

P L A N N I N G

Time



WHAT PEOPLE THINK A FINANCIAL PLAN COVERS

INVESTMENT PORTFOLIO

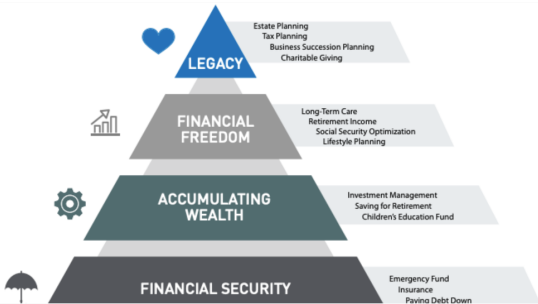
- ✓ Stocks and Bonds
- ✓ Mutual Funds
- ✓ Gold, Silver, etc.



WHAT A FINANCIAL PLAN ACTUALLY COVERS

- ✓ IDENTIFYING GOALS
- ✓ PERSONAL CASH FLOW
- ✓ EQUITY COMPENSATION
- ✓ CASH RESERVES
- ✓ ESTATE PLAN
- ✓ REAL ESTATE
- ✓ INVESTMENTS
- ✓ RETIREMENT
- ✓ INSURANCE
- ✓ EDUCATION
- ✓ TAXES
- ✓ DEBT

What Does Financial Planning Look Like?





Types of Insurance

Life Insurance

Provides a payout to beneficiaries upon the death of the insured person.

Auto Insurance

Protects against financial loss in case of accidents involving vehicles. It typically includes coverage for property damage and bodily injury liability, as well as coverage for the insured's vehicle.

Renters Insurance

Similar to homeowners insurance but designed for renters, providing coverage for personal property and liability.

Business Insurance

Protects businesses against losses due to events such as property damage, liability claims, and business interruption.

Pet Insurance

Covers veterinary expenses for pets, including illness, injury, and routine care.

Disability Insurance

Provides income replacement if the insured person becomes unable to work due to a disability.

Umbrella Insurance

Protects against financial loss in case of accidents involving vehicles. It typically includes coverage for property damage and bodily injury liability, as well as coverage for the insured's vehicle.

Health Insurance

Health Insurance: Covers medical expenses incurred due to illness or injury, including hospitalization, surgery, and prescription drugs.

Homeowners Insurance

Provides financial protection against damage to a home and its contents, as well as liability coverage for accidents that occur on the property.

Property Insurance

Covers damage or loss to property, including homes, commercial buildings, and personal belongings, due to events such as fire, theft, or natural disasters.

Travel Insurance

Offers coverage for unexpected events that can occur during travel, such as trip cancellation, medical emergencies, lost luggage, and travel delays.

Liability Insurance

Provides financial protection against damage to a home and its contents, as well as liability coverage for accidents that occur on the property.

Critical Illness Insurance

Pays a lump sum benefit if the insured person is diagnosed with a covered critical illness, such as cancer, heart attack, or stroke.

Flood Insurance

Covers damage to property caused by flooding, which is typically not covered by standard homeowners or property insurance policies.

Long-Term Care Insurance

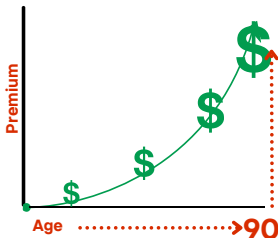
Covers the cost of long-term care services, such as nursing home care or in-home assistance, for individuals who are unable to perform certain activities of daily living due to illness, injury, or old age.



INSURANCE 101

Term

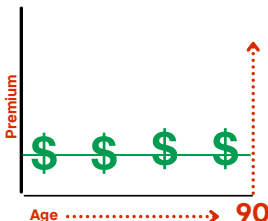
(like RENTING)



- Increasing Cost
- No Cash Value
- Pays "if" you expire (during the term)
- Self Evicting
- Temporary coverage

Permanent

(like OWNING)



- Level Cost
- Builds Cash Value
- Pays "when" you expire if premiums are set up correctly
- Potentially "Self Completing"
- Protection Whole Life



Living BENEFITS

Take an advanced payout on your policy to cover...

CHRONIC ILLNESS

Allows the policyholder to access a portion of the death benefit if they are diagnosed with a chronic illness that prevents them from performing certain activities of daily living or requires long-term care.



TERMINAL ILLNESS

Provides a portion of the death benefit if the insured is diagnosed with a terminal illness and has a life expectancy typically ranging from 12 to 24 months.



TOTAL DISABILITY

WAIVER OF PREMIUM

Waives future premium payments if the insured becomes totally disabled and unable to work for an extended period.



CRITICAL ILLNESS

Cancer-Heart Attack -Stroke



Offers a lump sum payment if the insured is diagnosed with a covered critical illness, such as cancer, heart attack, stroke, or kidney failure.



LONG-TERM CARE RIDER

Provides coverage for long-term care expenses, such as nursing home care or in-home assistance, if the insured becomes unable to perform certain activities of daily living.



Financial BENEFITS

of owning a cash value life insurance policy...

Legacy

Death Benefit:

The death benefit paid out to beneficiaries upon the death of the insured is typically income tax-free. This means that the beneficiaries receive the full amount of the death benefit without having to pay federal income tax on it.



Supplement Future Income

Cash Value Growth:

Permanent life insurance policies, such as whole life and universal life, accumulate cash value over time.

The growth of this cash value is tax-deferred, meaning that policyholders do not have to pay taxes on the investment gains as long as the funds remain within the policy.

Be Your Own Bank

Policy Loans:

Policyholders can take out loans against the cash value of their life insurance policy. These loans are generally not considered taxable income, as they are not considered distributions but rather loans that must be repaid. However, if the policy lapses or is surrendered with an outstanding loan balance, there could be tax consequences.



Tax Advantages

Accelerated Death Benefits:

If the policy includes living benefits such as accelerated death benefits for terminal or chronic illness, the proceeds received while the insured is alive may be tax-free under certain conditions. However, it's essential to review the specific terms of the policy and consult with a tax advisor to understand any potential tax implications.

Generational Wealth

Transfer of Wealth:

Life insurance can facilitate the transfer of wealth to beneficiaries in a tax-efficient manner. By naming beneficiaries directly, the death benefit can bypass probate and transfer directly to the heirs, potentially avoiding probate fees and delays.

Cost Savings

Estate Tax Planning:

Life insurance can be used as part of an estate planning strategy to provide liquidity to pay estate taxes or other expenses. Proceeds from a life insurance policy are generally not included in the insured's estate for federal estate tax purposes, as long as the policy is owned by someone other than the insured and certain other criteria are met.



FIVE SITUATIONS TO SPARK YOUR WAKE UP CALL

THIS IS LIFE...

1

BRUCE

Bruce lives in a small town and owns the local sports equipment shop. He is now facing a lawsuit from a customer who alleges injury caused by a defective product.



2

MARGO

Retired and living on her own, Margo's health begins to decline. She has no children, her husband passed several years ago and many of her relatives live far away. She develops a chronic medical condition that restricts her from remembering to dress herself, eat, and bathe.



3

THE WILSONS

A family's primary breadwinner passes away unexpectedly, leaving behind financial responsibilities such as mortgage payments, children's education and daily living expenses.



4

CAROL

Carol's granddaughter visits regularly. During one of their monthly baking sessions the house is damaged by a sudden fire started in the kitchen. They both escape unharmed but, there is significant structural damage to the house and significant content loss.



5

JOHN

John experiences a serious illness during the cold winter months requiring hospitalization and extensive medical treatment. He now has to cover medical expenses, hospital bills, doctor's fees, medication and rehabilitation.





SO....

What next?



Name _____

Phone: _____

Email: _____

I wonder if...

I have concerns about

I want to know more about...

I can comfortably allot ___ of my income to build a secure and prosperous future.

- a. 5 %
- b. 10 %
- c. 15%
- d. 20 %

List friends or family members that need to know about something you learned today!

- 1.
- 2.
- 3.

Do you feel confident in your understanding of your current insurance coverage and its benefits?

