



Your Personal Healthcare Expense Report

Prepared by Tim Hart

Prepared for Ted Williams and Mrs. Williams
Monday, September 25, 2017

This is your personal retirement healthcare expense report, designed to estimate your health care expenses throughout retirement. These calculations are the work of a coordinated team of professionals, including leading physicians and actuaries utilizing proprietary health and lifestyle analytical tools.

Questionnaire

Below are your responses to the HealthView Questionnaire.

	Ted	Mrs.	Overall
Gender	Male	Female	
Age in 2017	64	61	
Retirement	2018-2038 Ages 65-85 (21 years)	2021-2047 Ages 65-91 (27 years)	2018-2047 (30 years)
Health & Lifestyle	High blood pressure: No High cholesterol: Yes Type 2 diabetes: No Cardiovascular disease: No Cancer: No Tobacco user: No Recent physical: Yes 2 hours exercise: Yes Healthy diet: Yes Family history: No	High blood pressure: No High cholesterol: No Type 2 diabetes: No Cardiovascular disease: No Cancer: No Tobacco user: No Recent physical: Yes 2 hours exercise: Yes Healthy diet: Yes Family history: No	
State	OR		
Income Level	Married Filing Jointly - \$170,000 or less		

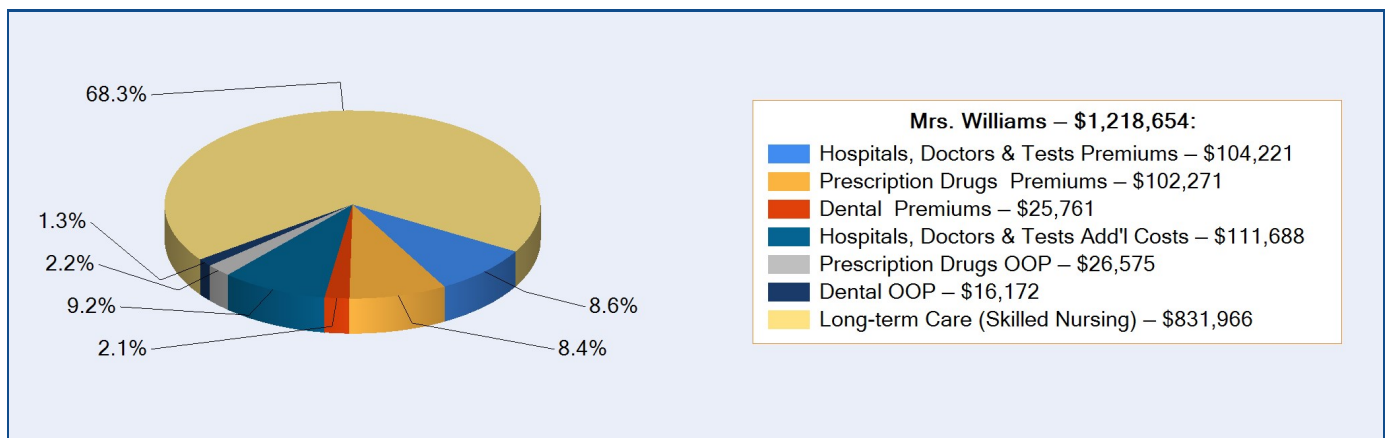
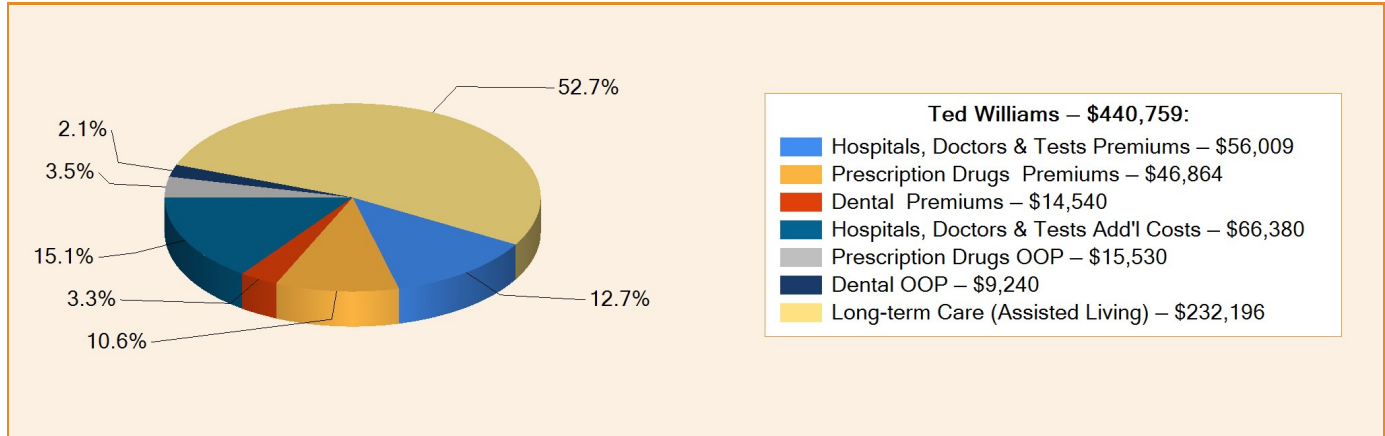
Expense Summary

Here is a summary of your projected healthcare expenses. Amounts are expressed in future dollars.

	Ted	Mrs.	Total
Premium Costs			
Hospitals, Doctors, Tests	\$56,009	\$104,221	\$160,231
Prescription Drugs	\$46,864	\$102,271	\$149,136
Supplemental Insurance	<i>not included</i>	<i>not included</i>	<i>not included</i>
Dental Insurance	\$14,540	\$25,761	\$40,300
Additional Costs			
Hospitals, Doctors, Tests	\$66,380	\$111,688	\$178,068
Prescription Drugs	\$15,530	\$26,575	\$42,105
Hearing & Vision	<i>not included</i>	<i>not included</i>	<i>not included</i>
Dental	\$9,240	\$16,172	\$25,411
Total Healthcare Costs	\$208,563	\$386,688	\$595,251
Long-term Care	\$232,196	\$831,966	\$1,064,162
Total Healthcare & Long-term Care Costs	\$440,759	\$1,218,654	\$1,659,413

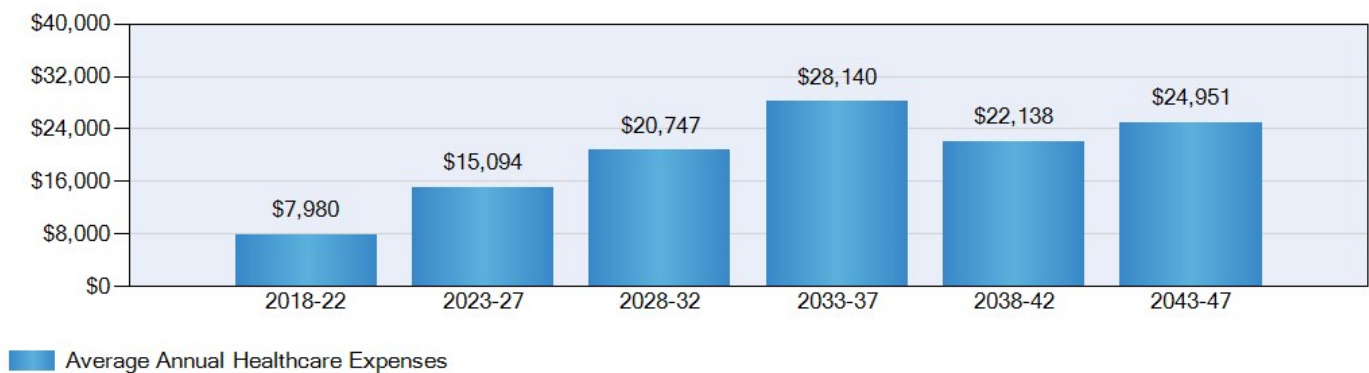
Expense Breakdown

The following chart illustrates the breakdown of projected healthcare expenses in retirement. Amounts are expressed in future dollars.



Average Annual Expenses per 5-Year Period

This chart shows your average estimated annual healthcare expenses for each 5-year period in retirement. Amounts are expressed in future dollars.



Long-term Care

Long-term Care for Ted

Long-term Care Options	
Type of Care:	Assisted Living
Region:	OR - Portland-Vancouver
Period:	18 months
Assumed Inflation:	6.0%

Today's cost: **\$46,410** per year.

Based on your options and planning horizon, costs are projected below.

Projected long-term care costs		
Year/Age	Projected Cost (Future Dollars)	Projected Cost (Today's Dollars)
2037 (Age 84)	\$74,422	\$41,206
2038 (Age 85)	\$157,774	\$84,811
Total	\$232,196	\$126,017

Long-term Care for Mrs.

Long-term Care Options	
Type of Care:	Skilled Nursing
Region:	OR - Portland-Vancouver
Period:	36 months
Assumed Inflation:	4.0%

Today's cost: **\$88,878** per year.

Based on your options and planning horizon, costs are projected below.

Projected long-term care costs		
Year/Age	Projected Cost (Future Dollars)	Projected Cost (Today's Dollars)
2045 (Age 89)	\$266,519	\$116,489
2046 (Age 90)	\$277,180	\$117,620
2047 (Age 91)	\$288,267	\$118,762
Total	\$831,966	\$352,871

The total projected long-term care is **\$1,064,162** (\$478,888 in today's dollars).

Investment Accumulation & Expense Distribution

Allocated Income	\$160,231	10%
Savings Contributions	\$0	0%
Initial Investment	\$522,828	90%
Total	\$683,059	100%

The following table shows the year by year expected investment performance, estimated healthcare expenses for each year, and ending investment value. All amounts are expressed in future dollars.

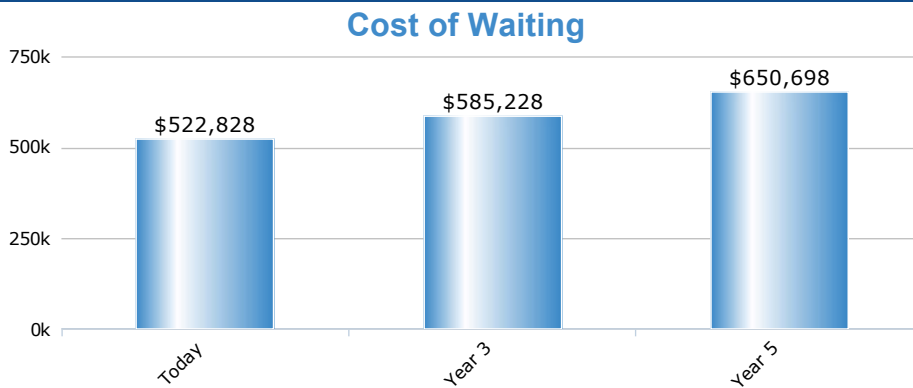
Year/Age	Beginning Investment Value	Expected Rate of Return	Health Care Expenses			Net of SS Deductions*	Ending Investment Value
			Ted	Mrs.	Total		
2017 (Age 64 / 61)	\$522,828.43	6.00%	\$0	\$0	\$0	\$0	\$554,198
2018 (Age 65 / 62)	\$554,198.14	6.00%	\$4,971	\$0	\$4,971	\$3,478	\$583,764
2019 (Age 66 / 63)	\$583,763.61	5.00%	\$5,210	\$0	\$5,210	\$3,631	\$609,139
2020 (Age 67 / 64)	\$609,139.45	5.00%	\$5,558	\$0	\$5,558	\$3,891	\$635,511
2021 (Age 68 / 65)	\$635,510.60	5.00%	\$5,881	\$5,874	\$11,755	\$8,282	\$658,590
2022 (Age 69 / 66)	\$658,589.78	5.00%	\$6,285	\$6,121	\$12,406	\$8,785	\$682,295
2023 (Age 70 / 67)	\$682,295.31	5.00%	\$6,690	\$6,502	\$13,192	\$9,361	\$706,581
2024 (Age 71 / 68)	\$706,580.55	5.00%	\$7,176	\$6,928	\$14,104	\$10,077	\$731,329
2025 (Age 72 / 69)	\$731,328.53	5.00%	\$7,666	\$7,356	\$15,022	\$10,791	\$756,565
2026 (Age 73 / 70)	\$756,564.61	5.00%	\$8,186	\$7,838	\$16,025	\$11,549	\$782,267
2027 (Age 74 / 71)	\$782,266.67	5.00%	\$8,767	\$8,362	\$17,129	\$12,394	\$808,366
2028 (Age 75 / 72)	\$808,366.15	5.00%	\$9,314	\$8,901	\$18,215	\$13,206	\$834,918
2029 (Age 76 / 73)	\$834,918.19	4.00%	\$9,965	\$9,483	\$19,448	\$14,150	\$853,599
2030 (Age 77 / 74)	\$853,599.27	4.00%	\$10,604	\$10,084	\$20,689	\$15,084	\$872,056
2031 (Age 78 / 75)	\$872,056.27	4.00%	\$11,285	\$10,721	\$22,006	\$16,077	\$890,219
2032 (Age 79 / 76)	\$890,218.58	4.00%	\$11,924	\$11,454	\$23,378	\$17,106	\$908,037
2033 (Age 80 / 77)	\$908,037.37	4.00%	\$12,645	\$12,166	\$24,810	\$18,175	\$925,457
2034 (Age 81 / 78)	\$925,456.63	4.00%	\$13,498	\$12,947	\$26,444	\$19,425	\$942,273
2035 (Age 82 / 79)	\$942,272.65	4.00%	\$14,248	\$13,769	\$28,017	\$20,592	\$958,548
2036 (Age 83 / 80)	\$958,548.30	4.00%	\$15,241	\$14,582	\$29,822	\$21,968	\$974,044
2037 (Age 84 / 81)	\$974,043.95	4.00%	\$90,599	\$15,428	\$106,027	\$97,718	\$911,379
2038 (Age 85 / 82)	\$911,378.98	4.00%	\$175,047	\$16,532	\$191,579	\$182,789	\$757,734
2039 (Age — / 83)	\$757,733.51	4.00%	\$0	\$17,533	\$17,533	\$12,884	\$774,644
2040 (Age — / 84)	\$774,643.91	4.00%	\$0	\$18,652	\$18,652	\$13,734	\$791,347
2041 (Age — / 85)	\$791,346.69	4.00%	\$0	\$19,811	\$19,811	\$14,609	\$807,808
2042 (Age — / 86)	\$807,807.65	4.00%	\$0	\$20,888	\$20,888	\$15,385	\$824,120
2043 (Age — / 87)	\$824,119.72	4.00%	\$0	\$22,219	\$22,219	\$16,397	\$840,032
2044 (Age — / 88)	\$840,031.64	4.00%	\$0	\$23,472	\$23,472	\$17,313	\$855,627
2045 (Age — / 89)	\$855,627.10	4.00%	\$0	\$291,421	\$291,421	\$284,906	\$593,550
2046 (Age — / 90)	\$593,550.23	4.00%	\$0	\$303,498	\$303,498	\$296,606	\$308,822
2047 (Age — / 91)	\$308,821.56	4.00%	\$0	\$316,112	\$316,112	\$308,822	\$0

 Amount includes projected cost of long-term care.

* Part B Medicare premium and Part D surcharge are automatically deducted from Social Security

The information presented above is hypothetical and is not intended to serve as a projection or prediction of the investment results of any specific investment.

Cost of Waiting



Terms & Definitions

Health Conditions

Cancer — Also called malignancy, is characterized by an abnormal growth of cells. There are more than 100 types of cancer, including breast cancer, skin cancer, lung cancer, colon cancer, prostate cancer, and lymphoma. Cancer symptoms vary widely based on the type of cancer.

Cardiovascular disease — A disease affecting the heart or blood vessels. Some conditions that fall under the umbrella of cardiovascular disease are aneurysm, angina, arrhythmia, cardiomyopathy, congenital cardiovascular defects, congenital heart disease, congestive heart failure, heart attack, diseases of pulmonary circulation, endocarditis, rheumatic fever, stroke, heart valve disease, diseases of the circulatory system.

High blood pressure — (Hypertension) Blood pressure readings are measured in millimeters of mercury (mmHg) and usually given as two numbers -- for example, 120 over 80 (written as 120/80 mmHg). One or both of these numbers can be too high. The top number is your systolic pressure. It is considered high if it is over 140 most of the time. It is considered normal if it is below 120 most of the time. The bottom number is your diastolic pressure. It is considered high if it is over 90 most of the time. It is considered normal if it is below 80 most of the time.

High cholesterol — The presence of high levels of cholesterol in the blood. It is not a disease but a metabolic derangement that can be secondary to many diseases and can contribute to many forms of disease, most notably cardiovascular disease. Primarily caused by diet and family history high cholesterol is defined as a measurement greater than 200 mg/dL. LDL cholesterol levels greater than 130 mg/dL and HDL cholesterol levels less than 60 mg/dL are considered high.

Type 2 diabetes — Formerly called non insulin dependent diabetes mellitus (NIDDM). Type 2 Diabetes (or adult-onset diabetes) is a disorder that is characterized by high blood glucose in the context of insulin resistance and relative insulin deficiency.

Tobacco user — User of tobacco in any form (cigarettes, cigars, pipes, etc.) on a consistent basis within the last 5 years.

Medicare Terms

Medicare Part A — Hospital insurance that helps cover inpatient care in hospitals, skilled nursing facility, hospice, and some home healthcare. Most people eligible for Medicare do not pay a premium for Part A.

Medicare Part B — Helps cover medically necessary services like doctors' services, out-patient care, some home health services, some preventive care, and some medical services and equipment. Part B subscribers pay a higher premium based on income.

Medicare Supplemental Insurance (MediGap) — Medicare Supplemental Insurance policies fill in the gaps that Medicare Parts A & B do not cover. This report assumes premiums for Medigap Plan C and uses the average cost for this plan in the subscriber's state of residence.

Medicare Part D — Prescription drug coverage that is purchased through private insurance companies who have been approved by Medicare to sell drug coverage. Part D policy costs and coverage vary by insurer, state, and plan. Part D subscribers pay a higher premium based on income.

Important Information

Scope of this Report

This report provides broad, general guidelines and strategies which may help you define your retirement income needs. This report is provided for educational purposes only and you should not rely on it as the primary basis for your insurance, investment, financial, retirement or tax planning decisions.

Assumptions of this Report

- ❖ No serious health changes
- ❖ The Healthcare cost inflation rates vary depending on the specific expense
- ❖ Expense amounts shown for under age 65 assume 100% client responsibility for private health insurance costs. Amounts for age 65 and older assume coverage by Medicare Parts A, B, D, and supplemental insurance (MediGap).
- ❖ The disease states are assumed to be separate and distinct for purposes of estimating healthcare costs.

Limitation of this Report

The algorithms used in developing this HealthView Report evaluate an individual's health and create health and financial assumptions for future health and healthcare needs. The HealthView Report considers national health standards, healthcare costs, medical coverage, healthcare inflation rates, progress in certain areas of medical research, and actuarial data including medical, dental and pharmacy cost models. The estimated average annual out-of-pocket medical expenses were developed in part using typical Commercial Preferred Provider Plans ("PPO") and Medicare plan designs (including pharmacy) for males and females. Neither HealthView Services, its affiliates, agents, or representatives have verified or confirmed the accuracy of these guidelines, assumptions or estimated costs. Annual costs are future values as of the year of attained age. Average Annual Costs are the average annual future costs for the stated 5-year period. These are estimated costs, they are hypothetical in nature, and are not guaranteed. Your actual medical costs will likely vary (sometimes significantly) from the estimates in this report. Your current and future decisions and actions should not depend on, or be based solely on, the results generated by this HealthView Report. It is important that you periodically monitor their retirement income and expense strategy throughout retirement.

The HealthView Report is dependent upon the quality and accuracy of the data furnished by you or unaffiliated third parties, including information about your health status as well as certain assumptions as to future inflation rates and future healthcare costs.

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