

Obstacles to Maximum Financial Success

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1. **Liability Coverage**: All Property and casualty should be reviewed for proper coordination and policy limits.
2. **Long term Care Protection**: No Long Term Care protection plan in place.
3. **Estate Planning**: Current wills should be reviewed for coordination with current estate tax law and ultimate distribution.
4. **Asset Titles & Beneficiary Designations**: Must be coordinated with Estate Plan.
5. **Life Insurance**: Neither spouse is insured for human life value
6. **Business Continuity Plan**: Buy–Sell Agreement not in effect. Purchase of business not funded in the event of death, disability or retirement
7. **Investment Planning**: A defined investment strategy is not present. Income tax inefficiency is creating large lost opportunity costs.
8. **Retirement Planning**: Financial Engineering techniques have not been utilized to maximize the distribution of your wealth during your lifetime.
9. **Home Debt**: Interest Rate on home equity loan not competitive. Additional principal payments being made. Current mortgage payments crowd out cash flow and limit wealth creation.
10. **Financial Plan Coordination & Integration**: Not evident

Priorities of Financial Plan

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Asset Protection: Maximize protection of estate assets from liability, lawsuit, taxes, extraordinary medical expenses and government control.

College Funding: Develop a plan to provide funds to cover the future college costs for your children.

Family Protection: Protect the financial security of your family in the event of the death or disability of either spouse.

Investment Planning: Develop a comprehensive investment strategy consistent with you financial planning objectives and risk tolerance.

Retirement Planning: Provide an efficient method to distribute your assets in retirement. Allow for the maximum amount of income possible from your asset base.

Estate Planning: Establish a plan for the orderly distribution of your wealth during retirement and at death. Avoid income and estate transfer taxes where possible. Build in plan flexibility that provides you with maximum income in retirement while enhancing the ability to transfer your wealth to your family and charitable institutions.

Plan Review: Evaluate your financial situation at least annually relative to changes in your personal life or tax legislation.

Recommendations of Financial Plan
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1. Liability Protection

Review your existing property and casualty insurance. It is suggested that your deductibles be set at higher levels. Plan deductibles level of \$500 and \$1,000 should be quoted for review. This may greatly reduce your insurance premiums. Purchase an umbrella policy with a \$3,000,000 limit. Record the contents of your home on video.

2. Family Protection / Estate Planning

Contact an estate attorney to draft a new your will, health care proxy, living will and durable power of attorney. Your documents should include the following:

- ✓ A contingent trust for minor children.
- ✓ A disclaimer trust to allow for the use of the unified credit and to maintain flexibility.
- ✓ Generation skipping and dynasty trust techniques may also be appropriate.

Purchase additional life insurance to replace your economic value to the family in the event of death.

3. Long Term Care Protection

Purchase a long-term care insurance policy to maximize the protection of your assets in the event you require institutional or in-home care. This insurance will also protect your estate assets for the well spouse and your heirs.

4. Savings & Investment Planning

Make certain that your investment program is aligned with your overall financial planning objectives and ability to tolerate market risk. Any excess cash flow should be invested within those parameters.

4. Savings & Investment Planning (continued)

Transfer your investment capital to a managed investment account platform. The personalized portfolio is designed to meet your overall financial objectives. The tailored investment strategy and selection of top tier money managers improve your opportunity for maximum financial success. The accurate reporting and periodic repositioning based on our quantitative approach to managing risk, is designed to keep you informed while seeking to enhance return and reduce risk.

5. College Funding

Transfer the funds currently held in UGMA accounts to a state appropriate section 529 Plan. The new account will have enhanced income tax benefits and provide additional parental control over the asset in future years.

6. Enhanced Financial Plan

Purchase whole life insurance as engineered within your financial plan. This technique will create flexibility in your economy and increase the overall performance of your other assets. This strategy will provide a foundation for planning, allow you to spend your wealth during your lifetime and increase your after tax annual income while retired. It will also create options for the distribution of your wealth upon your demise.

7. Emergency Contacts

Provide the names, addresses and telephone numbers for three individuals who could be contacted on your behalf in the event of an unforeseen emergency.

8. Periodic Review

Review your financial plan at least annually relative to changes in your personal life, financial planning objectives, the economic environment and legislative changes.