

Survivor Needs Analysis

For: John and Mary Mason



Presented By: _____

[Licensed user's name appears here]

Preface

In the accompanying material, you will find an analysis of your financial goals for your family compared to the assets/benefits you have indicated are available to meet those goals.

The report is in four parts:

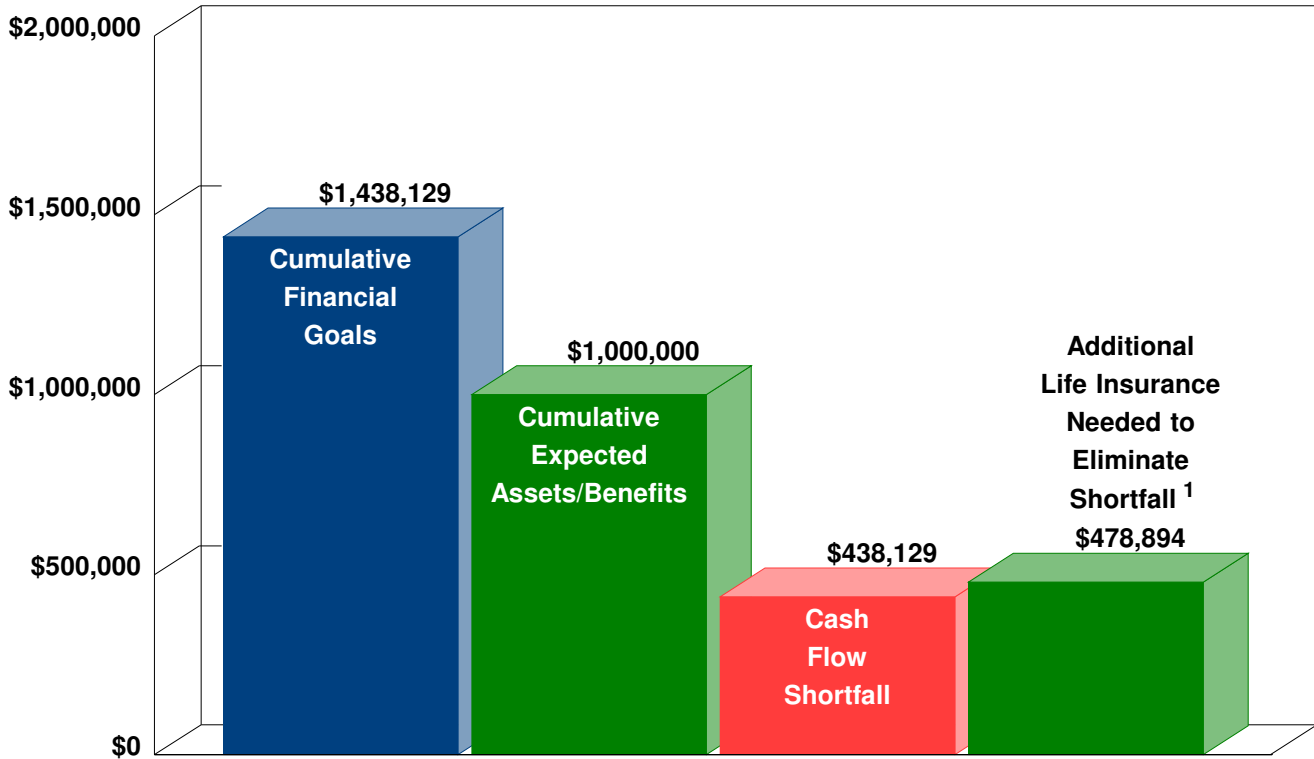
1. A summary of the analysis;
2. A review of financial goals;
3. A review of expected assets/benefits;
4. Survivor needs analysis calculations.

The precision of the analysis is dependent upon the accuracy of the financial data utilized, and you should be certain it is an accurate reflection of your

current economic expectations.

It is important to understand that what is presented is a current "snapshot" of your financial picture, and some of the premises and conditions on which the calculations are based may change.

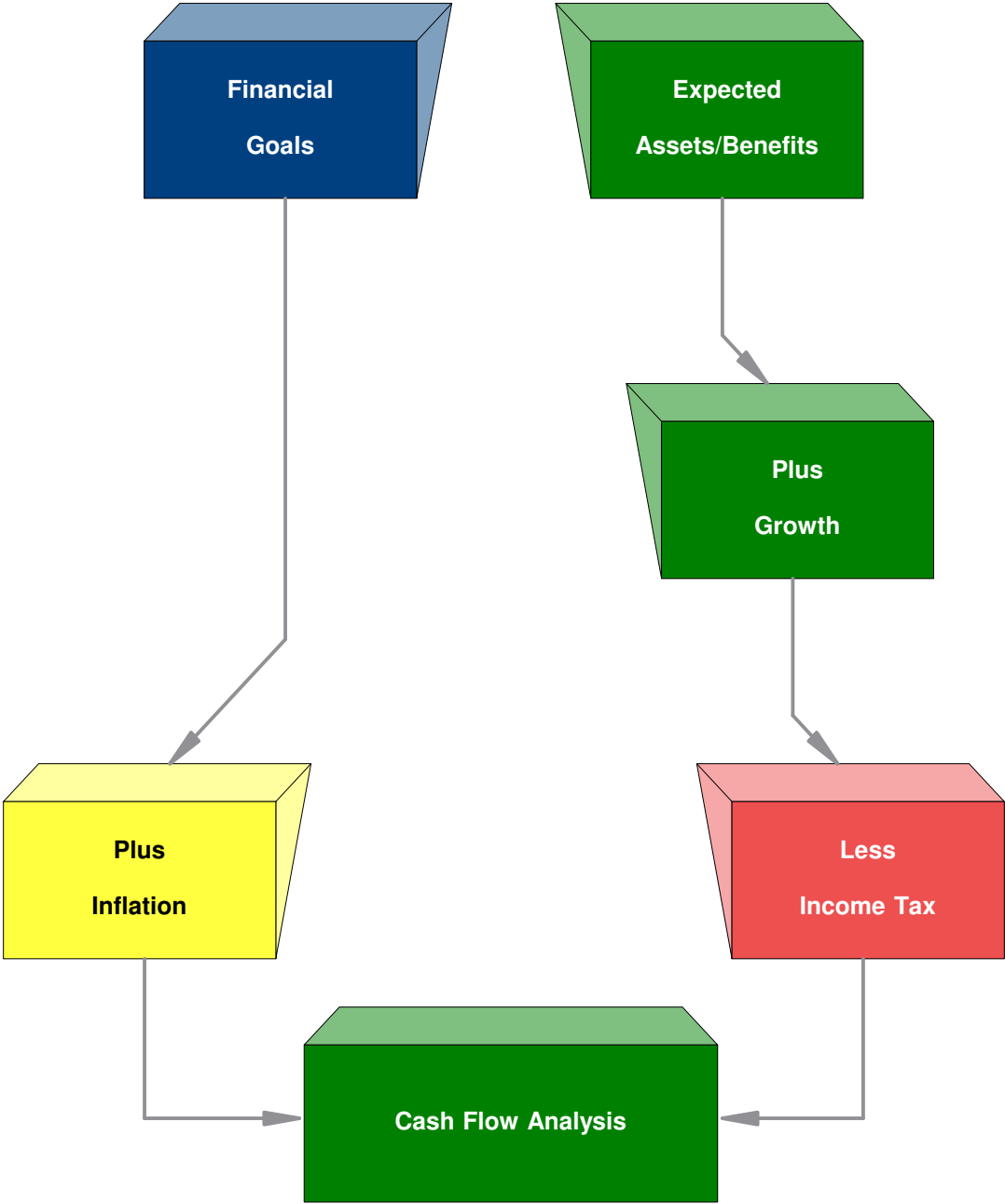
You should arrange for an annual review to evaluate the consequences of any changes to the assumptions as this will assure that you have timely access to this critically important planning information.



¹ Life insurance needed is a function of cash flow shortfall adjusted for time/use of money.

At the end of year 20, this analysis produces a total residual value of \$999,999.

Flow Chart



Summary

	<u>First Year</u>	<u>Total for All Years</u>
Financial Goals		
For Family Income	53,521	1,438,129
Total Financial Goals	\$53,521	\$1,438,129
Expected Assets/Benefits		
Liquid Assets*	1,000,000	1,000,000
Total Expected Assets/Benefits	\$1,000,000	\$1,000,000

*Proceeds of current life insurance of \$1,000,000.

Conclusion and Recommendation

We have compared the year-by-year relationship between your financial goals and expected assets/benefits.

Based on your assumptions, your expected assets/benefits are not sufficient to meet all of your financial goals. For you to eliminate this shortfall, you should secure additional life insurance in the amount of \$478,894.

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Desired Financial Goals

Year Following Death	(1) For Family Income	(2) Financial Goals Desired
1	53,521	53,521
2	55,127	55,127
3	56,780	56,780
4	58,484	58,484
5	60,238	60,238
6	62,046	62,046
7	63,907	63,907
8	65,824	65,824
9	67,799	67,799
10	69,833	69,833
11	71,928	71,928
12	74,086	74,086
13	76,308	76,308
14	78,597	78,597
15	80,955	80,955
16	83,384	83,384
17	85,885	85,885
18	88,462	88,462
19	91,116	91,116
20	93,849	93,849
	<hr/>	<hr/>
	1,438,129	1,438,129

Column (1) includes a cost of living adjustment of 0.00% for 1 year, 3.00% thereafter.

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Expected Assets/Benefits

<u>Year Following Death</u>	(1) Liquid Assets*	(2) Expected Assets and Benefits
1	1,000,000	1,000,000
2	0	0
3	0	0
4	0	0
5	0	0
6	0	0
7	0	0
8	0	0
9	0	0
10	0	0
11	0	0
12	0	0
13	0	0
14	0	0
15	0	0
16	0	0
17	0	0
18	0	0
19	0	0
20	0	0
	<hr/> 1,000,000	<hr/> 1,000,000

*Proceeds of current life insurance of \$1,000,000.

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Asset Analysis

Survivor's Assumed Tax Bracket 25.00%
 Survivor's Assumed Asset Interest Rate 5.00%
 Total Cash Flow Required 438,129
 Additional Asset Required **478,894**

Year Following Death	Cash Flow Analysis			Asset Activity Required		
	(1) Financial Goals Desired	(2) Expected Assets and Benefits	(3) Annual Cash Flow Required	(4) Beginning of Year Balance in Additional Asset*	(5) Balance in Additional Asset to Accrue (4) - (3)	(6) Year End After Tax Accrual Value of Add'l Asset
1	53,521	1,000,000	-946,479	478,894	1,425,373	1,478,824
2	55,127	0	55,127	1,478,824	1,423,697	1,477,086
3	56,780	0	56,780	1,477,086	1,420,306	1,473,567
4	58,484	0	58,484	1,473,567	1,415,083	1,468,149
5	60,238	0	60,238	1,468,149	1,407,911	1,460,708
6	62,046	0	62,046	1,460,708	1,398,662	1,451,112
7	63,907	0	63,907	1,451,112	1,387,205	1,439,225
8	65,824	0	65,824	1,439,225	1,373,401	1,424,903
9	67,799	0	67,799	1,424,903	1,357,104	1,407,996
10	69,833	0	69,833	1,407,996	1,338,163	1,388,344
11	71,928	0	71,928	1,388,344	1,316,416	1,365,781
12	74,086	0	74,086	1,365,781	1,291,695	1,340,134
13	76,308	0	76,308	1,340,134	1,263,826	1,311,219
14	78,597	0	78,597	1,311,219	1,232,622	1,278,846
15	80,955	0	80,955	1,278,846	1,197,891	1,242,812
16	83,384	0	83,384	1,242,812	1,159,428	1,202,906
17	85,885	0	85,885	1,202,906	1,117,021	1,158,909
18	88,462	0	88,462	1,158,909	1,070,447	1,110,589
19	91,116	0	91,116	1,110,589	1,019,473	1,057,703
20	93,849	0	93,849	1,057,703	963,854	999,999
	1,438,129	1,000,000	438,129			

This table shows escrow calculations (columns 4, 5, 6) necessary to generate the cash flow shown in column (3). Calculation formulas are:

- Column (5) = column (4) minus column (3)
- Column (6) = column (5) plus after tax interest credit

*The source of the beginning balance shown in this column is either the allocation of other assets made available or the assumed proceeds of the recommended additional life insurance.

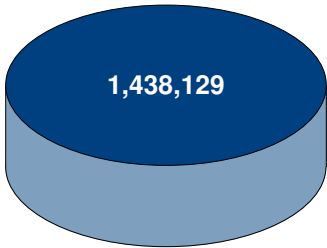
The above calculations are based on financial data and assumptions furnished by the client.

20 Year Residual Value Summary

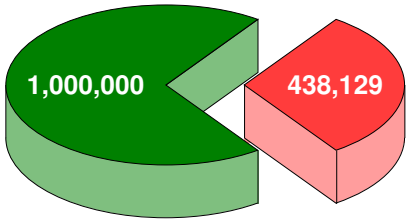
Column (6) residual value **\$999,999**

A Look at Year 20

Cumulative Financial Goals



Cumulative Expected Assets/Benefits



Cash Flow Shortfall

Life Insurance Needed to Eliminate Shortfall¹



¹ Life insurance needed is a function of cash flow shortfall adjusted for time/use of money.

At the end of year 20, this analysis produces a total residual value of \$999,999.