Social Security survivor benefit is \$2,934.

Life Insurance on Robert

Life insurance on Robert'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.

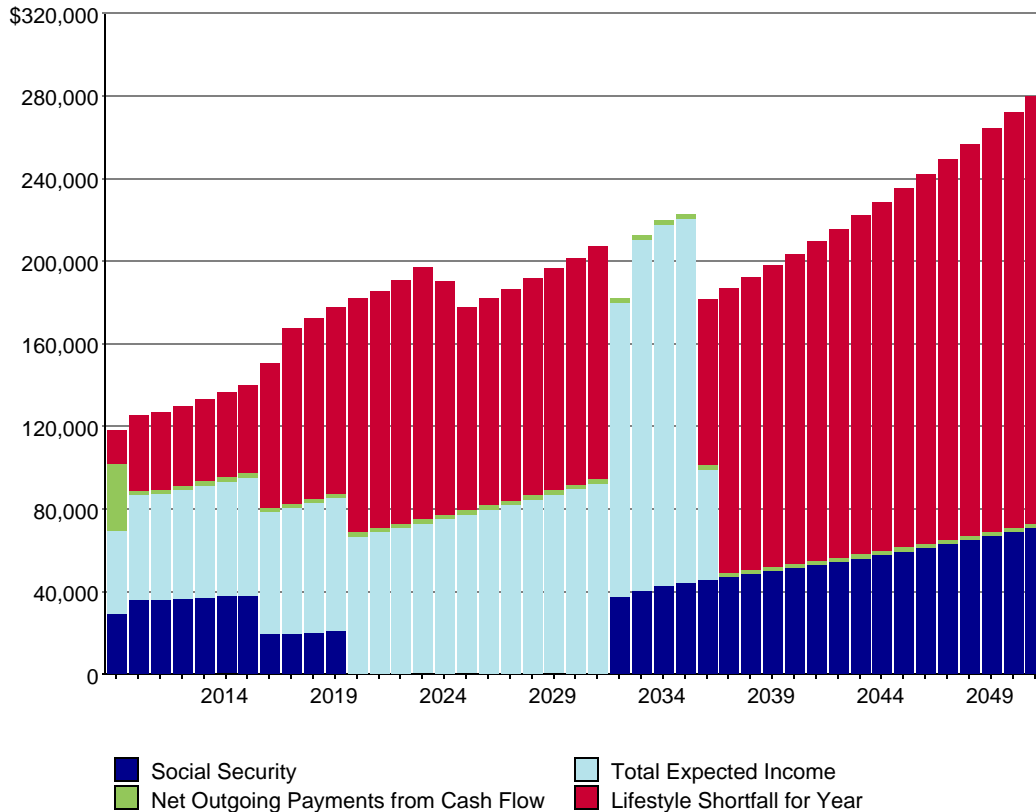
Replacing Your Income for Your Survivors

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 This is an estimate of the monthly benefit available based on information provided by the client. Actual survivor benefits may be greater or less than the amount shown.

Income Needs at Robert'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. Social Security 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 Dollars for Just this Period	Amount Needed Today to Fund Through Period
With Children at Home	2009	2020	\$489,939	\$489,939
Before Retirement	2021	2031	\$523,770	\$1,013,709
During Retirement	2032	2053	\$500,547	\$1,514,256
Lump Sum to Provide Total Amount Needed Today				\$1,514,256

Life insurance can protect income needs.

An Alternate Approach at Robert'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:

Final Expenses \$2,879

Estimated expenses associated with death include doctor bills, long hospital stays, expensive surgeries, funeral expenses, inheritance taxes, or estate taxes.

Present Debts \$268,000

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

Emergency Funds¹ \$30,000

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

Education Funds² \$108,312

Amount needed to fund education today.

Total Cash Needs at Robert's Death \$409,191

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

Have - \$0 vs. Need - \$409,191

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 Robert'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. Social Security 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 ²	Tax Payments and Withholdings ²	Salary and Other Income ³	Social Security ⁴	Payments Withdrawn from Available Assets	Shortfall ⁵	Net Worth ⁶
2009	\$101,215	\$0	\$17,060	\$40,000	\$29,337	\$32,742	\$16,196	\$323,112
2010	109,807	0	1,815	51,080	35,704	2,160	36,677	319,548
2011	110,918	0	3,311	51,170	36,185	2,160	37,691	315,313
2012	113,501	0	3,410	52,706	36,645	2,160	38,768	311,827
2013	116,158	0	3,513	54,287	37,080	2,160	39,912	309,131
2014	118,892	0	3,618	55,915	37,488	2,160	41,128	307,267
2015	121,704	0	3,727	57,593	37,865	2,160	42,419	306,278
2016	123,371	8,794	3,838	59,321	19,299	2,160	70,269	278,438
2017	126,323	22,371	3,954	61,100	19,476	2,160	85,408	237,774
2018	129,363	23,714	4,072	62,933	20,061	2,160	87,956	197,015
2019	132,495	25,136	4,194	64,821	20,662	2,160	90,622	156,192
2020	135,720	25,422	4,320	66,766	0	2,160	113,470	95,281
2021	139,042	25,132	4,450	68,769	0	2,160	115,137	35,631
2022	142,464	26,640	4,583	70,832	0	2,160	118,660	-24,438
2023	145,989	28,239	4,721	72,957	0	2,160	122,335	-84,885
2024	149,619	17,461	4,862	75,145	0	2,160	113,695	-133,194
2025	153,358	0	5,008	77,400	0	2,160	98,437	-162,531
2026	157,209	0	5,159	79,722	0	2,160	100,705	-190,194
2027	161,176	0	5,313	82,113	0	2,160	103,042	-216,007
2028	165,262	0	5,473	84,577	0	2,160	105,448	-239,781
2029	169,470	0	5,637	87,114	0	2,160	107,927	-261,311
2030	173,805	0	5,806	89,728	0	2,160	110,480	-280,376
2031	178,270	0	5,980	92,419	0	2,160	113,110	-296,740
R 2032	182,868	0		143,545	37,164	2,160	-	-317,295
2033	187,605	0	25,894	171,363	39,975	2,160	-	-395,528
2034	175,264	0	45,134	175,316	42,922	2,160	-	-502,886
2035	176,847	0	46,882	177,359	44,210	2,160	-	-624,659
2036	182,023	0	0	53,581	45,536	2,160	80,747	-708,577
2037	187,354	0	0	0	46,902	2,160	138,292	-794,908
2038	192,845	0	0	0	48,309	2,160	142,376	-882,985
2039	198,501	0	0	0	49,758	2,160	146,583	-972,815
2040	204,326	0	0	0	51,251	2,160	150,915	-1,064,401
2041	210,327	0	0	0	52,789	2,160	155,378	-1,157,742
2042	216,507	0	0	0	54,372	2,160	159,975	-1,252,837
2043	222,872	0	0	0	56,003	2,160	164,709	-1,349,677

¹ Basic expenses, loan payments, retirement contributions, and taxes and withholdings.

² All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.

³ Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions

⁴ Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Robert is age 67 and FRA for Margaret is age 67.

⁵ 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.)

⁶ 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 Robert's Death (Continued)

Year	Outgoing Payments			Expected Income		Payments Withdrawn from Available Assets	Assets	
	Living Expenses ¹	Education and Spending Goals	Tax Payments and Withholdings ²	Salary and Other Income ³	Social Security ⁴		Shortfall ⁵	Net Worth ⁶
2044	229,429	0	0	0	57,684	2,160	169,585	-1,448,254
2045	236,182	0	0	0	59,414	2,160	174,608	-1,548,554
2046	243,138	0	0	0	61,196	2,160	179,782	-1,650,557
2047	250,303	0	0	0	63,032	2,160	185,110	-1,754,240
2048	257,682	0	0	0	64,923	2,160	190,599	-1,859,576
2049	265,283	0	0	0	66,871	2,160	196,252	-1,966,529
2050	273,112	0	0	0	68,877	2,160	202,075	-2,075,060
2051	281,176	0	0	0	70,943	2,160	208,072	-2,185,122
2052	289,481	0	0	0	73,072	2,160	214,250	-2,296,661

¹ Basic expenses, loan payments, retirement contributions, and taxes and withholdings.

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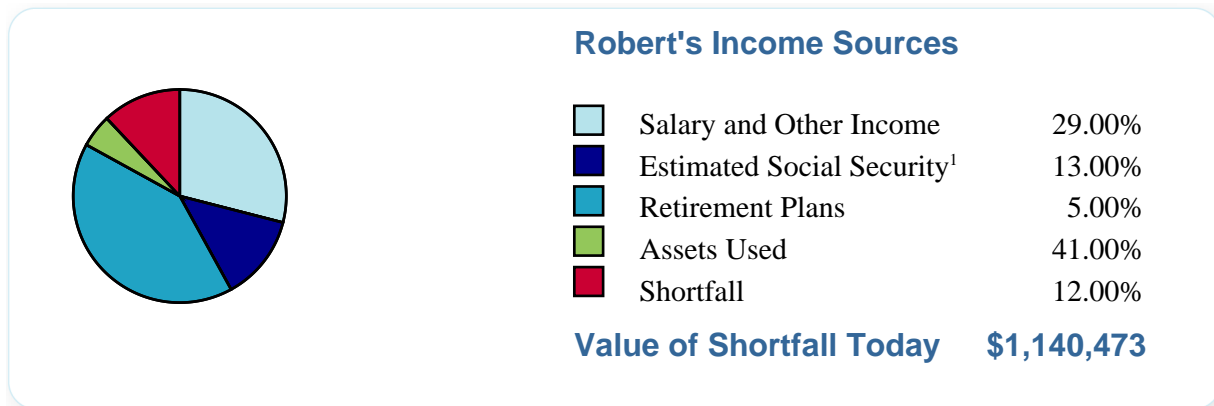
⁶ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

Income Needs at Margaret's Death

If Margaret 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 24 months.



Social Security Benefits

Social Security benefits are available to those who fulfill work requirements in positions covered by Social Security. If you die, benefits are payable to your spouse and children under 18 years of age, subject to a family maximum benefit. The monthly benefit is based on your earnings record at the date of your death. Survivor benefits each year may increase to reflect changes in the cost of living. In addition, there is a one-time lump sum death benefit of \$255. The estimated initial monthly Social Security survivor benefit is \$1,098.

Life Insurance on Margaret

Life insurance on Margaret'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.

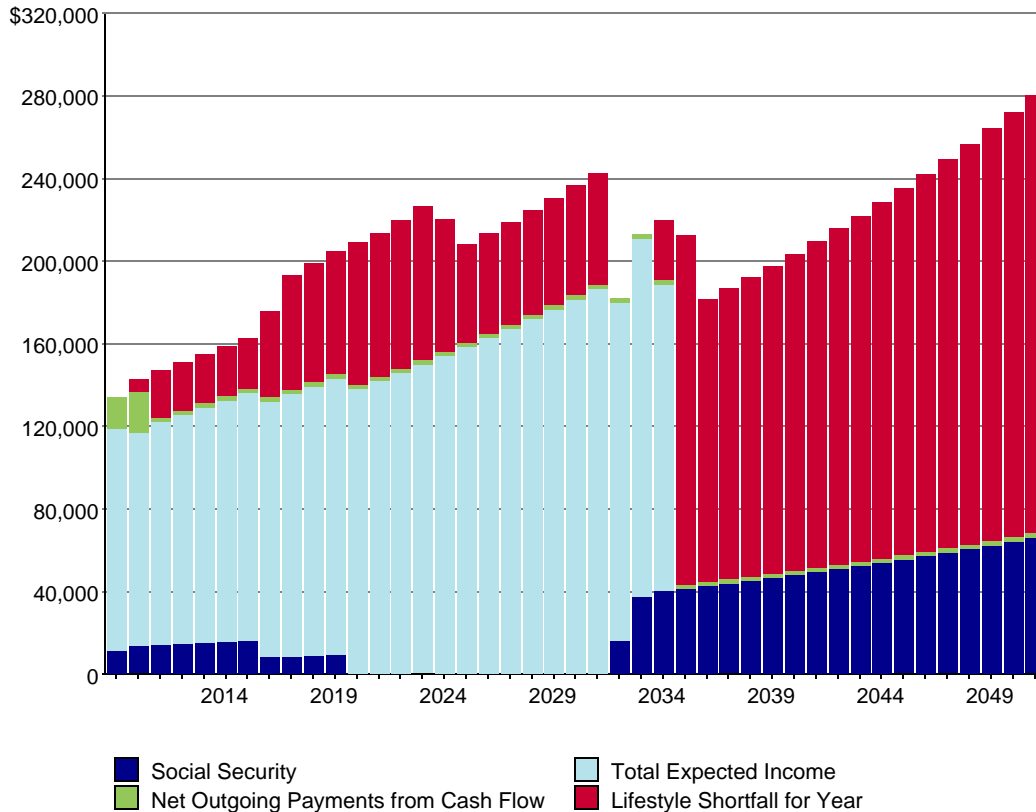
Replacing Your Income for Your Survivors

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.

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Income Needs at Margaret'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. Social Security 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 Dollars for Just this Period	Amount Needed Today to Fund Through Period
With Children at Home	2009	2020	\$278,199	\$278,199
Before Retirement	2021	2031	\$280,435	\$558,635
During Retirement	2032	2053	\$581,839	\$1,140,473
Lump Sum to Provide Total Amount Needed Today				\$1,140,473

Life insurance can protect income needs.

An Alternate Approach at Margaret'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:

Final Expenses \$6,519

Estimated expenses associated with death include doctor bills, long hospital stays, expensive surgeries, funeral expenses, inheritance taxes, or estate taxes.

Present Debts \$268,000

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

Emergency Funds¹ \$30,000

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

Education Funds² \$108,312

Amount needed to fund education today.

Total Cash Needs at Margaret's Death \$412,831

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

Have - \$0 vs. Need - \$412,831

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 Margaret'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. Social Security 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 ⁵	Net Worth ⁶
	Living Expenses ¹	Education and Spending Goals ²	Tax Payments and Withholdings ²	Salary and Other Income ³	Social Security ⁴			
2009	\$100,223	\$0	\$34,120	\$108,000	\$10,982	\$15,361	-	\$322,971
2010	106,177	0	19,722	103,699	13,574	19,520	6,286	327,165
2011	109,832	0	18,633	108,491	13,981	2,149	23,219	333,547
2012	112,378	0	19,466	111,471	14,400	2,149	23,505	341,161
2013	115,001	0	20,328	114,537	14,832	2,149	23,805	350,082
2014	117,702	0	21,221	117,690	15,277	2,149	24,117	360,388
2015	120,484	0	22,144	120,934	15,736	2,149	24,443	372,166
2016	123,358	8,794	23,100	124,271	8,104	2,153	41,685	368,603
2017	126,319	22,371	24,089	127,703	8,347	2,158	55,866	352,872
2018	129,360	23,714	24,940	131,232	8,597	2,158	57,657	337,481
2019	132,491	25,136	25,797	134,861	8,855	2,158	59,522	322,482
2020	135,716	25,422	26,686	138,594	0	2,158	69,390	300,005
2021	139,039	25,132	27,608	142,431	0	2,158	69,857	279,593
2022	142,460	26,640	28,564	146,378	0	2,158	72,150	259,571
2023	145,985	28,239	29,557	150,435	0	2,158	74,565	239,978
2024	149,615	17,461	30,587	154,605	0	2,158	64,636	233,328
2025	153,347	0	31,657	158,893	0	2,155	48,054	246,456
2026	157,198	0	32,767	163,300	0	2,155	48,972	262,053
2027	161,165	0	33,921	167,830	0	2,155	49,927	280,289
2028	165,251	0	35,119	172,486	0	2,155	50,921	301,343
2029	169,464	0	36,377	177,257	0	2,157	51,971	325,389
2030	173,801	0	37,718	182,127	0	2,158	53,096	352,602
2031	178,266	0	39,111	187,131	0	2,158	54,266	383,199
R 2032	182,868	0		164,781	15,927	2,160	-	330,503
2033	187,605	0	26,196	174,560	37,080	2,160	-	233,939
2034	175,264	0	45,399	149,313	40,061	2,160	29,130	107,274
2035	176,847	0	36,713	0	41,263	2,160	170,138	-15,250
2036	182,023	0	0	0	42,501	2,160	137,363	-102,877
2037	187,354	0	0	0	43,776	2,160	141,419	-192,334
2038	192,845	0	0	0	45,089	2,160	145,596	-283,632
2039	198,501	0	0	0	46,441	2,160	149,900	-376,779
2040	204,326	0	0	0	47,835	2,160	154,332	-471,781
2041	210,327	0	0	0	49,270	2,160	158,897	-568,641
2042	216,507	0	0	0	50,748	2,160	163,599	-667,360
2043	222,872	0	0	0	52,270	2,160	168,442	-767,934

¹ Basic expenses, loan payments, retirement contributions, and taxes and withholdings.

² All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.

³ Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions

⁴ Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Robert is age 67 and FRA for Margaret is age 67.

⁵ 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.)

⁶ 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 Margaret's Death (Continued)

Year	Outgoing Payments		Expected Income		Payments Withdrawn from Available Assets	Assets		
	Living Expenses ¹	Education and Spending Goals	Tax Payments and Withholdings ²	Salary and Other Income ³		Social Security ⁴	Shortfall ⁵	Net Worth ⁶
2044	229,429	0	0	0	53,838	2,160	173,431	-870,356
2045	236,182	0	0	0	55,454	2,160	178,569	-974,616
2046	243,138	0	0	0	57,117	2,160	183,861	-1,080,699
2047	250,303	0	0	0	58,831	2,160	189,312	-1,188,584
2048	257,682	0	0	0	60,596	2,160	194,927	-1,298,247
2049	265,283	0	0	0	62,413	2,160	200,710	-1,409,658
2050	273,112	0	0	0	64,286	2,160	206,666	-1,522,780
2051	281,176	0	0	0	66,214	2,160	212,801	-1,637,571
2052	289,481	0	0	0	68,201	2,160	219,121	-1,753,982

¹ Basic expenses, loan payments, retirement contributions, and taxes and withholdings.

² All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.

³ Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions

⁴ Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Robert is age 67 and FRA for Margaret is age 67.

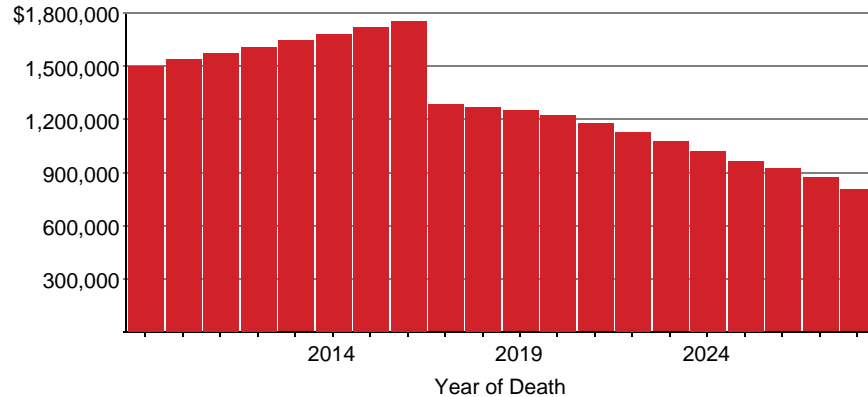
⁵ The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)

⁶ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

Needs if Death in Various Years

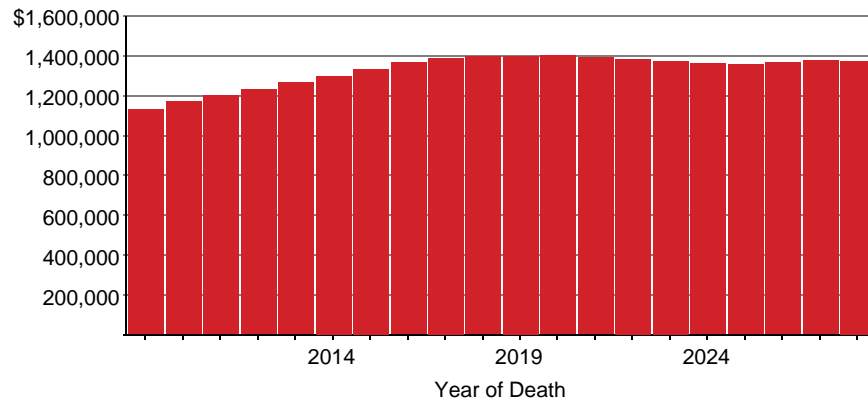
Needs change over time—incomes change, bills are paid and new living expenses are established, and others increase, some assets are sold and others acquired and some assets just increase or decrease in value. The prior charts illustrate the income needs if death occurred today. The charts below show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



At Robert'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 \$1,514,256 and the largest need of \$1,770,533 occurs if death is in year 8.

Value of all future needs at Margaret's death.



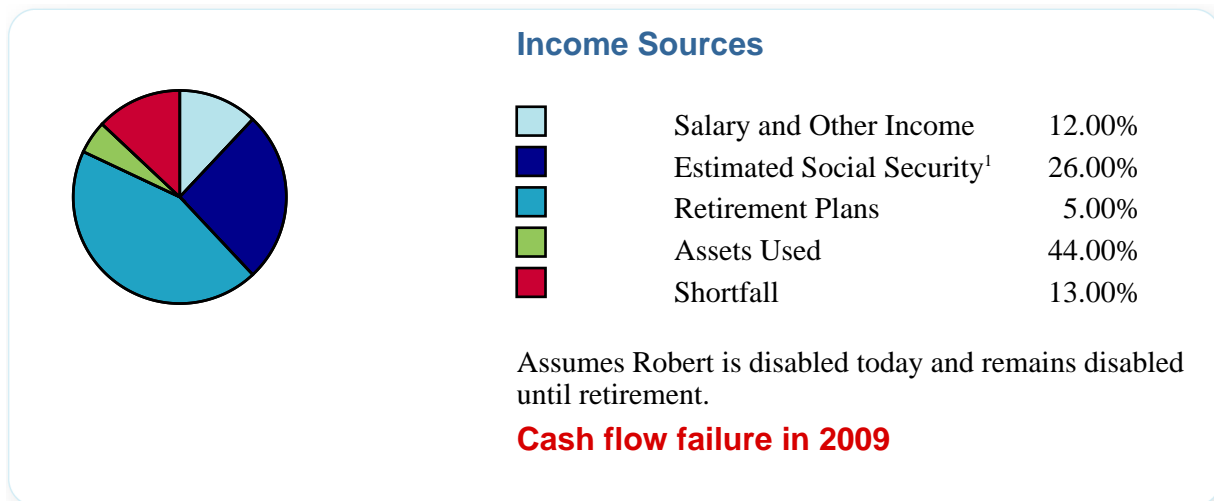
At Margaret's' death, this is the amount that would need to be invested at 5% to provide the amounts needed for the shortages. The need if death occurred today is \$1,140,473 and the largest need of \$1,412,513 occurs if death is in year 12.

Life insurance can provide for the needs caused by death.

Robert's Disability Income Needs

Disability Income Needed

Robert, 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.



Social Security Benefits

Social Security benefits are available to those who fulfill work requirements in positions covered by Social Security. If you are disabled for 6 months or longer prior to your normal retirement, you can receive a monthly benefit for you, your spouse and children under 18 years of age, subject to a family maximum benefit. To qualify for Social Security disability benefits, you must not be able to perform any substantial employment. Benefits begin after a full five-month waiting period and continue as long as you are disabled. The estimated initial monthly Social Security disability benefit is **\$2,562**.

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 Social Security 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.

¹ Social Security benefits are based on a number of factors. One factor is the portion of your wages each year that are subject to Social Security taxes. Based on the information you provided, Robert's Social Security are estimates based on salary and Margaret's Social Security are estimates based on salary. This is an estimate of the monthly benefit available. Actual disability benefits may be greater or less than the amount shown.

Family Needs If Robert Is Disabled

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

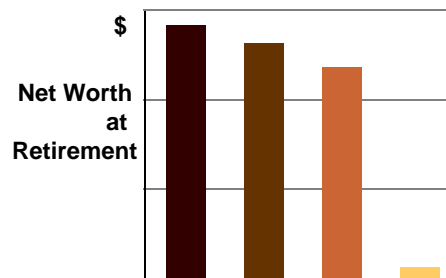
Long-term disability is another life uncertainty that prevents the accumulation of wealth.

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

Before age 65, it is 2.83 times more likely that Robert 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	\$1,143,133	—
■	Disabled for Next 2 Years	\$1,060,015	7.27%
■	Disabled for Next 5 Years	\$952,799	16.65%
■	Disabled Now until Retirement	\$48,263	95.78%

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 Based on a disability expected to last more than 2 years following a 60-day elimination period (see Assumptions).

² Estimated value at end of year of desired retirement.

Robert's Disability Income Needs

Should you lose your ability to provide income through an accident or illness, how would you maintain your lifestyle? Social Security 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 Robert became disabled today and remained disabled until retirement.

Year	Outgoing Payments			Expected Income		Payments Withdrawn from Available Assets	Assets Shortfall ⁵	Net Worth ⁶
	Living Expenses ¹	Education and Spending Goals	Tax Payments and Withholdings ²	Salary and Other Income ³	Social Security ⁴			
2009	\$98,563	\$0	\$14,075	\$33,000	\$15,375	\$32,816	\$31,447	\$307,862
2010	107,381	0	4,265	48,630	31,672	2,160	40,734	297,675
2011	110,621	0	3,311	51,170	32,622	2,160	40,957	289,680
2012	113,247	0	3,410	52,706	33,601	2,160	41,558	282,921
2013	115,952	0	3,513	54,287	34,609	2,160	42,177	277,494
2014	118,738	0	3,618	55,915	35,647	2,160	42,815	273,499
2015	121,608	0	3,727	57,593	36,717	2,160	43,472	271,045
2016	124,564	8,794	3,838	59,321	37,818	2,160	52,942	261,453
2017	126,323	22,371	4,088	60,965	38,953	2,160	66,066	239,854
2018	129,363	23,714	4,842	62,163	40,121	2,160	68,666	218,090
2019	132,495	25,136	5,625	63,391	41,325	2,160	71,390	196,183
2020	135,720	25,422	6,437	64,649	28,376	2,160	87,210	161,194
2021	139,042	25,132	7,280	65,939	29,228	2,160	88,739	127,579
2022	142,464	26,640	8,155	67,260	30,105	2,160	92,127	93,657
2023	145,989	28,239	8,803	68,874	31,008	2,160	95,410	59,721
2024	149,619	17,461	9,410	70,598	31,938	2,160	86,304	38,360
2025	153,358	0	10,042	72,366	32,896	2,160	70,575	36,410
2026	157,209	0	10,703	74,177	33,883	2,160	72,367	36,578
2027	161,176	0	11,393	76,033	34,899	2,160	74,222	39,041
2028	165,262	0	12,114	77,935	35,946	2,160	76,143	43,991
2029	169,470	0	12,868	79,883	37,025	2,160	78,133	51,634
2030	173,805	0	13,655	81,878	38,136	2,160	80,194	62,190
2031	178,270	0	14,479	83,921	39,280	2,160	82,329	75,895
R 2032	182,868	0		140,250	40,458	2,160	-	48,263
2033	187,605	0	29,025	155,018	59,453	2,160	-	-14,516
2034	175,264	0	45,209	155,413	62,901	2,160	-	-101,517
2035	176,847	0	45,911	155,810	64,788	2,160	-	-199,777
2036	182,023	0	0	96,869	66,732	2,160	16,262	-260,578
2037	187,354	0	0	0	68,734	2,160	116,460	-325,077
2038	192,845	0	0	0	70,796	2,160	119,889	-390,667
2039	198,501	0	0	0	72,920	2,160	123,421	-457,336
2040	204,326	0	0	0	75,107	2,160	127,059	-525,065
2041	210,327	0	0	0	77,361	2,160	130,806	-593,834
2042	216,507	0	0	0	79,681	2,160	134,665	-663,620
2043	222,872	0	0	0	82,072	2,160	138,641	-734,392

¹ Basic expenses, loan payments, retirement contributions, and taxes and withholdings.

² All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.

³ Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions

⁴ Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Robert is age 67 and FRA for Margaret is age 67.

⁵ 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.)

⁶ 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.

Robert'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 Withholdings ²	Salary and Other Income ³		Social Security ⁴	Shortfall ⁵	Net Worth ⁶
2044	229,429	0	0	0	84,534	2,160	142,735	-806,119
2045	236,182	0	0	0	87,070	2,160	146,952	-878,762
2046	243,138	0	0	0	89,682	2,160	151,296	-952,279
2047	250,303	0	0	0	92,373	2,160	155,770	-1,026,623
2048	257,682	0	0	0	95,144	2,160	160,378	-1,101,737
2049	265,283	0	0	0	97,998	2,160	165,125	-1,177,564
2050	273,112	0	0	0	100,938	2,160	170,014	-1,254,034
2051	281,176	0	0	0	103,966	2,160	175,049	-1,331,073
2052	289,481	0	0	0	107,085	2,160	180,236	-1,408,599

¹ Basic expenses, loan payments, retirement contributions, and taxes and withholdings.

² All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.

³ Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions

⁴ Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Robert is age 67 and FRA for Margaret is age 67.

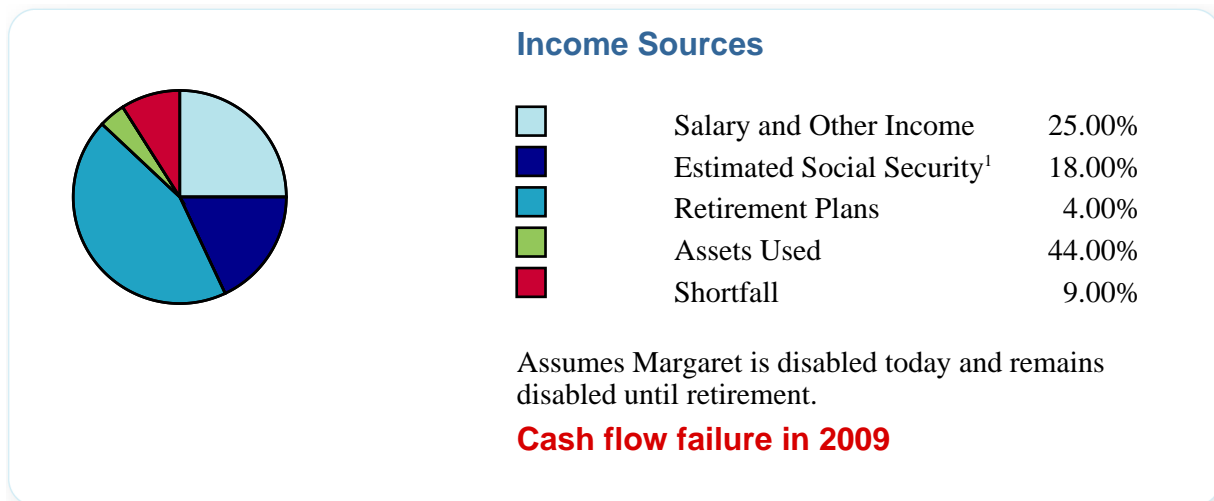
⁵ The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)

⁶ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

Margaret's Disability Income Needs

Disability Income Needed

Margaret, 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.



Social Security Benefits

Social Security benefits are available to those who fulfill work requirements in positions covered by Social Security. If you are disabled for 6 months or longer prior to your normal retirement, you can receive a monthly benefit for you, your spouse and children under 18 years of age, subject to a family maximum benefit. To qualify for Social Security disability benefits, you must not be able to perform any substantial employment. Benefits begin after a full five-month waiting period and continue as long as you are disabled. The estimated initial monthly Social Security disability benefit is **\$1,464**.

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 Social Security 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.

¹ Social Security benefits are based on a number of factors. One factor is the portion of your wages each year that are subject to Social Security taxes. Based on the information you provided, Robert's Social Security are estimates based on salary and Margaret's Social Security are estimates based on salary. This is an estimate of the monthly benefit available. Actual disability benefits may be greater or less than the amount shown.

Family Needs If Margaret Is Disabled

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

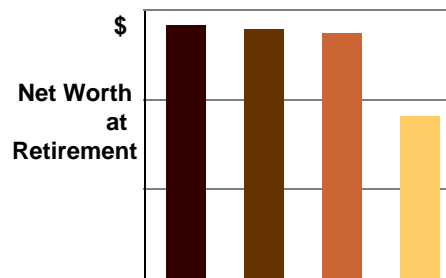
Long-term disability is another life uncertainty that prevents the accumulation of wealth.

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

Before age 65, it is 5.07 times more likely that Margaret 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	\$1,143,133	—
■	Disabled for Next 2 Years	\$1,124,982	1.59%
■	Disabled for Next 5 Years	\$1,106,271	3.22%
■	Disabled Now until Retirement	\$733,675	35.82%

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 Based on a disability expected to last more than 2 years following a 60-day elimination period (see Assumptions).

² Estimated value at end of year of desired retirement.

Margaret's Disability Income Needs

Should you lose your ability to provide income through an accident or illness, how would you maintain your lifestyle? Social Security 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 Margaret became disabled today and remained disabled until retirement.

Year	Outgoing Payments			Expected Income		Payments Withdrawn from Available Assets	Assets Shortfall ⁵	Net Worth ⁶
	Living Expenses ¹	Education and Spending Goals	Tax Payments and Withholdings ²	Salary and Other Income ³	Social Security ⁴			
2009	\$98,365	\$0	\$32,840	\$77,000	\$8,786	\$32,773	\$12,647	\$326,661
2010	111,498	0	20,985	102,436	18,098	2,158	25,706	335,862
2011	114,093	0	21,325	105,799	18,641	2,158	25,503	347,303
2012	116,767	0	22,239	108,698	19,201	2,158	25,858	360,557
2013	119,521	0	23,185	111,681	19,777	2,158	26,228	375,744
2014	122,357	0	24,162	114,749	20,370	2,158	26,612	392,997
2015	125,278	0	25,174	117,904	20,981	2,158	27,013	412,454
2016	128,289	8,794	26,221	121,150	16,208	2,159	41,627	420,067
2017	129,378	22,371	27,304	124,488	16,694	2,160	53,791	416,336
2018	132,209	23,714	28,251	127,921	17,195	2,160	55,218	413,781
2019	135,116	25,136	29,208	131,451	17,711	2,160	56,701	412,492
2020	137,594	25,422	30,199	135,081	12,161	2,160	62,618	407,647
2021	140,903	25,132	31,226	138,813	12,526	2,160	62,811	405,887
2022	144,048	26,640	32,291	142,651	12,902	2,160	64,560	405,579
2023	147,276	28,239	33,395	146,596	13,289	2,160	66,403	406,808
2024	150,589	17,461	34,541	150,652	13,688	2,160	55,874	422,130
2025	156,633	0	35,729	154,821	14,098	2,160	41,308	458,577
2026	160,272	0	36,970	159,098	14,521	2,160	41,721	498,935
2027	163,972	0	38,295	163,456	14,957	2,160	42,146	543,404
2028	167,774	0	39,671	167,934	15,406	2,160	42,585	592,238
2029	171,679	0	41,098	172,536	15,868	2,160	43,036	645,705
2030	175,689	0	42,580	177,265	16,344	2,160	43,501	704,088
2031	179,807	0	44,119	182,123	16,834	2,160	43,979	767,690
R 2032	182,868	0		163,369	17,339	2,160	-	733,675
2033	187,605	0	27,979	159,912	53,512	2,160	-	676,108
2034	175,264	0	45,153	159,802	58,456	2,160	-	595,227
2035	176,847	0	46,131	160,609	60,210	2,160	-	503,084
2036	182,023	0	0	117,847	62,016	2,160	-	448,872
2037	187,354	0	0	121,318	63,876	2,160	-	386,015
2038	192,845	0	0	40,258	65,793	2,160	84,634	315,844
2039	198,501	0	0	0	67,766	2,160	128,575	244,022
2040	204,326	0	0	0	69,799	2,160	132,367	170,985
2041	210,327	0	0	0	71,893	2,160	136,273	96,748
2042	216,507	0	0	0	74,050	2,160	140,297	21,332
2043	222,872	0	0	0	76,272	2,160	144,441	-55,241

¹ Basic expenses, loan payments, retirement contributions, and taxes and withholdings.

² All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.

³ Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions

⁴ Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Robert is age 67 and FRA for Margaret is age 67.

⁵ 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.)

⁶ 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.

Margaret'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 Withholdings ²	Salary and Other Income ³		Social Security ⁴	Shortfall ⁵	Net Worth ⁶
2044	229,429	0	0	0	78,560	2,160	148,709	-132,942
2045	236,182	0	0	0	80,917	2,160	153,106	-211,738
2046	243,138	0	0	0	83,344	2,160	157,634	-291,594
2047	250,303	0	0	0	85,845	2,160	162,298	-372,465
2048	257,682	0	0	0	88,420	2,160	167,102	-454,304
2049	265,283	0	0	0	91,072	2,160	172,051	-537,056
2050	273,112	0	0	0	93,805	2,160	177,147	-620,659
2051	281,176	0	0	0	96,619	2,160	182,397	-705,046
2052	289,481	0	0	0	99,517	2,160	187,804	-790,140

¹ Basic expenses, loan payments, retirement contributions, and taxes and withholdings.

² All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.

³ Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions

⁴ Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Robert is age 67 and FRA for Margaret is age 67.

⁵ 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.)

⁶ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

What if You Need Long-Term Care?

Preparing for long-term care means thinking ahead and being prepared for the consequences of needing long-term care. While almost all people face long-term care at some point in their lives, few adequately consider its financial burden.

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.



Forty percent of people 65 and older will require some long-term care.

Journal of Financial Service Professionals, January 2001



Ninety percent of people 80 and older will require some long-term care.

1996 National Nursing Home Study by AARP

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 North Carolina was \$52,322.¹
- **Rapidly Increasing Costs**
Historically, the cost of long-term care has doubled in the past 9 years.²
- **Your Possible Cost**
If Robert had a nursing home stay at age 70, the expected cost could be \$123,195, based on the general inflation rate of 3.00%.
If Margaret had a nursing home stay at age 70, the expected cost could be \$123,195, based on the general inflation rate of 3.00%.

Paying for Long-Term Care

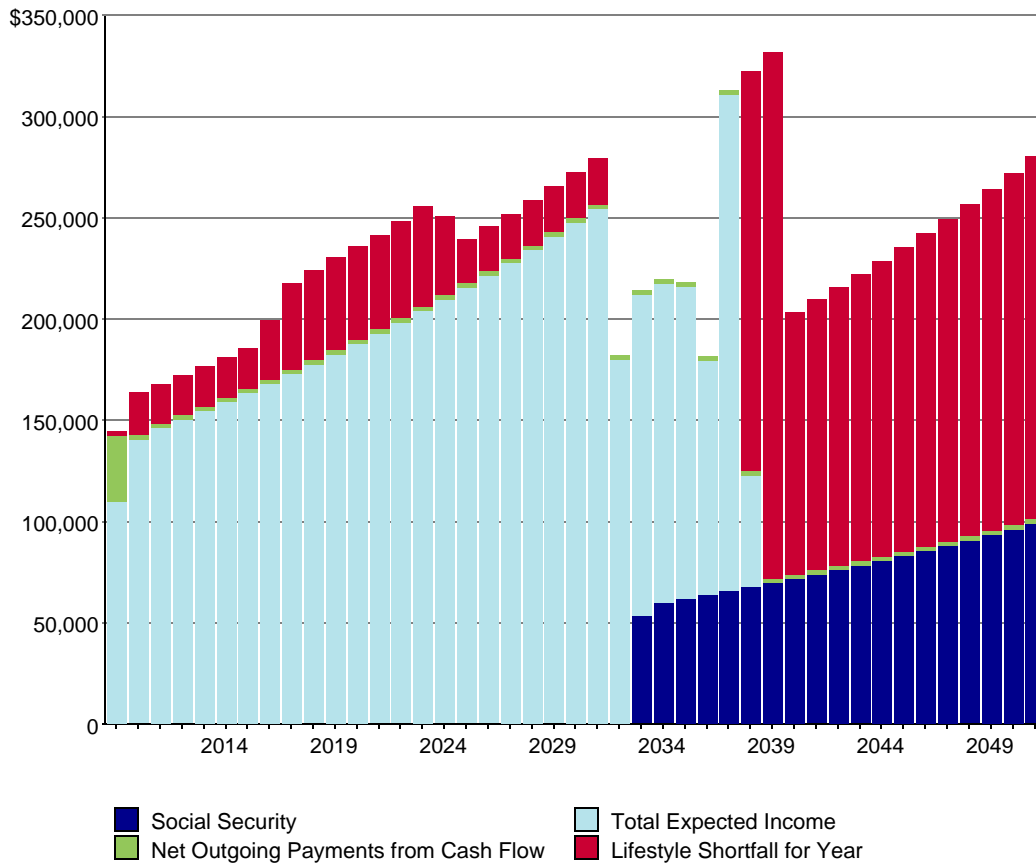
- **Medicare and Medicaid**
These government benefits are occasionally available *after* you have depleted your assets.
- **Use Retirement Savings**
Will you risk your life-long savings? Will you run out of money?
- **Depend on Family**
What will be the total impact on your family?
- **Long-Term Care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

¹ Your current state of residence based on a study by Milliman USA.

² Annual national rate of 8.2%. Source: US Consumer Index for Nursing Home Costs, 1978-2001.

What if Robert Needs Long-Term Care?

This illustration assumes that Robert 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 Dollars for Just this Period	Amount Needed Today to Fund Through Period
Before Retirement	2009	2031	\$386,293	\$386,293
During Nursing Home Stay	2037	2040	\$134,372	\$386,293
Healthy Years After Nursing Home Stay	2041	2053	\$298,454	\$819,119

Lump Sum to Provide Total Amount Needed Today

\$819,119

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 Robert Needs Long-Term Care?

This illustration assumes that Robert 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		
	Living Expenses ¹	Education and Spending Goals	Tax Payments and Withholdings ²	Salary and Other Income ³	Social Security ⁴	Payments Withdrawn from Available Assets	Shortfall ⁵	Net Worth ⁵
2009	\$97,936	\$0	\$46,915	\$110,000	\$0	\$32,680	\$2,171	\$337,137
2010	111,491	0	35,494	140,821	0	2,155	21,230	350,813
2011	114,084	0	34,922	146,683	0	2,154	19,544	368,213
2012	116,760	0	36,244	150,809	0	2,155	19,722	387,603
2013	119,513	0	37,610	155,055	0	2,155	19,907	409,111
2014	122,350	0	39,020	159,424	0	2,155	20,102	432,874
2015	125,271	0	40,478	163,920	0	2,155	20,308	459,036
2016	128,280	8,794	41,983	168,546	0	2,155	29,318	478,958
2017	131,386	22,371	43,556	173,290	0	2,158	43,143	488,003
2018	134,579	23,714	45,037	178,140	0	2,158	44,598	498,728
2019	137,867	25,136	46,543	183,131	0	2,158	46,118	511,271
2020	141,253	25,422	48,100	188,266	0	2,158	46,509	526,972
2021	144,742	25,132	49,710	193,548	0	2,158	46,335	546,626
2022	148,335	26,640	51,376	198,981	0	2,158	47,969	568,669
2023	152,035	28,239	53,099	204,570	0	2,158	49,704	593,258
2024	155,709	17,461	54,881	210,319	0	2,160	38,935	633,025
2025	159,773	0	56,726	216,232	0	2,158	21,776	694,944
2026	163,817	0	58,634	222,314	0	2,158	21,951	761,856
2027	167,982	0	60,610	228,568	0	2,158	22,141	834,081
2028	172,272	0	62,654	235,000	0	2,158	22,348	911,961
2029	176,691	0	64,771	241,614	0	2,158	22,571	995,863
2030	181,243	0	66,963	248,415	0	2,158	22,812	1,086,175
2031	185,933	0	69,234	255,407	0	2,159	23,075	1,183,312
R 2032	182,868	0	180,708	180,708	0	2,160	-	1,143,133
2033	187,605	0	27,318	159,329	53,434	2,160	-	1,092,737
2034	175,264	0	44,919	157,984	60,040	2,160	-	1,020,842
2035	176,847	0	41,929	154,775	61,841	2,160	-	942,585
2036	182,023	0	0	116,167	63,697	2,160	-	898,811
L 2037	314,245	0	0	246,478	65,607	2,160	-	716,263
2038	323,543	0	0	55,438	67,576	2,160	198,369	517,267
2039	333,119	0	0	0	69,603	2,160	261,356	312,663
2040	204,326	0	0	0	71,691	2,160	130,475	241,517
2041	210,327	0	0	0	73,842	2,160	134,325	169,229
2042	216,507	0	0	0	76,057	2,160	138,290	95,819
2043	222,872	0	0	0	78,339	2,160	142,374	21,314

¹ Basic expenses, loan payments, retirement contributions, and taxes and withholdings.

² All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.

³ Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions

⁴ Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Robert is age 67 and FRA for Margaret is age 67.

⁵ 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 Robert 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 Withholdings ²	Salary and Other Income ³		Social Security ⁴	Shortfall ⁵	Net Worth ⁵
2044	229,429	0	0	0	80,689	2,160	146,580	-54,258
2045	236,182	0	0	0	83,110	2,160	150,913	-130,862
2046	243,138	0	0	0	85,603	2,160	155,375	-208,459
2047	250,303	0	0	0	88,171	2,160	159,972	-287,004
2048	257,682	0	0	0	90,816	2,160	164,706	-366,446
2049	265,283	0	0	0	93,541	2,160	169,583	-446,730
2050	273,112	0	0	0	96,347	2,160	174,605	-527,792
2051	281,176	0	0	0	99,237	2,160	179,779	-609,560
2052	289,481	0	0	0	102,214	2,160	185,107	-691,957

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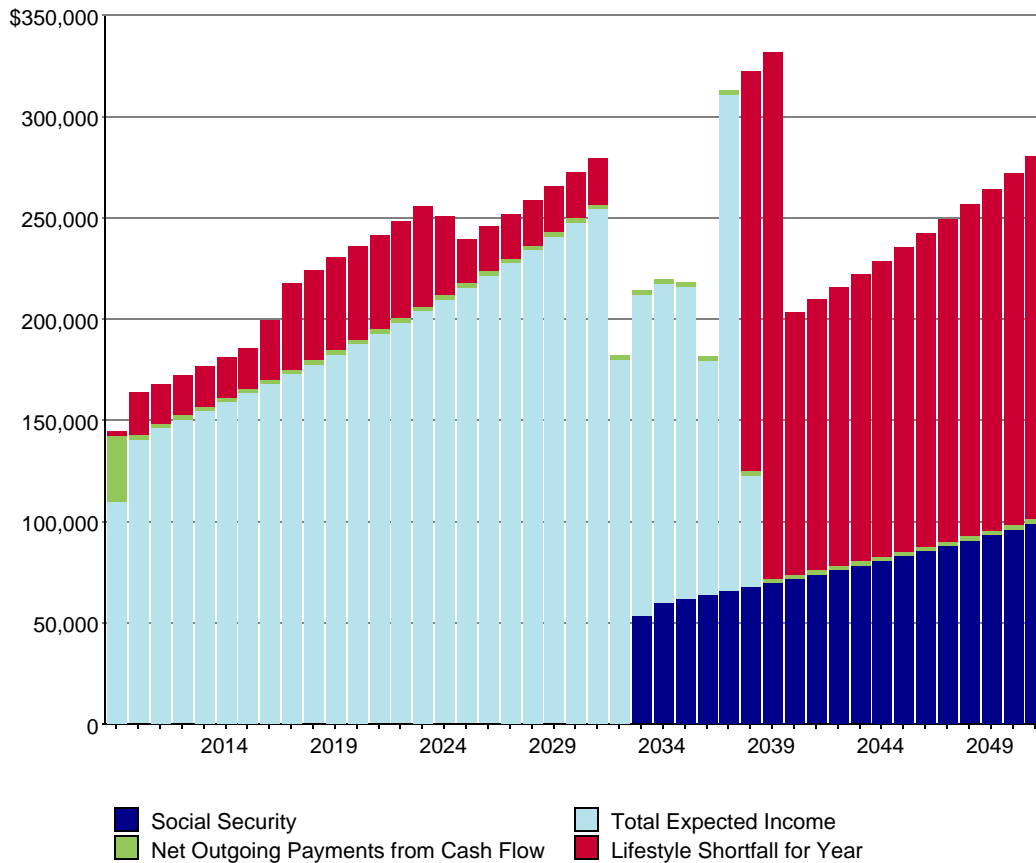
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What if Margaret Needs Long-Term Care?

This illustration assumes that Margaret 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 Dollars for Just this Period	Amount Needed Today to Fund Through Period
Before Retirement	2009	2031	\$386,293	\$386,293
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Don't let an unexpected expense ruin your plans.

What if Margaret Needs Long-Term Care?

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Year	Outgoing Payments		Expected Income			Assets		
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What if Margaret 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 Withholdings ²	Salary and Other Income ³		Social Security ⁴	Shortfall ⁵	Net Worth ⁵
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Debt Management

One of the biggest problems facing today's consumers is debt – a plague that can rob people of their financial futures. Nothing can derail your financial dreams faster than excessive, revolving, high-interest credit card debt. The first step is to accept that it won't be easy, but with a consistent strategy, you can find your way out of debt. Set your goal today to eliminate or consolidate your debt. Here are a few strategies to consider:

- Pay Yourself First – simultaneously work on savings and debt elimination
- Cut Spending and Stop Borrowing
- Manage Your Debt-to-Earned Income Ratio
- Pay Off the Right Debt First
- Consolidate Bad Debt into Better Debt at Lower Rate

Good Uses of Debt

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

- Purchasing a Home
- Purchasing an Appreciating Asset or Investment
- Investment in Education

Bad Uses of Debt

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

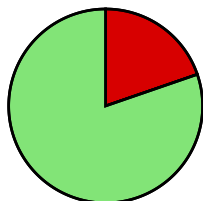
- Using Credit Cards to Pay for Lifestyle Needs
- Using Credit Cards to Pay Credit Cards
- Using Credit Cards to Purchase Depreciating Assets

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

Analyzing Your Debt

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

Finding the Right Ratio of Debt and Income



■ Debt as a Percent of Earned Income

Total Monthly Debt Payments	\$1,972
Total Monthly Earned Income	\$10,000
Your Debt-to-Earned Income Ratio	19.72%

A debt-to-earned income ratio of 20% is considered average.

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

Your Existing Debt

Name	Balance	Date of Balance	Interest Rate	Payment	Frequency	Years Until Debt is Paid Off ¹
Loan for Primary Residence	\$255,000	Feb. 23, 2009	6.500%	\$1,722	Monthly	25 Years
Credit Card Debt	\$13,000	Feb. 23, 2009	12.000%	\$250	Monthly	6 Years 2 Months

Total Current Debt	\$268,000
Total Current Credit Card Debt	\$13,000
Average Interest Rate on Credit Cards	12.000%

Managing Your Debt

There are many steps you can take to manage your debt, but the most important step is to start today. Here are some ideas on ways to manage your debt.

- Consider restructuring your debt
- Consolidate multiple credit cards to one card with a lower rate
- Pay more than the minimum payment
- Call the credit card company and ask for a lower rate
- Cut up credit cards you don't need
- Stop credit card solicitations (1-888-5-OPTOUT)

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

Emergency Fund

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

Don't Think You Need an Emergency Fund?

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



Major Car Repairs



Major Home Repairs



Major Appliance Replacement



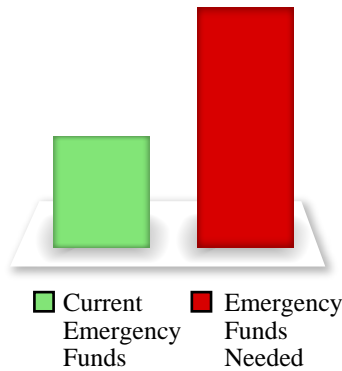
Job Interruption



Serious Illness or Hospitalization

Your Emergency Fund: Do You Have Enough?

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



Emergency Fund Needed **\$30,000**
 (Greater of 3 months household salary or 5% of investments.)

Current Emergency Funds Available **\$14,000**

Checking Account	\$6,000
Savings/CDs	\$8,000

Have - \$14,000 vs. Need - \$30,000

Asset Accumulation & Preservation

To help provide security later in life, it's important to have a long-term asset accumulation program in place designed to outpace inflation and reduce taxation. Retirement income has increased in its importance as people stop working earlier and are living longer in their retirement years.¹ Therefore, when building a program you should consider how many years you may be living in retirement and how much it will cost you to live comfortably during these years.

The Rule of 72 – Helping to Outpace Inflation

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

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

Age	4%	Age	6%	Age	8%	Age	12%
Money doubles every 18 years		Money doubles every 12 years		Money doubles every 9 years		Money doubles every 6 years	
29	\$10,000	29	\$10,000	29	\$10,000	29	\$10,000
47	\$20,000	41	\$20,000	38	\$20,000	35	\$20,000
65	\$40,000	53	\$40,000	47	\$40,000	41	\$40,000
		65	\$80,000	56	\$80,000	47	\$80,000
				65	\$160,000	53	\$160,000
						59	\$320,000
						65	\$640,000

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

¹ ACBO Study, November 2003, Baby Boomers' Retirement Prospects: An Overview.

THREE PHASES OF RETIREMENT



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.*

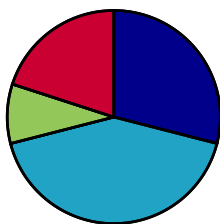
- Retirement begins at Robert's age 65, Margaret's age 65
- Social Security retirement benefits begin at age 66 for Robert and at 66 for Margaret
- Retirement is illustrated for 20 years.

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, Social Security 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	0.00%
Estimated Social Security ¹	29.00%
Retirement Plans	9.00%
Assets Used	42.00%
Shortfall	20.00%

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 2009

The value of expenses not covered— *the shortfall*— at the start of retirement in year 2032 is \$1,083,679. For the purpose of this analysis, the retirement shortage is the equivalent of reducing outgoing payments during retirement by 24%.

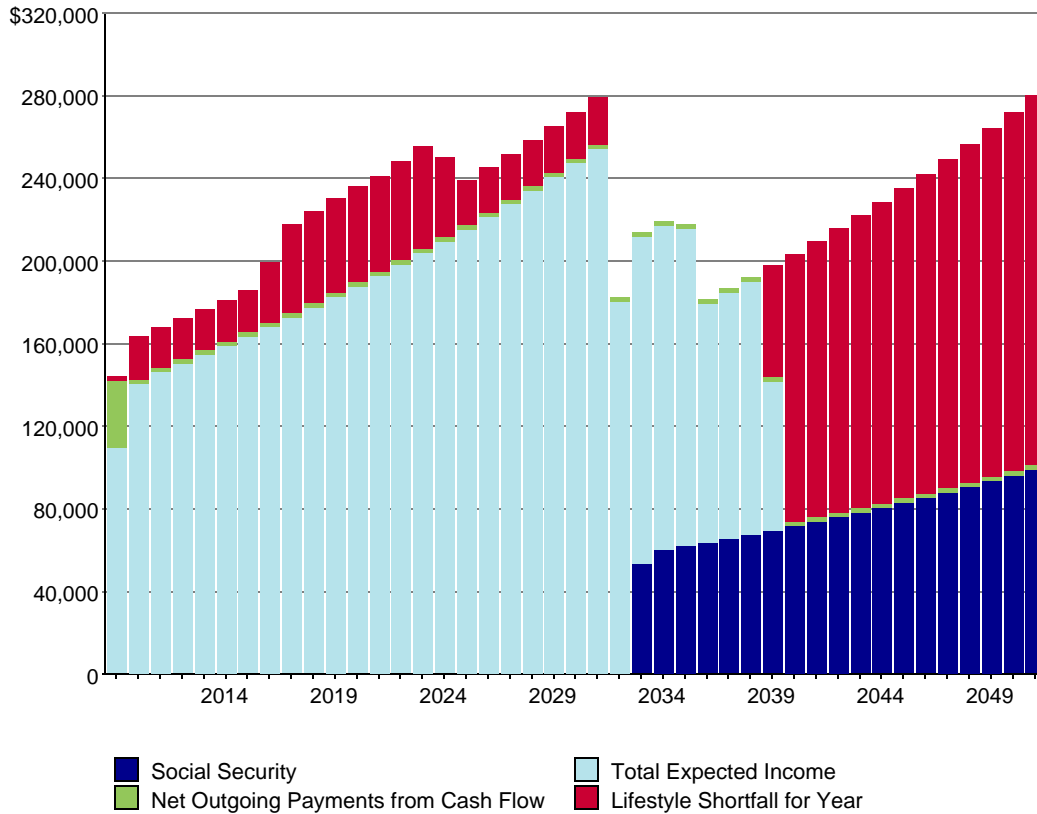
To fund the shortfall assuming a 5% growth rate, you would need \$336,014 today or make monthly deposits of \$1,953 between now and the start of retirement.

Unfortunately, you have a cash flow failure before retirement!

¹ Social Security benefits are based on a number of factors. One factor is the portion of your wages each year that are subject to Social Security taxes. Based on the information you provided, Robert's Social Security are estimates based on salary and Margaret's Social Security are estimates based on salary. 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 Robert is age 65. Retirement is illustrated for 20 years. A successful retirement requires that all lifestyle expenses be satisfied before retirement. Otherwise, assets intended for retirement may be depleted.



Remaining Needs

Period	Start Year	Through Year	Amount Needed in Today's Dollars for Just this Period
With Children at Home	2009	2020	\$232,605
Before Retirement	2021	2031	\$153,688
During Retirement	2032	2053	\$338,757

Cash Flow Before Retirement

It is important to consider cash flows between now and retirement when analyzing your retirement needs. Expenses before retirement may deplete the assets and investments intended to support you through retirement. If cash flow failures occur before retirement, examining your pre-retirement lifestyle may be a necessary step in creating a realistic retirement plan.

Now Through Retirement

Retirement is set to begin when Robert is age 65. Retirement is illustrated for 20 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 Withholdings ²	Salary and Other Income ³	Social Security ⁴	Payments Withdrawn from Available Assets	Shortfall ⁵	Net Worth ⁶
2009	\$97,936	\$0	\$46,915	\$110,000	\$0	\$32,680	\$2,171	\$337,137
2010	111,491	0	35,494	140,821	0	2,155	21,230	350,813
2011	114,084	0	34,922	146,683	0	2,154	19,544	368,213
2012	116,760	0	36,244	150,809	0	2,155	19,722	387,603
2013	119,513	0	37,610	155,055	0	2,155	19,907	409,111
2014	122,350	0	39,020	159,424	0	2,155	20,102	432,874
2015	125,271	0	40,478	163,920	0	2,155	20,308	459,036
2016	128,280	8,794	41,983	168,546	0	2,155	29,318	478,958
2017	131,386	22,371	43,556	173,290	0	2,158	43,143	488,003
2018	134,579	23,714	45,037	178,140	0	2,158	44,598	498,728
2019	137,867	25,136	46,543	183,131	0	2,158	46,118	511,271
2020	141,253	25,422	48,100	188,266	0	2,158	46,509	526,972
2021	144,742	25,132	49,710	193,548	0	2,158	46,335	546,626
2022	148,335	26,640	51,376	198,981	0	2,158	47,969	568,669
2023	152,035	28,239	53,099	204,570	0	2,158	49,704	593,258
2024	155,709	17,461	54,881	210,319	0	2,160	38,935	633,025
2025	159,773	0	56,726	216,232	0	2,158	21,776	694,944
2026	163,817	0	58,634	222,314	0	2,158	21,951	761,856
2027	167,982	0	60,610	228,568	0	2,158	22,141	834,081
2028	172,272	0	62,654	235,000	0	2,158	22,348	911,961
2029	176,691	0	64,771	241,614	0	2,158	22,571	995,863
2030	181,243	0	66,963	248,415	0	2,158	22,812	1,086,175
2031	185,933	0	69,234	255,407	0	2,159	23,075	1,183,312
R 2032	182,868	0		180,708	0	2,160	-	1,143,133
2033	187,605	0	27,318	159,329	53,434	2,160	-	1,092,737
2034	175,264	0	44,919	157,984	60,040	2,160	-	1,020,842
2035	176,847	0	41,929	154,775	61,841	2,160	-	942,585
2036	182,023	0	0	116,167	63,697	2,160	-	898,811
2037	187,354	0	0	119,587	65,607	2,160	-	847,175
2038	192,845	0	0	123,110	67,576	2,160	-	786,975
2039	198,501	0	0	72,587	69,603	2,160	54,151	718,237
2040	204,326	0	0	0	71,691	2,160	130,475	647,092
2041	210,327	0	0	0	73,842	2,160	134,325	574,803
2042	216,507	0	0	0	76,057	2,160	138,290	501,394
2043	222,872	0	0	0	78,339	2,160	142,374	426,888

¹ Basic expenses, loan payments, retirement contributions, and taxes and withholdings.

² All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.

³ Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions

⁴ Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Robert is age 67 and FRA for Margaret is age 67.

⁵ 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.)

⁶ 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 Withholdings ²	Salary and Other Income ³	Social Security ⁴		Shortfall ⁵	Net Worth ⁶
2044	229,429	0	0	0	80,689	2,160	146,580	351,316
2045	236,182	0	0	0	83,110	2,160	150,913	274,712
2046	243,138	0	0	0	85,603	2,160	155,375	197,116
2047	250,303	0	0	0	88,171	2,160	159,972	118,571
2048	257,682	0	0	0	90,816	2,160	164,706	39,128
2049	265,283	0	0	0	93,541	2,160	169,583	-41,156
2050	273,112	0	0	0	96,347	2,160	174,605	-122,217
2051	281,176	0	0	0	99,237	2,160	179,779	-203,985
2052	289,481	0	0	0	102,214	2,160	185,107	-286,382

¹ Basic expenses, loan payments, retirement contributions, and taxes and withholdings.

² All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.

³ Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions

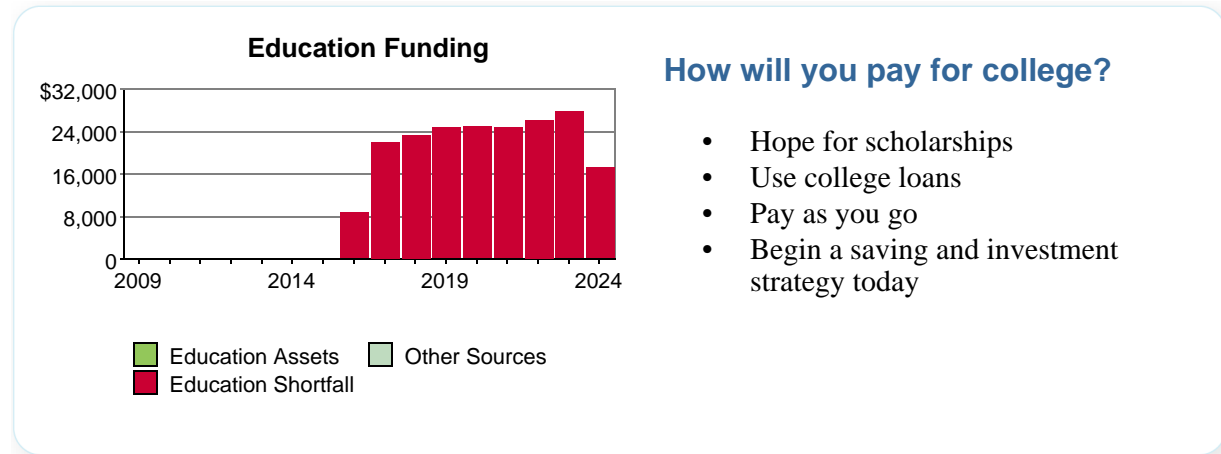
⁴ Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Robert is age 67 and FRA for Margaret is age 67.

⁵ 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.)

⁶ Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

Education Funding

Education costs have been rising faster than general inflation. In the past ten years, the average annual increase has been *twice* that of the average annual increase in the Consumer Price Index.¹ These annual education cost estimates consider an education inflation rate of 6.00%.



Education Goals

Education For	School	Education Cost Today	Start in Year ²	Years
Stephen	The University of North Carolina at Chapel Hill	\$14,036	2016	4
Mary	North Carolina State University	\$12,490	2020	4

Total Cost of Education Needs³

\$108,312

The amount needed today to fund all education goals invested at 5.00% provides the total costs for all years of education of \$202,908 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 Today⁴

\$108,312

The remaining funds needed today consider your assets designated for education (current value \$0) 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

\$1,248

An alternative way to provide the additional funds needed today of \$108,312 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 U.S. Bureau of Labor Statistics and "Trends in College Pricing 2006." The College Board (www.collegeboard.com), 2006.

² Annual costs are assumed paid in 12 monthly payments.

³ 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.

⁴ 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}
Stephen	The University of North Carolina at Chapel Hill	\$14,036	2016	\$21,105	4	\$95,557	\$56,408
Mary	North Carolina State University	\$12,490	2020	\$23,710	4	\$107,351	\$51,904
Total						\$202,908	\$108,312

Education Assets

No assets specifically for education.

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
Stephen	\$56,408	0.00%	\$56,408	\$753	7 yrs.6 mo.
Mary	\$51,904	0.00%	\$51,904	\$495	11 yrs.6 mo.
Total	\$108,312		\$108,312	\$1,248	

Annual Education Needs

Year	Annual Education Cost	Paid from Other Sources	Balance of Assets for Education ⁷	Education Shortage for Year
2009	\$0	\$0	\$0	\$0
2010	0	0	0	0
2011	0	0	0	0
2012	0	0	0	0
2013	0	0	0	0
2014	0	0	0	0
2015	0	0	0	0
2016	8,794	0	0	8,794
2017	22,371	0	0	22,371
2018	23,714	0	0	23,714
2019	25,136	0	0	25,136
2020	25,422	0	0	25,422
2021	25,132	0	0	25,132
2022	26,640	0	0	26,640
2023	28,239	0	0	28,239
2024	17,461	0	0	17,461

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.

Preserve Your Estate

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

Keys to preserving your estate include:

- Have adequate life insurance protection
- Have a will
- Understand the probate process for the state in which you reside
- Avoid probate
- Understand what a trust is
- Transfer assets through trusts
- Learn how to minimize estate taxes
- Don't delay



Live Your Dreams

Many people today, whether through poor planning or lack of a financial education, have downsized or discarded their dreams. You have determined that your family deserves better – they deserve to achieve their dreams. And World Financial Group is here to help you do just that.

You've begun the journey to your financial dreams by meeting with your WFG associate and completing a WFG Financial Dream Map™. In the following pages are recommendations that will help you make informed choices on how you can build a better financial future for you and your family.

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



**Isn't it time you started dreaming again?
Now, let's set a strategy to help you achieve your dreams!**

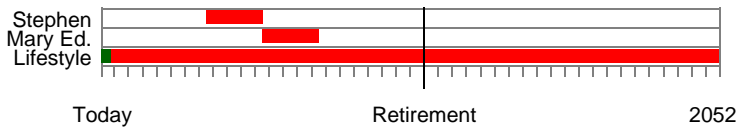
Financial Needs Summary

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



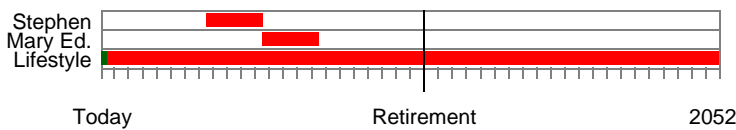
Cash Flow Failure

Value of Shortfall in Today's Dollars: \$725,051

- Successful cash flow
- A cash flow failure occurred in November of 2009 with assets designated as "Do Not Use" equal to \$608,819 at the end of that year.

Robert Dies

Income Needs at Robert's Death



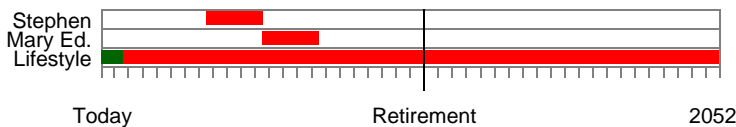
Cash Flow Failure

Value of Shortfall in Today's Dollars: \$1,514,256

- Successful cash flow
- A cash flow failure occurred in August of 2009 with assets designated as "Do Not Use" equal to \$608,819 at the end of that year.

Margaret Dies

Income Needs at Margaret's Death



Cash Flow Failure

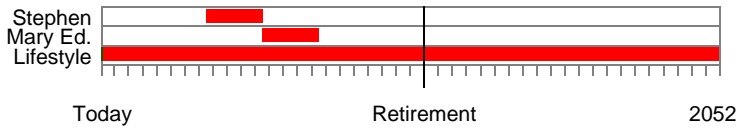
Value of Shortfall in Today's Dollars: \$1,140,473

- Successful cash flow
- A cash flow failure occurred in October of 2010 with assets designated as "Do Not Use" equal to \$598,517 at the end of that year.

Financial Needs Summary (Continued)

Robert Becomes Disabled

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



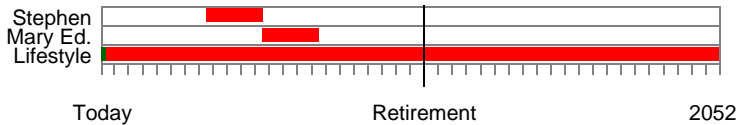
Cash Flow Failure

Value of Shortfall in Today's Dollars: \$1,252,624

- Successful cash flow
- A cash flow failure occurred in May of 2009 with assets designated as "Do Not Use" equal to \$608,819 at the end of that year.

Margaret Becomes Disabled

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



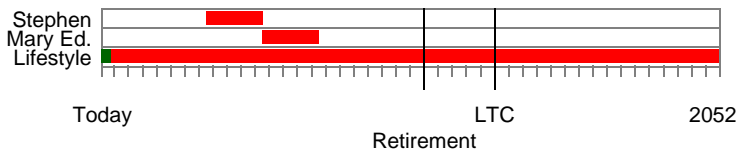
Cash Flow Failure

Value of Shortfall in Today's Dollars: \$933,286

- Successful cash flow
- A cash flow failure occurred in July of 2009 with assets designated as "Do Not Use" equal to \$608,819 at the end of that year.

Robert's Long-Term Care Considered

Effect if Robert Requires Nursing Home Care



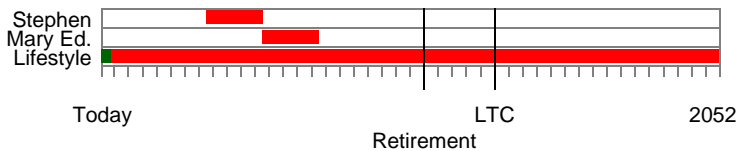
Cash Flow Failure

Value of Shortfall in Today's Dollars: \$819,119

- Successful cash flow
- A cash flow failure occurred in November of 2009 with assets designated as "Do Not Use" equal to \$608,819 at the end of that year.

Margaret's Long-Term Care Considered

Effect if Margaret Requires Nursing Home Care



Cash Flow Failure

Value of Shortfall in Today's Dollars: \$819,119

- Successful cash flow
- A cash flow failure occurred in November of 2009 with assets designated as "Do Not Use" equal to \$608,819 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.

An Uncommon Opportunity

Throughout this presentation, we've discussed your financial dreams and recommended a strategy to help you achieve them.

While our strategy to increase cash flow includes a program for debt elimination, this may not be enough to cover the monthly shortfall. You have two options:

- Compromise or give up on your dreams.
- Find additional sources of income.

At WFG, we don't believe you should have to do the former, and we have an opportunity to help you realize the latter.

World Financial Group offers everyday people an uncommon opportunity – the chance to change careers and be in business for themselves. WFG offers an excellent income opportunity, whether you're looking at the business as a twin or part-time career or as a full-time commitment. With its proven system and hands-on mentoring business model, WFG can keep you on track to your dreams.

It only takes \$100 (US) to get started. WFG is not a franchise and charges no franchise fees. But as an associate, you can use World Financial Group's name and image at no cost to you.

There are no territory restrictions. You decide where and how to build your business – across the street, across town or across country.

There are no time clocks. You set your own hours and goals. You're in control of your business and your time.

WFG is a member of a respected corporate family – AEGON. One of the world's largest life insurance and pension companies, and a strong provider of investment products, AEGON has major markets in the United States, the Netherlands and the United Kingdom.

Unlike other businesses, you can start WFG as a part-time twin career while keeping the security of your existing job. It's virtually a risk-free chance to change your future.

Isn't it time for you to take the next step? A good opportunity only becomes great when you act on it. Let WFG help move you from dreaming to doing.

Assumptions

No one knows the future or the exact sequence of events that may occur. Your plan is built on all of the facts you have shared, but it is still necessary to make various assumptions to illustrate your financial situation. You should be sure that you understand all of the assumptions listed here and that they correctly reflect your situation and desires. Assumptions appear with the section that are applicable. The following assumptions are of a more general nature and apply throughout your plan. Also, some assumptions required additional explanations.

Robert Reynolds	Age: 42	Male	Born: January 1, 1967
Margaret Reynolds	Age: 42	Female	Born: January 1, 1967

Robert and Margaret are married.

Social Security

Robert is eligible for Social Security benefits. Robert's Social Security benefits are estimated based on a ratio of salary to maximum benefits. Robert plans to take Social Security retirement benefits starting at age 66.

Margaret is eligible for Social Security benefits. Margaret's Social Security benefits are estimated based on a ratio of salary to maximum benefits. Margaret plans to take Social Security retirement benefits starting at age 66.

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 February 24, 2009. 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.

Assumptions (Continued)

Qualified Retirement Plans

The estimated benefits of the qualified retirement plans are dependent upon the employer maintaining the present plan, continuing to make the illustrated contributions to the plan and that the government regulations concerning the plans remain unchanged. These assumptions are highly unlikely. The Plan Administrator of each qualified retirement plan should be consulted for specific details concerning that plan. Annual contributions are assumed to increase at the general inflation rate each year. This may or may not correspond to the annual limits adjusted by the U.S. Treasury each year and subject to future changes by Congress.

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.

Probate and Expenses

Robert:

Final Expenses: \$0
Administrative Fees (% of Gross Estate): 1.00%
Probate Fees (% of Probate Assets): 4.00%
Administrative Fees: \$0
Estimated Probate Fees: \$0

Margaret:

Final Expenses: \$0
Administrative Fees (% of Gross Estate): 1.00%
Probate Fees (% of Probate Assets): 4.00%
Administrative Fees: \$0
Estimated Probate Fees: \$0

Prior Taxable Gifts

Robert:

Taxable Gifts: \$0
Gift Taxes Paid: \$0
Applicable Credit Used: \$0

Margaret:

Taxable Gifts: \$0
Gift Taxes Paid: \$0
Applicable Credit Used: \$0

Estate Assumptions

Not all property is transferred by your will. Property owned jointly with survivorship rights passes to the surviving joint owner. Life insurance proceeds are paid to your named beneficiary. This analysis applies the provisions below to the extent possible. State inheritance tax is based on North Carolina.

Robert's Plan

Your will leaves everything outright to Margaret after providing for any other planning options.

Margaret's Plan

Your will leaves everything outright to Robert after providing for any other planning options.

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. It is assumed that you would never want to use your business or farm automatically for cash flow purposes.

Income Taxes

Assumptions (Continued)

Income Tax Rates

Federal Income Tax Rate: 28%

State Income Tax Rate: 7%

Other Rates

Capital Gains Tax Rate: 20%

Income Tax Rate for Income in Respect of a Decedent: 35%

Inflation Rate for Federal Indexed Values: 3%

An IRC Sec. 7520 rate of 5% is used to calculate the remainder interests for trusts, annuities and income in respect of decedent.

Withholdings and FICA

Estimated withholdings and FICA taxes are deducted from each paycheck and applied toward the estimated taxes in January of the following year. Other estimated taxes are not paid from monthly cash flow, but are treated as a tax liability until January of the following year. Taxes are assumed paid in the monthly cash flow for January each year. Income designated as capital gains income is assumed to qualify for long-term capital gains treatment and has an effective tax rate of 20.00% applied. Calculations of short-term capital gains, adjusted net capital gain or qualified 5-year gain is beyond the scope of this analysis. Taxes are only calculated as an estimate to make cash flow analysis more realistic: You should consult your tax advisor concerning exact calculations of your taxes and for tax advice.

Assumed Retirement

Retirement is assumed to be when Robert reaches, or would have reached, age 65. 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 (North Carolina), 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.)