

Achieving Financial Peace of Mind for Retirement



REBY ADVISORS
WEALTH REDEFINED



I reconnected with Charles, a 69 year old Small Business Owner, and his wife, Elizabeth, from Miami Florida.

They had never gone through a financial plan and had never discussed retirement.

Questions

Elizabeth has never been involved in their finances or retirement planning. They were looking for confirmation and clarity on the following issues:

- Whether or not they have saved enough to continue their lifestyle if Charles retires today
- Elizabeth is comfortable with the plan and path forward
- There are no major risks they have not addressed

Context

- Asset allocation review, risk/reward analysis
- Analyze existing variable life and long term care policies
- No debt but need to do analysis regarding income planning in retirement
- Review estate planning documents

Goals

1. Get an answer to the question, "Does Charles need to work or does he work because he wants to?"
2. Identify potential risks and hazards to their retirement goals.
3. Review variable life insurance policy for sustainability.
4. Get Elizabeth's buy-in by keeping her involved and educating

Concerns

1. Half of their investment portfolio was in cash, earning zero interest
2. Variable Life policy had 2 goals a) growth b) death benefit during earning years
3. They were unsure of when their wills and estate planning had been updated

Unknown Issues

- Were the returns of the variable life policy sufficient to keep the policy from lapsing? Was the policy necessary to protect income at this stage of his career? Was the policy the best vehicle to provide future income?
- Did they own excess liability insurance? They have a \$1M umbrella policy although they have more than \$3M in assets.
- Brought up topic of succession planning for his business now rather than later
- Elizabeth wanted to leave a legacy for her two sons. Could she?
- What was their lifestyle sustainability score?



The Reby Consultation...

Through our discovery and assessment process we identified and quantified the risks to their lifestyle. Their Lifestyle Sustainability Score – which measures how well you are managing the risks to your lifestyle – was 60.8 out of 100. We developed a financial plan that confirmed the areas of their lives that they already have covered well.

We also provided them with recommendations on the risks that needed to be addressed to avoid their lifestyle from being derailed. In the end, we were able to develop consensus regarding the solutions to the risks we identified. Charles and Elizabeth improved their Lifestyle Sustainability Score to 92.3 in 12 months by implementing the following recommendations:

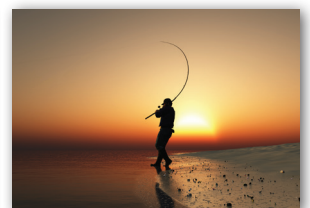
- An Investment Plan constructed in accordance with their Investment Policy Statement.
- Determined that their umbrella insurance coverage of \$1M was insufficient to protect their assets and was increased to \$3M.
- They surrendered the variable life insurance because the in-force illustration revealed that the policy would lapse in 7 years under current assumptions. Used the proceeds of \$280,000 to provide \$10k guaranteed income stream that neither Charles nor Elizabeth can outlive as well as buying a 2nd to-die universal life insurance policy that will provide a guaranteed legacy of \$400,000 for Elizabeth's sons.
- Reviewed their long term care benefits and concluded that they will not have to use their investment assets to fund their long term care need.
- Referred clients to an Estate Planning Attorney for update of their wills, health care proxies, etc.

The Reby Advantage

The scorecard and our financial planning process helped identify and uncover the risks to their lifestyle. As a result, they have taken the steps necessary to shore up these risks. The process was rewarding; Charles now knows he can retire now even though he still enjoys working. He wakes up each morning with a different frame of mind. Including Elizabeth throughout the financial planning meetings allowed her to gain confidence and clarity in the financial path going forward.



The scorecard and our financial planning process helped identify and uncover the risks to their lifestyle. As a result, they have taken the steps necessary to shore up these risks.



REBY ADVISORS
WEALTH REDEFINED

The Lifestyle Sustainability Scorecard objectively measures how well clients are managing the risks to their lifestyle. Charles and Elizabeth improved from a 60.8 to a 92.3.

Category	Weighting	Initial Score	Score 1 Year Later
Life Policy Clarifier	3%	0%	3%
Liquid Purpose Fund	2%	2%	2%
Income Capability (Contribution & Withdrawal Realities, Social Security & Pensions)	15%	12%	12%
Income Protection (Income Protection Strategy, Health Care Strategy, Personal Liability Protection, Long-Term Care)	17%	12.8%	17%
Income Tax Minimizer	10%	8%	8%
Lifestyle Preservation Enhancer	30%	13.8%	28.5%
Legacy Assurance (Legacy Assurance, Documents, Tilting, Beneficiaries)	18%	7.2%	16.8%
Debt Management	5%	5%	5%
	100%	60.8%	92.3%

SCORE

85 – 100	Excellent	Financial plan supports your objectives
71 – 84	Good	Financial plan needs more focus on your needs
55 – 70	At Risk	Important aspects at risk
< 55	Danger	Financial plan overhaul is necessary



REBY ADVISORS
WEALTH REDEFINED

1-800-769-9963

email: info@rebyadvisors.com.