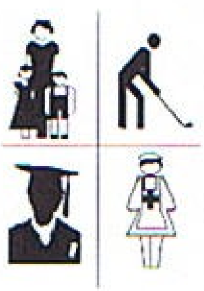
FAMILY NEEDS ANALYSIS

for

The Smith Family



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September 6, 2005

PERSONAL INFORMATION

FAMILY DATA

Client 1

Mark Smith
Social Security No.: 044-27-3358
Date Of Birth: 3/ 6/1970
Non-Smoker

Client 2

Shula Mcdonald Smith
Social Security No.: 022-88-5628
Date of Birth: 10/ 1/1971
Non-Smoker

Children

Name	*BirthDate*
Mark, jr	2/28/1995
Edward	7/15/1997
Roberta	8/ 8/2002
Louise	8/ 8/2004

ASSUMPTIONS

Educational Inflation Rate:	3.0 %
Portfolio Growth Rate:	7.5 %
General Inflation Rate:	2.0 %

Additional Funds Needed for Mark: $1,200 per month for 16 years

24 month income adjustment period included for Survivor Needs Analysis.

Budgeted Monthly Premium Amount: $500

Preferred Level of Risk: Medium

GOALS & PREFERENCES

YOUR FINANCIAL GOALS

Priority	***Goal***
Very High	Providing for Family in Event Of Death
Fairly High	Financial Independence at Retirement
Fairly High	College Funding
Fairly High	Protect Income in Event of Disability
Medium	Planning Estate Distribution for Survivors
Not	Program Of Gifting
Not	Other Major Objective

INVESTMENT PREFERENCES

Rank	***Investment Feature***		***Description***
1	**Ability to Benefit Surviving Family**	-	This feature measures the need to arrange your portfolio to minimize any difficulty in its management, such as expense, anxiety, loss of capital, or the need to choose options not in the best interests of your spouse and children.
2	**Ability to Convert Assets to Cash**	-	Investments which are easily converted to cash can enhance your ability to take advantage of unexpected opportunities, or meet a sudden change in financial needs, such as an illness or disability.
3	**Ability of Assets to Grow**	-	How this feature is ranked indicates your need for safe investments as balanced against the risks and rewards of the financial marketplace.
4	**Inflation Hedge**	-	Periods of economic growth tend to be marked by increased demand for goods and services, which forces prices upward. Investments that tend to increase in value during inflation can offset this loss of purchasing power.
5	**Minimize Tax Losses**	-	Some properties produce tax-sheltered growth or earnings, and may even produce tax deductions. Tax law provides tax reduction methods, and assumes people will use them; those who do not are paying more taxes than lawmakers intend.
6	**Ability of Assets to Produce Income**	-	Some investments offer income as opposed to the growth of principal value. Since the income is taxed, you have less money to reinvest, and may accumulate smaller assets. Withdrawing part of the principal for income is included in this category.

Preferred Level of Risk: ***Medium***

CURRENT FINANCIAL DATA

INCOME

	Annual Gross	Annual Net
Mark	$96,000	$82,800
Shula	$13,000	$12,000

INVESTMENTS AND SAVINGS

Account Type	Account Owner		Balance	Annual Deposit	Return on Investment
IRA	Mark		$35,000	$2,000	6.00%
IRA	Shula		$6,000	$2,000	5.50%
401K	Mark		$70,000	$4,800	7.20%
Mutual Fund	Both (JWROS)		$25,000	$2,400	8.25%
Savings/CD	Both (JWROS)		$15,000	$6,000	2.50%
Stocks	Both (JWROS)		$8,500	$0	12.00%
Stocks MF	Both (JWROS)		$55,000	$0	9.00%
		TOTALS	$214,500	$17,200	
		Weighted Average Return		7.40%	
Education	Other		$10,000	$900	5.00%
Education	Other		$8,000	$900	4.50%
Education	Other		$6,000	$900	5.20%
Education	Other		$4,000	$900	5.75%
		TOTALS	$28,000	$3,600	
		Weighted Average Return		5.01%	
		ACCOUNT TOTALS	$242,500	$20,800	
		Weighted Average Return		7.13%	

Defined Benefit Pensions

	Monthly Benefit Amount: Plan 1
Mark	$650

CURRENT INSURANCE

Life Insurance

Policy Owner	Person Insured	Face Amount	Cash Value	Annual Premium
Mark	Mark	$250,000	$2,000	$2,250
Shula	Shula	$50,000	$750	$600
Mark	Mark	$25,000	$650	$275
Shula	Shula	$12,500	$105	$302
		Total Cash Value	$3,505	

Total Insurance for Mark	$275,000
Total Insurance for Shula	$62,500

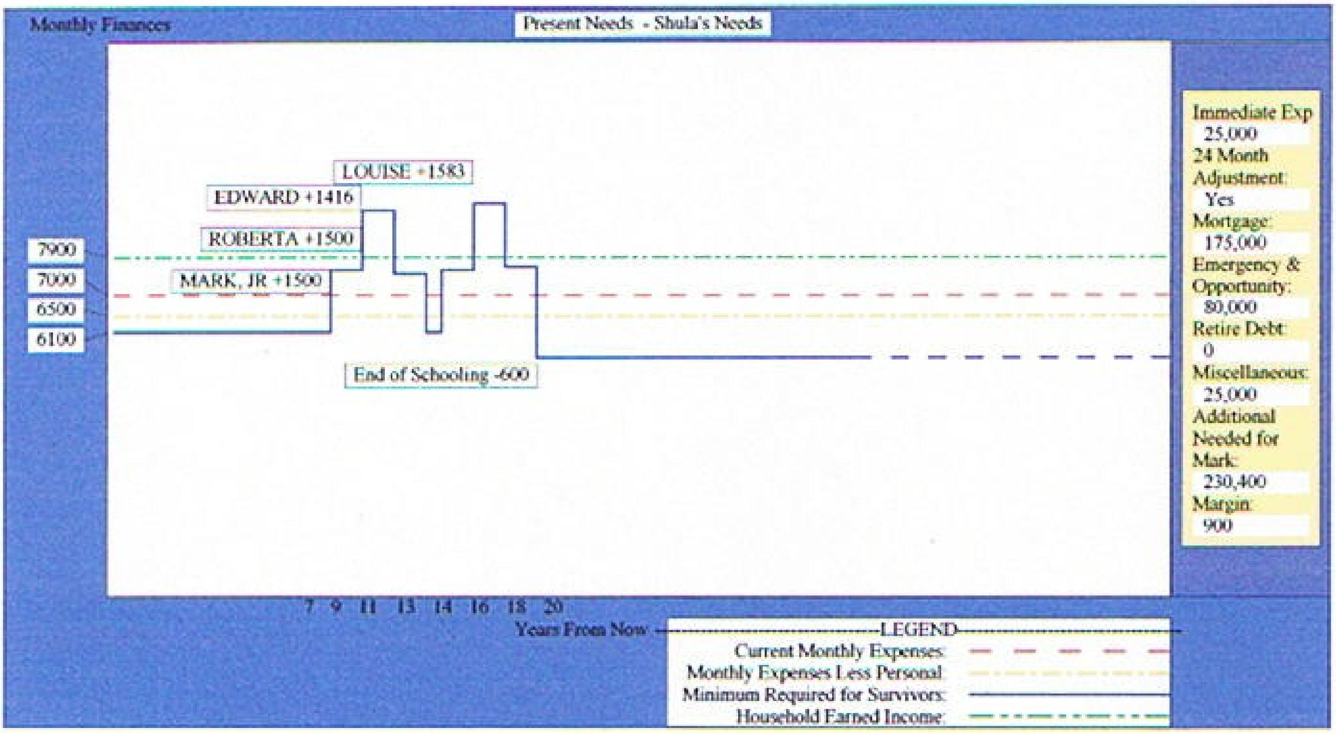
CURRENT FINANCIAL DATA

CURRENT INSURANCE - *Continued*

Disability Insurance

Monthly Benefit Amount for Mark: $2,000

SURVIVOR NEEDS GRAPH



SURVIVOR NEEDS ANALYSIS

In the event of the death of Mark:

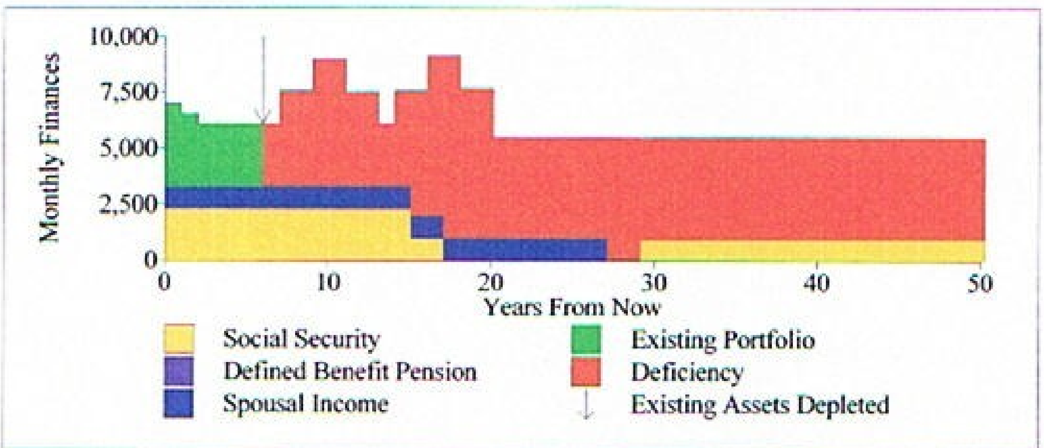
CAPITAL REQUIRED:

Last Expenses:	$25,000	
To Educate Children:	$166,720	
To Retire Debt:	$0	
To Payoff Mortgage:	$175,000	
To Provide Emergency/Opportunity:	$80,000	
To Provide Income:	$1,313,369	
For Miscellaneous:	$25,000	
Total Capital Required		$1,785,089

AVAILABLE TO MEET NEEDS:

Existing Life Insurance:	$275,000	
Available Assets:	$242,500	
Shula's total net income until retirement:	$177,738	
Social Security:	$337,579	
Total Available to Meet Needs		$1,032,817

DEFICIENCY: $752,272



SURVIVOR NEEDS ANALYSIS

In the event of the death of Shula:

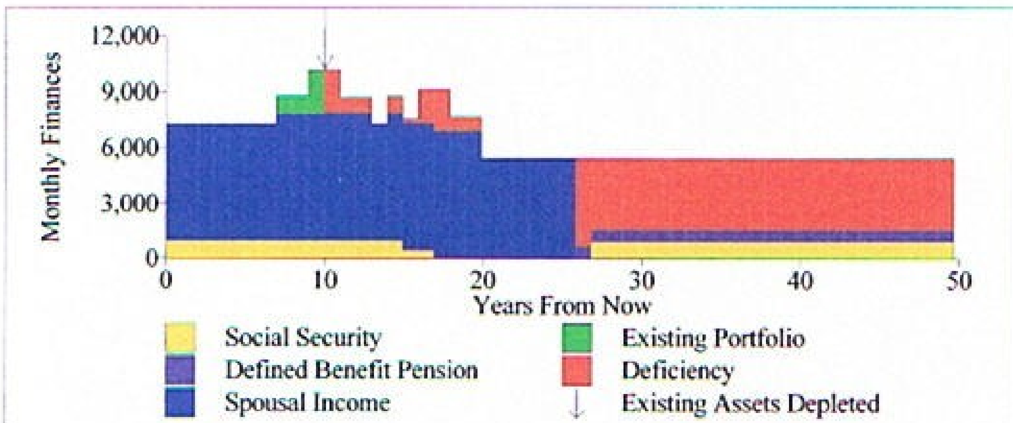
CAPITAL REQUIRED:

Last Expenses:	$25,000	
To Educate Children:	$166,720	
To Retire Debt:	$0	
To Payoff Mortgage:	$175,000	
To Provide Emergency/Opportunity:	$80,000	
To Provide Income:	$1,448,119	
For Miscellaneous:	$25,000	
Total Capital Required		$1,919,839

AVAILABLE TO MEET NEEDS:

Existing Life Insurance:	$62,500	
Available Assets:	$242,500	
Mark's total net income until retirement:	$1,205,259	
Mark's defined benefit pension amount:	$14,048	
Social Security:	$165,046	
Total Available to Meet Needs		$1,689,353

DEFICIENCY: $230,486



RETIREMENT NEEDS ANALYSIS

RETIREMENT OBJECTIVES

Retirement Age for Mark: 61 For Shula: 60
Method: Wasting Asset Number of Benefit Years: 24 Residual: $800,000

Monthly Income Goal (Today's $): (Combined Income x 85.00 %) $6,715

RETIREMENT ANALYSIS

All values are as of Mark's retirement age

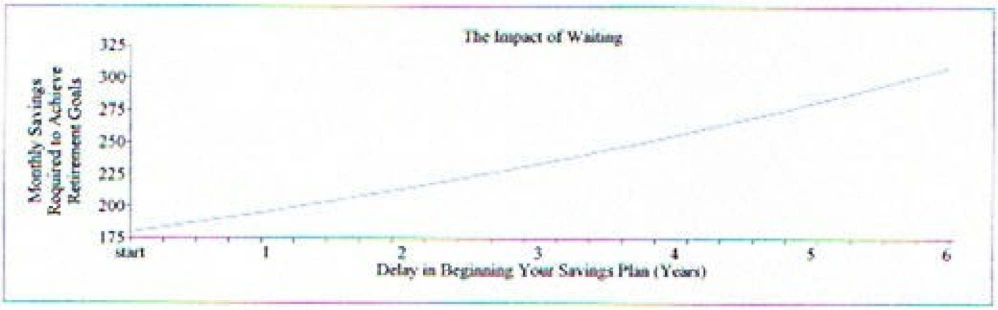
Inflated Monthly Income Goal: $11,237

To provide this income, you would need to accumulate this amount by retirement		$1,888,316
The amount you would need to accumulate will be reduced by these sources of income during Mark's retirement:		
Defined Benefit Pensions:	$92,092	
Shula's Income:	$20,081	
Social Security Benefit: (Forecasted Benefit x 100%)	$354,358	
Less Total Sources of Income:		$466,531
Therefore, you need to accumulate this amount by retirement:		$1,421,785
To provide the 'Residual' of $800,000, by retirement, you must also save:		$141,022
Total forecast savings by retirement:		$1,562,807

If you leave your existing Investments & Savings with no further deposits at their current yield, and the cash value of your life insurance policies grows at 7.5%, then you will have $1,396,258 at retirement.
This, plus sources of income during retirement, would give you a total of $10,246 per month at retirement versus the $11,237 per month you wanted to have.

To meet your retirement goals, you need to accumulate an additional $166,549.

This can be accomplished by investing $180 each month for the next 26 years at 7.5 %. *



* This example is for illustration purposes only, not a guarantee of actual returns

DISABILITY NEEDS ANALYSIS

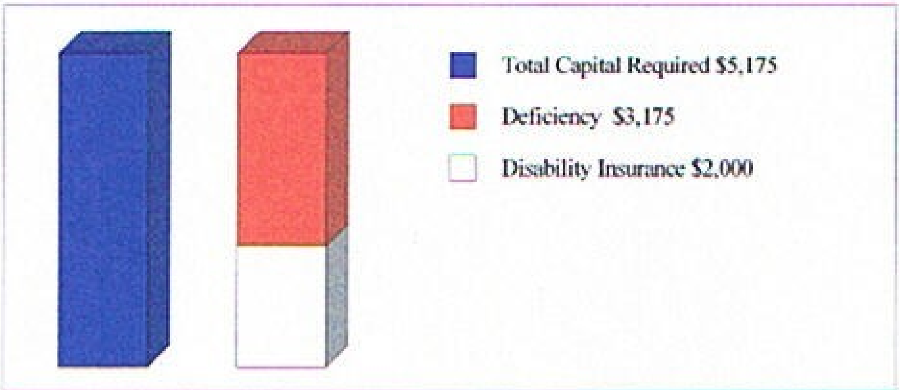
DISABILITY OBJECTIVES

In the event of the disability of Mark

Monthly Income To Replace (Income x 75 %)	$5,175

DISABILITY ANALYSIS

TOTAL CAPITAL REQUIRED:		$5,175
AVAILABLE TO MEET NEEDS:		
Disability Insurance		
Personal	$2,000	
Total Available to Meet Needs		$2,000
DEFICIENCY:		$3,175



DISABILITY NEEDS ANALYSIS

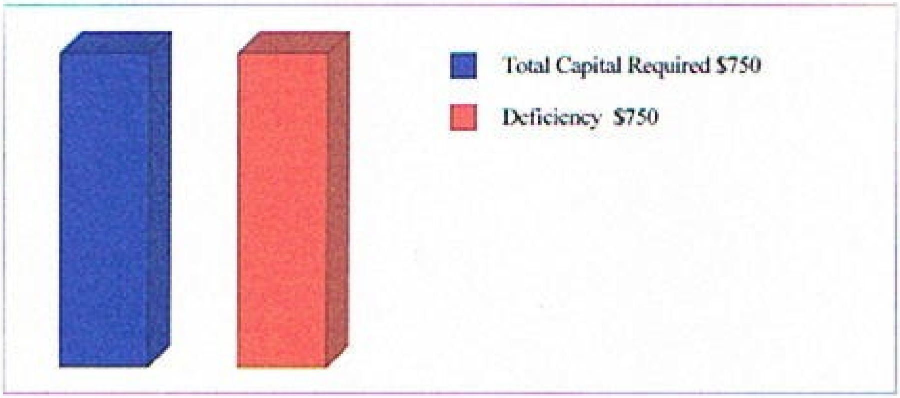
DISABILITY OBJECTIVES

In the event of the disability of Shula

Monthly Income To Replace (Income x 75 %)	$750

DISABILITY ANALYSIS

TOTAL CAPITAL REQUIRED:		$750
AVAILABLE TO MEET NEEDS:		
Disability Insurance		
Personal	$0	
Total Available to Meet Needs		$0
DEFICIENCY:		$750



EDUCATION FUND ANALYSIS

EDUCATION OBJECTIVES

Children *Name*	*Birthdate*	*Years to College*	*Years to Complete*	*Annual Tuition (Today's $)*
Mark, jr	2/28/1995	7	4	$18,000
Edward	7/15/1997	9	4	$17,000
Roberta	8/ 8/2002	14	4	$18,000
Louise	8/ 8/2004	16	4	$19,000

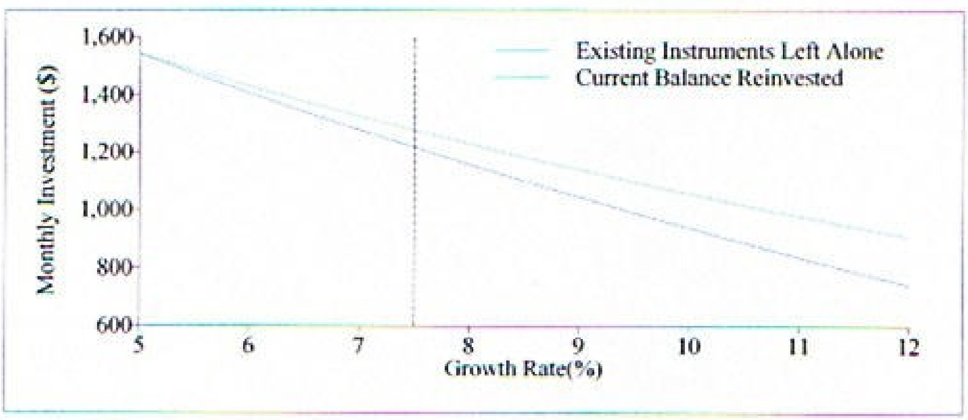
EDUCATION ANALYSIS

Lump Sum investment required today to meet projected college costs	$166,720	
Current Education Fund Balance:	$28,000	
DEFICIENCY:		$138,720

Currently budgeted monthly investment $300

Total monthly investment required assuming * :

Existing instruments left to accumulate at 5.01 %:	$1,277
Existing instruments re-invested at Portfolio Growth Rate of 7.5 %:	$1,217



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MEMOS & NOTES

Survivor Graph

Margin Verification Notes: Accumulated in checking acct and then used for: vacations, add'l taxes due at year end and finally any amounts still left over are used for vacation and re-investing.

Financial Concerns

No Notes entered for this section

Investments & Savings

Best Investment:	**Real Estate**	Investment in my home was the best decision. Mutual Funds came next.
Worst Investment:	**Stocks**	I was always trying to "time the market" and buy low and sell high, but in reality I timed it wrong most of the time. Now I rely on dollar averaging & mutual funds with the addition of trying to buy "quality" individual stocks and keep them for the long haul.

Location of Policies: Bank

Best Policy Feature: **Security**

Worst Policy Feature: **Cost**

Priorities & Objectives

Planning Estate Distribution: More children & moved to a new location in a different State, Ohio from NJ

Provide for Survivors: I don't want to consider Social Security in case of disability due to the very limited benefits it provides and the difficulty of having a claim accepted.

Personal Data

General Notes: Annual Review Date: June of each year

RECOMMENDATIONS

September 06, 2005

1. Consider reviewing your Wills as a result of the birth of your two youngest daughters Louise, who was born in Aug. 2004 & Roberta who was born in Aug. 2002. Your wills were last reviewed Feb. 2000.
2. Consider adding, "all children born of this marriage" as contingent beneficiaries.
3. Consider adding a "Common Disaster" provision to all your life insurance contracts.
4. Consider putting all your insurance policies on the automatic monthly premium plan to even out your payment schedule during the year.
5. Consider the advantages of creating a "Life Insurance Trust" for your policies.
6. Consider using your bond account to help fund your life insurance needs via asset transfer. Since the yield on your policy cash values will probably approximate the yields on your bond account, you may want to pay part of your premiums via "asset transfer". That is, pay each year's premium by reducing your bond account by an amount equal to the year's premium. At the end of 10 & 20 years, your cash values should increase by, about, the amount that you have debited your bond account or better, and you will have $750,000 of life insurance that you would otherwise not have had!
7. Use part of your margin of $500/month to increase your assets in the event of the death of David, by $750,000 and attach $230,000 of additional coverage on Debby, to complete your family's security needs. Based on the plan you have designed, this can also provide a supplement to your retirement income needs as shown on the attached illustrations.
8. Depending on the final decision regarding the design of the solution to your Life Insurance needs, there should be funds left over permitting you to:
    a) Complete your Life Insurance Needs
    b) Complete your Retirement Planning
    c) Reduce the short fall currently existing in your Education Funding Needs. (See the attached alternate solution possibilities for you to consider).

As stated originally, as your advisor, I will execute all agreed upon changes with all your insurance companies, upon receipt of a signed authorization by you, to your companies.

Al Cohen, CLU

DISCLOSURE:

This report is provided with the understanding that the preparer is not engaged in rendering legal, accounting, estate planning, or other professional services. The report is intended to present only an overview of financial planning advantages and alternatives and to serve as a reference for further discussion with qualified legal counsel, accountants and professional advisors.

Information, illustrations, calculations and assumptions contained in the application are for information purposes only and will change based on different assumptions and laws and are not guaranteed. The preparer does not represent, warrant or guarantee financial or retirement planning performance or results that may be obtained from use of the report nor does it represent, warrant or guarantee that analysis of past financial performance can predict or is an indication of future financial performance. The preparer does not recommend any particular asset allocation, security or investment method nor does it offer customized tax, legal or investment advice or strategies. Rates of return and calculations are for illustration only and do not represent any specific investment results.

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Dated: ________________ Signed: ____________________________