The *Financial Needs Assessment* is a quick and effective disturbance report. It is an excellent way to qualify or engage existing clients or prospects in doing more planning.

The report summarizes the clients' **current** financial position and emphasizes the need for financial planning and further analysis.

Financial Needs Assessment

Frank and Kathy Accumulator

Ridgefield , Connecticut

Prepared by: Janet Lerner, CFP
Lerner, Stevenson & Assoc.

February 9, 2010

A professional cover page personalized for your clients.

Table of Contents

Report sections dynamically update based on modules selected.

Disclaimer

Disclaimer information to satisfy compliance needs.

IMPORTANT: Please read this section carefully. It contains an explanation of some of the limitations of this report.

IMPORTANT: *The projections or other information generated by NaviPlan regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.*

Below is an outline of several specific limitations of the projections of financial models in general and of *NaviPlan* **specifically.**

The Projections Contained in this Report depend in part, on Personal Data that You Provide

The assumptions used in this assessment are based on information provided and reviewed by you. These assumptions must be reconsidered on a frequent basis to ensure the results are adjusted accordingly. The smallest of changes in assumptions can have a dramatic impact on the outcome of this assessment. Any inaccurate representation by you of any facts or assumptions used in this assessment invalidates the results.

This Report is not a Comprehensive Financial Report and does not include, among other things, a Review of your Insurance Policies

We have made no attempt to review your property and liability insurance policies (auto and homeowners, for example). We strongly recommend that in conjunction with this assessment, you consult with your property and liability agent to review your current coverage to ensure it continues to be appropriate. In doing so, you may wish to review the dollar amount of your coverage, the deductibles, the liability coverage (including an umbrella policy), and the premium amounts.

NaviPlan does not Constitute Legal, Accounting, or Tax Advice

This assessment does not constitute advice in the areas of legal, accounting or tax. It is your responsibility to consult with the appropriate professionals in those areas either independently or in conjunction with this assessment process.

Circular 230: Any income tax, estate tax or gift tax advice contained within this document was not intended or written to be used and cannot be used for the purpose of avoiding penalties that may be imposed.

Discussion of the Limits of Financial Modeling

Inherent Limitations in Financial Model Results

Investment outcomes in the real world are the result of a near infinite set of variables, few of which can be accurately anticipated. Any financial model, such as NaviPlan, can only consider a small subset of the factors that may affect investment outcomes and the ability to accurately anticipate those few factors is limited. For these reasons, investors should understand that the projections made in this assessment are hypothetical, do not reflect actual investment results, and are not guarantees of future results.

Results May Vary With Each Use and Over Time

The results presented in this assessment are not predictions of actual results. Actual results may vary to a material degree due to external factors beyond the scope and control of this assessment. Historical data is used to produce future assumptions used in the assessment, such as rates of return. Utilizing historical data has limitations as past performance is not a guarantee or predictor of future performance.

Outline of the Limitations of NaviPlan and Financial Modeling

Your Future Resources and Needs May Be Different From the Estimates That You Provide

This assessment is intended to help you in making decisions on your financial future based, in part, on information that you have provided and reviewed.

The projections contained in the report utilize the information that you have provided and reviewed including, but not limited to, your age, income, assets, liabilities, anticipated expenses, and likely retirement age. Some of this information may change in unanticipated ways in the future and those changes may make NaviPlan less useful.

NaviPlan Projections Include Limited Accounting for Taxes

The federal and state income tax laws are extremely complex and subject to continuous change. NaviPlan has limited capability to model any individual's tax liability, and future tax laws may be significantly different from current tax laws. Any changes in tax law may affect returns for any given investment and make the projections produced by NaviPlan less useful. The projections contain limited support for the tax impact on transfers of money or redemptions of funds.

NaviPlan Projections Do not Include Fees and Expenses

The projections utilize return data that do not include fees or operating expenses. If included, fees and other operating expenses would materially reduce these projections. Recommendations included in the projections to redeem funds from certain investments or transfer money to others do not account for fees and charges that may be incurred.

NaviPlan Projections May Include Variable Products

Variable life insurance policies or deferred variable annuities are inherently risky and may be included in the projections. The return rate assumptions used throughout this analysis do not relate to the underlying product illustrated. These returns should not be used as a proxy for actual performance as they may exaggerate the performance potential of the underlying investment accounts (subaccounts). Any projections incorporating variable products are hypothetical and intended to show how the performance of the underlying subaccounts could affect the value and death benefit of the variable products; these projections are not intended to predict or project investment results.

The projections do not include transactions fees or expenses, which can have a material impact on the results of the projections. It is important that you understand all fees and expenses associated with purchasing and investing in variable products.

If a variable annuity included in this analysis contains a guaranteed minimum withdrawal rider, it is important to understand that if the contract value is greater than the guaranteed minimum withdrawal benefit once withdrawals begin, as an investor you will have paid for the rider and not actually used it.

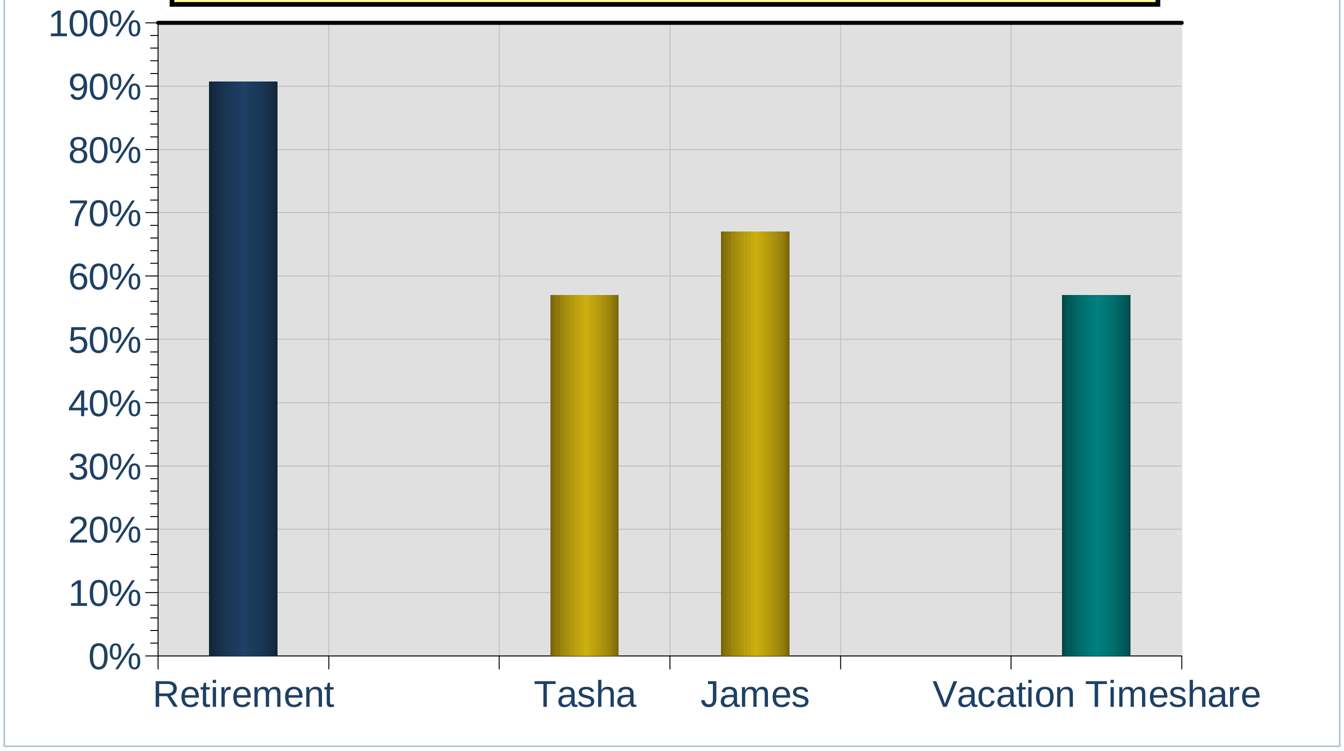
Income taxes during the annuitization phase are accounted for in the projections. See the section titled "NaviPlan Projections Include Limited Accounting for Taxes" in this Disclaimer for further information on the tax methodology used.

Overview

The Goal Achievement graph illustrates the percentage of each goal that may be covered based on the projection of the current capital and savings for each goal.

Alternative strategies that may assist in goal achievement are listed in the tables following the Goal Achievement graph.

This graph summarizes the clients' current financial situation. Use the recommendations under *Options* as a way to prioritize goals with clients.



Retirement

Unfortunately, your current projected retirement strategies fall short of the desired retirement goal.

The following table provides alternative strategies that may assist you in achieving the desired retirement goal.

Options						
Expect Retirement Expenses to be covered at ($/year)	**OR**	**Save an Additional**	**OR**	**Invest a Lump Sum Today of**	**OR**	**Retire in the year (at age)**
90% ($90,000)		$1,348/Month		$152,900		2024/2024 (64/62)

Use this value, along with the Average Monthly Surplus/Deficit amount on the Goal Attainability page, to present opportunities to help achieve the clients' goals.

This value is a useful way to discover "held away" assets.

Are the clients willing to delay retirement and work longer?

Education

Unfortunately, your current projected education strategies may not allow you to achieve any of the desired education goals.

The following table provides alternative strategies that may assist you in achieving the desired education goals.

Options					
	Expect to Support Education Costs at ($/year)	**OR**	**Save an Additional**	**OR**	**Invest a Lump Sum Today of**
Tasha's Education Goal	57% ($8,669)		$274 /Month		$26,882
James' Education Goal	67% ($10,167)		$275 /Month		$20,060

Frank and Kathy have a **cash flow surplus** in the current year (see page 10) that could be used to help meet their education goals.

Wake up call for clients! Do the clients have 529 funds at another institution?

Major Purchase

Unfortunately, your current projected major purchase strategies may not allow you to achieve the desired major purchase goal.

The following table provides alternative strategies that may assist you in achieving the desired major purchase goal.

Options							
	Expect to Support Major Purchase Costs at ($)	**OR**	**Save an Additional**	**OR**	**Invest a Lump Sum Today of**	**OR**	**Adjust Purchase Date to**
Vacation Timeshare (2018)	57% ($19,950)		$166 /Month		$13,546		N/A[1]

1 - Sufficient capital to fund this major purchase goal will not be available before the death of the clients.

Use the above table to bring to light any funding shortfalls and highlight strategies to achieve the clients' major purchase goal.

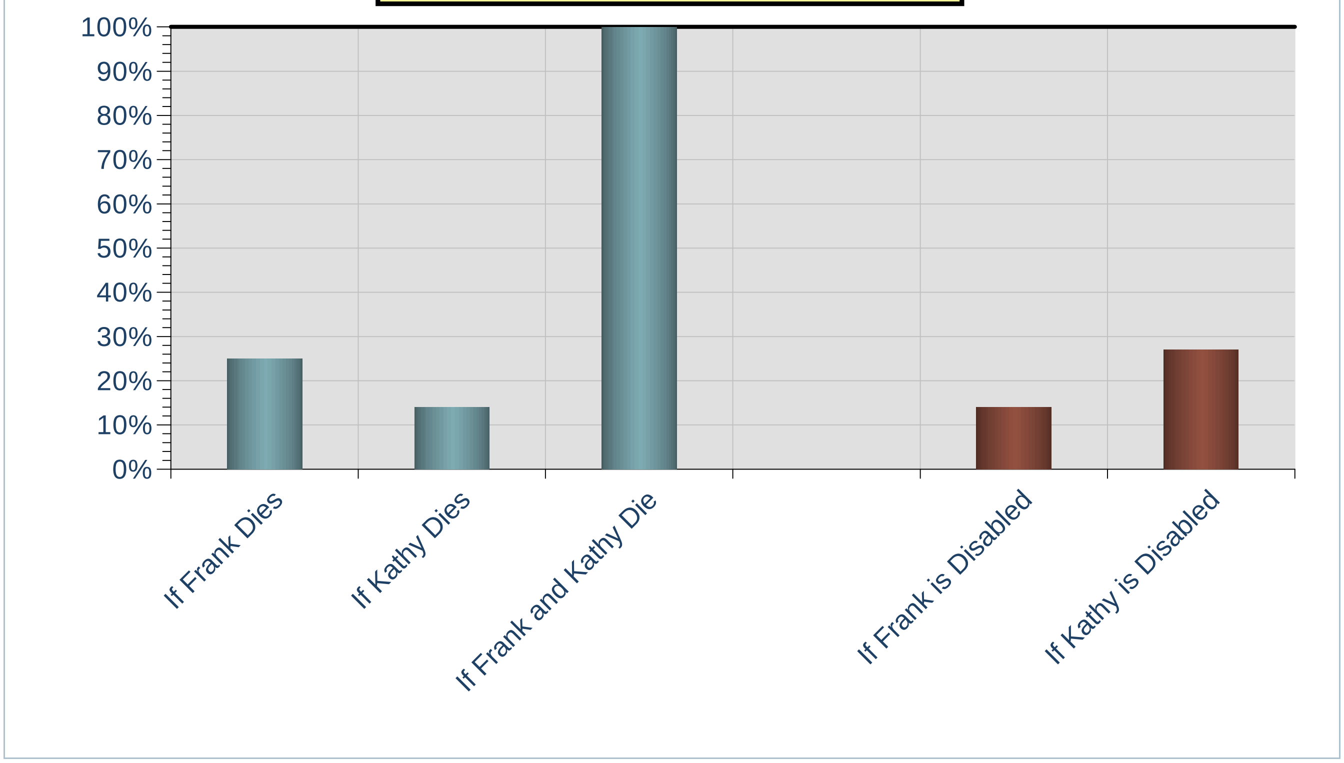
Present alternatives to your clients: reconsider the goal amount to fund
Full
Partial
Finance a portion of the goal
Reduce the goal
Increase savings
Contribute a lump sum

Refer to the Current Financial Position page, as these clients may be able to put aside additional funds towards their major purchase goal.

The Goal Achievement graph illustrates the percentage of each goal that may be covered based on the projection of the current capital and savings for each goal.

Alternative strategies that may assist in goal achievement are listed in the tables following the Goal Achievement graph.

This graph summarizes the clients' goal coverage for life insurance and disability.



Life Insurance

Your current life insurance coverage falls short of the necessary life insurance coverage for Frank and Kathy. However, your current life insurance coverage provides the Frank and Kathy die analysis with the necessary amount of life insurance coverage.

The following table provides alternative strategies that may assist you in achieving your life insurance goals.

Options

	<u>**Expect to Cover Total Life Insurance Need at ($)**</u>	**OR**	<u>**Purchase an Additional Life Insurance of**</u>
If Frank Dies	25% ($225,000)		$659,000
If Kathy Dies	14% ($95,000)		$574,000
If Frank and Kathy Die	100% ($1,245,918)*		$0

*Calculated based on the use of the net estate to cover needs.

The percentage of life insurance needs covered by existing policies.

Clearly identifies the additional life insurance needed.

Disability Insurance

Unfortunately, your current disability insurance coverage falls short of the necessary disability insurance coverage for Frank and Kathy.

The following table provides alternative strategies that may assist you in achieving the disability insurance goals.

Options			
	Expect to Cover Total Disability Insurance Need at ($)	**OR**	**Increase Disability Insurance by**
If Frank is Disabled	14% ($1,200)		$7,057/Month
If Kathy is Disabled	27% ($2,500)		$6,573/Month

The percentage of disability insurance needs covered by existing policies.

Clearly identifies the additional disability insurance needed.

Current Financial Position

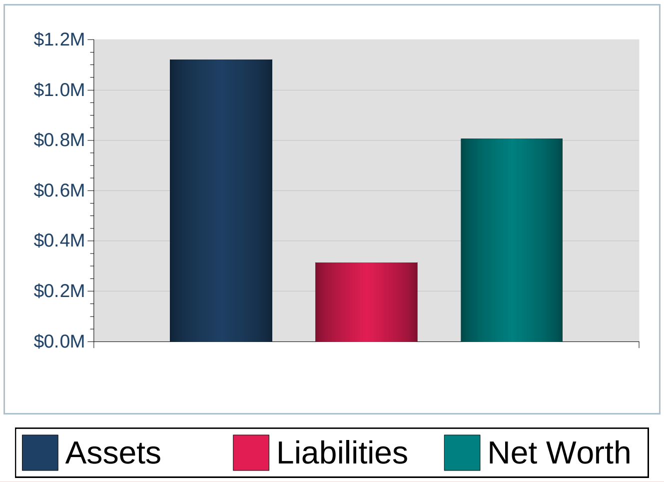
Use the text items in bold and the color graphs to draw attention to opportunities or concerns in the clients' current financial position. Highlight key components of planning, such as net worth and surplus cash usage. Move clients to action!

Analysis

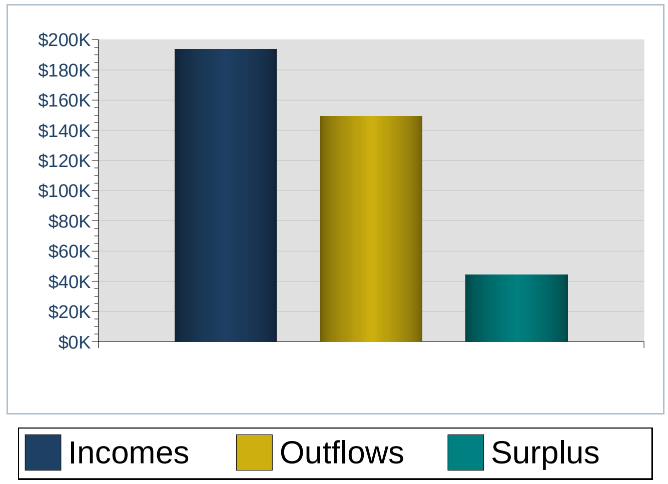
To determine your Net Worth we take the current value of all of your assets, and then subtract the current value of all of your liabilities. Based on the information you have provided, you currently have a **Net Worth of $807,000**.

We have also evaluated your current Cash Flow position. We determine your cash flow surplus or deficit by adding together all of your cash inflows, then subtracting all of your cash outflows, which include lifestyle expenses, savings, and taxes. Based on the information you have provided, you currently have **a cash flow surplus of $44,520** in 2010.

Net Worth



Cash Flow



Net Worth

Qualified Assets	$400,000
Non-Qualified Assets	$222,000
Lifestyle Assets	$500,000
Liabilities	($315,000)
Net Worth	$807,000

Cash Flow

Income	$193,996
Lifestyle Expenses	$71,640
Medical Expenses	$0
Savings	$31,812
Taxes	$49,263
Surplus	$44,520

Consider the Following

- Review your current expenses to determine which items are discretionary.
- Decide on the sacrifices you are currently willing to make to achieve your financial goals.

This table captures the data entered on the *Financial Picture* page. It indicates the clients' resulting net worth and cash flow surplus or deficit position for the current year.

Retirement

Frank and Kathy plan to retire in 2022.

Objectives

Frank plans to retire in the year 2022 at age 62. Kathy plans to retire in the year 2022 at age 60. Your retirement income goal in the year 2022 is $100,000, in today's dollars.

Analysis

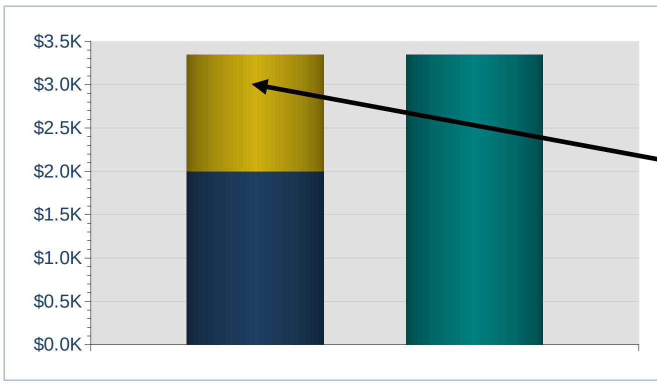
Based on our assessment, you may not have sufficient savings strategies in place, or sufficient capital allocated, to meet your retirement goal.

Based on your current assumptions, to meet your retirement goal you would need to save an **additional $1,348 per month** or allocate an **additional $152,900 today**.

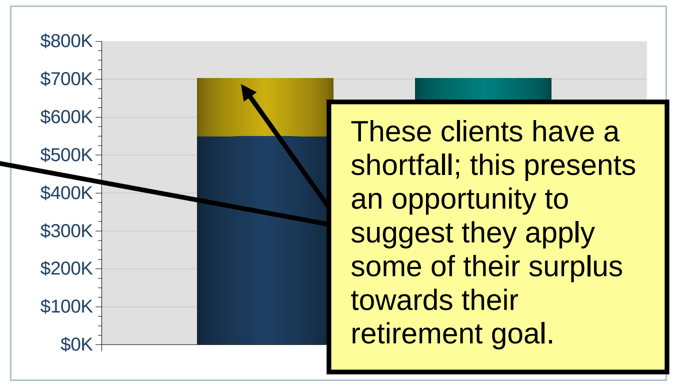
The monthly savings needed.

The lump-sum amount needed.

Monthly Savings for Retirement



Capital for Retirement



These clients have a shortfall; this presents an opportunity to suggest they apply some of their surplus towards their retirement goal.

Current Savings/Capital | Additional Required Savings/Capital | Total Required Savings/Capital

Current Savings	$2,000 /month*
Assets Currently Allocated	$550,000
Rate of Return	6.82%
Additional Savings Required	$1,348 /month
or	
Additional Capital Required	$152,900

*May include surplus savings.

These projections are based on the average weighted return rate assigned to your current portfolio.

Consider the Following

- The additional required monthly savings amount is based on savings to non-qualified assets.
- Maximize contributions to tax-advantaged qualified retirement plans such as IRAs, Roth IRAs, and 401(k) plans.
- If you have not already done so, begin investing on a regular basis.

Use this value to encourage the clients to open up about "held away" assets.

Frank and Kathy could meet this additional savings need because they have an average monthly surplus of $4,134 (see Goal Attainability on page 19).

Attainable Retirement

This page summarizes what the clients can achieve without increasing savings. Are the clients' retirement expenses realistic?

Objectives

Frank plans to retire in the year 2022 at age 62. Kathy plans to retire in the year 2022 at age 60.

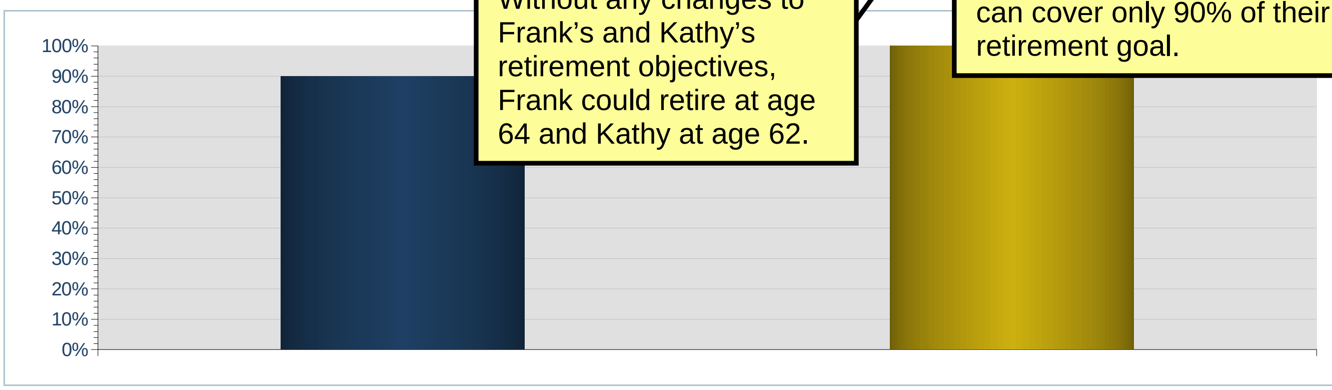
Analysis

Based on our assessment, it appears Frank may not be able to retire until the year 2024 at age 64 and Kathy may not be able to retire until the year 2024 at age 62.

If Frank were to retire in the year 2022, at age 62 and Kathy were to retire in the year 2022, at age 60, it appears your current savings strategies and retirement capital may provide you with the ability to cover 90% of your planned retirement expenses.

Attainable Retirement Expenses

Retire At 62/60



Without any changes to Frank's and Kathy's retirement objectives, Frank could retire at age 64 and Kathy at age 62.

If Frank and Kathy still want to retire in 2022, they can cover only 90% of their retirement goal.

Attainable Income   Planned Income

Attainable Retirement Age

	Retirement Goal	Attainable Retirement
Frank	62 (2022)	64 (2024)
Kathy	60 (2022)	62 (2024)

Attainable Retirement Expenses

Retirement Age	% of Retirement Expenses*
62/60	90%

* This value indicates the percentage of your stated annual retirement needs that can be funded by your available retirement resources throughout your entire retirement time period.

Consider the Following

- If the amount of required savings is unmanageable, we should review your goals to find a solution.
- If your projected savings exceed your need, you may be able to spend more in retirement.

If the clients' resources do not allow for any additional savings, they may want to re-evaluate their retirement objectives (e.g., less travel, purchase a smaller home) in order to be able to retire in 2022.

Tasha's Education Goal

Objectives

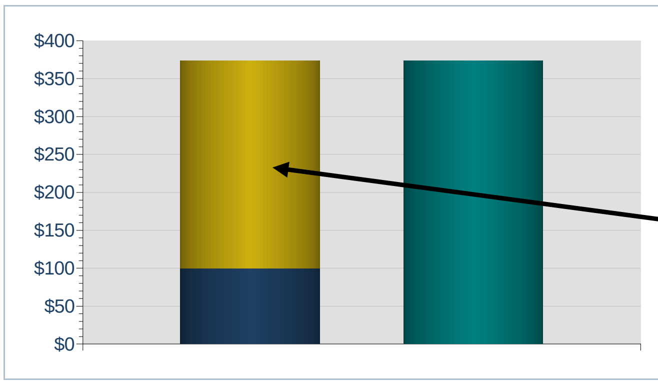
You want to accumulate sufficient assets to fund Tasha's education goals for 4 years at a total cost of $15,000 per year, in today’s dollars, beginning in the year 2017.

Analysis

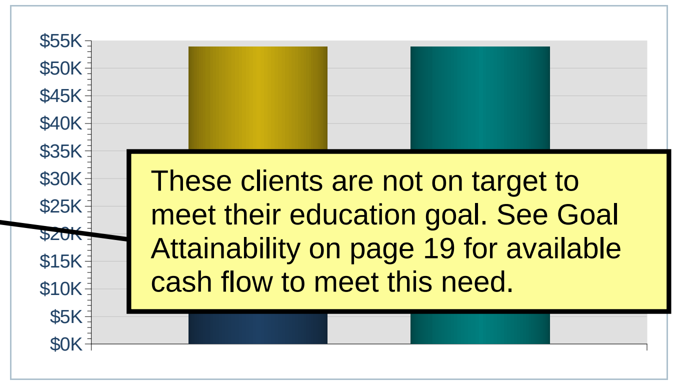
Based on our assessment you currently may not have sufficient savings strategies in place or sufficient capital, allocated to meet your goal.

Based on your assumptions, to meet your goal you would need to save an **additional $274 per month** or allocate an **additional $26,882 today**.

Monthly Savings



Capital Allocated



These clients are not on target to meet their education goal. See Goal Attainability on page 19 for available cash flow to meet this need.

Current Savings/Capital | Additional Required Savings/Capital | Total Required Savings/Capital

Current Savings	$100 /month
Assets Currently	$27,000
Rate of Return	6.00%
Additional Savings Required	$274 /month
or	
Additional Capital Required	$26,882

The current rate of return.

These projections are based on the return rate assigned to your current portfolio.

Key numbers to achieve 100% goal success.

Consider the Following

- Determine realistic values for tuition and related college expenses. Factor in the effects of inflation. College costs have historically increased at a significantly higher rate than inflation.
- Invest regularly for your family member's education, starting as early as possible.
- Where possible, take advantage of educational savings vehicles such as Coverdell ESAs, 529 Plans, UTMA accounts and UGMA accounts.

Use this informational text to let the clients know about tax-advantageous methods to help achieve the education goal.

Vacation Timeshare

The cost in today's dollars.

Objectives

The major purchase goal date.

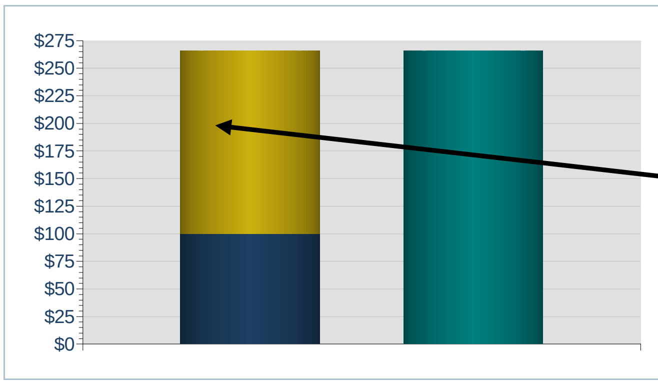
You want to purchase a "Vacation Timeshare" in 8 years, in the year 2018, for the amount of $35,000, in today's dollars.

Analysis

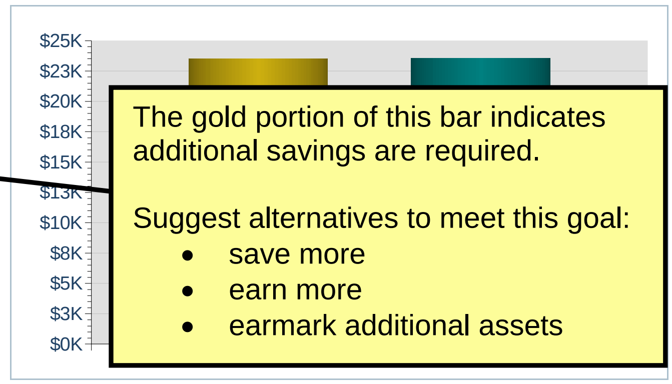
Based on our assessment, it appears you may not have sufficient savings strategies in place, or sufficient capital allocated, to meet your goal.

Based on your assumptions, to meet your goal you need to save an **additional $166 per month** or allocate an **additional $13,546 today**.

Monthly Savings



Capital Allocated



The gold portion of this bar indicates additional savings are required.

Suggest alternatives to meet this goal:

- save more
- earn more
- earmark additional assets

Current Savings/Capital | Additional Required Savings/Capital | Total Required Savings/Capital

Current Savings	$100 /month
Assets Currently Allocated	$10,000
Rate of Return	6.00%
Additional Savings Required	$166 /month
or	
Additional Capital Required	$13,546

These projections are based on the return rate assigned to your current portfolio.

Do the clients have any maturing fixed income investments that can be used to fund their vacation timeshare purchase?

Consider the Following

- Prioritize the financial goals for your family and give them realistic time lines.
- Determine your investment strategy for each goal based on your time horizon and risk tolerance.
- Start saving as early as possible.

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Disability Insurance - Frank

Objectives

To ensure there is sufficient income replacement to maintain your desired lifestyle, should Frank become disabled.

Analysis

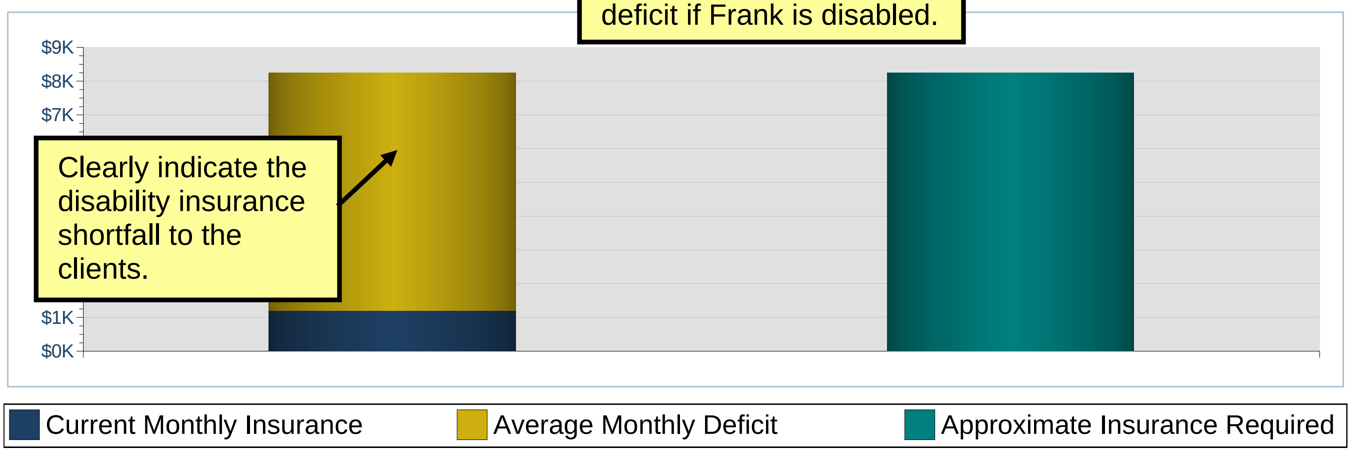
Based on our assessment from now until you retire in the year 2022, you may experience deficits that average $7,057 per month, with the largest annual deficit being $149,270.

Increasing your coverage by $7,057 per month can help eliminate these deficits.

Depending on the circumstances, you may or may not be able to purchase this amount of disability insurance.

If Frank becomes Disabled

The average monthly deficit if Frank is disabled.



If Frank becomes Disabled

Current Monthly Disability Insurance	$1,200
Average Monthly Deficit	$7,057
Approximate Monthly Disability Insurance Required*	$8,257

*The recommended amount of disability insurance coverage is calcula… surance coverage. You may o… mount of disability insura…

The monthly disability insurance required.

These projections are based on the average weighted return rate assigned to your current portfolio.

Consider the Following

- You may not want to rely solely on group policies at work. Should you change jobs or your employer change to another insurer, you may no longer be eligible for group benefits.
- Review your existing policy's monthly disability benefit, definition of disability, waiting period, and duration of benefits.
- Review the coverage periodically and adjust it according to changes in your income and expenses.

Talk to the clients about the different types of disability policies and their benefits.

Life Insurance - Frank

For a list of assumptions used to analyze the survivorship period, see the Assumptions page at the end of this client report.

Objectives

In the event of Frank's death you want to ensure that Kathy has enough income and capital to cover the family's expenses and to fund your education and major purchase goals.

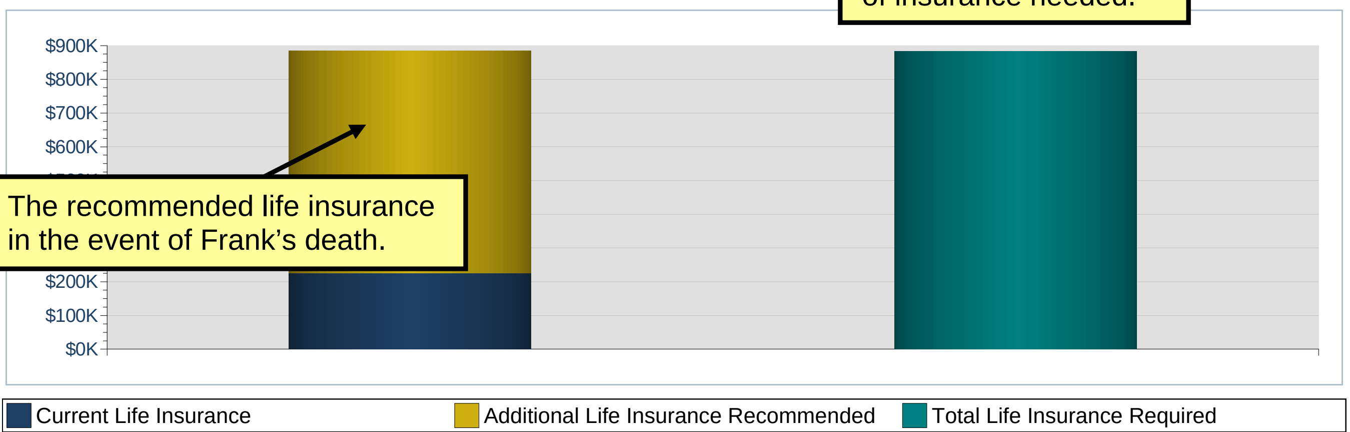
Analysis

Based on our assessment, you currently may not have sufficient life insurance to meet Kathy's ongoing needs.

Increasing your **Life Insurance coverage by $659,000** can help reduce this shortfall.

The additional amount of insurance needed.

If Frank Dies



The recommended life insurance in the event of Frank's death.

If Frank Dies

Total Coverage Needed	$884,000
Current Life Insurance Owned	$225,000
Additional Life Insurance Required	$659,000

These projections are based on the average weighted return rate assigned to your current portfolio.

Frank and Kathy may have hidden assets or income streams that might lower this insurance need. This could lead to an estate planning discussion and a transfer of assets to your firm.

Consider the Following

- You may not want to rely only on group policies, as you may change jobs or your employer could change to another insurer where you may no longer be eligible.
- Review your coverage periodically to ensure it continues to meet your family's changing needs.
- It is also important to consider continued savings to fund other financial goals.

Life Insurance - Kathy

Objectives

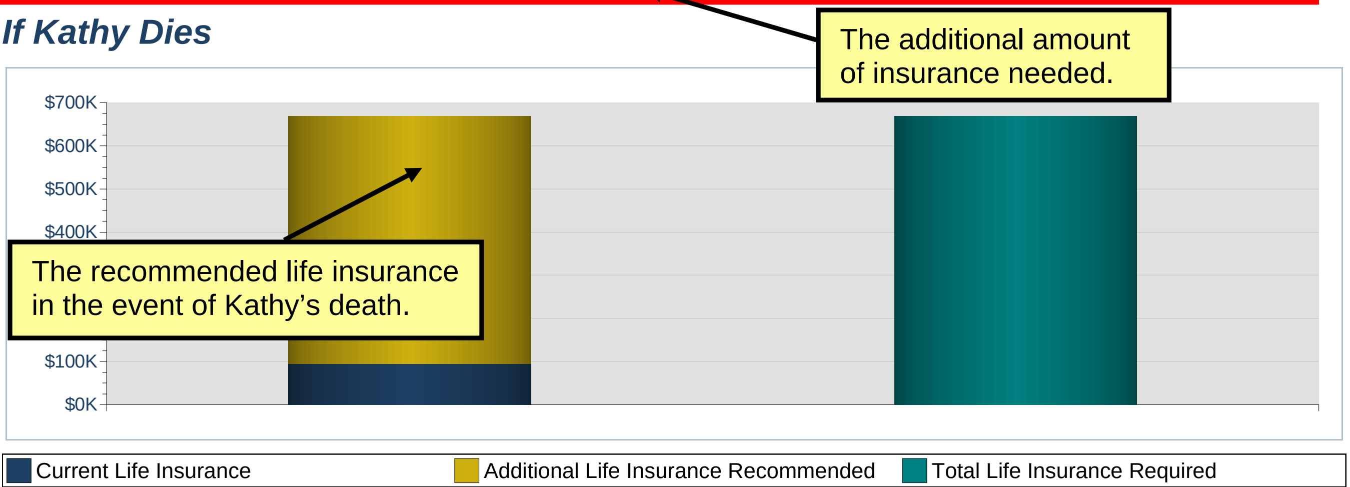
In the event of Kathy's death you want to ensure that Frank has enough income and capital to cover the family's expenses and to fund your education and major purchase goals.

Analysis

Based on our assessment, you currently may not have sufficient life insurance to meet Frank's ongoing needs.

Increasing your **Life Insurance coverage by $574,000** can help reduce this shortfall.

If Kathy Dies



If Kathy Dies

Total Coverage Needed	$669,000
Current Life Insurance Owned	$95,000
Additional Life Insurance Required	$574,000

These projections are based on the average weighted return rate assigned to your current portfolio.

Consider the Following

- You may not want to rely only on group policies, as you may change jobs or your employer could change to another insurer where you may no longer be eligible.
- Review your coverage periodically to ensure it continues to meet your family's changing needs.
- It is also important to consider continued savings to fund other financial goals.

Life Insurance - Frank and Kathy

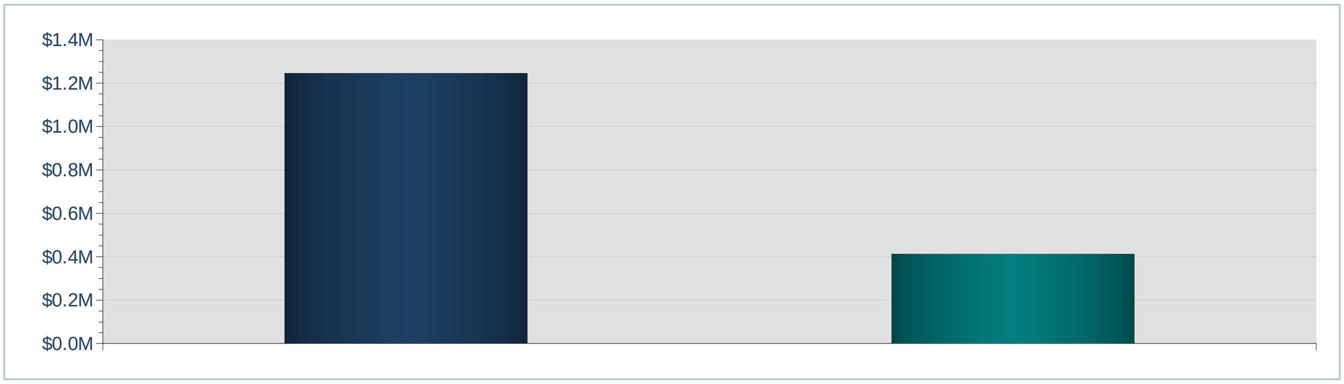
Objectives

In the event of Frank's and Kathy's deaths you want to ensure that your dependents have enough income and capital to cover lifestyle needs and education goals.

Analysis

Based on our assessment, you currently have sufficient capital and life insurance to meet your estate objectives.

If Frank and Kathy Die



Current Life Insurance | Additional Life Insurance Recommended | Total Life Insurance Required

If Frank and Kathy Die

Require Net Estate	$413,000
Current Net Estate	$1,245,918
Additional Life Insurance Required	$0

These projections are based on the average weighted return rate assigned to your current portfolio.

The recommended additional life insurance coverage if both Frank and Kathy were to die.

Reviewing Frank’s and Kathy’s insurance coverage annually helps ensure that their coverage meets their family’s changing needs.

Consider the Following

- You may not want to rely only on group policies, as you may change jobs or your employer could change to another insurer where you may no longer be eligible.
- Review your coverage periodically to ensure it continues to meet your family’s changing needs.
- It is also important to consider continued savings to fund other financial goals.

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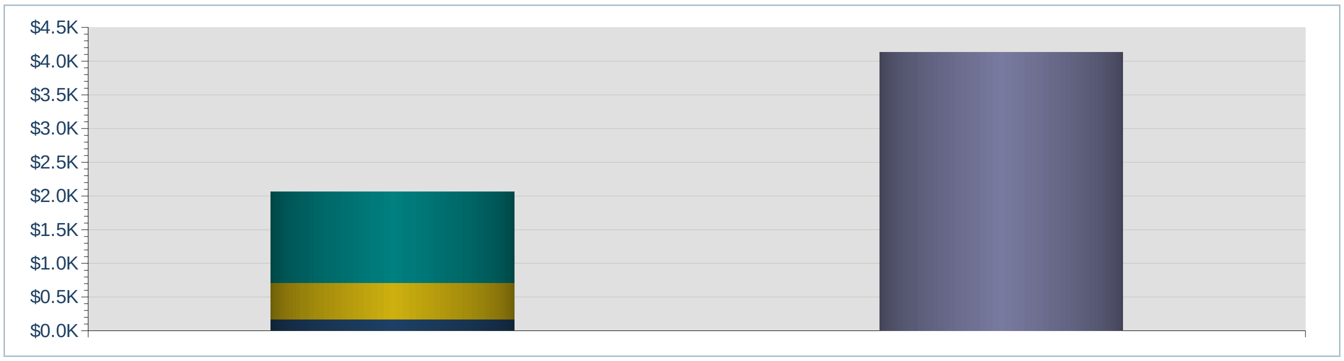
Goal Attainability

The Goal Attainability page is an ideal place to wrap up the discussion. This is the clients' reality check. It compares the additional savings required to meet their current objectives with their cash flow situation, identifying whether they can support increased savings strategies. This page can lead to additional planning opportunities, or perhaps a revision of the clients' objectives.

Analysis

Based on our assessment, it appears you currently have sufficient cash flow resources to meet the additional savings requirements for your goals.



Additional Savings Major Purchase(s)/mth
Additional Savings Retirement /mth
Additional Savings Education /mth
Average Monthly Surplus

Additional Savings for:	
Retirement	$1,348/month
Education:	
"Tasha's Education Goal"	$274/month
"James' Education Goal"	$275/month
Major Purchase:	
"Vacation Timeshare"	$166/month
Average Monthly Surplus/Deficit*	$4,134

*Represents your average surplus/deficit over the next 5 years.

These projections do not take into consideration potential premium increases for additional Life Insurance, Disability Insurance and Long Term Care Insurance.

These projections are based on the average weighted return rate assigned to your current portfolio.

A summary of the additional savings needed to achieve the clients' goals.

Frank and Kathy have a **surplus**. This may not be the case in subsequent years. This presents an opportunity to suggest changes to their cash flow to improve their chances of achieving their goals.

Even with a deficit, further planning is needed. Client data entered in the Financial Assessment pre-planning level can be promoted to a higher level to provide a more in-depth analysis.

Consider the Following

- It is important to balance future goals with current lifestyle needs.
- Assess the priority of future goals based on available cash flow.

Conclusion

Now that you have an overview of your current financial situation, where do you go from here? Our recommendations are as follows:

- **Review this document** and ensure you understand the information contained in the report. Be sure to ask us questions on areas that need clarification.
- **Assess the original objectives.** Are they realistic? Can you afford to implement all of your objectives? What are your priorities? If you are unable to fund all of your objectives, consider alternative goal dates, revised goal amounts, and alternative investment strategies. We will work together in the process.
- **Review various strategies** that will help you to achieve your goals and determine a time frame for these strategies.
- **Decide on a course of action.** Together, we will evaluate the alternative that is consistent with your objectives and your financial ability.

Prepare next steps and set up next meeting.

Assumptions

This page summarizes the assumptions used in this report. Default variables used in the Financial Assessment can be modified in higher levels of planning.

In performing this assessment, we have made the following assumptions:

Tax Status

A married filing jointly tax filing status was applied to your assessment.

Tax Rates

NaviPlan Standard uses the average tax rate system; rates can be overridden in Levels 1 to 3.

For the periods before and during retirement, as well as the year of death, your assessment assumed a state tax rate of 5.00%, an average tax rate of 19.44%, a marginal federal rate of 25.00%, and a long-term capital gains rate of 15.00%.

For dependents, your assessment assumed a 5.00% state tax rate, an average tax rate of 10.00%, a marginal federal rate of 10.00%, and a long-term capital gains rate of 0.00%.

Lifestyle Assets Growth Rate

The growth rate for lifestyle assets.

A 2% growth rate was applied to lifestyle assets.

Lifestyle assets are jointly owned.

Lifestyle assets were purchased on Dec. 31 of the year prior to the assessment year.

Incomes and Expenses

A 3% inflation rate was used.

An inflation rate of 3% was applied to pre-retirement incomes and expenses.

Pre-retirement incomes are salaries that commence on Jan. 1 of the assessment year and end on retirement.

Social Security

All Social Security benefits are indexed to the inflation rate.

Social Security retirement benefits start at retirement.

Social Security survivor benefits are applicable.

Social Security disability benefits were not included in this assessment.

Liabilities

All liabilities are jointly owned.

All liabilities assume monthly compounding. Amortization is automatically calculated based on the values entered, using a principal and interest loan payment schedule.

Upon death all liabilities were transferred to the survivor.

Retirement Goal

An annual inflation rate of 3.00% has been applied to the "Retirement goal expense".

Pension Details

Pension income starts at retirement and ends at death for all pensions entered into the assessment.

Pension income is paid annually and indexed to 3%.

The qualified asset type assumed. Additional qualified plan types are available in higher levels, including IRA, Roth, SARSEP, and Keogh.

Qualified Assets

Qualified accounts were assumed to be 401(k) plans.

Savings Strategies

Saving strategies for the retirement goal began Jan. 1 of 2010 and end on Dec. 31 of the year prior to retirement.

Saving strategies for education goals began on Jan. 1 of 2010 and end on Dec. 31 of the last year of the education goals.

Savings strategies for major purchase goals began on Jan. 1 of 2010 and cease at the end of the month prior to the major purchase.

The asset type assumed for education goals.

Education Goals

Education goals were funded by jointly owned non-qualified accounts.

An annual inflation rate of 5.00% has been applied to "Tasha's Education Goal".

An annual inflation rate of 5.00% has been applied to "James' Education Goal".

Major Purchase Goal

The major purchase goal was funded by jointly owned non-qualified accounts.

An annual inflation rate of 3.00% has been applied to the "Vacation Timeshare" goal.

Life Insurance Needs

In the event of Frank or Kathy's death, we assume that 100% of your goals will continue.

In the event of Frank and Kathy's death, we assume that 100% of your education goals will continue.

The life insurance policy type was assumed to be a 10-year term policy which does not lapse.

The insured owns the policy and pays the premium.

The beneficiary was assumed to be the non-insured client.

The goal-and-expense analysis method was used.

An expense coverage of 85% was applied to your lifestyle expenses.

The return on life insurance proceeds, surpluses, and liquidations was 6.00%.

Cash flow surpluses were assumed to be saved.

Outstanding liabilities are funded at death for purposes of the life insurance assessment.

All major purchase goals were covered.

Disability Insurance Needs

In the event of Frank or Kathy's disability, we assume that 100% of your stated expenses, liabilities, and goals will continue.

In the event of Frank or Kathy's disability, we assume that there is a two week waiting period before receipt of your short-term disability benefits and a three month waiting period before receipt of your long-term disability benefits.

The coverage is a group LTD policy.

The benefit type is a flat dollar amount.

Benefits are not taxable.

The insured member owns the policy and pays the premium.

Benefits will be offset by Social Security.

The return on disability insurance surpluses and liquidations was 6.00%