



Welcome to Frontier Wealth Management's April Newsletter! This month's edition includes an article explaining **Where Insurance Fits within Comprehensive Planning**, as well as a link to quarterly **Electronic Statements**.

How Insurance is Integrated into Comprehensive Planning

By **Tom Ruane**, CLU Director of Insurance
& **Mark Howe**, CFP Director of Financial Planning

The foundation of Frontier Wealth Management is built upon creating a comprehensive financial plan to scrutinize all areas of individuals' financial situations. Part of the comprehensive financial plan analyzes insurance needs, including life, disability and long-term care. Although it's generally not an exciting piece of the financial plan, insurance is critical to incorporate and serves as groundwork for financial plans. As a result of the financial planning process, insurance recommendations are made; and, if desired, insurance products can be implemented, as well. Because Frontier's Insurance Division is organized as a brokerage agency, we have the ability to "shop" for the best possible solutions for our clients -- as Frontier offers no proprietary insurance products, nor has relationships with any specific insurance company.

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Life insurance is the first insurance component analyzed in the financial planning process. Obviously, a client losing their future earned income could be detrimental to the surviving family members. As a result, a life insurance coverage amount, length of coverage, and type of insurance can be recommended and discussed during the financial planning meeting. Even though the probability of premature death is relatively low, it cannot be avoided entirely. This is essentially the definition of insurance, and why insurance should be analyzed and implemented, if necessary.

In some cases, life insurance can be used as an estate planning and wealth-transfer tool, as well. This includes planning for a pension-maximization scenario (electing a single life payout from a pension and protecting the pensioner's income with permanent life insurance), planning for children with special needs, planning as a result of a second marriage, planning for company buy-sell agreements and planning for estate tax liquidity needs. These financial planning aspects and associated life insurance needs are very specific to each client's financial circumstance.

Just as important (if not more important) than life insurance, is disability insurance. From a financial perspective only, not having disability insurance could be more detrimental to a family than an income earner's death. The expenses associated with disability can be significant, in addition to lost income. There are many characteristics of disability insurance -- even among group disability plans and personal disability plans. The financial planning process analyzes both short-term and long-term disability; waiting period or elimination period (analogous to a deductible); length of coverage the policy will pay; amount of coverage the policy will pay; tax treatment of the disability income; and perhaps most critical (but seldom discussed), how the insurance policy defines "disability." Though Social Security disability income potentially could be obtained (depending upon the nature of the disability and if the income earner has obtained enough Social Security credits), this is certainly a gray area and one we do not want to plan for nor rely upon.

Of recent, long-term care insurance is becoming an increasingly common topic of discussion among many individuals approaching or in retirement, and also one of the insurance components analyzed during the financial planning process. Unfortunately, some retirees are learning the coverage limitations of Medicare and Medicaid with respect to nursing home facilities. Long-term care insurance can be used to fully or partially pay expenses incurred in the future associated with home health care, assisted living care, nursing home expenses and memory care needs. A room at an assisted living facility averages at \$3,022 per month or \$36,264 per year, according to the Assisted Living Federation of America. Some clients can and wish to self-insure (earmark some of their assets to cover long-term care expenses). Others want the peace of mind to help guarantee a certain amount of coverage. Yet others want to obtain long-term care insurance simply to help preserve the assets they have accumulated in order to transfer their wealth to the next generation.

Finally, as part of the financial planning process, a client's property and casualty insurance (homeowner's, renter's, auto and umbrella liability insurance) is reviewed. Although we do not provide property and casualty insurance, it is still reviewed to ensure sufficient coverage and liability protection. Being at fault in a large car accident, or even being sued for something beyond your control could eliminate personal wealth that has been amassed over the years and, consequently, could be detrimental to one's financial plan.

In addition, many people are simply "sold" various life insurance policies and/or annuities over their lifetime. Frontier's Insurance Division frequently is able to help clients who have accumulated permanent life insurance policies and/or annuities without having been fully explained why these products should

Electronic Statements

Frontier will continue our process of adopting electronic statements in 2014, via ShareFile. This system is entirely secure with multiple security measures to ensure client information is safe and protected. This forum is also a way for you to send and receive sensitive documents. While we recognize some clients will still prefer paper statements, we encourage you to login and get accustomed to the system. If your statement isn't available today, check back again in the coming weeks. Should you need assistance or forget your login credentials, please contact your Advisor and/or Client Service Specialist.

[Click here to access your Quarterly Statement!](#)

Frontier Team Spotlight



Matthew Taylor, Advisor

Matt is a born and raised Kansan -- having grown up in Wichita before moving up the turnpike to Lawrence. There, he graduated from the University of Kansas with an undergraduate degree in business and later an MBA. Matt remains very involved with the university today, as he sits on the Finance Advisory Board

have been purchased initially, what the intent is and how these products are to now be incorporated into a comprehensive financial plan. Frontier's insurance expertise is able to complement the financial plan by providing recommendations and answering questions regarding these existing policies. Frontier will analyze the current policies, investigate alternatives and attempt to provide a tax-efficient solution for the client's understanding. Again, all of this is ultimately done to aid in creating a comprehensive financial plan.

Please feel free to contact your Frontier advisor if you have any questions about your current insurance, insurance needs or how your insurance relates to your financial plan.

Schwab | News Update

Beginning in April, unless there is activity in your account that regulations require Schwab to report, your Schwab account statement will be mailed only once a quarter. You'll receive a monthly statement when your account has transactions, such as deposits and withdrawals, trades, and stock dividend distributions. You'll receive a quarterly statement when your account has no activity or only a minor transaction, such as payment of interest on cash in your account. Schwab respects your time, and their goal is to limit communications to what's essential for your needs. You can obtain information about your account anytime at schwaballiance.com or Schwab.com.

The commentary is limited to the dissemination of general information pertaining to Frontier Wealth Management, LLC's ("FWM") investment advisory services and general economic conditions as of April 1, 2014. This information should not be used or construed as an offer to sell, a solicitation of an offer to buy or a recommendation for any security, market sector or investment strategy. There is no guarantee that the information supplied is accurate, complete or timely. FWM is not responsible for any errors or omissions in, and provides no warranties with regards to the results obtained from the use of the information. Nothing in this newsletter is intended to provide any legal, accounting or tax advice and FWM does not provide such advice. This information is subject to change without notice and should not be construed as a recommendation or investment advice. You should consult an attorney, accountant or tax professional regarding your specific legal or tax situation.

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for the School of Business and serves on the Board of the Greater Kansas City Chapter of the University of Kansas Alumni Association. Matt's wife Allison is also a Wichita native and KU graduate. In fact, Matt and Allison were in the same first- and second-grade classes at Hyde Elementary School and graduated from Wichita East High School together! When they're not cheering for the Jayhawks on the football field or the basketball court with their son Luke (6) and daughter Grace (3), the family enjoys many outdoor activities and spending time with extended family.

Matt also is an avid golfer and runner. He will complete his third half marathon this month in Kansas City, and plans to make his first hole-in-one this summer -- time and location TBD.

Matt has been with Frontier since December 2011. Prior to that, he spent six years at a national brokerage firm; and for many of those years, he worked alongside his uncle. Although he and his family reside in Kansas City, you might see him in the Wichita Frontier office from time to time, as he is often there to work with local clients.

Tax Reminder

Tax day is upon us! Here's a last-minute reminder that there have been a number of Charles Schwab tax documents delivered to clients recently, via mail or email. Frontier is happy to supply required documents to client CPAs and tax professionals. Please contact your Client Service Specialist with these requests, or any additional questions.

If you have elected for electronic delivery, please click here to view recent provided tax documents.

Transparent | Advocates | Engaged | Resourceful