

Insurance Planning:

Protecting Your Loved Ones



Florida Retirement System



Successful retirement planning includes planning for all aspects of one's financial life.



The Reasons We Are Here!

- Review the risks that affect our lives
- Discuss ways to manage those risks
 - Identify insurance products that can be used to transfer risk
- Create an easy-to-follow action plan
 - Customized to meet your insurance planning needs



Resources Available to You - FREE

MyFRS Financial Guidance Program



MyFRS.com
Advisor Service
Choice Services
FAQ's, Calculators



Toll-free MyFRS
Financial Guidance Line,
staffed by EY financial
planners and the Division
of Retirement



Employee workshops:
Visit MyFRS.com for an
updated list of workshops,
locations and dates



Print and e-mail
communications

**All resources are available to FRS
Pension & Investment Plan Members**



Personal Action Plan

<i>Action Steps</i>	<i>Done</i>
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>

Action Step

- See Appendix H to start your own Personal Action Plan



What Are The Risks?

- Dying prematurely
- Health problems
- Requiring long-term care
- Loss of income due to disability
- Property loss or damage
- Being sued



Ways to Manage Risk

- Retention
- Reduction
- Avoidance
- Transference
 - Insurance



Action Step

- See Appendix B to know which questions you should ask a potential insurance agent



How Do You Protect Your Assets and Income?

- Life insurance
- Medical insurance and Medicare
- Long-term health care insurance
- Disability insurance
- Property insurance





How Do You Protect Your Assets and Income?

- Life insurance
- Medical insurance and Medicare
- Long-term health care insurance
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Life Insurance – What Are Your Goals?

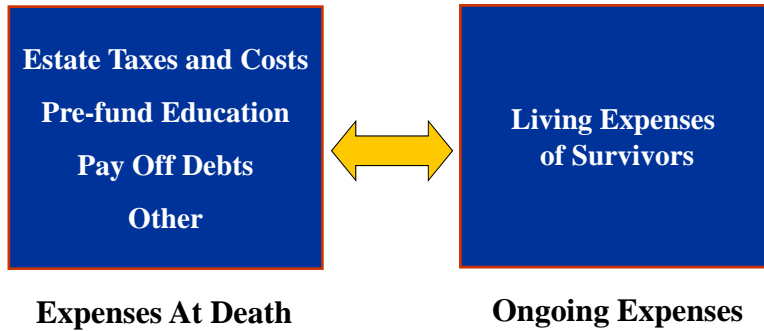
Step 1: What are your goals for your survivors?

- Pay for funeral expenses?
- Pay off mortgage?
- Pre-fund college education?
- Pre-fund future wedding?
- Establish emergency fund?
- Maintain standard of living?



How Much Life Insurance?

Step 2: How much will your survivors need?



Action Step

- See Appendix C and D to estimate the survivor's liabilities and ongoing expenses



Life Insurance – What Will Your Survivor(s) Have?

Step 3: How much will your survivors have?

- Survivor's annual earnings
- Pension benefits
- Social Security
- Savings and investments
- Life insurance
- Other sources

Action Step

- See Appendix E to help organize your vital records



Closing the Gap

Step 4: Is there a gap?

- Change your goals
- Accept the risk
- Purchase additional life insurance



Types of Life Insurance – Term vs. Cash Value

Step 5: What should you do?

Term	Variable, Universal Whole Life Insurance
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General Insurance Protection

Cash Value



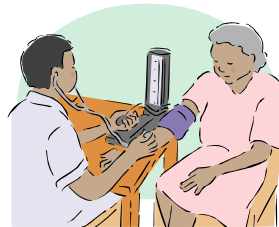
How Do You Protect Your Assets and Income?

- Life insurance
- **Medical insurance and Medicare**
- Long-term health care insurance
- Disability insurance
- Property Insurance



Medical Insurance Considerations

- Monthly premium
- Out-of-pocket maximums
- Deductible/Co-insurance
- Coverage/exclusions
- Lifetime limits





Medicare Eligibility

- Age 65 and older
- Disabled
- Spousal Eligibility
 - Spouse can qualify at 65 based on your work record, even if you have not reached age 65



What Should You Know About Medicare?

Medicare Part A	<ul style="list-style-type: none"> • Hospital Coverage • Automatically enrolled at age 65 if collecting Social Security • No out-of-pocket cost
Medicare Part B	<ul style="list-style-type: none"> • Doctor coverage • Automatically enrolled if enrolled for Part A and don't decline • 2014 premium is \$104.90 per person per month for new enrollees (may be higher depending on AGI and whether premiums are withheld from Social Security)
Medicare Advantage Part C	<ul style="list-style-type: none"> • Part of Balanced Budget Act of 1997 • Brings managed care to Medicare system • Options include HMOs, POS plans, PPOs and PSOs • Medicare+Choice health plan options vary depending on where you live
Medicare Part D	<ul style="list-style-type: none"> • Prescription drug benefit to help pay for some or all drug costs • Must enroll to receive Medicare prescription drug plan • Monthly premiums, co-payments for each medication, deductibles and co-insurance apply



Enrolling in Medicare

- If entitled to Social Security when 65, automatic enrollment
 - If you begin receiving Social Security benefits after age 65, enrollment in Medicare is not automatic - you must sign up
- Enrolled in Part A, automatic enrollment in Part B, unless you specify otherwise
- When you enroll in Part B, six month open enrollment for Medigap eligibility begins
- Enrollment in Part D is voluntary



Medicare Coverage

- Medicare does not cover:
 - Most skilled nursing care
 - Custodial care
 - Care outside of U.S.
 - Tests for eyeglasses and hearing aids



Medigap

- Supplemental medical insurance
- Sold by private insurance companies
- Designed to fill the gaps between Medicare benefits and any other coverage you may have



How Do You Protect Your Assets and Income?

- Life insurance
- Medical insurance and Medicare
- Long-term health care insurance
- Disability insurance
- Property Insurance





What is Long-Term Health Care?

- Custodial
 - Daily non-medical living requirements
- Intermediate nursing care
 - Care may not be daily, but under a doctor's supervision
- Skilled nursing care
 - Care on a daily basis under a doctor's supervision



Long-Term Care (LTC): Paying the Cost

- Medicare
- Medicare Supplement Plan
 - Limited skilled nursing
- LTC Insurance
- You
- Medicaid



What Should You Consider in a Long-Term Health Care Policy?

- Cost of insurance
- When benefits begin/How long they last?
- Inflationary increases
- Type of care provided
 - Skilled nursing care
 - Custodial care
 - Intermediate nursing care



What Should You Consider in a Long-Term Health Care Policy? (cont.)

- Is hospitalization required?
- Waiver of premium
- Guaranteed renewable
- Mental disorders covered
- Nervous system disorders covered

Action Step

- Call the MyFRS Financial Guidance Line to learn more about long-term health care needs



Elder Care Issues

- LTC Insurance for parents
- Discovering LTC facilities
- Determine how you will help



Visit <http://www.floridashine.org> for insurance information and resources for Florida seniors



How Do You Protect Your Assets and Income?

- Life insurance
- Medical insurance and Medicare
- Long-term health care insurance
- Disability insurance
- Property Insurance





Disability Insurance

- Disability insurance provides protection against your most valuable asset; your ability to earn income
- 33% of Americans entering the workforce today will become disabled before they retire*
- The average disability lasts around 33 months**

Sources: *Social Security Administration, Fact Sheet 2013
**www.disabilitycanhappen.org

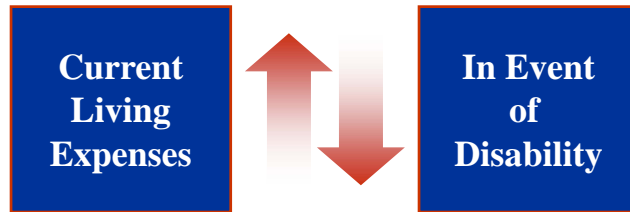


How Much Disability Insurance?

- Determine need
- Considerations
 - Partial salary replacement
 - Unpredictable expenses in the event of disability



What Do You Need if You Become Disabled?



Disability Plan Considerations

- Benefit amount
- Waiting period
- Definition of disability
- Social Security offset provisions
- How premiums paid affects taxability of benefits





How Do You Protect Your Assets and Income?

- Life insurance
- Medical insurance and Medicare
- Long-term health care insurance
- Disability insurance
- Property Insurance



Property Insurance Overview

- Auto
- Home owners
- Flood/Hurricane
- Excess liability/Umbrella



Auto Insurance

- Liability coverage
- Medical payments coverage
- Uninsured or underinsured driver's coverage
- Physical damage coverage

Action Step

- See Appendix F to know which areas of coverage you may need



Auto Insurance - Ways to Save

- Higher deductibles
- Dropping collision or comprehensive coverage
- Auto/homeowner's discount
- Low mileage discounts
- Safety discounts



Homeowner's Insurance

- Coverage A (your home)
- Coverage B (other structures)
- Coverage C (personal property)
- Coverage D (loss of use)
- Coverage E (personal liability)
- Coverage F (medical payments to others)

Action Step

- See Appendix G for additional information



Flood/Hurricane Insurance

Flood Insurance Protects From:

- Rising flood waters from the ground
- Overflow of inland or tidal waters
- Unusual and rapid accumulation or runoff of surface waters from any source
- Mudflow

Hurricane Insurance Protects From:

- Wind damage
- Damage by rain that entered through a wind-damaged area

Note: Hurricane insurance is typically part of a homeowners policy whereas flood insurance is not.



Umbrella Insurance

- What is umbrella insurance?
- Who needs umbrella insurance?
- How much umbrella insurance should you have?



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- Discuss ways to manage those risks
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- Create an easy-to-follow action plan
 - Customized to meet your insurance planning needs



Resources Available to You - FREE

MyFRS Financial Guidance Program



MyFRS.com
Advisor Service
Choice Services
FAQ's, Calculators



Toll-free MyFRS
Financial Guidance Line,
staffed by EY financial
planners and the Division
of Retirement



Employee workshops:
Visit MyFRS.com for an
updated list of workshops,
locations and dates




Print and e-mail
communications

**All resources are available to FRS
Pension & Investment Plan Members**



Next Steps: Personal Action Plan

<i>Action Steps</i>	<i>Done</i>
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>





Questions and Answers



Insurance Planning:

Protecting Your Loved Ones



YOUR Money
• • • YOUR Choice

APPENDICES

Insurance Planning Workshop

Appendix	Description	Page
A	EY Disclosure Statement and Form ADV Part 2A	1-6
B	Questions to Ask a Potential Insurance Agent	7-8
C	Cash Flow Worksheet	9-10
D	Net Worth Statement	11
E	Letter of Instruction	12
F	Auto Insurance Needs	13-14
G	Homeowner's Insurance Coverage	15-16
H	Personal Action Plan	18
I	Callback Request Form	20



NOTICE TO EMPLOYEES

Dear Employee:

The FRS has engaged Ernst & Young LLP to provide financial planning education workshops to its employees. We expect that you will find Ernst & Young's services to be valuable, but we think it is also important that you understand the scope of these services. The following explains what financial education workshops can and cannot do for you, particularly as regards investment planning.

General Financial Planning Considerations

Here are points to understand regarding your personal financial planning and your participation in financial planning workshops:

- Ernst & Young has prepared certain financial planning materials and is providing other services for your personal use as an employee of the FRS.
- The financial education program includes historical financial information and well-accepted financial planning strategies. It may also include information on Social Security benefits and your company benefit plans. This information is based on sources that Ernst & Young believes to be reliable. However, Ernst & Young cannot guarantee its accuracy.
- Past performance, which may be referenced in the program, is not a guarantee or even necessarily an indication of future results.
- The financial planning materials you receive will not change or affect your rights under your company benefit plans. In all cases, the company's plans govern.
- As you plan your financial future, you will need to make assumptions about future financial trends (such as inflation and rates of return), laws and regulations, and apply these to your particular circumstances. Your results can be significantly affected by even small changes in your assumptions, your individual circumstances or laws and regulations, as well as the extent to which your assumptions ultimately vary from actual financial conditions. You may need to reevaluate your financial planning strategy and your decisions from time to time to determine if any changes have occurred that would necessitate amendments to your assumptions or plan.
- A financial education program provides only some of the resources for assisting you in preparing your financial planning strategies. Financial education does not provide accounting, tax or legal advice and does not involve recommendation of specific investments.
- You need to decide on your own whether to consult with a financial advisor or other professional regarding your personal circumstances. If you do, please be aware, you may incur additional costs.
- In providing financial education, Ernst & Young may help you decide on your asset allocation or help you make informed assumptions about rates of return and other investment issues. While Ernst & Young will help you understand what you need to do, you are responsible for making and acting on these decisions. Ernst & Young cannot provide you with all information that may be relevant nor can any materials provided address every possible scenario in connection with such decisions.
- Neither Ernst & Young nor your employer will make any financial planning decisions for you or assume any responsibility for decisions you make.
- Ernst & Young may provide audit or other accounting services to the investments or service providers discussed. The provision of other services will not be a determining factor whether to discuss or recommend an investment or service provider.

Privacy of Information Provided to Ernst & Young

In the event Ernst & Young collects nonpublic personal information about you from you or other sources authorized by you, Ernst & Young will not disclose such information to third parties, except as permitted by law or as otherwise authorized by you. Ernst & Young maintains physical, electronic, and procedural safeguards to guard your nonpublic personal information.

Further Considerations

All services are provided "as is," and there are no warranties of any kind or nature, whether express or implied, including but not limited to warranties of merchantability or fitness for a particular purpose or use. In addition, neither Ernst & Young nor its affiliates nor any of their partners, officers, directors or employees shall be liable to you for any services performed or omitted or for any errors of judgment, or for consequential, incidental, indirect, punitive or special damages in connection with providing the services described above. Federal securities laws impose liabilities under certain circumstances on certain persons, even those who act in good faith, and therefore nothing in this notice constitutes a waiver or limitation of any rights that you may have under these laws.

If you should have any kind of claim or dispute with Ernst & Young as a result of this program, these will be resolved in accordance with Ernst & Young's Alternative Dispute Resolution Procedures ("Procedures") in effect on the date of this notice. You may receive a copy of the Procedures by requesting them from the Compliance officer of Ernst & Young, at the following address:

200 Plaza Drive
Suite 2222
Secaucus, NJ 07094

* * * * *

If, after considering the issues discussed above, you do not want to participate in financial education and counseling in conjunction with this program, please contact your Human Resource Professional for the FRS, as soon as possible.

FOR INFORMATIONAL PURPOSES ONLY

DISCLOSURE STATEMENT

**Ernst & Young LLP
Ernst & Young Investment Advisers LLP
Employee Financial Services**

Please note that this disclosure statement provides a summary of the investment advisory services provided by Ernst Young LLP. Please note that a full copy of ADV Part 2A can be located at this link www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx¹

Ernst & Young LLP (“EY”), under the supervision of Ernst & Young Investment Advisers LLP (“EYIA”), provides Employee Financial Services (“EFS”), including investment education and counseling services to employees, members of associations, unions or other large groups (“Participants”) pursuant to engagements by corporate employers, pension plan trustees, or other entities formed for the benefit of such Participants (“Sponsors”). Such services are provided through EY’s Personal Financial Services Practice, a functional specialty within the firm’s Tax Department. EYIA is registered with the Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940 (“Advisers Act”) and maintains its main office at 200 Plaza Drive, Suite 2222, Secaucus, NJ 07094 (telephone: 800-273-0588).

Employee Financial Services (“EFS”)

EY’s services to Participants are rendered to such persons in a manner determined by their Sponsors. EY services to Participants may include some or all of the following:

1. Enabling Participants to access a toll-free “*EY Financial Planner Line®*”, staffed by EY planners or consultants, for assistance with personal financial planning matters.
2. Designing or presenting workshops for Participants concerning the financial planning process and alternatives available under the Sponsor’s benefit plans.
3. Providing access to a financial planning website (“*EY Financial Planning Center®*”) for use by Participants.
4. Providing various personal finance and tax-related publications, in print form or by audio or other visual means.
5. Making available to Participants and survivors of Participants, financial education and counseling assistance with respect to retirement plan distributions; company benefit and compensation plans; estate settlements and planning; life insurance policies; and other related issues.
6. Providing in-person personal financial advisory services to Participants pursuant to an engagement by a Sponsor.

As part of the personal financial advisory services, both in-person and via the EY Financial Planner Line®, EY may prepare personal asset allocation targets (based on modern portfolio theory and using EY’s own or other approved financial planning tools) for such Participants after obtaining and evaluating information concerning their individual circumstances provided by each Participant in

¹ From this webpage follow these steps to view the most current Form ADV: a) select Firm, b) enter CRD #110921, c) click Investment Adviser Firm, d) click SEC, e) Brochure link is on the left under Part 2.

Appendix A (continued)

response to an EY questionnaire. Participant specific advice (i.e., personal asset allocation targets) will generally be confirmed in writing.

EY does not recommend, and should not be deemed to have recommended, any particular investment as an appropriate investment for the Participants and discussions of various investments should not be construed as such a recommendation.

EY's advisory services also may be offered by a Sponsor to Participants in tandem with the personal advisory services of another registered investment adviser designated by the Sponsor that is not affiliated with EY ("Other Adviser"). In some EFS engagements, the Sponsor contemplates that EY will refer individual Participants to the Other Adviser for specific recommendations and/or implementation of the Participant's investment decisions. Such referrals by EY do not constitute a recommendation of the Other Adviser by EY to Participants, and, in such cases, EY does not perform any quantitative or qualitative screening procedures with respect to the Other Adviser.

EY, in certain circumstances, is contracted solely to help train employees of financial institutions seeking to offer financial and tax planning services to clients. Such services do not involve EY providing advice directly to the clients of such financial institutions, but rather entails training a financial institution's counselors on financial and tax planning topics and such other support as is mutually agreed upon by EY and the financial institution.

All Selections and Investments Are Made Solely by the Participating Employee

EY's investment education and counseling does not include recommendations concerning the purchase or sale of particular investments or particular industry sectors. EY may provide counseling on the purchase or sale in the context of providing tax, compensation and benefits, or estate planning services, but that counseling does not reflect a view as to the intrinsic merits of the investment. All decisions to invest in or dispose of particular investments are made solely by the participating Participant in the exercise of his or her own discretion.

Fees

Fees for EFS Services generally are negotiated between EY and the Sponsors of such groups on a case-by-case basis. They usually are based upon (i) a "per capita" eligible employee or member amount, (ii) a "usage by Participants" amount, (iii) the volume of calls by Participants to the *EY Financial Planner Line*®, (iv) the number of workshops designed and presented by EY, or (v) other negotiated factors. EY's fees in such engagements may be paid wholly or partially either by the Sponsor or by Participants, whose payments for services received (if any) may be collected by the Sponsor through payroll deductions and remitted to EY. Participants also may incur expenses for fees to any other investment adviser they may consult and will be responsible for transaction charges imposed by broker-dealers through or with whom they effect transactions for their accounts. Generally EY's contracts with Sponsors for services to Participants are terminable by either party in accordance with a specified notice period. In addition, Participants receiving advisory services by EY (including a Participant who pays in whole or in part for the services rendered to such Participant) may terminate participation at any time. If such a contract or participation is terminated at a time other than the end of the quarter, a pro rata portion of any quarterly or other fee paid in advance is refunded.

Investment Advisers

All personal investment advice, and most impersonal investment advice, typically is given only by EY Financial Planners. Financial Planners are persons who spend all or substantial portions of their time on financial planning. Typically, all of these professionals have at least a degree from a four-year college or university and must meet such other standards as EYIA may establish from time to time. Those standards may include participation in continuing education programs each year and maintaining what EY regards as significant involvement in financial counseling engagements. Moreover, Financial

Planners must satisfy applicable State investment adviser representative registration requirements or pass the Series 65 Uniform Investment Adviser Exam of the National Association of Securities Dealers, Inc. In some instances, EY may retain consultants to assist in providing workshops and staffing the *EY Financial Planner Line*®. Generally, consultants are subject to the same requirements as EY Financial Planners. However, consultants are not subject to the same public accounting independence requirements as EY Financial Planners and their continuing education programs differ in some respects.

Monitoring, Reviews and Reports

In the case of EFS engagements that extend beyond one year and involve the provision of personal advisory services to Participants, Participants are asked questions concerning any changes in their relevant individual circumstances. EY will take into account the changed circumstances of any Participant of which it has notice in the event that Participant seeks additional personal advisory services from EY.

Miscellaneous

Clients and prospective clients of EY also should be aware of the following additional information concerning EY and EYIA:

Custody of Securities or Funds. EY does not manage participant accounts on a discretionary basis and does not take custody of participant securities or participant funds.

Other Financial Industry Activities. As noted above, EYIA is responsible for supervising the investment advisory services provided by EY. EY and Ernst & Young (U.S.) are general partners of EYIA. In consideration of EYIA's supervising the rendering of investment planning services provided by EY, EY provides EYIA with office and filing space, staff and other assistance. All of EYIA's time is spent supervising the compliance and operations of the investment planning services provided by EY.

Other Business Activities. EY is a public accounting firm which spends substantially all of its time providing accounting, audit, tax, and business advisory services.

Education and Business Background. Below are the backgrounds and five year business histories of each EYIA Advisory Board member: (1) Name, (2) year of birth, (3) education and (4) business background for preceding five years of EYIA Advisory Board members:

1. Glenn H. Hascher – (Chair)/2. 1961
3. B.S., Economics, Rutgers University, New Brunswick, NJ
4. November 1988 to date, Ernst & Young LLP

1. R. Lynn Pettus/2. 1968
3. B.A., Accounting, Converse College, Spartanburg, SC
4. 1997 to date, Ernst & Young LLP

1. Kym M. Hubbard/2. 1957
3. B.A., Accounting, Bradley University, Peoria, IL
4. 2004-2007 Illinois State Board of Investment, 2007-2008 Illinois Finance Authority, 2008 to date, Ernst & Young LLP

1. Robert J. Porter/2. 1964
3. B.S., Siena College, Loudonville, NY
4. 1998 to date, Ernst & Young LLP

1. Greg Rosica/2. 1964
3. University of Florida, Gainesville, FL, BS Accounting with Honors 1986; University of Florida, Gainesville, FL, MS Accounting 1988
4. 2002 to date, Ernst & Young LLP; 1988 to 2002 Arthur Andersen LLP

1. James G. Wolf/2.1955
3. University of Notre Dame, South Bend, IN, BBA Finance; University Of Texas, Austin, TX, MBA
4. 1985 to date, Ernst & Young LLP

1. David E. Boyle / 2. 1955
3. B.S., Georgetown University, 1977; The University of Michigan, MBA, 1979
4. November 1988 to date, Ernst & Young LLP

QUESTIONS TO ASK A POTENTIAL INSURANCE AGENT

1) Are you a full-time insurance agent? Generally, you will want to work with a full-time agent who will know about all the available products and be easy to reach when you have questions.

2) How long have you been in the insurance business? Many financial advisors feel that at least three years in the insurance industry is important. An experienced agent is more likely to be around in the future than someone just starting out and may be more familiar with the different policies available for your needs.

3) Do you have a college degree? In what area? What is your back-ground? Most people feel comfortable with an agent who is more than just a salesperson. Although a college degree is not necessary, you may find that someone with a degree is better-versed in the industry.

4) What professional designations do you have? Generally, financial professionals who have obtained professional designations within their field will be more knowledgeable and more likely to be in the insurance business for a longer period of time.

CLU is a Certified Life Underwriter. This designation is sponsored by the American College in Bryn Mawr, PA. An agent must complete and pass 10 courses related to the insurance industry in order to hold this designation.

A ChFC (Chartered Financial Consultant) is a designation also sponsored by the American College. This designation requires passing 10 classes. It focuses a little more on investments and financial planning and is less insurance-oriented than the CLU designation.

A CFP is a Certified Financial Planner. To receive this designation, a person must complete six courses and a comprehensive financial exam, and must have at least two years' related work experience.

The areas of focus include insurance, investments, taxes, and financial planning.

5) Are there currently any complaints against you? You want to be dealing with someone you can trust. The best way to find out if your agent has any complaints against him or her is to contact your state's insurance department. We've included the phone numbers for state insurance departments in the back of this guide.

6) What companies do you represent? You want to know where your agent's loyalty lies. You also want to be sure your agent is not going to provide you with quotes from only one company. No one company will have the best policy for every circumstance.

7) Which do you sell more of: term, universal, or whole life insurance? Generally, the types of products the agent most often sells may give you an indication of his or her philosophy. You want your agent to recommend the product that will best fulfill your needs, not the product he or she prefers to sell.

8) Can I speak with a few of your clients who are or were in situations similar to mine? References are important! Most financial advisors feel that one of the best methods of judging an agent's effectiveness is speaking with present clients. Ask the agent to allow you to speak with clients in situations similar to yours.

9) At how many companies will you shop for my insurance? Generally, the more companies the agent is willing to get quotes from, the more options you will have when choosing a policy.

10) How often do you sit with clients to review their programs? Most financial advisors feel that you should review your financial plans at least every two years. You probably want an agent who will be calling every so often to remind you of the need to review, and will visit every couple of years to help keep you on track.

The American Society of CLU and ChFC offers a customer referral service 1-800-ChFC-CLU or 1-800-243-2258 or (610) 526-2500 to direct people to its 34,000 members.

CASH FLOW WORKSHEET

	Monthly		Annual	
Income				
Salary	\$		\$	
Bonuses				
Dividends				
Capital gains				
Interest				
Net rents and royalties				
Self-employment income				
Social Security				
Distributions from trusts or partnership				
Pension income				
Other income _____				
Total cash available (A)	\$	(A)	\$	

CASH FLOW WORKSHEET

	Monthly		Annually	
Expenditures				
Home mortgage (or apartment rent)	\$		\$	
Utilities				
Gas/oil				
Electricity				
Water				
Sewer				
Home maintenance				
Property taxes				
Car payments				
Car/commuting expenses				
Maintenance and repairs				
Gas				
Commuting fees/tolls				
Credit card/loan payments				
Insurance premiums				
Life				
Health				
Disability				
Car				
Home				
Liability				
Other				
Income taxes				
Employment taxes (Social Security & Medicare)				
Clothing				
Child care				
Food				
Medical expenses				
Education				
Vacations				
Entertainment				
Alimony				
Charitable contributions				
Gifts				
Personal items				
Savings/investments				
Company savings plans				
Emergency fund				
Investment fund				
Other payments _____				
Total cash expenditures	\$	(B)	\$	
Net cash inflow/(outflow)	\$	(A-B)	\$	

MY NET WORTH

As of _____

What You Own (Assets)

What You Owe (Liabilities)

<u>Cash and Equivalents</u>		<u>Housing Debt</u>	
Checking account	\$ _____	Mortgage loan balance (<i>primary</i>)	\$ _____
Savings account	_____	Mortgage loan balance (<i>secondary</i>)	_____
Money market	_____	Home equity loan balance	_____
Certificates of Deposit (CDs)	_____	Property taxes	_____
Other _____	_____	Maintenance loan (<i>other than through home equity loan, e.g., for roofing, major repairs</i>)	_____
		Other _____	_____
<u>Investments</u>		<u>Loans</u>	
Government issues (<i>e.g., bonds, notes, and Treasury bills</i>)	_____	Automobile 1	_____
Corporate & Municipal bonds	_____	Automobile 2	_____
Stocks	_____	Other auto debt	_____
Mutual funds	_____	Education loans	_____
Investment real estate	_____	Other _____	_____
Life insurance cash value	_____		
Other _____	_____		
<u>Retirement Assets</u>		<u>Installment Debt</u>	
IRAs	_____	Department store 1 debt	_____
Annuities	_____	Department store 2 debt	_____
Deferred Compensation	_____	Gas credit card debt	_____
Vested profit sharing/ savings plan balances	_____	National credit card 1 debt	_____
Vested pension benefit	_____	National credit card 2 debt	_____
Other _____	_____	National credit card 3 debt	_____
		Other _____	_____
<u>Personal Assets</u>		<u>Additional Debt</u>	
Primary residence	_____	Other _____	_____
Second residence (summer home)	_____	Other _____	_____
Automobile 1	_____		
Automobile 2	_____		
Household furnishings	_____		
Collectibles	_____		
Jewelry/Antiques	_____		
Other _____	_____		
<u>Additional Assets</u>		Total Liabilities \$ _____ (B)	
Other _____	_____	Your Total Assets (A) \$ _____	
		<i>minus (-)</i>	
		Your Total Liabilities (B) \$ _____	
		<i>equals (=)</i>	
Total Assets	\$ _____ (A)	YOUR NET WORTH (A-B) \$ _____	

LETTER OF INSTRUCTION

To make your executor's job easier and to help speed up the distribution of your estate, draft a list telling your executor where to obtain all of the necessary information about every element of your estate. This document is sometimes referred to as a letter of instruction. It will be extremely helpful, especially if your executor is someone close to you.

The letter of instruction would typically include such information as:

- q The location of your will
- q Funeral Instructions
- q The names, addresses and phone numbers of all people who should be notified, and their relationship to you
- q The location of all legal documents, such as Social Security and Medicare Cards, title papers to autos, deeds to real property, marriage papers, armed forces discharge papers, or birth certificates
- q All employee benefit papers and the location of any descriptive materials
- q The location of all insurance policies, including the name of the company, policy number, beneficiary, and amount of coverage. This should be provided for life, casualty, homeowner, or any other insurance policies you own or on which you have been paying premiums
- q The name of the bank and the account number of all savings and checking accounts in your name; also the location of all checkbooks, passbooks, and certificates of deposit
- q All U.S. Savings Bonds and the names in which they are registered, their serial numbers, and denominations
- q All stocks and bonds, their locations and the names, addresses, and phone numbers of brokers who handled them
- q The name, address and phone number of any financial professionals with whom you have worked
- q Location of any safe deposit boxes, the names in which they are registered, and location of keys
- q Location of recent Federal and State income tax returns
- q Location of particular personal possessions
- q Anything else your executor should know about quickly, and which might not be clear in the will

AUTO INSURANCE COVERAGE

What are your goals?

Goal	Policy provision that relates to goal	Does this goal apply to me?
To avoid paying out a lot of money if I am sued.	Liability	Yes _____ No _____
To pay me for my vehicle if it is stolen.	Comprehensive	Yes _____ No _____
To pay for damage to my vehicle if it is stolen.	Comprehensive	Yes _____ No _____
To pay for major repairs if I'm in an accident.	Collision	Yes _____ No _____
To be paid if I'm in an accident with an uninsured motorist.	Uninsured/underinsured motorist's coverage	Yes _____ No _____
To be paid if I'm in an accident with someone who has very little insurance	Uninsured/underinsured motorist's coverage	Yes _____ No _____
To be able to pay the medical expenses of people in my vehicle if there is an accident.	Medical Payments	Yes _____ No _____

What types of auto insurance will you need and how much of it?

Liability Coverage

Liability is the most important part of your auto insurance policy. The liability portion of an auto insurance policy covers expenses incurred by other people with whom you have an accident. Bodily injury, pain and suffering, medical bills, funerals, lost income, and property damage to the other vehicle are all covered under liability.

Recommended minimum amounts of liability coverage are \$250,000 per individual and \$500,000 per accident, or \$500,000 as a single limit, with no reference to per-person maximums. Why do you need so much liability insurance? Because you can be sued, not just for what you own, but also for your future wages.

Medical Payments Coverage

The medical payments portion of an auto insurance policy covers the medical expenses of the people in your vehicle. This may duplicate coverage you or your passenger already has through a health plan or disability policy. However, you may want to protect passengers who may not have sufficient medical or disability coverage. If so, the standard medical payments coverage is \$1,000, but \$10,000 is typically recommended.

Uninsured or Underinsured Driver's Coverage

This coverage protects you if your vehicle is hit by a vehicle whose driver is uninsured or underinsured, or if you're hit as a pedestrian. The minimum recommended coverage is \$250,000 to \$500,000.

Physical Damage Coverage

Physical damage coverage includes collision and comprehensive coverage. The collision portion pays for damage to your vehicle. The comprehensive portion covers all damage to your vehicle other than that caused by a collision with another vehicle —fire, theft, and so forth.

HOMEOWNER'S INSURANCE

Homeowner's insurance enables you to repair or rebuild your home if it's damaged or destroyed and to replace belongings that are destroyed, damaged, or stolen. It also supplies you with liability coverage in case you are sued.

Although cost may be a factor when shopping for insurance, be careful. Don't buy an inferior policy to save a few dollars. You need to consider a policy that has all-risk coverage. This means your insurance contract will cover you for all losses except those specifically excluded, usually your personal belongings. Generally, all-risk coverage is only applicable to your home and other structures on your property.

Your personal property is covered on a "named perils" basis. This means your insurance contract will list reasons why your insurer will pay.

It is important for you to know what is covered in your existing policy and recognize any potential areas where you are insufficiently covered.

Homeowner's insurance is organized into five areas, described below.

Coverage A (your home) is for the actual structure that is your home.

Determine how much it would cost to rebuild your home. The amount of insurance you buy should be based on rebuilding costs, not on the price or current market value of your home. The cost of rebuilding your home may be higher (or lower) than the price you paid for it or the price you could sell it for today.

Know the 80% rule: it's important that you don't underinsure your property. Here's why: first, if you suffer a complete loss, the amount of insurance won't be enough to cover all of your losses. Second, if you suffer a partial loss, the insurance company will generally not pay the amount of your loss unless you have insured your property for at least 80% of its replacement cost. A good way to get a ball-park estimate of the cost to rebuild your home is to calculate the square footage and multiply it by local building costs per square foot for your type of house.

Coverage B (other structures) insures other structures on your property not attached to your home.

These might include a detached garage, a shed, or a greenhouse.

Generally, the amount of this coverage is equal to 10% of the amount for which your home is insured. For example, if your home were insured for \$150,000, you would be covered for \$15,000 of damage to any other structures on your property.

Coverage C (personal property) insures your personal property.

Generally, your personal property coverage is limited to 50% of the amount of coverage you have on your home. Check your policy for this. Your personal property is covered under this part of your policy even when you take it out of your home.

Exception: if you keep personal property at another location, such as at a health club or at work, coverage for that property is limited to 10% of your Coverage C amount or \$1,000, whichever is greater.

You'll need a special rider, or even a separate policy, if your personal property includes property that you use to run a business from home.

Coverage D (loss of use) insures you if your home is damaged in a covered loss and cannot be lived in.

The insurance company will usually pay for alternative housing until the home is repaired again. Total payments under Coverage D are usually limited to 20% of the Coverage A amount.

Coverage E (personal liability) protects you in case you are sued.

This part of your homeowner's policy covers you, your spouse, and other members of your household. This coverage also provides for your legal defense, even if the lawsuit against you is fraudulent. You're covered for your personal activities worldwide.

Generally, homeowner's insurance pays up to \$100,000 per occurrence, but you can raise this limit.

Coverage F (medical payments to others) pays for the reasonable medical expenses of someone who is accidentally injured on your insured property and lays blame for the accident on you or an animal you own or care for.

Coverage F is usually limited to \$1,000 per injured person.

This does not cover people who live in your home. For example, if your daughter and her friend both fall and are injured while playing by the pool, only your daughter's friend would be covered by your homeowner's insurance.

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MyFRS Financial Guidance Line® Callback Request

Because we feel strongly that you take action to achieve your financial goals, we encourage you to work with an EY financial planner. By providing the information below, we will have a planner reach out to you so that you can be one step closer towards reaching your financial goals.

Please fill out the information below and return it to the EY representative. You can expect a call back within two weeks from a planner who can help you work on your financial plan.

Name _____
First _____ Last _____

City in which you live: _____ (This will help us locate your record before we call)

Phone # _____ Email address _____
(Including area code)

Best time to call (ET) 9am – 11am 11am – 1pm 3pm – 5pm

Specific Request for Timing: _____

Topic(s) you are interested in discussing:

- | | |
|--------------------------|--|
| <input type="checkbox"/> | Cash & Debt Management |
| <input type="checkbox"/> | Education Funding |
| <input type="checkbox"/> | Estate Planning |
| <input type="checkbox"/> | Income Tax Planning |
| <input type="checkbox"/> | Insurance (Life, Health, Disability, etc.) |
| <input type="checkbox"/> | Investment Planning |
| <input type="checkbox"/> | Retirement Planning |
| <input type="checkbox"/> | Other (please list) _____ |

The FRS provides this Financial Planning benefit to you at no cost. Ernst & Young financial planners do not sell or endorse financial products and thus are able to provide financial guidance with no perceived or actual conflicts of interest. As a reminder you can call the MyFRS Financial Guidance Line® at (866) 446-9377, Option 2.

If you or a member of your immediate family or household serves as a director, an officer, or in a financial reporting role with a public company, please indicate the company name here: _____.