



# **THE JOURNEY TO FINANCIAL WELLNESS**

Dear Mr. ABC, Mrs ABC & Family,

Welcome to the Journey towards your **Financial Wellness!!**

Financial wellness is your ability to live a healthy financial life now as well as in the future. The encouraging part is that you can enhance your financial well-being by making informed decisions. A well-crafted Financial Wellness Plan empowers you to take purposeful and sensible steps in managing your finances.

We believe this plan will redefine the way you approach personal finance and help bridge the gap between where you are and where you aspire to be in your financial journey.

For clarity and ease of understanding, we have structured your Financial Wellness Plan under the following sections:

- A. Financial Wellness Plan Summary
- B. Investment Planning
  - I. The timeline of your financial goals
  - II. Assessment & Quantification of Retirement Needs
  - III. Assessment & Quantification of other Major Financial Goals
- C. Assessment of Your Risk Profile
- D. Asset Allocation Strategy
- E. Insights on the Investment Requirements
- F. Cashflow Analysis
- G. Debt Management
- H. Risk Management
- I. Emergency Fund
- J. Legacy Planning

We hope you find this plan insightful and valuable in achieving lasting financial wellness.

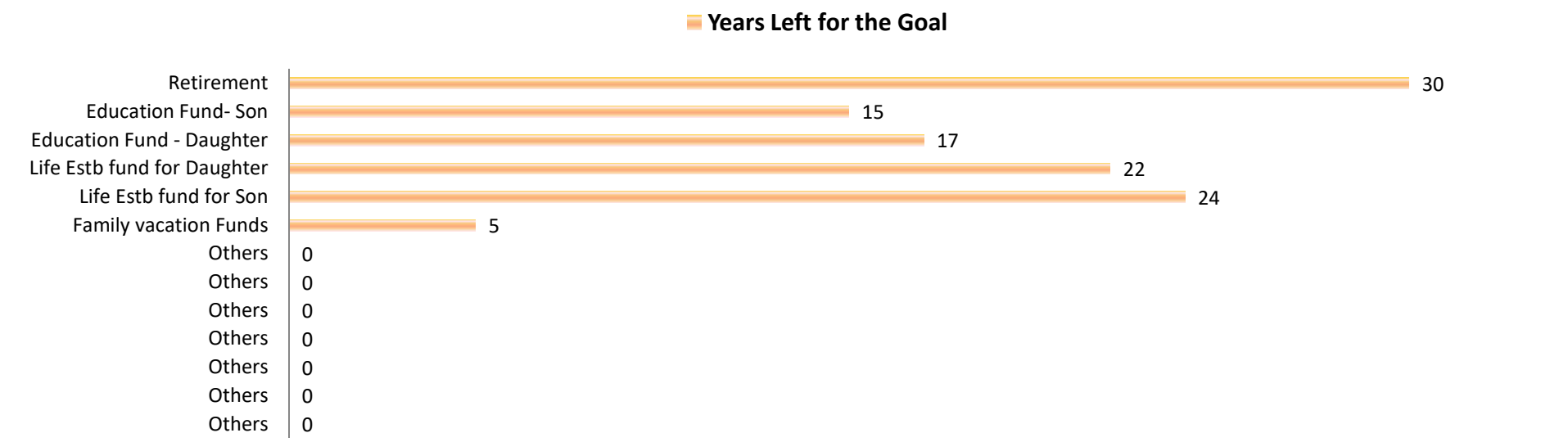
Warm regards,

**Arun Joseph MBA, LLB, CFP, FIII**  
Your Financial Wellness Coach

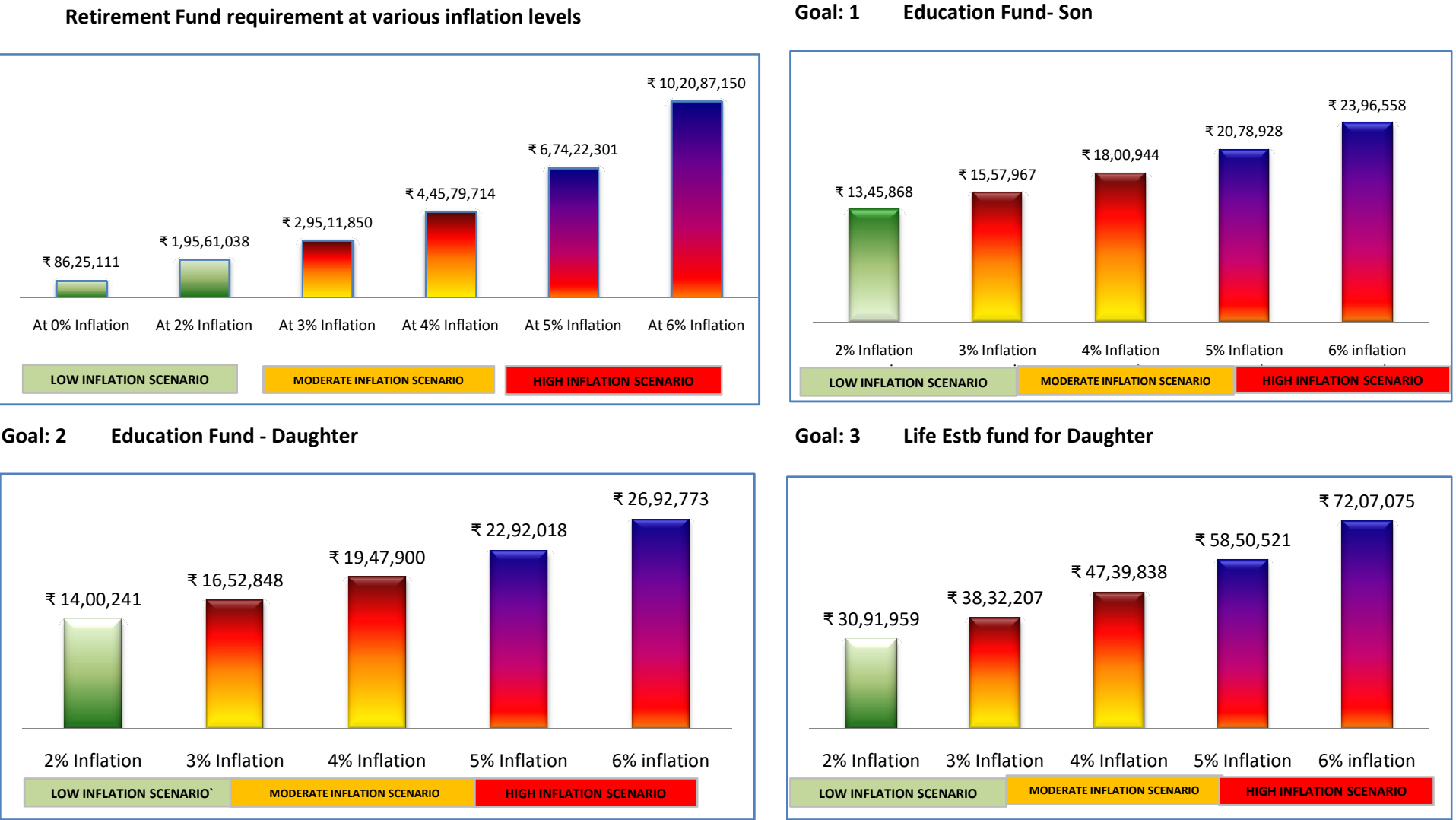
# Part- A. FINANCIAL WELLNESS PLAN SUMMARY

This section provides a concise summary of the key components of your Financial Wellness Plan, outlining your current financial status, identified goals, and the recommended strategies to help you achieve long-term financial well-being.

## I. The timeline of your financial goals



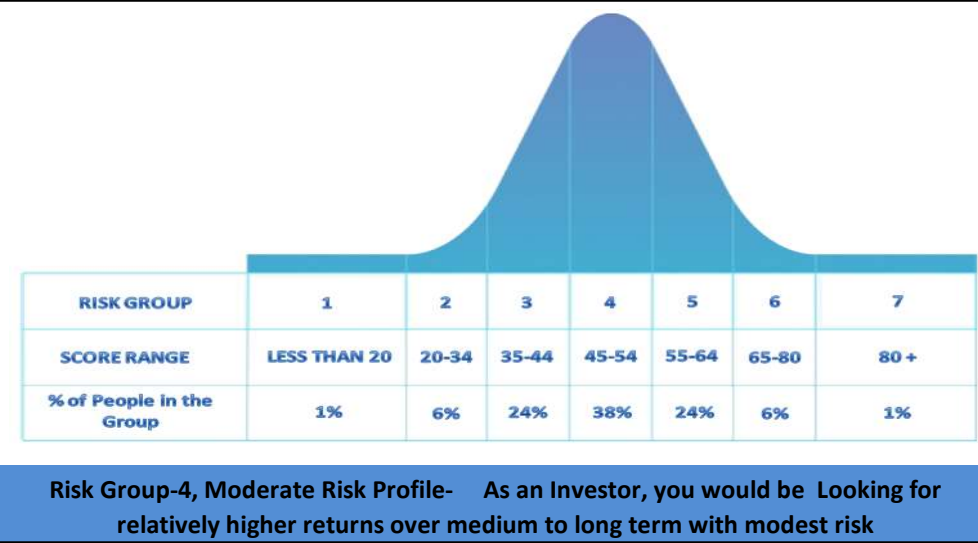
## II. Assessment & Quantification of Retirements Needs and other Top-3 Financial Goals at various inflation levels



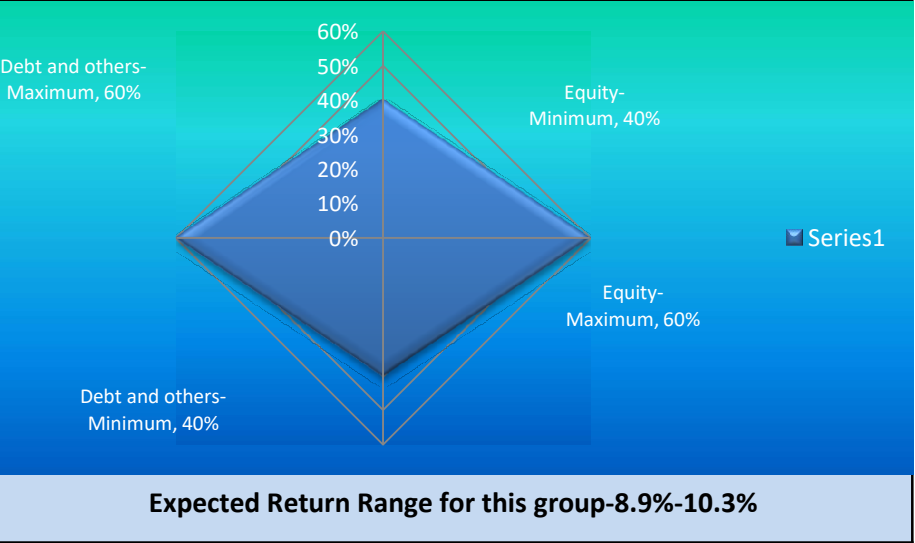
## III. Investment Planning Summary

	Retirement	Education Fund- Son	Education Fund - Daughter	Life Estb fund for Daughter	Life Estb fund for Son	Family vacation Funds	Others	Others	Others	Others	TOTAL
Goal Year	2055	2040	2042	2047	2049	2030	2030	2030	2030	2030	
Funds needed without Inflation	86,25,111	1000000	1000000	2000000	2000000	1000000	0	0	0	0	1,56,25,111
Fund to be accumulated with Inflation	4,45,79,714	2396558	2692773	7207075	8097869	1338226	0	0	0	0	6,63,12,215
Inflation Considered	4%	6%	6%	6%	6%	6%	0%	0%	0%	0%	-
Investment Needed (Mly)	21,299	5,950	5,237	7,949	7,203	17,326	0	0	0	0	64,964
Goal wise Monthly Investment recommended	11,475	3,206	2,821	4,283	3,881	9,335	0	0	0	0	35,000
Expected fund at the goal year	2,40,17,631	1291162	1450750	3882862	4362783	720978	0	0	0	0	3,57,26,167
Expected Shortfall	2,05,62,083	1105396	1242023	3324213	3735086	617247	0	0	0	0	3,05,86,048
% of Savings to be incresed year on year to avoid shortfall	7%	11%	10%	8%	8%	34%	0%	0%	0%	0%	

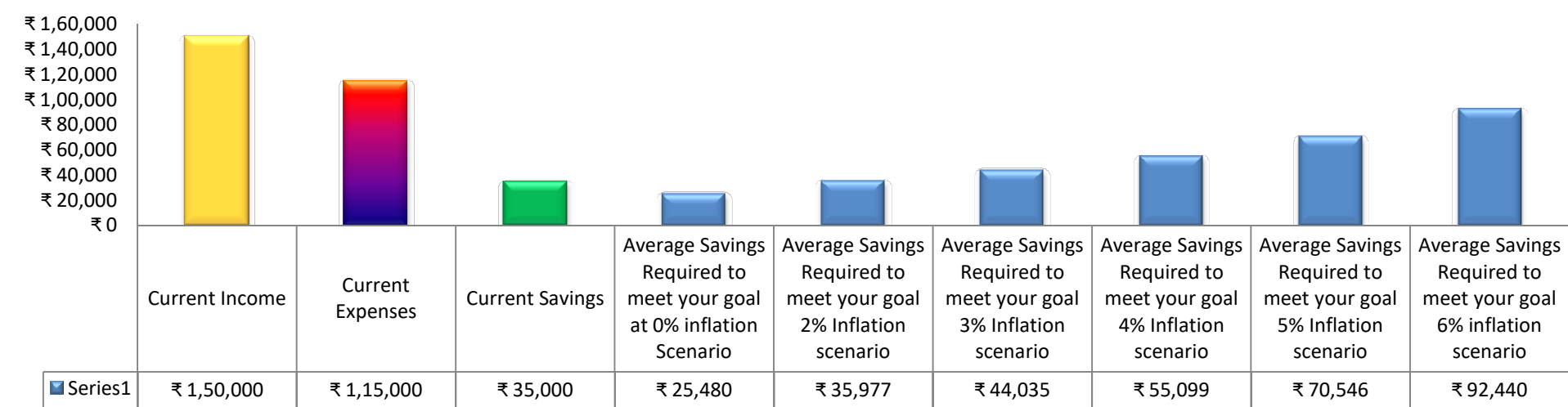
IV. Your Risk Profile as an Investor



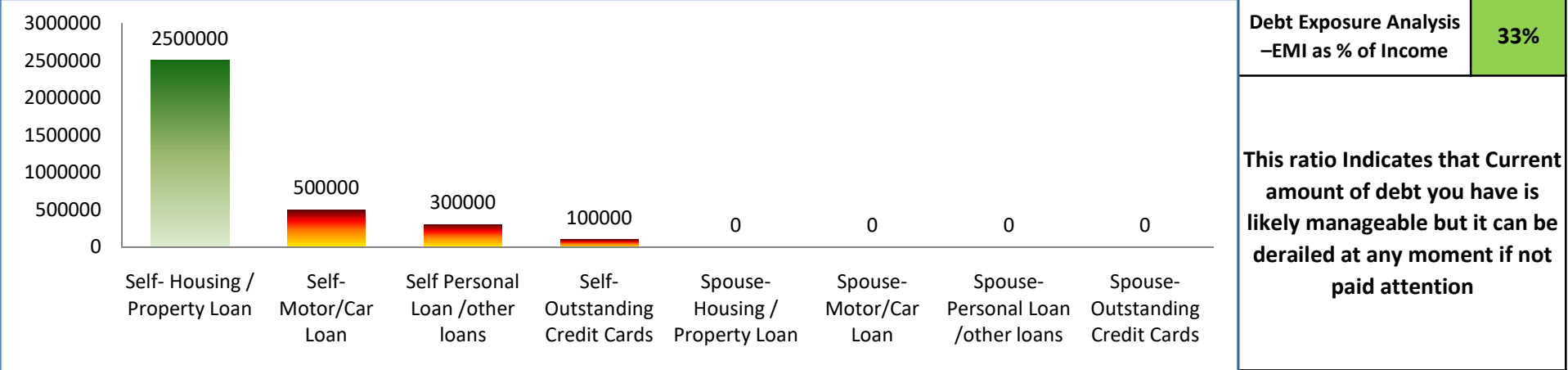
V. Your Suggested Asset Allocation



VI. Cashflow Analysis & Required Savings Ratio based on the suggested Assest Allocation

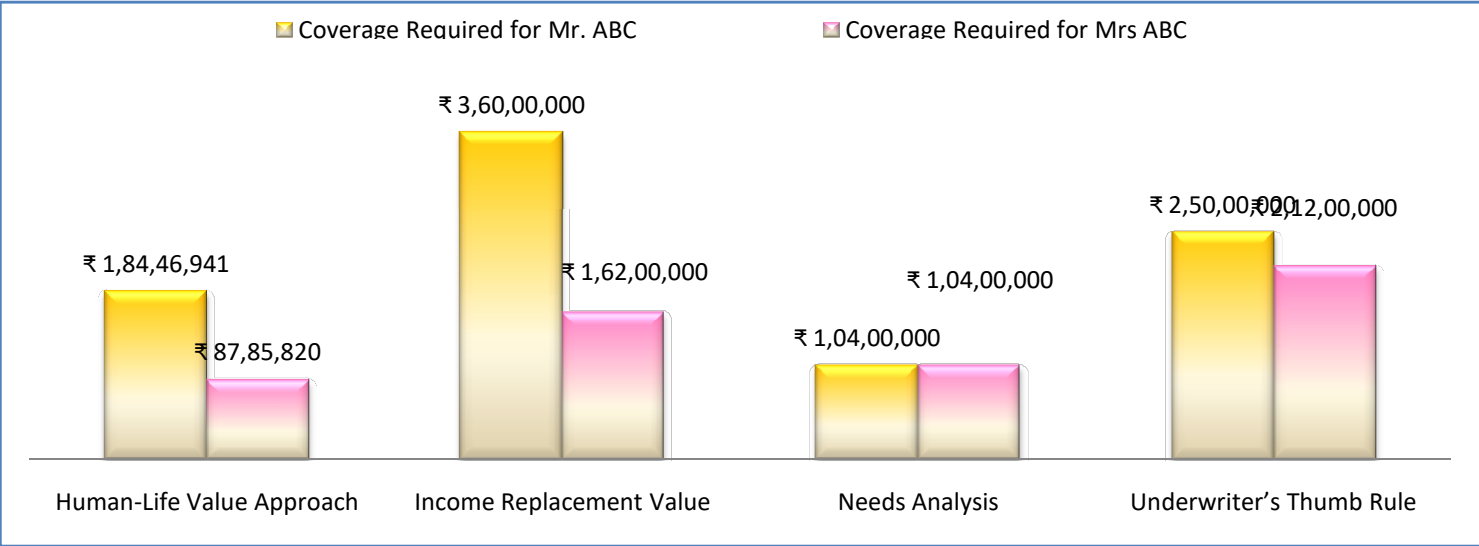


VII. Liability Profile & Debt to EMI Ratio



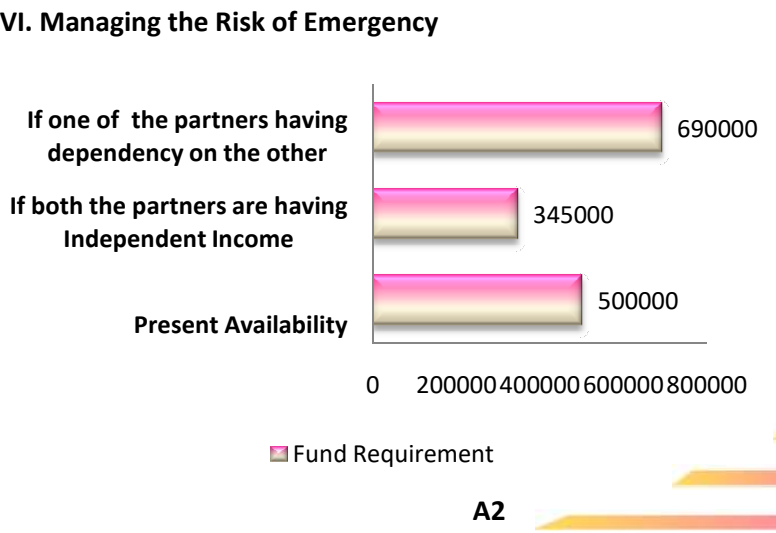
VIII. Risk Management

I. Managing the Risk of Premature Demise



Present Insurance Cover-Mr. ABC
₹ 0
Desirable Life Cover
₹ 2,24,61,735
INSUFFICIENT
Present Insurance Cover-Mrs ABC
₹ 0
Desirable Life Cover
₹ 1,41,46,455
INSUFFICIENT

II. Managing the Risk of Hospitalisations		Adequacy Level
Risk Exposure	Yes	
Present Coverage	-	REASONABLE
III. Managing the Risk of Disablement		
Risk Exposure	Yes	
Ideal Coverage Range	3400000-10400000	Insufficient
Present Coverage	0	
IV. Managing the Property Risk		To be assessed
Risk Exposure		
V. Managing the Liability Risk		To be assessed
Risk Exposure		





# Part-B:

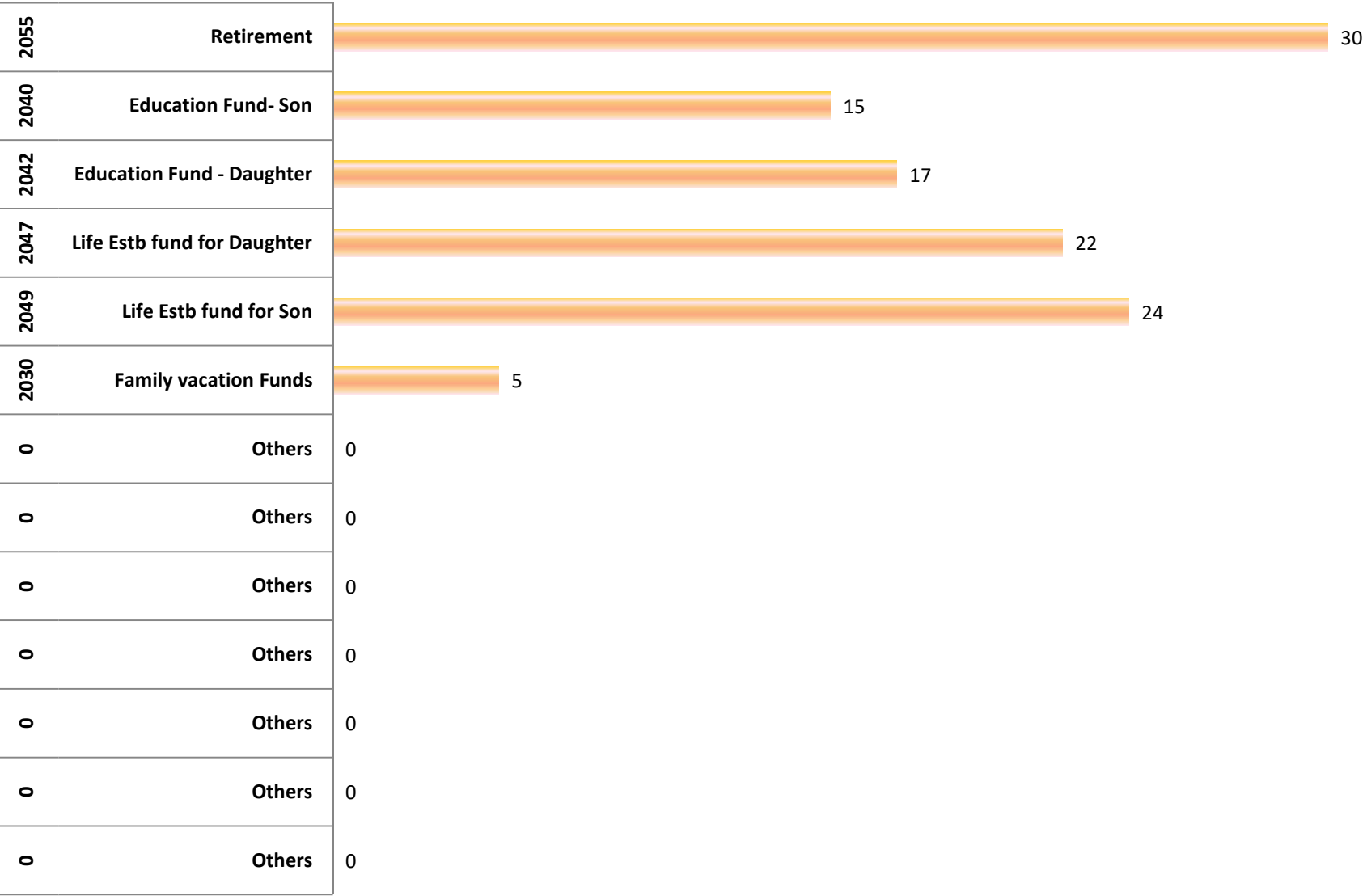
## INVESTMENT PLANNING



**Investment Planning** is one of the most important part of financial planning, It is not about choosing an investment product. We are approaching it more scientifically, hence we begin with a deeper understanding of the timeline of your goals. This is followed by the assessment and quantification of each of these goals to understand the impact of inflation on them. It will help you to understand the savings requirements if you start investing now and the cost of delay if your investment if you start, after 3 years from now.

### I. Charting Your Major Financial Milestones

■ Years Left for the Goal

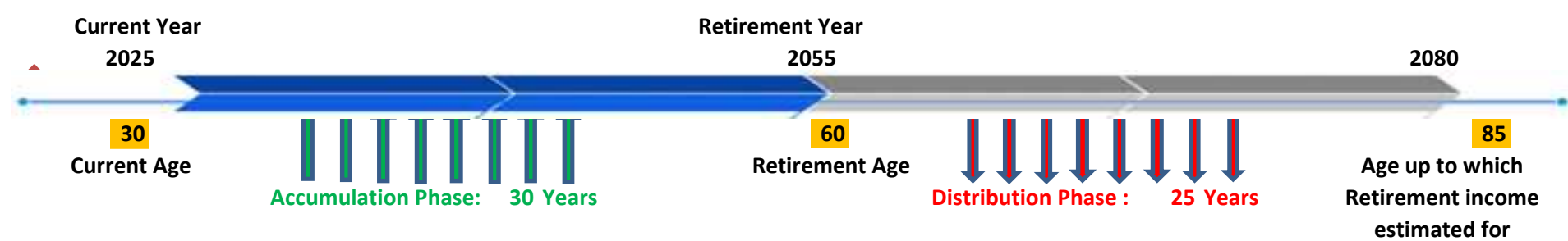


# II. Assessment & Quantification of Retirement Needs & the Other Financial Goals

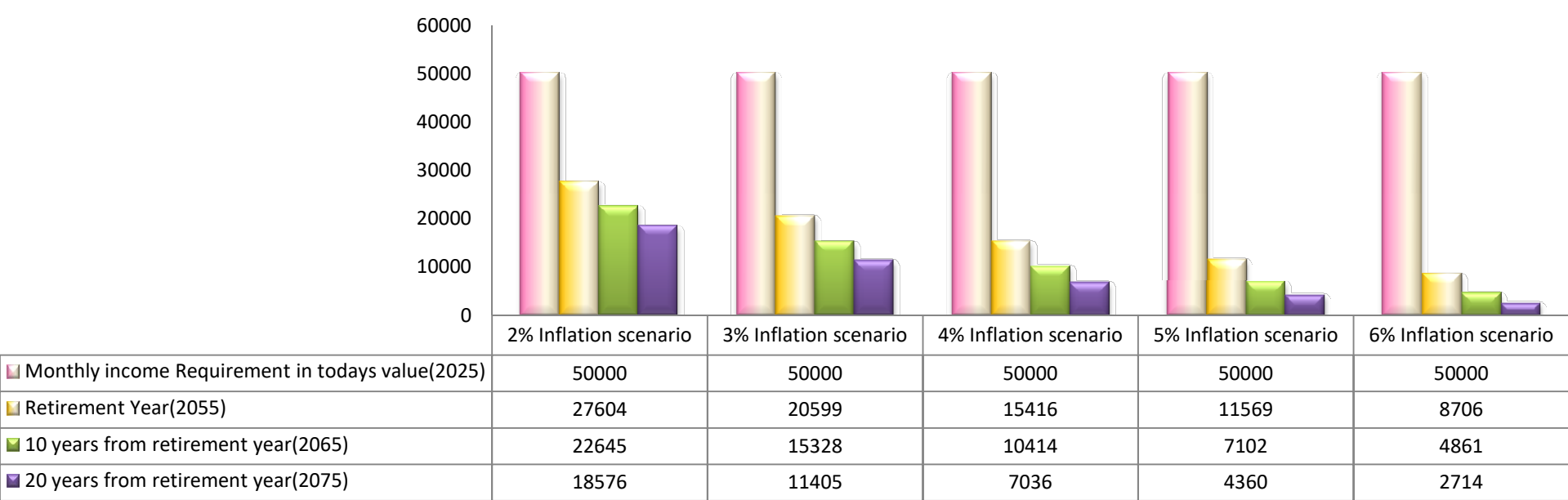
Your Retirement Goal is  
To have a Monthly Retirement Income of Rs.

50,000

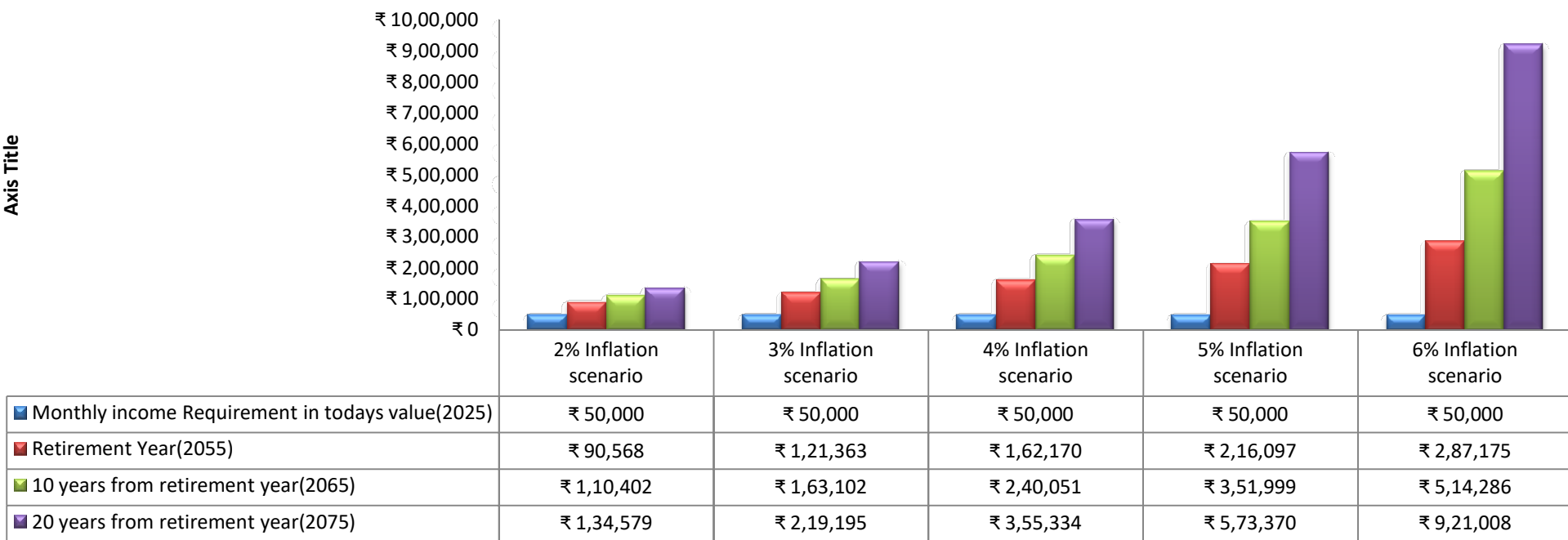
## I. Retirement life- The timeline



## II. When Money Loses Power: The Impact of Inflation

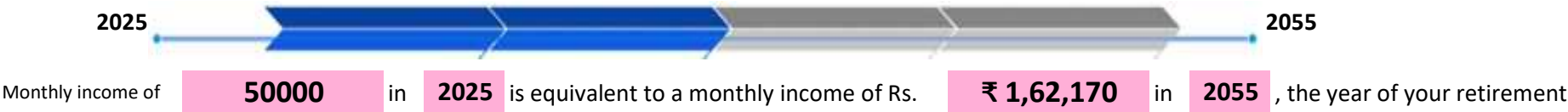


## III. Your Income Needs: Now and in the Future



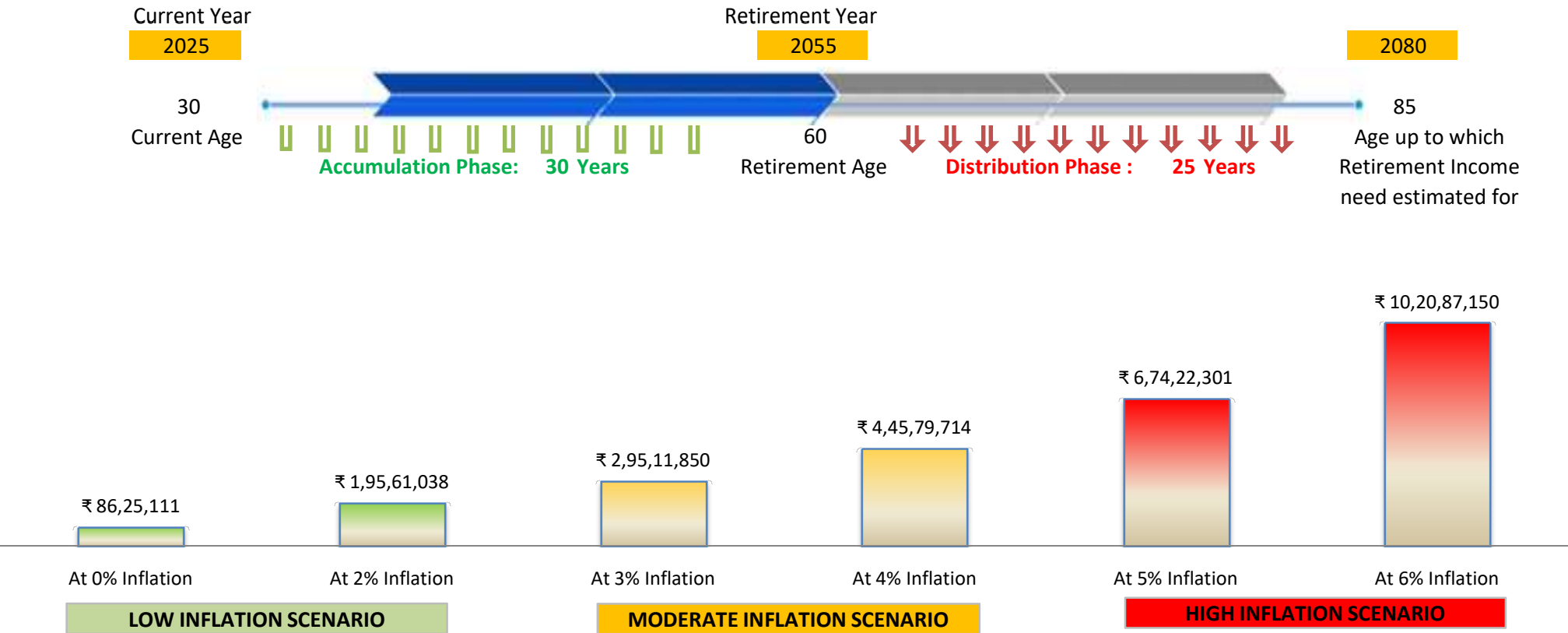
IV. Inflation-Adjusted Retirement Income Scenarios

Inflation Assumption - 4%: Reason: Central government/RBI has a longterm inflation target of 4% (with the upper tolerance level of 6% & the lower tolerance level of 2%)



In other words, you would need Rs. ₹ 1,62,170 in 2055 to maintain the similar lifestyle that you enjoy today with Rs. 50000 This is due to the Impact of Inflation

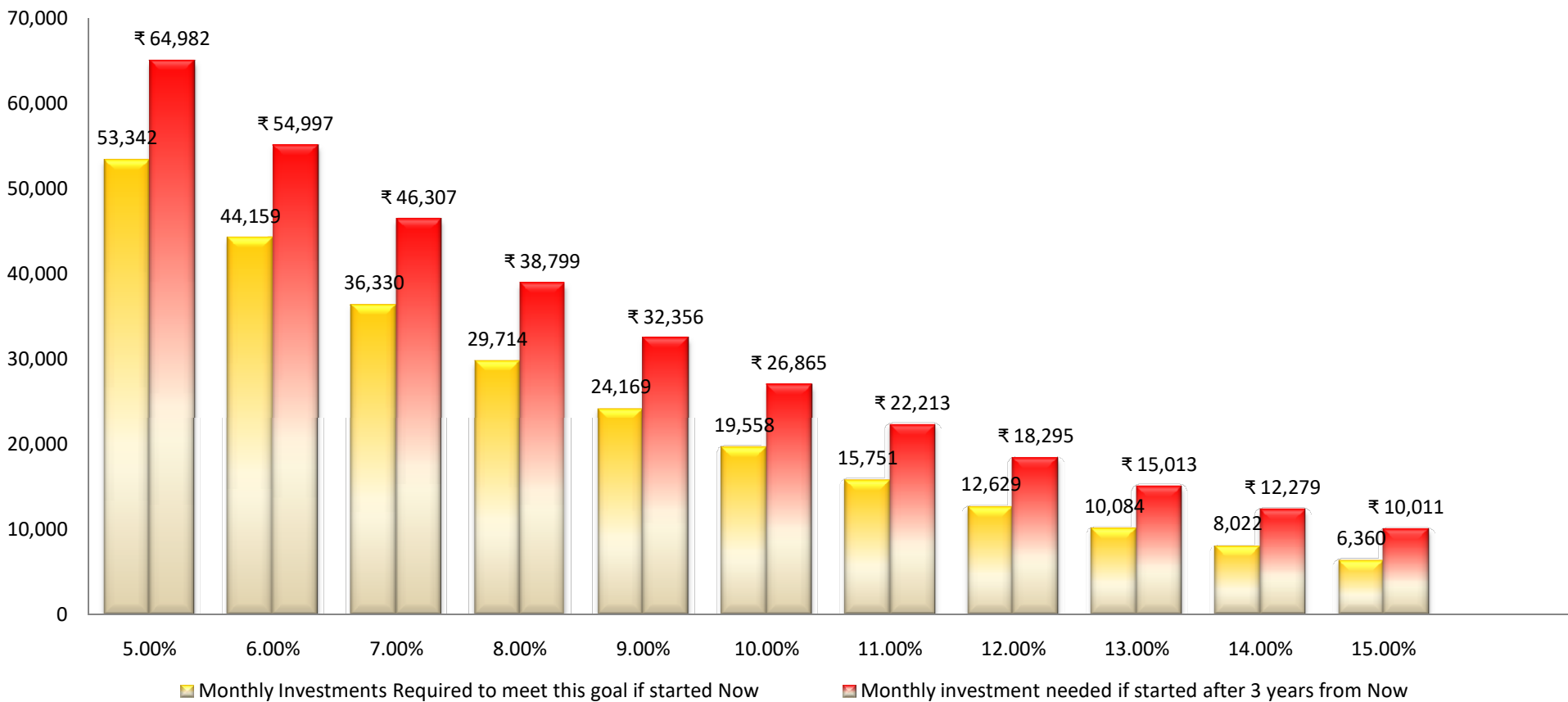
V.The Retirement Fund to be build by the retirment year in different inflation scenarios



VI.Monthly Saving Needed at Different Growth Rates & the cost of Delay

Below chart indicates monthly investments required to achieve this goal at various levels of investment returns. It also presents the required amount to be invested everymonth if you start investing for this goal after 3 years.

Retirement Fund target at 4% inflation  
4,45,79,714



Assumptions

Post Retirement Inflation 4.0% Post retirement return 5% Pre retirement inflation 4%

VII.How Much Should You Invest Given Your Risk Level to build this Fund?



Pending Actions : Take a stock of your exisiting retirement contributions in PPF/EPF/NPS schemes /Gratuity & other retirement funds



Goal No. 1 Education Fund- Son

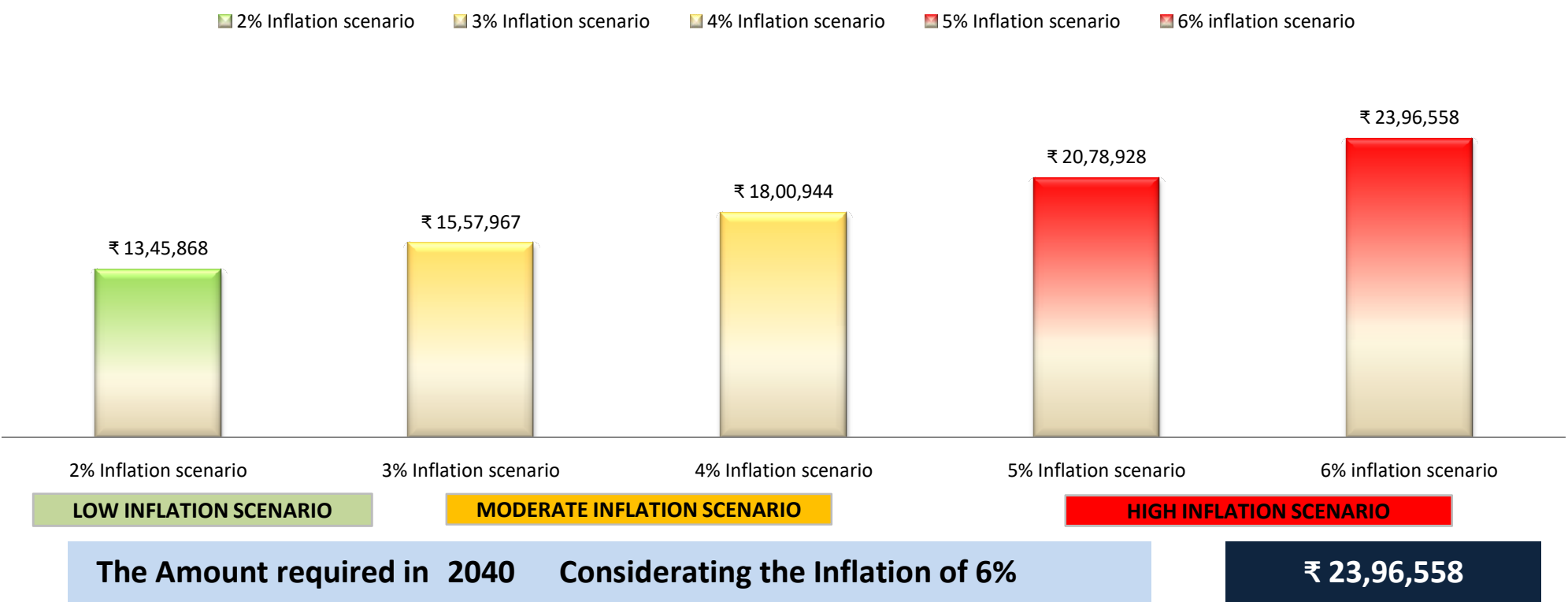
Goal Amount in Todays Value

10,00,000

I. The timeline

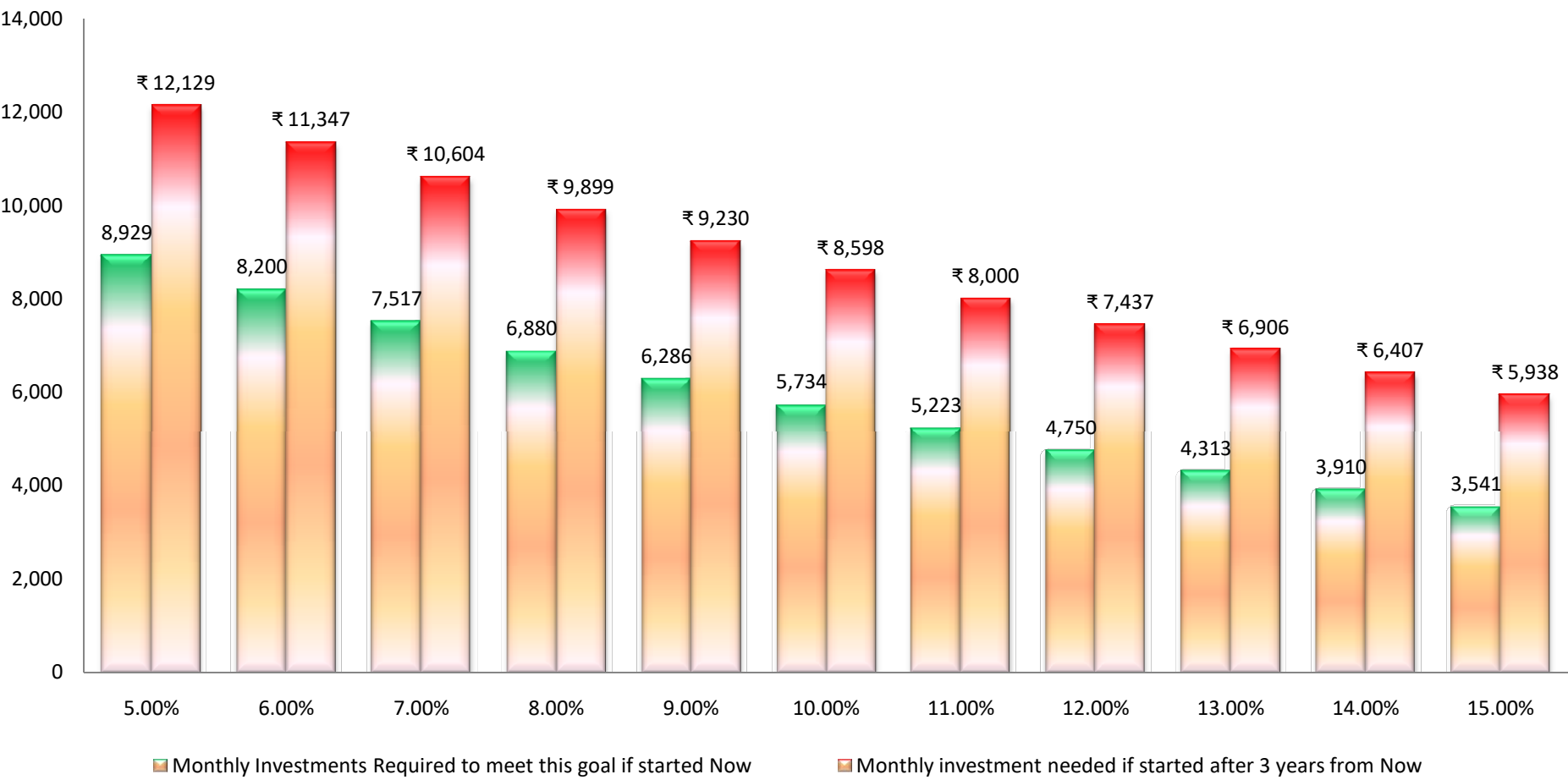


II. The fund requirement for the goal at Various Inflation Levels

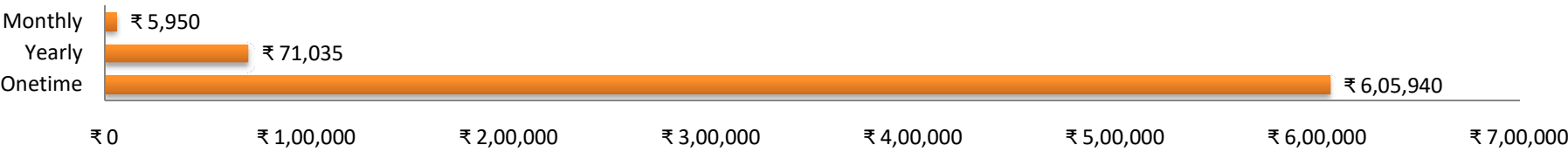


III. Monthly Investments Required to meet this goal at various levels of investment returns

Below chart indicates the amount to be invested on a monthly basis to achieve this goal at various levels of investment returns. It also presents the required amount to be invested everymonth if you start saving/investing for this goal after 3 years.



IV. The investment needed based on the expected returns aligned with your risk profile



Note: Pending Action : Aligning your exisiting contributions/ savings/ investments for this goal & Periodic reviews

Goal No. 2 Education Fund - Daughter

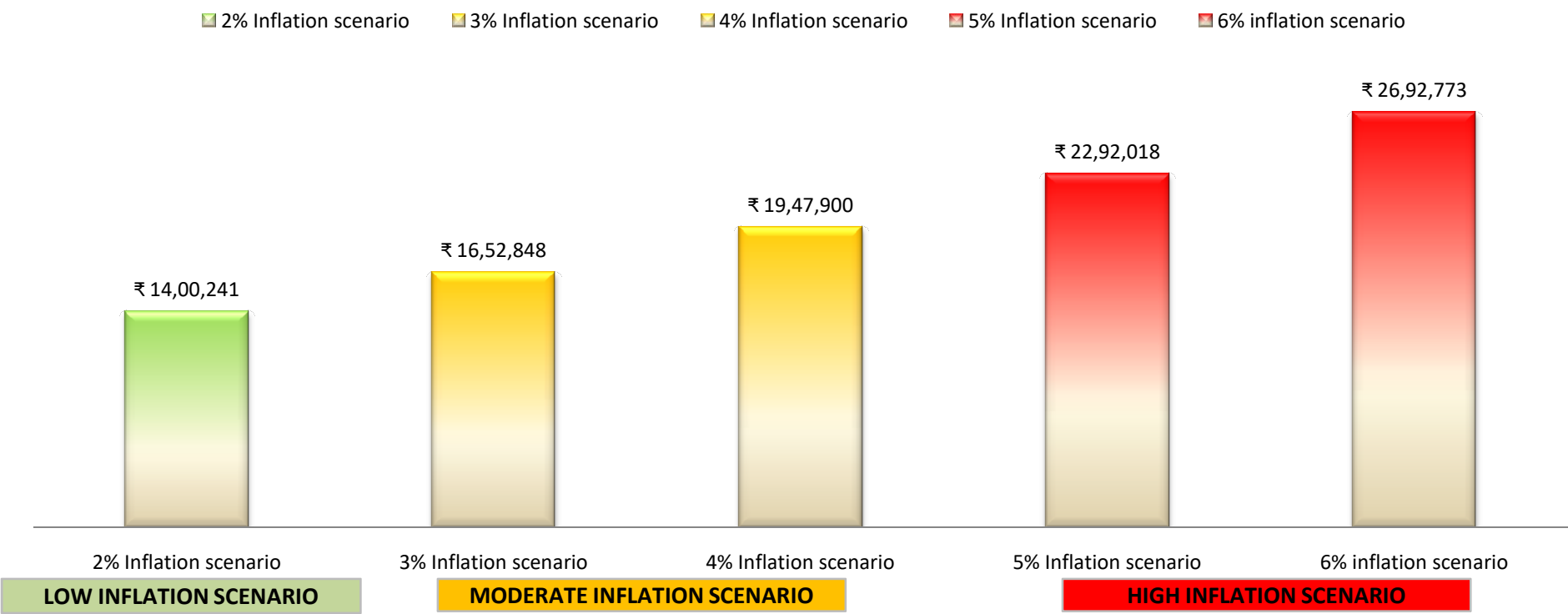
Goal Amount in Todays Value

10,00,000

I. The timeline



II. The fund requirement for the goal at Various Inflation Levels

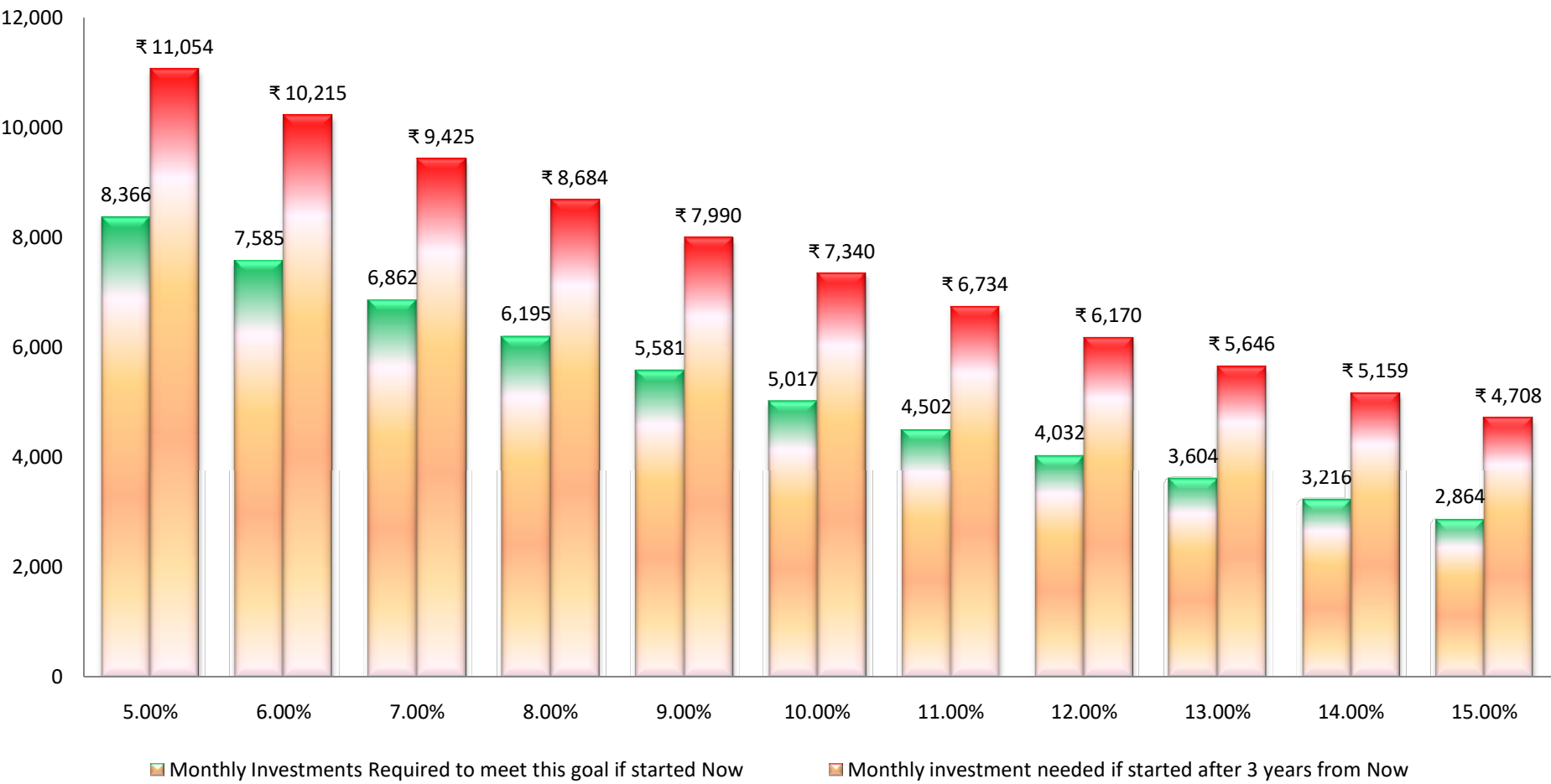


The Amount required in 2042      Considering the Inflation of 6%

₹ 26,92,773

III. Monthly Investments Required to meet this goal at various levels of investment returns

Below chart indicates the amount to be invested on a monthly basis to achieve this goal at various levels of investment returns. It also presents the required amount to be invested everymonth if you start saving/investing for this goal after 3 years.



IV. The investment needed based on the expected returns aligned with your risk profile



Note: Pending Action : Aligning your exisiting contributions/ savings/ investments for this goal & Periodic reviews

Goal No. 3 Life Estb fund for Daughter

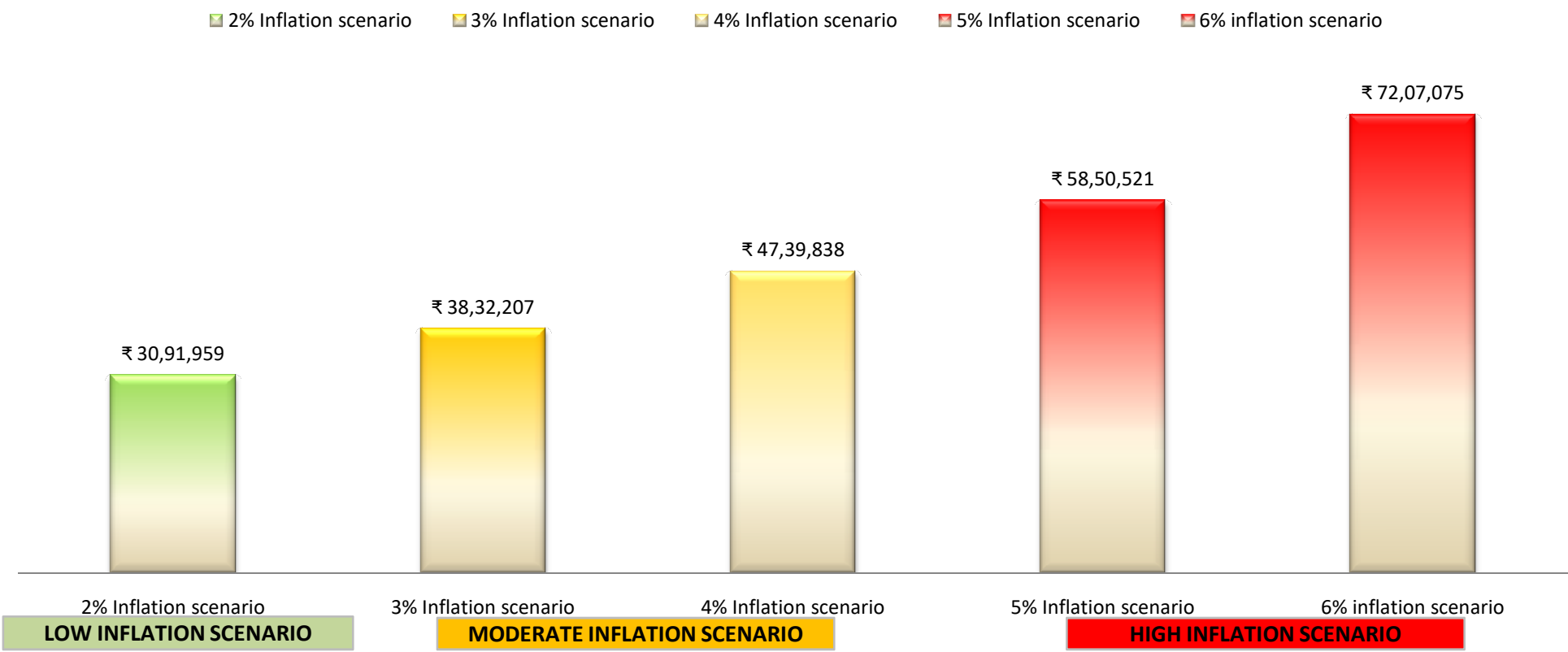
Goal Amount in Todays Value

20,00,000

I. The timeline



II. The fund requirement for the goal at Various Inflation Levels

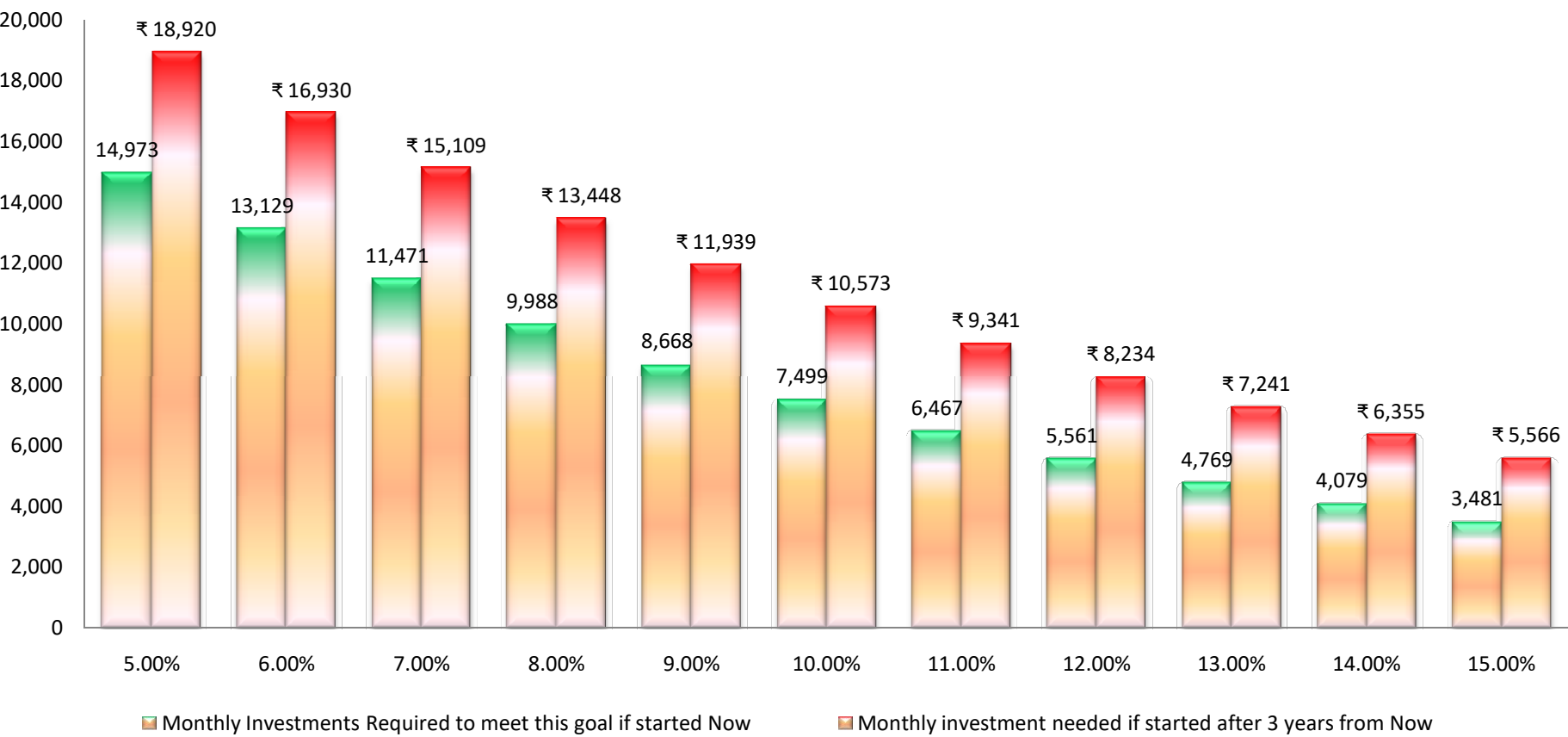


The Amount required in 2047 Considering the Inflation of 6%

₹ 72,07,075

III. Monthly Investments Required to meet this goal at various levels of investment returns

This chart indicates the amount to be invested on a monthly basis to achieve this goal at various levels of investment returns. It also presents the required amount to be invested everymonth if you start saving/investing for this goal after 3 years.



IV. The investment needed based on the expected returns aligned with your risk profile



Note: Pending Action : Aligning your exisiting contributions/ savings/ investments for this goal & Periodic reviews



Goal No: 4 Life Estb fund for Son

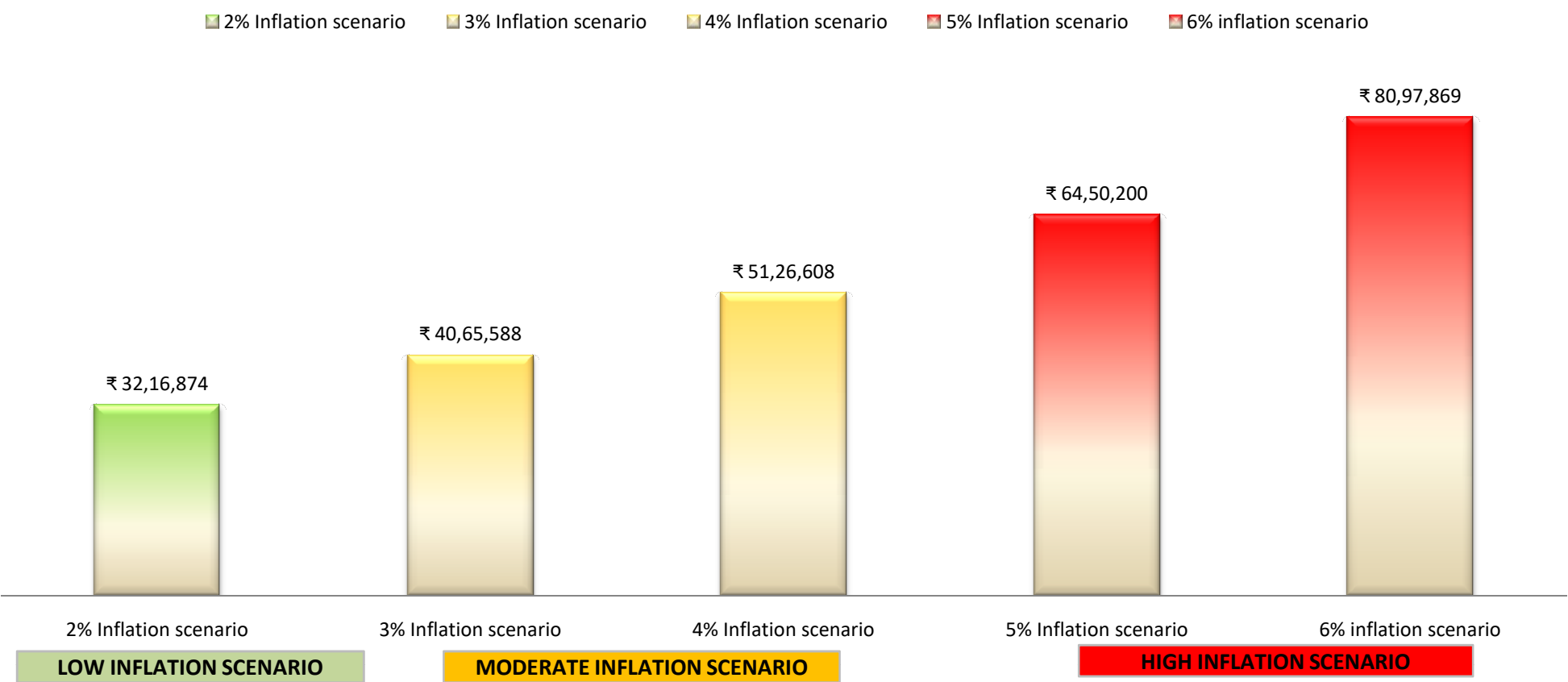
Goal Amount in Todays Value

20,00,000

I. The timeline



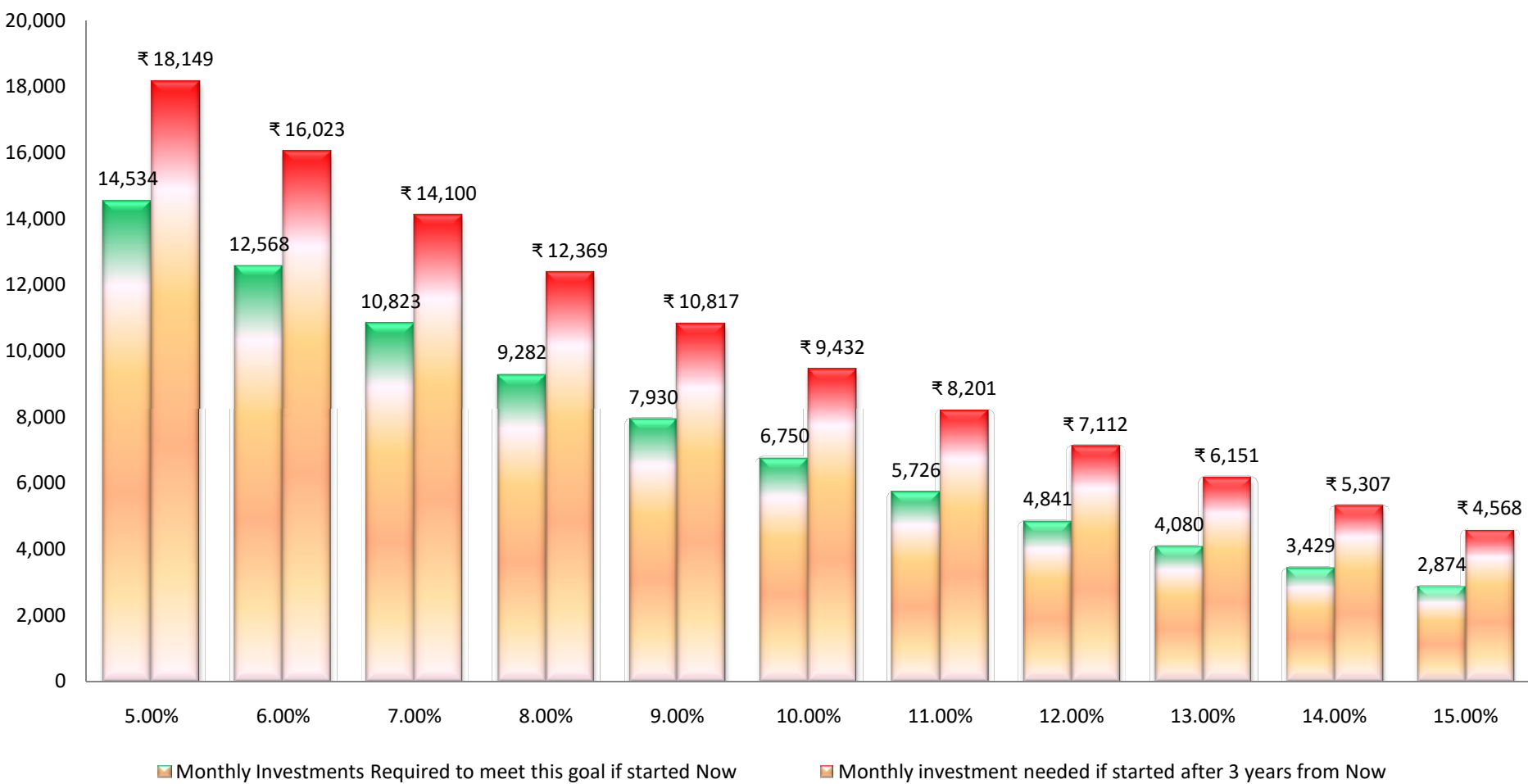
II. The fund requirement for the goal at Various Inflation Levels



The Amount required in 2049 Considering the Inflation of 6%

₹ 80,97,869

III. Monthly Investments Required to meet this goal at various levels of investment returns



IV. The investment needed based on the expected returns aligned with your risk profile



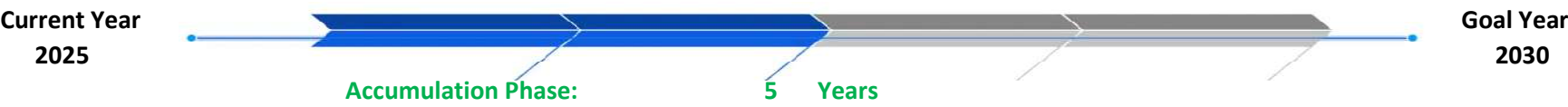
Note: Pending Action : Aligning your exisiting contributions/ savings/ investments for this goal & Periodic reviews

Goal No: 5 Family vacation Funds

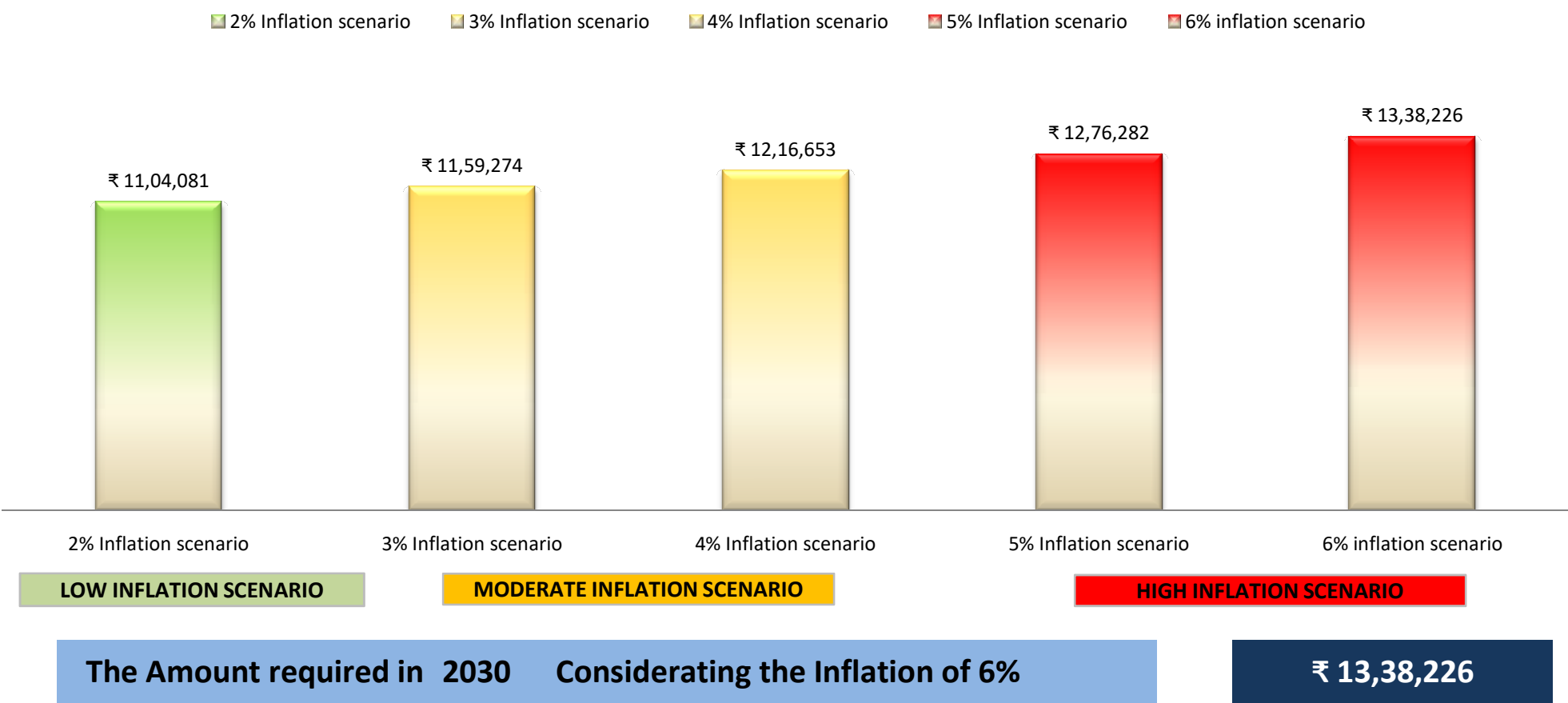
Goal Amount in Todays Value

10,00,000

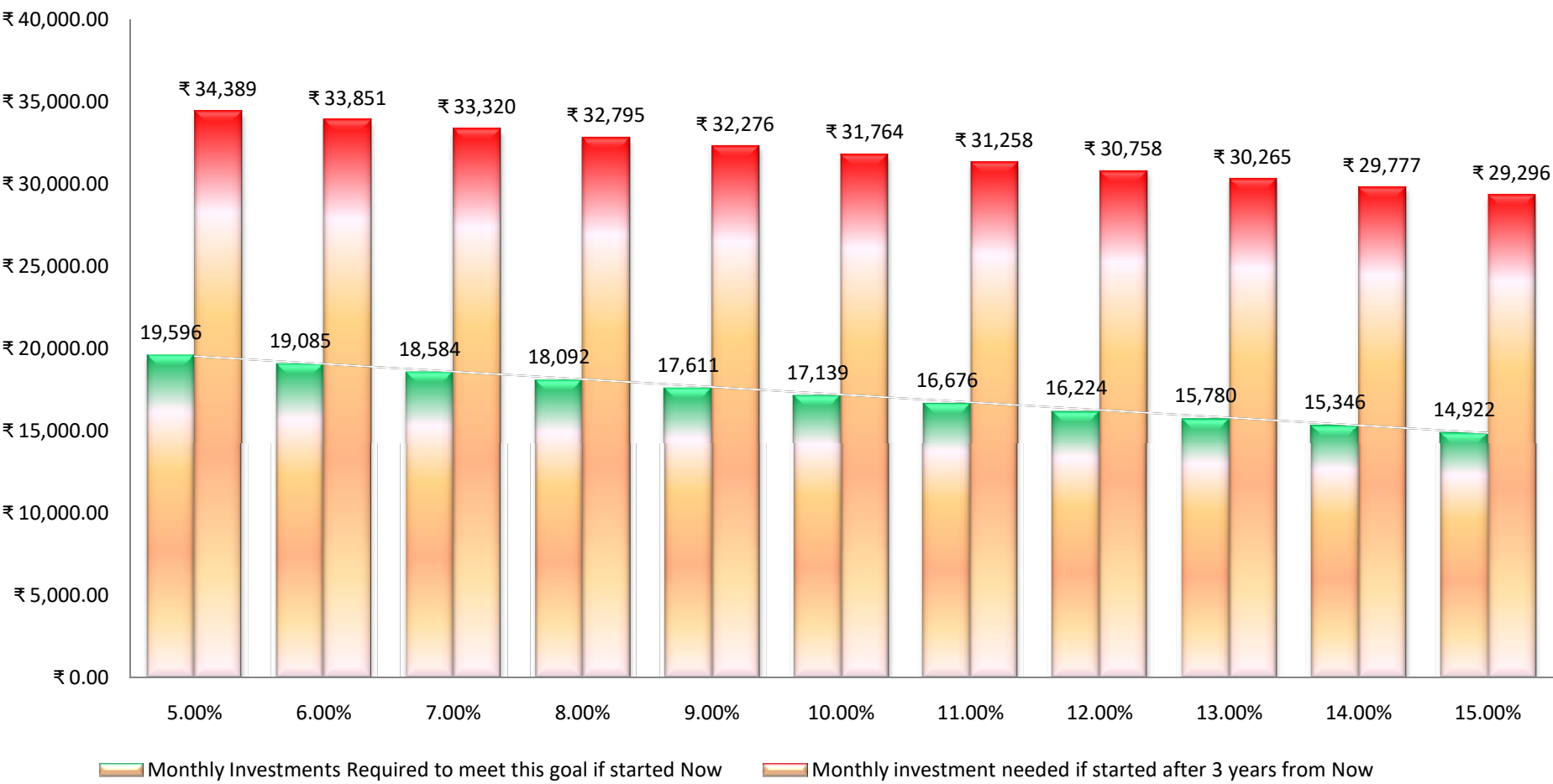
I. The timeline



II. The fund requirement for the goal at Various Inflation Levels



III. Monthly Investments Required to meet this goal at various levels of investment returns



IV. The investment needed based on the expected returns aligned with your risk profile



Note: Pending Action : Aligning your exisiting contributions/ savings/ investments for this goal & Periodic reviews

# Part- C

## YOUR RISK PROFILE

### UNDERSTANDING YOUR RISK PROFILE AS AN INVESTOR

The second step towards your investment planning is to understand your risk profile as an investor. As you must be aware, different investment products carry different risks, some investments are considered to be safe, whereas some are considered to be risky. An assessment of your risk profile will help you to understand the risk that you can take as an investor and accordingly your asset allocation can be decided.

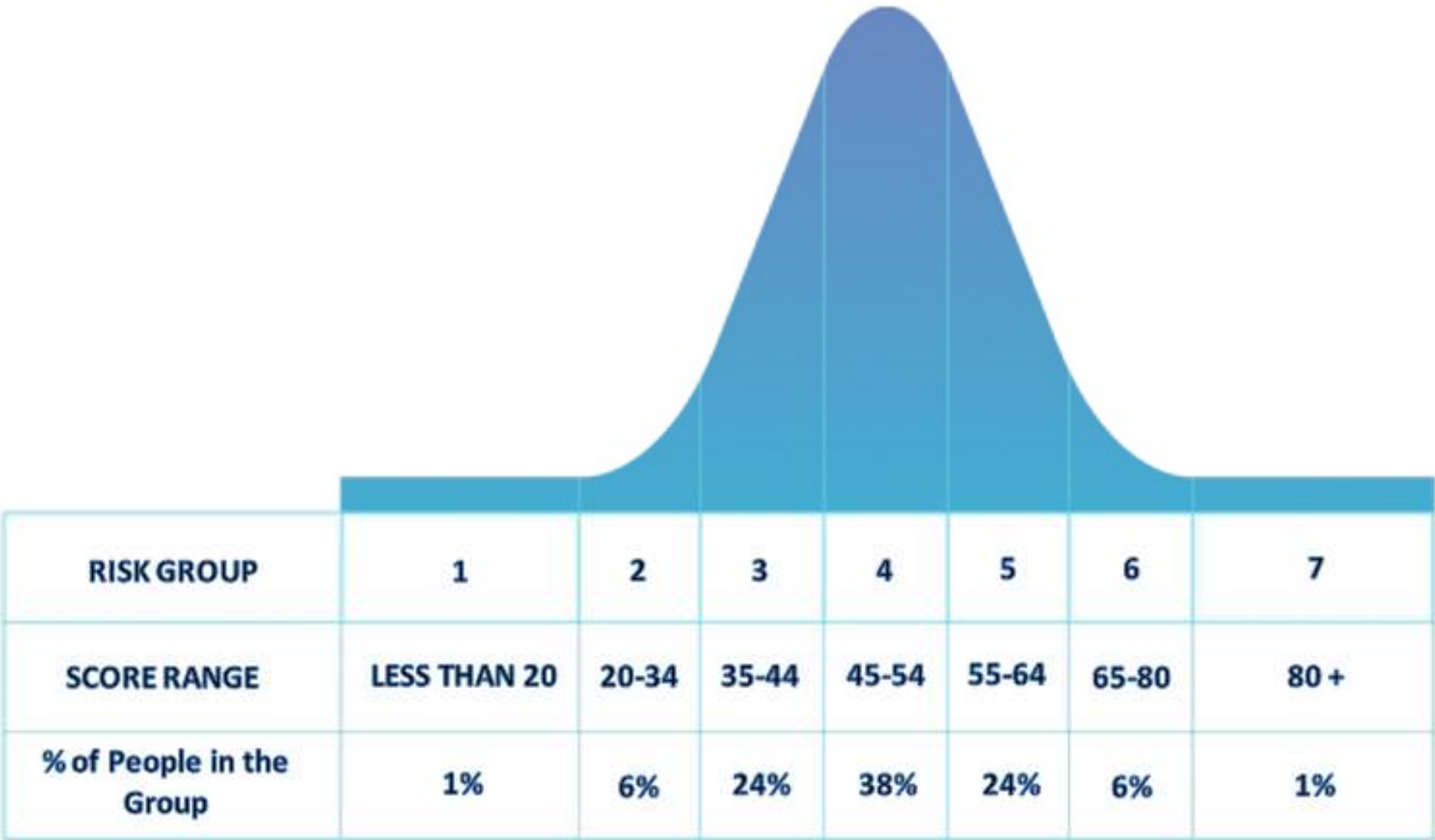
Based on risk profile investors can be grouped under 7 categories. They are Extremely Conservative, Conservative, Moderately Conservative, Moderate, Moderately Aggressive, Aggressive & Extremely Aggressive investor category.

You can see here your financial Risk Tolerance Score, this will tell you what is your risk profile and the investor type.



Calculated Financial Risk Tolerance Score:

52



This score indicates your risk group and your indicative risk taking ability and investor category

Risk Group-4, Moderate Risk Profile- As an Investor, you would be Looking for relatively higher returns over medium to long term with modest risk

# Part-D : ASSET ALLOCATION

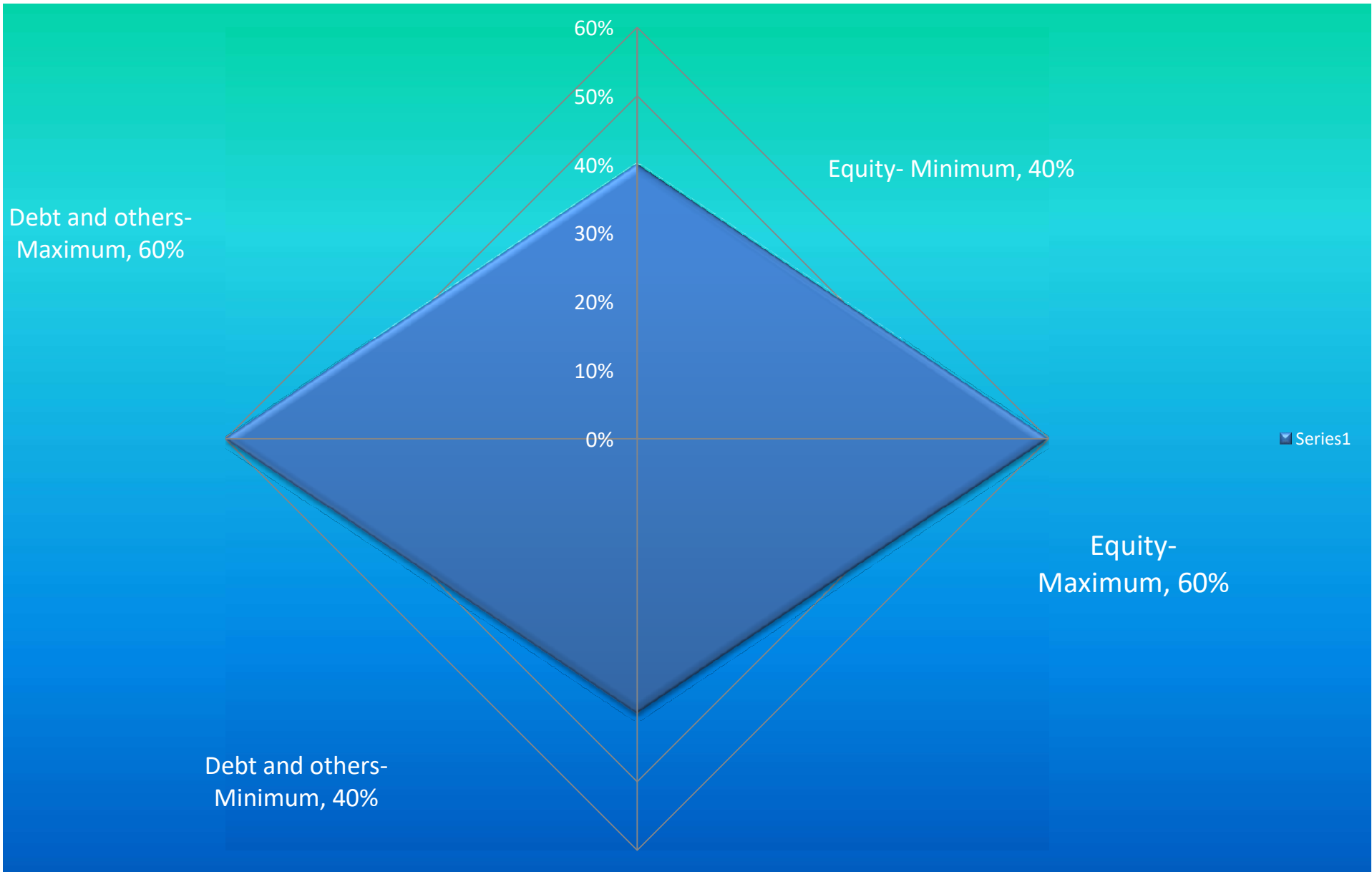
## Diversification through asset allocation

Asset Allocation is the 3<sup>rd</sup> important step to be taken before any investment is made. We have seen many people taking investment decisions based on their emotions and regret over their decisions after taking them. Many take investment decisions are taken in the similar fashion of their friends or family members. And sometimes these decisions are without any regard to its suitability to their specific needs. This is where a well decided asset allocation will help.

Asset allocation is about finding the ideal Mix of the assets best suitable for you. considering various factors, including your age, financial goals, and your risk profile.



Your risk profile indicates that you fall under **Risk Group-4, Moderate Risk Profile**  
**Ideal Asset Allocation:Equity: 40-60%; Debt and others: 40-60%**  
**Expected Return Range for this group-8.9%-10.3%**



The asset allocation decision is a personal one and There is no such thing as a perfect asset allocation model as The allocation that works best for you even changes at different times of your life and therefore it requires to be modified as the your age, risk profile changes.



# Part-E: INSIGHTS ON THE INVESTMENT REQUIREMENTS

This section provides a consolidated view of all financial goals, along with the total outlay under different inflation scenarios. It illustrates:

- Goal Accumulation at Varying Inflation Rates** – The total amount required to be accumulated at **0%, 2%, 3%, 4%, 5%, and 6% inflation**.
- Monthly Investment Needs** – Insights on the investments required for each goal under different return scenarios, including the expected return aligned with your asset allocation.
- Income & Savings Analysis** – A comparison of your **current income, expenditure, and monthly savings** versus the **required monthly savings** to achieve your goals.
- Goal-Wise Cashflow Projections** – Detailed projections with insights on how investments grow when topped up annually. This structured analysis helps you clearly understand the impact of inflation, the adequacy of your current savings, and the additional investments required to stay aligned with your financial goals.

## Future Value of Goals at Varying Inflation Rates

RemarksGoal Year	Cost in todays Value	2% Inflation scenario	3% Inflation scenario	4% Inflation scenario	5% Inflation scenario	6% inflation scenario
Retirement2055	₹ 86,25,111	₹ 1,95,61,038	₹ 2,95,11,850	₹ 4,45,79,714	₹ 6,74,22,301	₹ 10,20,87,150
Education Fund- Son(2040)	₹ 10,00,000	₹ 13,45,868	₹ 15,57,967	₹ 18,00,944	₹ 20,78,928	₹ 23,96,558
Education Fund - Daughter(2042)	₹ 10,00,000	₹ 14,00,241	₹ 16,52,848	₹ 19,47,900	₹ 22,92,018	₹ 26,92,773
Life Estb fund for Daughter(2047)	₹ 20,00,000	₹ 30,91,959	₹ 38,32,207	₹ 47,39,838	₹ 58,50,521	₹ 72,07,075
Life Estb fund for Son(2049)	₹ 20,00,000	₹ 32,16,874	₹ 40,65,588	₹ 51,26,608	₹ 64,50,200	₹ 80,97,869
Family vacation Funds(2030)	₹ 10,00,000	₹ 11,04,081	₹ 11,59,274	₹ 12,16,653	₹ 12,76,282	₹ 13,38,226
Others(2030)	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
Others(2030)	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
Others(2030)	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
Others(2030)	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
Others(2030)	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
Total	₹ 1,56,25,111	₹ 2,97,20,063	₹ 4,17,79,734	₹ 5,94,11,657	₹ 8,53,70,250	₹ 12,38,19,650

The above table shows a consolidated view of all the financial goals with the total goal outlay at different inflation scenatios. Data is presented to understand what is the total amount to be accumulated at 0% inflation, at 2% inflation, at 3% inflation, at 4% inflaiton, at 5% inflation and at 6% inflation.

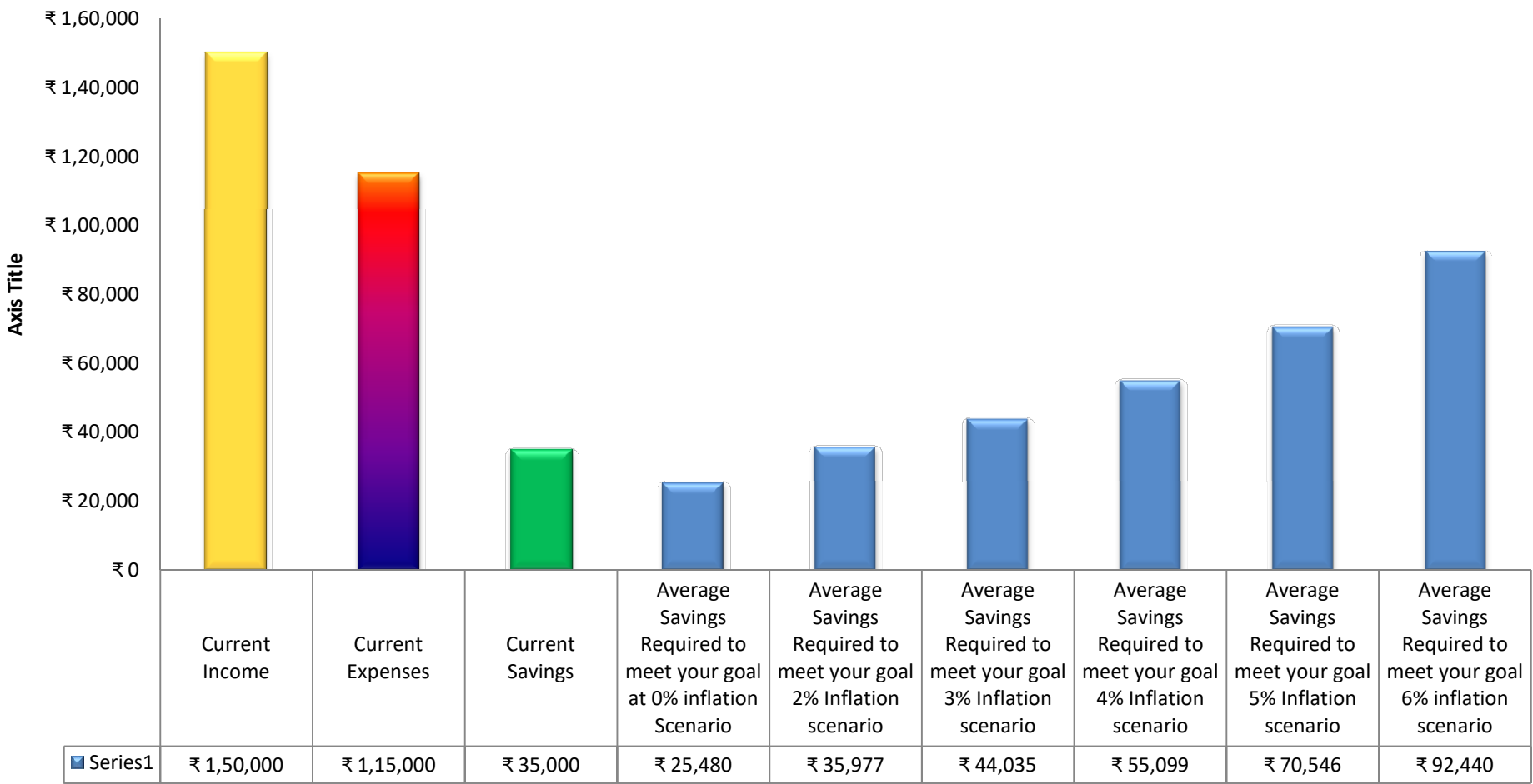
Goal Corpus and Monthly Investment Requirements at Varying Inflation Rates

Total Funds required to meet the goal		at 0% inflation Scenario	2% Inflation scenario	3% Inflation scenario	4% Inflation scenario	5% Inflation scenario	6% inflation scenario
		₹ 1,56,25,111	₹ 2,97,20,063	₹ 4,17,79,734	₹ 5,94,11,657	₹ 8,53,70,250	₹ 12,38,19,650
5% return per annum		₹ 39,541	₹ 61,136	₹ 78,487	₹ 1,02,969	₹ 1,37,962	₹ 1,88,552
6% return per annum		₹ 35,791	₹ 54,296	₹ 69,043	₹ 89,750	₹ 1,19,225	₹ 1,61,690
7% return per annum		₹ 32,457	₹ 48,284	₹ 60,781	₹ 78,234	₹ 1,02,963	₹ 1,38,451
8% return per annum		₹ 29,504	₹ 43,022	₹ 53,590	₹ 68,259	₹ 88,937	₹ 1,18,482
9% return per annum		₹ 26,895	₹ 38,436	₹ 47,358	₹ 59,662	₹ 76,906	₹ 1,01,423
10% return per annum		₹ 24,595	₹ 34,450	₹ 41,978	₹ 52,284	₹ 66,634	₹ 86,928
11% return per annum		₹ 22,569	₹ 30,993	₹ 37,346	₹ 45,972	₹ 57,900	₹ 74,665
12% return per annum		₹ 20,785	₹ 27,999	₹ 33,365	₹ 40,587	₹ 50,495	₹ 64,328
13% return per annum		₹ 19,212	₹ 25,407	₹ 29,946	₹ 35,999	₹ 44,232	₹ 55,640
14% return per annum		₹ 17,825	₹ 23,162	₹ 27,012	₹ 32,093	₹ 38,941	₹ 48,352
15% return per annum		₹ 16,598	₹ 21,214	₹ 24,490	₹ 28,767	₹ 34,473	₹ 42,245
16% return per annum		₹ 15,510	₹ 19,521	₹ 22,320	₹ 25,932	₹ 30,699	₹ 37,129
9.60%	Expected Return	₹ 25,480	₹ 35,977	₹ 44,035	₹ 55,099	₹ 70,546	₹ 92,440

We have considered the average of the **Expected Return Range for this group-8.9%-10.3%** for the above calculations. It also provides Insights on the investments required for each goal under different return scenarios, including the expected return aligned with your asset allocation

Gap Analysis: Present Savings vs Required Savings at Varying Inflation Rates

This shows the Monthly investment required to meet your goals if invested in the suggested asset class as per your risk profile



The above chart presents your current Income & Savings Analysis – A comparison of your current income, expenditure, and monthly savings versus the required monthly savings to achieve your goals in different inflation scenarios.



Goalwise Cash flow Projections with investments Topped Up every year

	Retirement	Education Fund- Son	Education Fund - Daughter	Life Estb fund for Daughter	Life Estb fund for Son	Family vacation Funds	Others	Others	Others	Others	TOTAL
Goal Year	2055	2040	2042	2047	2049	2030	2030	2030	2030	2030	
Total Funds Needed Now (No Inflation)	86,25,111	10,00,000	10,00,000	20,00,000	20,00,000	10,00,000	0	0	0	0	1,56,25,111
Total Funds Needed Then (With Inflation)	4,45,79,714	23,96,558	26,92,773	72,07,075	80,97,869	13,38,226	0	0	0	0	6,63,12,215
Investment Needed (Mly)	21,299	5,950	5,237	7,949	7,203	17,326	0	0	0	0	64,964
Proposed Allocation of Current Monthly Savings by Goal	11,475	3,206	2,821	4,283	3,881	9,335	0	0	0	0	35,000
Expected fund at the goal year	2,40,17,631	1291162	1450750	3882862	4362783	720978	0	0	0	0	3,57,26,167
Expected Shortfall	2,05,62,083	1105396	1242023	3324213	3735086	617247	0	0	0	0	3,05,86,048
% of Savings to be incresed year on year to avoid shortfall	7%	11%	10%	8%	8%	34%	0%	0%	0%	0%	-
Yearwise Monthly Savings Required for the Goal											
2025-26	11,475	3,206	2,821	4,283	3,881	9,335	0	0	0	0	35,000
2026-27	12,272	3,556	3,100	4,636	4,184	12,516	0	0	0	0	40,263
2027-28	13,123	3,944	3,407	5,018	4,511	16,780	0	0	0	0	46,785
2028-29	14,034	4,375	3,744	5,432	4,864	22,499	0	0	0	0	54,948
2029-30	15,009	4,853	4,115	5,880	5,244	30,166	0	0	0	0	65,266
2030-31	16,050	5,383	4,522	6,366	5,654	-	-	-	-	-	37,974
2031-32	17,165	5,971	4,969	6,891	6,096	-	-	-	-	-	41,091
2032-33	18,356	6,623	5,460	7,459	6,572	-	-	-	-	-	44,471
2033-34	19,630	7,347	6,001	8,074	7,086	-	-	-	-	-	48,138
2034-35	20,993	8,149	6,594	8,740	7,640	-	-	-	-	-	52,117
2035-36	22,450	9,039	7,247	9,461	8,237	-	-	-	-	-	56,434
2036-37	24,008	10,027	7,963	10,242	8,881	-	-	-	-	-	61,121
2037-38	25,675	11,122	8,751	11,087	9,575	-	-	-	-	-	66,210
2038-39	27,457	12,337	9,617	12,001	10,323	-	-	-	-	-	71,736
2039-40	29,363	13,684	10,568	12,991	11,130	-	-	-	-	-	77,738
2040-41	31,401	-	11,614	14,063	12,000	-	-	-	-	-	69,079
2041-42	33,581	-	12,763	15,223	12,938	-	-	-	-	-	74,506
2042-43	35,912	-	-	16,479	13,950	-	-	-	-	-	66,341
2043-44	38,405	-	-	17,838	15,040	-	-	-	-	-	71,284
2044-45	41,071	-	-	19,310	16,216	-	-	-	-	-	76,597
2045-46	43,922	-	-	20,903	17,484	-	-	-	-	-	82,308
2046-47	46,971	-	-	22,627	18,850	-	-	-	-	-	88,448
2047-48	50,231	-	-	-	20,324	-	-	-	-	-	70,555
2048-49	53,718	-	-	-	21,912	-	-	-	-	-	75,630
2049-50	57,447	-	-	-	-	-	-	-	-	-	57,447
2050-51	61,434	-	-	-	-	-	-	-	-	-	61,434
2051-52	65,699	-	-	-	-	-	-	-	-	-	65,699
2052-53	70,259	-	-	-	-	-	-	-	-	-	70,259
2053-54	75,136	-	-	-	-	-	-	-	-	-	75,136
2054-55	80,352	-	-	-	-	-	-	-	-	-	80,352
2055-56	-	-	-	-	-	-	-	-	-	-	-
2056-57	-	-	-	-	-	-	-	-	-	-	-
2057-58	-	-	-	-	-	-	-	-	-	-	-
2058-59	-	-	-	-	-	-	-	-	-	-	-
2059-60	-	-	-	-	-	-	-	-	-	-	-
2060-61	-	-	-	-	-	-	-	-	-	-	-
2061-62	-	-	-	-	-	-	-	-	-	-	-
2062-63	-	-	-	-	-	-	-	-	-	-	-
2063-64	-	-	-	-	-	-	-	-	-	-	-
2064-65	-	-	-	-	-	-	-	-	-	-	-
2065-66	-	-	-	-	-	-	-	-	-	-	-
2066-67	-	-	-	-	-	-	-	-	-	-	-
2067-68	-	-	-	-	-	-	-	-	-	-	-
2068-69	-	-	-	-	-	-	-	-	-	-	-
2069-70	-	-	-	-	-	-	-	-	-	-	-
2070-71	-	-	-	-	-	-	-	-	-	-	-
2071-72	-	-	-	-	-	-	-	-	-	-	-
2072-73	-	-	-	-	-	-	-	-	-	-	-
2073-74	-	-	-	-	-	-	-	-	-	-	-
2074-75	-	-	-	-	-	-	-	-	-	-	-
Expected Fund at the Goal Year	4,45,79,714	23,96,558	26,92,773	72,07,075	80,97,869	13,38,226	0	0	0	0	6,63,12,215

# Part-F : CASH FLOW ANALYSIS

In this section, you'll see:

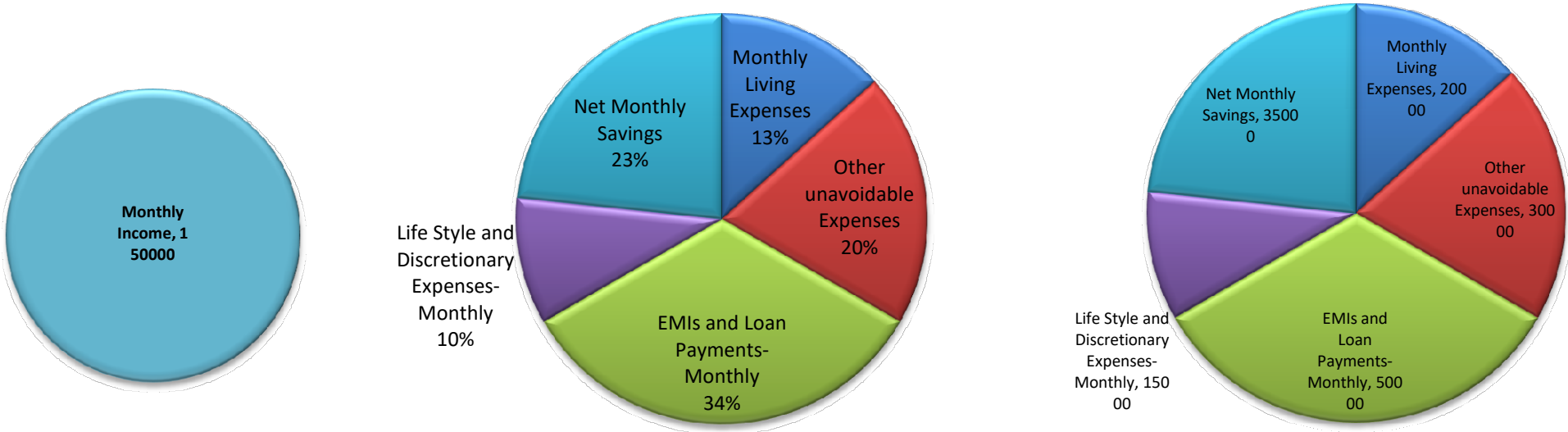
How your **income, expenses, and savings** are flowing.

Your **Savings Ratio** – both as a percentage and in actual numbers.

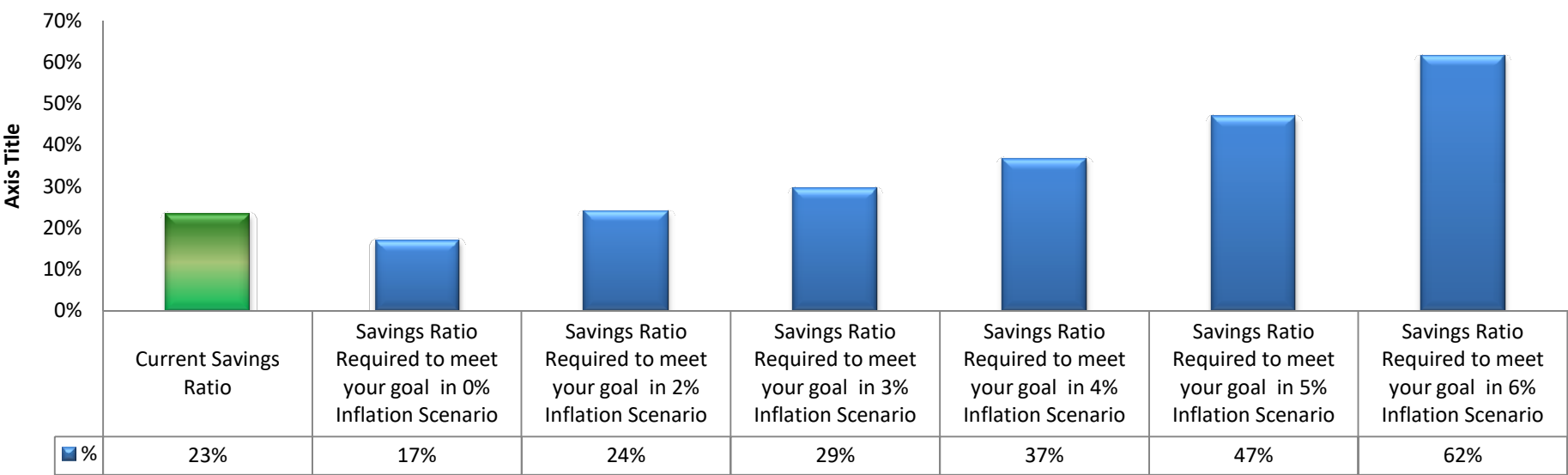
A comparison of your **Current vs. Required Savings Ratio**, so you know if you're saving enough for your goals.

This makes it clear whether you're on track or need small adjustments to strengthen your future security while enjoying your present.

## How Your Money Flows: Income, Expenses & Savings (%)



## Savings Gap Analysis (%) — Current vs Required



The above chart presents your current savings ratio and the Savings ratio required to achieve your financial goals at various inflation levels. This is not to question the merits of your savings or spending but to improve your understanding as to where to you stand now in relation with your goals

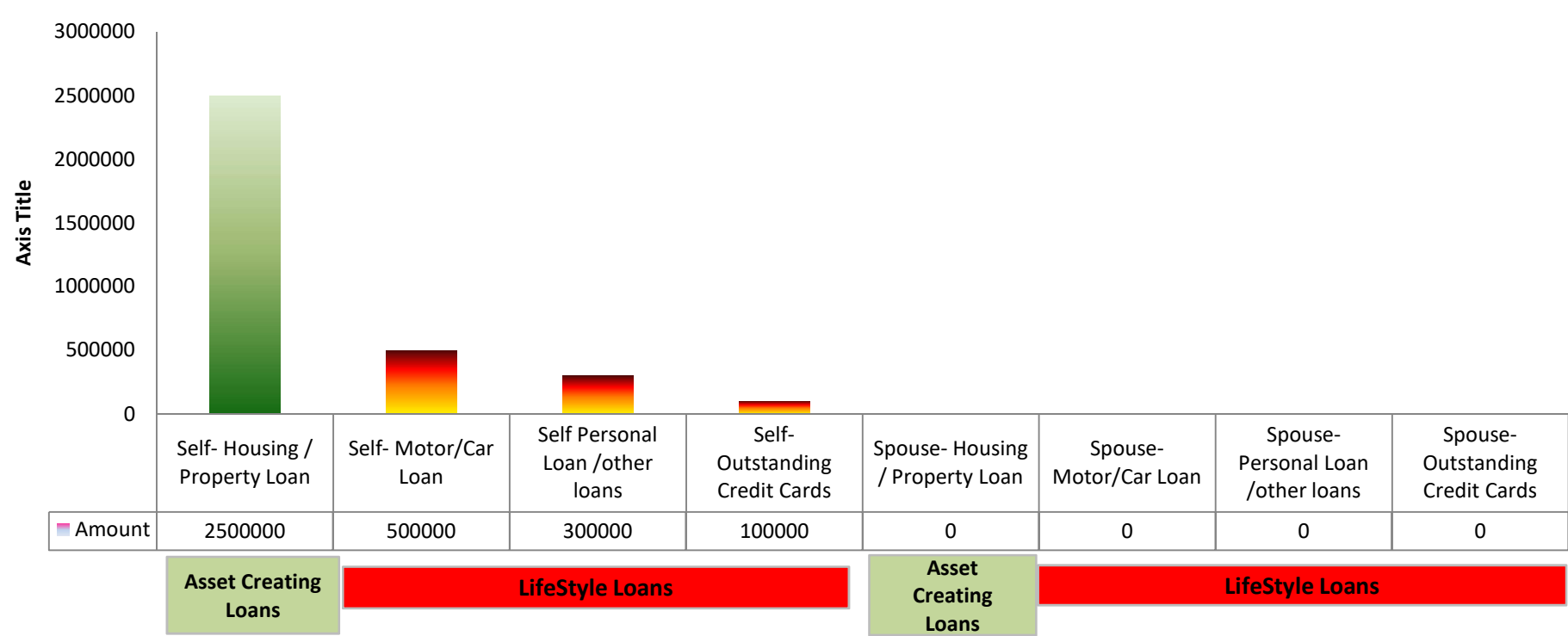


# Part- G : DEBT MANAGEMENT

This section presents your current loans and liabilities in your name and in your spouse name and more importantly how your loans are divided between the asset creating loans and the lifestyle loans. Your Home Loan or a loan to acquire a property is an asset creating loan. Where as your Motor Loans, Personal Loans or and the credit card loans or balances are the life style loans and you would be trapped if they are not within a healthy limit.

## Your Borrowing Mix: Asset-Creating vs Lifestyle Loans

Present Loans & Liabilities



## Debt Exposure Analysis –EMI as % of Income

33%

This shows Your Monthly Debt Payments to Your Income Ratio and what it indicates.

This ratio Indicates that Current amount of debt you have is likely manageable but it can be derailed at any moment if not paid attention

# Part- H

## RISK MANAGEMENT



### Risk Management

Risk in personal finance denotes the possibility of loss. Sometimes the loss is trivial, while at other times it may cause major personal and financial hardship. As there is no way that we can eliminate all our personal risks, we need to have a solid risk management plan to manage our risks effectively

RISK MANAGEMENT- Ensures a Solid Foundation for your Financial Life. Hence it needs to be the starting point for your wellness. The following risks may have a catastrophic impact on your financial wellness, therefore it to be managed properly.

1. Risk of Pre-Mature Demise
2. Risk of Hospitalisation
3. Risk of Disablement
4. Property Risks
5. Liability Risks
6. Risk of Income Loss/Unexpected Expenses

In the following sessions, we will analyse and try to quantify the potential impact of each of these risks in your life and understand the actionable for each of these risks



1. The Risk of Pre-mature Demise

**About the Risk:** When a family breadwinner dies, the human-life value of the breadwinner would be lost forever. This loss is usually very considerable and creates great financial and economic insecurity.

Risk of  
Premature Demise

Can this risk be Avoided?

No- Because ,Unexpected is always expected in life and the risk of premature demise can't be avoided due to the complex and uncertain nature of our lives

Can this risk be Assumed?

No- Because, A family breadwinner who dies prematurely has children to educate, dependants to support, mortgage loan to pay. Can be assumed by those who doesn't have any of the above

Ideal way to manage this?

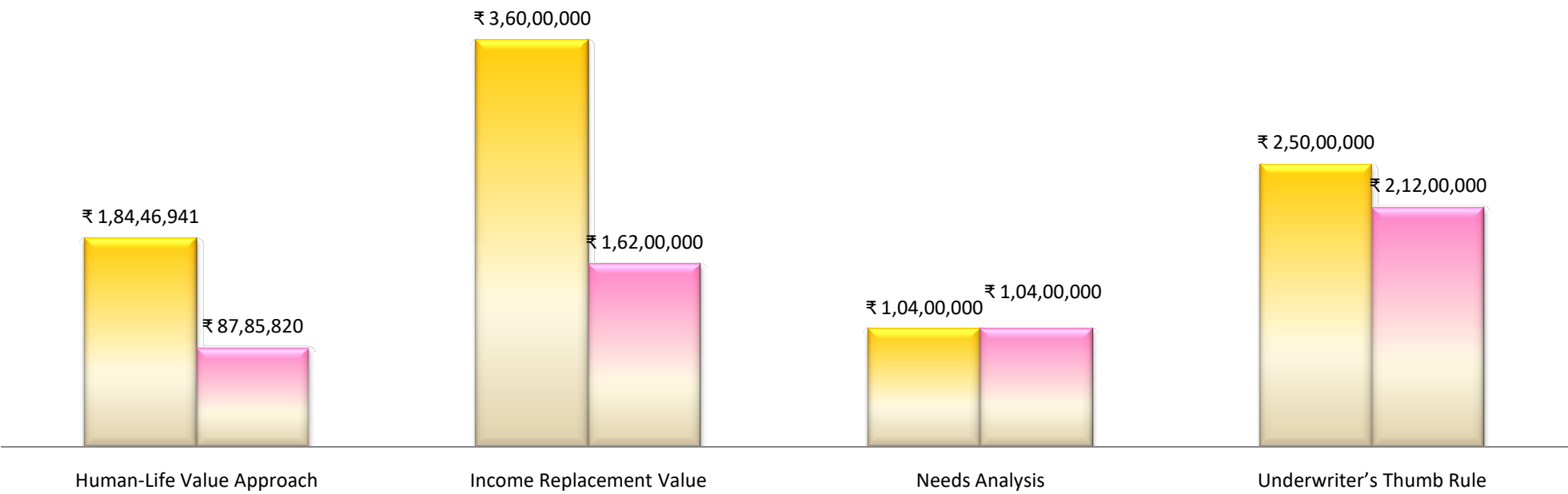
The most efficient way to handle this risk is to transfer this to an Insurance company by purchasing a term insurance policy. Thus the Financial losses arising out of the risk of premature death can be managed. Now lets find out the insurance cover you require as the insurance cover depends on the level of income, liabilities and obligations and dependencies.

Risk of Pre-Mature Demise- Quantification: Different approaches

Present Insurance Cover-Mr. ABC	₹ 0	Present Insurance Cover-Mrs ABC	₹ 0
Desirable minimum Term Life Cover	₹ 2,24,61,735	Desirable minimum Term Life Cover	₹ 1,41,46,455
Term Insurance Adequacy Level	INSUFFICIENT	Insurance Adequacy Level	INSUFFICIENT

Coverage Required for Mr. ABC

Coverage Required for Mrs ABC

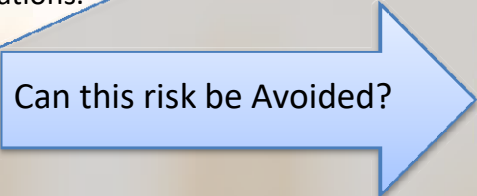


Actionable Steps

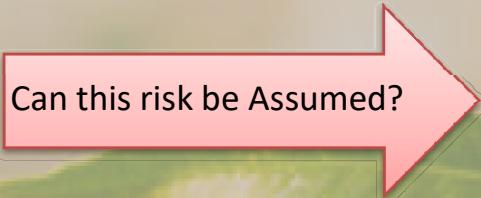
The above chart presents you the amount of Term Insurance cover you and your spouse need as per different approaches for your easy understanding. We have also given a desirable coverage amount for your easy reference. You can manage this risk of Pre-Mature demise with the help of a TERM LIFE INSURANCE POLICY with an appropriate SUM INSURED amount as per the above indications.

2. The Risk of Hospitalisation

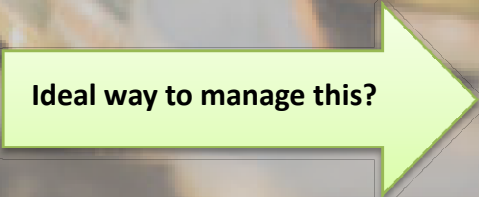
**About the Risk:** Our health can be affected by, illness disease or accidents, which often requires hospitalizations. At times the hospitalization could be for a considerably longer period bringing a lot of financial hardships



No- Because , It can't be avoided as we always have the probability contracting illness/ meeting with accidents



No- Because, It can put to you to deep financial troubles and can erode your savings and make you a net borrower



With the help of a health insurance policy you can transfer the financial risk arising out of sickness to an insurance company. Now lets assess you current situation and find out how to plan for your health insurance

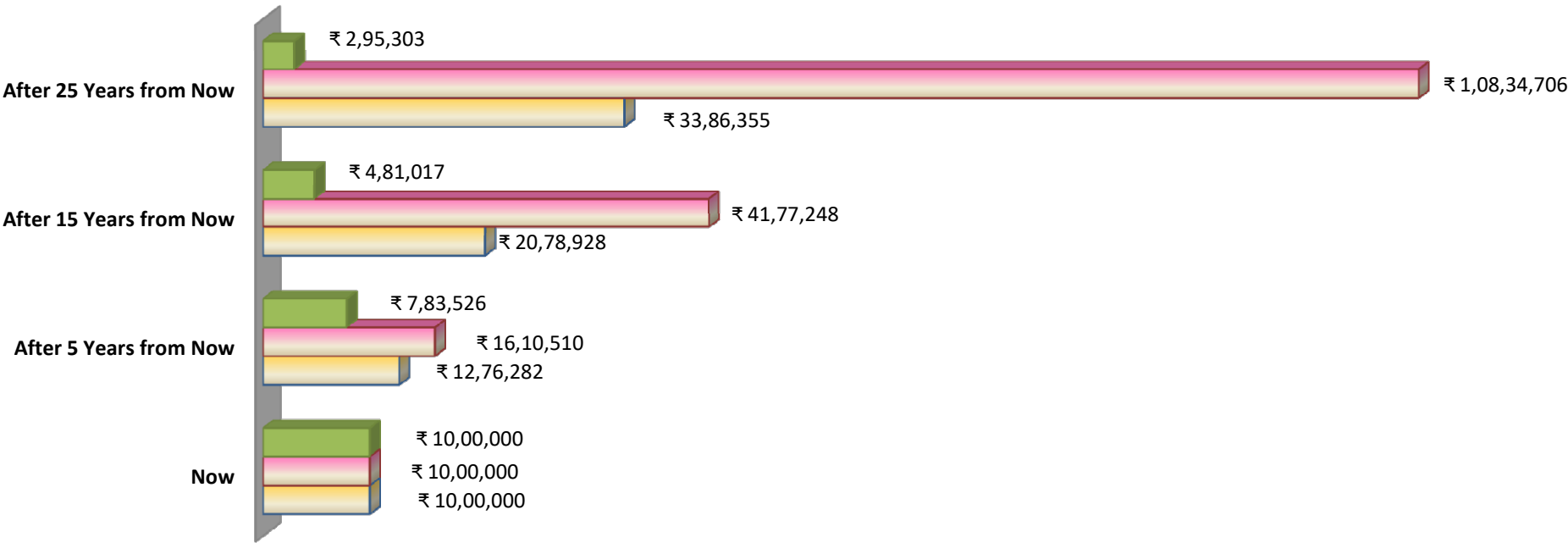
Risk of Hospitalisation: Sources, Quantification, Inflationary Impact

The present health Insurance coverage from your own policy is

-

The treatment cost reasonably expected in future at different inflation scenarios

■ Projected inflation adjusted value of your policy (inflation considered-5%) ■ Projected treatment cost at 10% Inflation ■ Projected treatment cost at 5% inflation



Actionable Steps

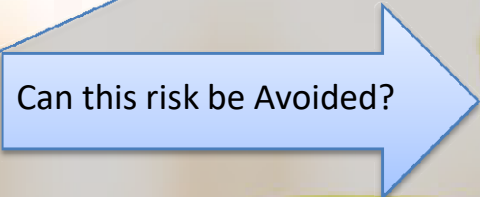
(Medical inflation in the last decade was over 10% per Annum)

- 1. If your Health Insurance policy has a lesser coverage or not sufficient enough to meet the inflation adjusted figures, you can consider enhancing the coverage in your existing Health Insurance policy or Consider a TOP up health insurance Policy
- 2. If you rely only on the employer provided policy, It is advisable that you have your own health insurance policy in addition to what your employer offers as the employer provider policy is just a benefit attached to the employment and can cease to exist at any time

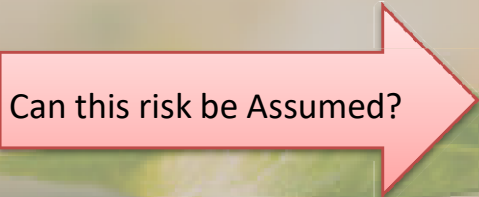


3. The Risk of being Disabled

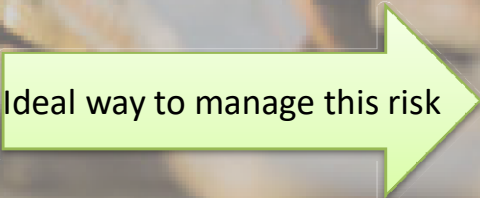
**About the Risk:** Every person faces a risk of being disabled, Permanently or Temporarily, primarily for two reasons, one due to accidents, the other due to critical illnesses.  
The results in both the cases are the Earning Capacity losses & leading to financial insecurity



No- Because , It can't be avoided as we always have the probability contracting a critical illness or meeting with accidents resulting in a disablement.



No- Because, It can put to you to deep financial troubles by Earning Capacity losses and can erode your savings and make you a net borrower



Disablement due to accidents- With the help of a Personal Accident Policy you can transfer the financial risk of disablement to an insurance company

Disablement due to critical illnesses,- ith the help of a Critical Illness Policy you can transfer the financial risk of disablement to an insurance company

Risk of Disablement: Present Status, Quantification, Actionable

Present Coverage Amount0

Quantification

Risk of Disablement- Minimum to ideal coverage Range3400000-10400000

Actionable Steps

1. Risk of Disablement due to accidents

With the help of a PA policy you can transfer the financial risk of disablement- Permanent or Temporary due to accidents to an insurance company
2. Risk of Disablement due to critical illness

With the help of a CI Policy you can transfer the financial risk of disablement due to Critical illness to an insurance company either as

A standalone Critical Illness policy or

A Critical Illness beniefit Rider to your Term Policy- Not a Premium Waiver rider

## 4. The Property Risks

**About the Risk:** As Property owners, we face the risk of having our property stolen, damaged or destroyed by various causes like Fire, Earthquake, Storm, Tempest, Flood, Inundation, Riots, Malicious damages, Burglary etc

### The Property Risks

Can this risk be Avoided?

No- Because , It can't be avoided as we have no control over the occurrence of natural and manmade calamities- Eg Mumbai, Chennai, Kerala floods, Cyclones etc

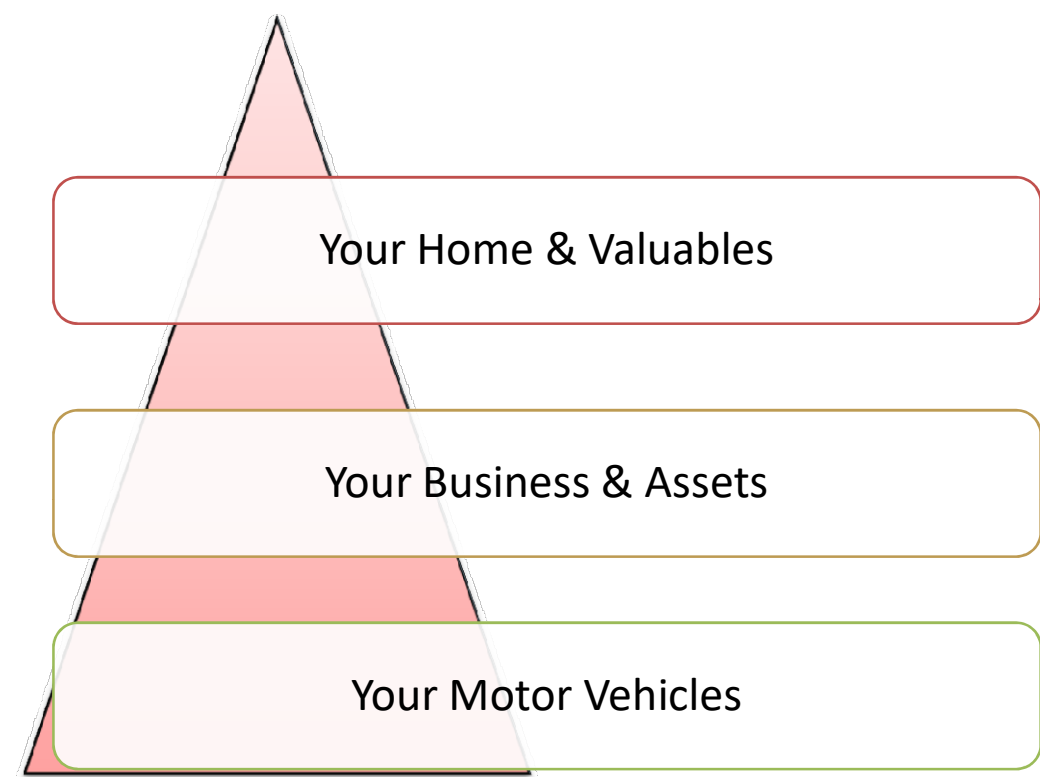
Can this risk be Assumed?

Trivial losses can be assumed, but most of the times the losses could be of major losses and beyond our capacity to reinstate it

Ideal way to handle this?

The ideal way to handle these risks are to transfer this to an insurance company under the appropriate insurance policy

## Properties to be Protected



Exposure limit is its Present Replacement cost

Risk Aggravating Factor (Home Loans)

YES

Exposure limit is its Present Replacement cost

Risk Aggravating Factor (Personal/Business Loans)

YES

Exposure limit is its Present Replacement cost

Risk Aggravating Factor (Car Loans)

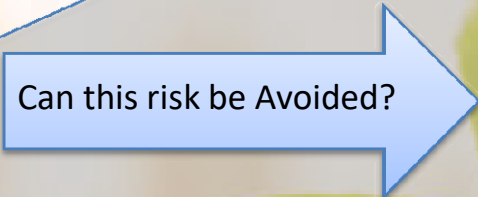
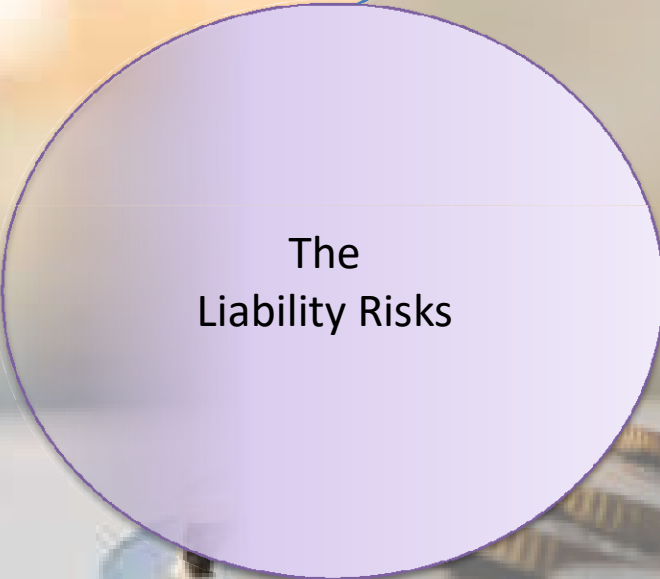
YES

## Actionable Steps

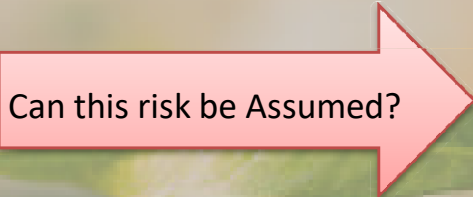
- 1 Assessment and valuation of your property to be made to understand this risk more
- 2 You need to consider the following policies to protect the risk associated with your property
  - a A House holders Package insurance policy with the appropriate Add ons
  - b Comprehensive Motor Insurance with appropriate add ons
  - c A Comprehensive Business Package insurance policy with the appropriate Add ons

5. The Liability Risks

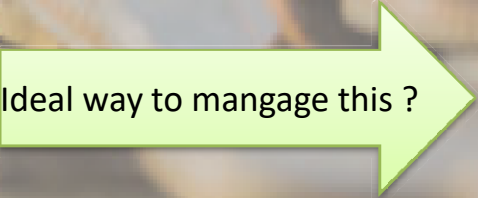
**About the Risk:** Liability risk is the risk of being held responsible for the injuries and damage to other people or to their property, which can result in an adverse court order to pay compensation.



No- Because , we are exposed to various liabilities, from the motor vehicles that we own to the people that we employ, the pets that we have and even our profession/ business or property can be of a source of liability cliam.



It must never be assumed as the amount of loss that can be involved has no maximum upper limit and your future income and assets may be attached to settle if the present income and assets are inadequate to settle the liability.



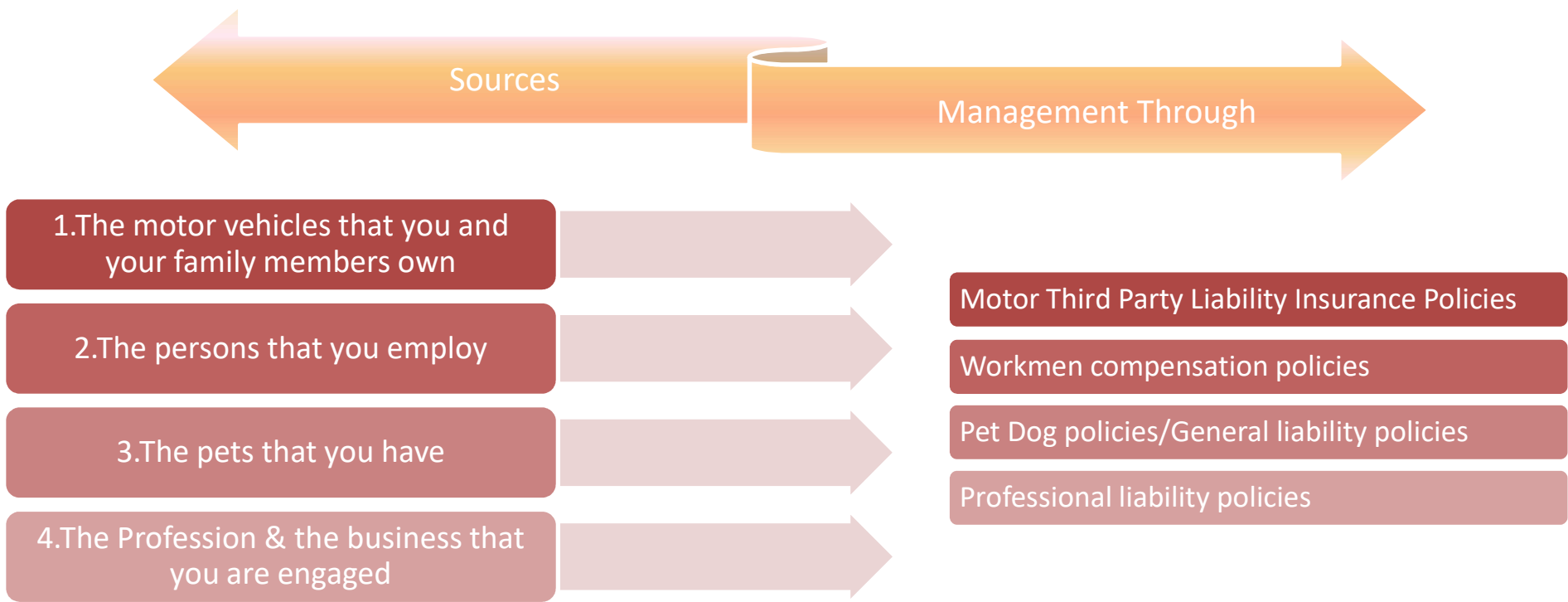
This has to be managed by transferring this to an insurance company based on the liability exposure a person is exposed to.

Liability Risk: Identification of the Potential Sources

- 1.The motor vehicles that you and your family members own
- 2.The persons that you employ
- 3.The pets that you have
- 4.The profession and the business that you are engaged in

0

Management of your Liability Risks



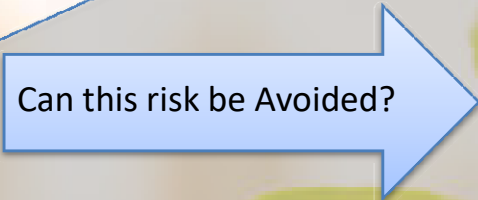
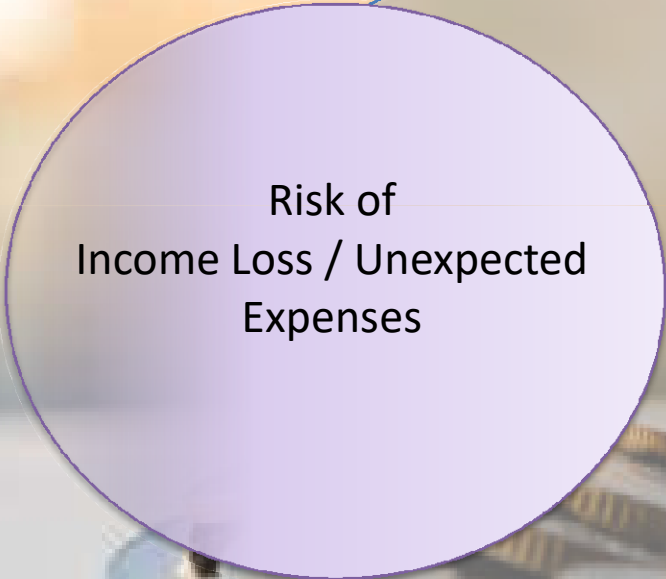
Actionable Steps

The assessment of your individual Liability Exposure to be done to decide the risk management plan

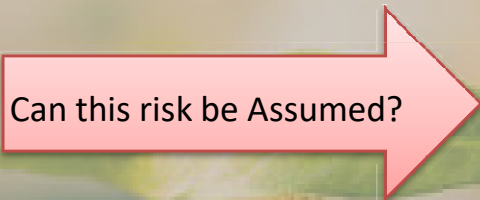


# Part- I EMERGENCY FUND

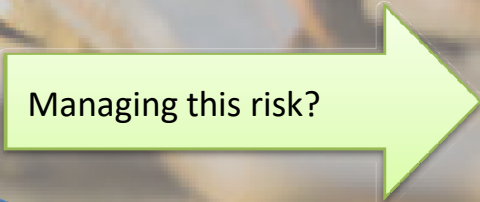
**About the Risk:** When the family breadwinner suffers an income loss or the family needs funds to meet up an unexpected expenditure the family has to sail through the situation without much hardships



Not always, as an income loss of a family bread winner can be affected by reasons beyond ones control for eg, a temporary job loss, illness or injury etc also can come up unexpected expenses , for eg, rapair of a car, or replacement of household equipments etc



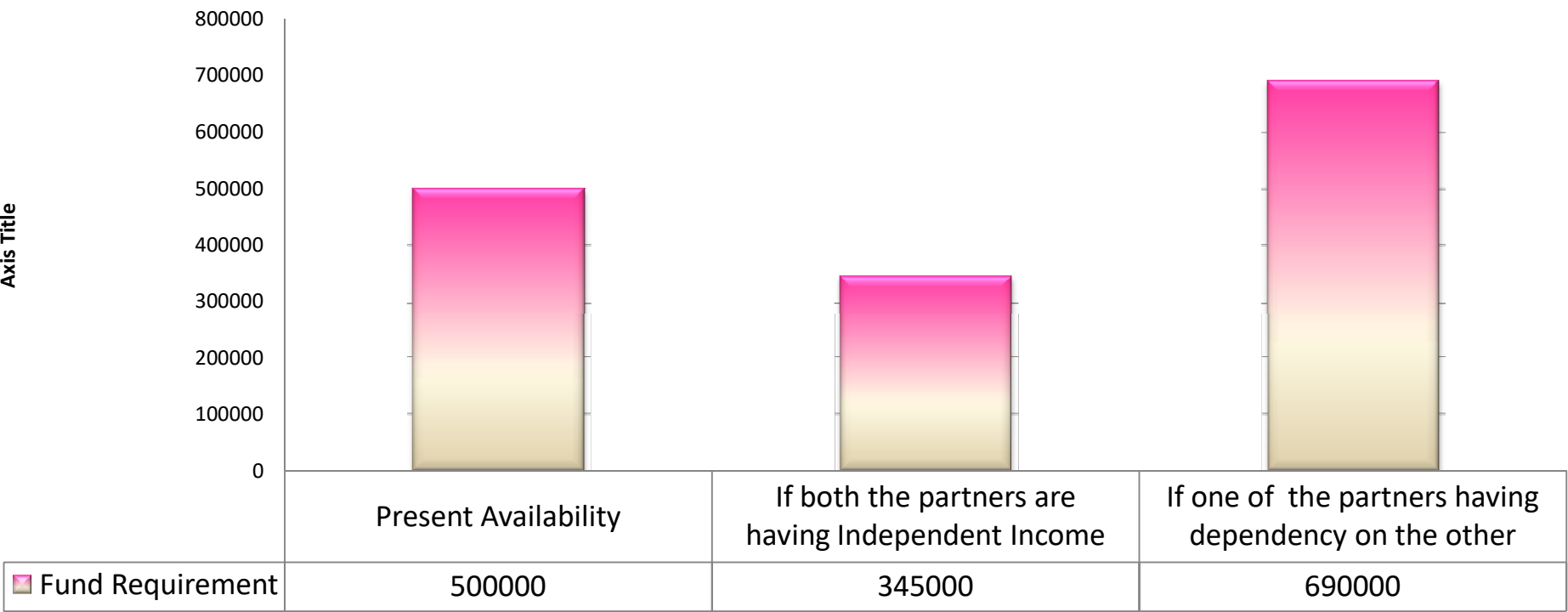
We will have no other option other than assuming it, as this is not an insurable riks always.



YES Possible, With the help of an Emergency Fund which is sufficient enough to take care of your few months expenses, this risk can be managed

## Managing Risk of Income Loss/ Unexpected Expenses with an Emergency Fund

Emergency Fund Requirement



### Actionable Steps

Above chart presents your currently available emergency fund and the required fund, we advise you to keep an emergency fund to meet 3 months compulsory minimum monthly expenditure including EMIs if both the partners are having an independent income or to keep 6 months minimum monthly expenses if one of the partner is financially dependant on the other. This emergency fund need not always be in cash, It can also be a cash equivalent instruments such as liquid funds and OD facility etc.

# Part- J

## LEGACY PLANNING

**Legacy planning is considered to be one of the most important financial obligations for any individual.** Its about determining how an individual’s assets, liabilities and obligations will be handled in the event of the death or incapacity. **Drafting a will is the simplest method for the legacy planning.**

**Legacy Planning:**

**Present Status : Do you have a Will :**

**NO**

### Actionable Steps in the Order of Priority towards Legacy Planning

- 1 Organise : Begin estate planning by listing out your Assets, Accounts, Investments, Loans and Liabilities.
- 2 Name Nominess: Designate nominees for assets, especially the intangibale ones-like bank accounts, insurance policies, mutual funds and retirement funds.
- 3 Create a Will: A will outlines asset distribution after you pass. Without it, distribution will be based on the law applicable to your religion.
- 4 Establish Trusts: Trusts manage assets as per your instructions, useful for taxes, minors, or special needs beneficiaries.
- 5 Regular Updates: Review and adjust for family, financial shifts, and legal updates.
- 6 Seek Professional Help: Estate planning experts ensure a legally sound plan.
- 7 Advance Medical Directives: Choose a trusted person for financial and medical decisions if you're unable to.

Estate planning / Legacy Planning is not just about distributing assets; it's about preserving your values, ensuring your loved ones are cared for, and leaving a positive impact on the world. Taking the time to plan now can provide peace of mind and ensure that your legacy lives on as you intend.



Draft of Will

I, Shri/Smt \_\_\_\_\_ **Mr. ABC**  
son/daughter/wife of Shri \_\_\_\_\_ ,  
a resident of \_\_\_\_\_ ,  
born on \_\_\_\_\_ ,

do hereby revoke all my previous Wills (or) all previous Testamentary dispositions and declare that this document constitutes my final  
and sole Will, which I make on this \_\_\_\_\_ (Date) \_\_\_\_\_ (Month) \_\_\_\_\_ (Year).  
I affirm that I am in good health, of sound mind, and make this Will of my own accord without any external influence or coercion.

I appoint Shri \_\_\_\_\_ ,  
Son/daughter of \_\_\_\_\_ ,  
resident of \_\_\_\_\_ ,to be the executor of this Will.  
In a case where Shri \_\_\_\_\_ were to predecease me,  
then Shri \_\_\_\_\_ will be the executor of this Will.

My wife's name is \_\_\_\_\_ **Mrs ABC** ,  
We have \_\_\_\_\_ 2 \_\_\_\_\_ Child/children namely,  
(1): \_\_\_\_\_ Child-1 \_\_\_\_\_ (3): \_\_\_\_\_  
(2): \_\_\_\_\_ Child-2 \_\_\_\_\_ (4): \_\_\_\_\_

I bequeath the following Immovable Assests(House/ Flat/Shop/Land etc) in perpetuity to  
(1): My \_\_\_\_\_ Located at \_\_\_\_\_ to Shri/Smt \_\_\_\_\_  
(2): My \_\_\_\_\_ Located at \_\_\_\_\_ to Shri/Smt \_\_\_\_\_  
(3): My \_\_\_\_\_ Located at \_\_\_\_\_ to Shri/Smt \_\_\_\_\_  
(4): My \_\_\_\_\_ Located at \_\_\_\_\_ to Shri/Smt \_\_\_\_\_  
(5): My \_\_\_\_\_ Located at \_\_\_\_\_ to Shri/Smt \_\_\_\_\_  
(6): My \_\_\_\_\_ Located at \_\_\_\_\_ to Shri/Smt \_\_\_\_\_  
(7): My \_\_\_\_\_ Located at \_\_\_\_\_ to Shri/Smt \_\_\_\_\_

I bequeath the following balance in my Bank Accounts / FD/ Lockers / Cash as following in perpetuity to  
(1): A/c No: \_\_\_\_\_ Institution Name & Address) \_\_\_\_\_ to \_\_\_\_\_  
(2): A/c No: \_\_\_\_\_ " \_\_\_\_\_ to \_\_\_\_\_  
(3): A/c No: \_\_\_\_\_ " \_\_\_\_\_ to \_\_\_\_\_  
(4): A/c No: \_\_\_\_\_ " \_\_\_\_\_ to \_\_\_\_\_  
(5): A/c No: \_\_\_\_\_ " \_\_\_\_\_ to \_\_\_\_\_

I bequeath the following investment / Mutual Funds / Stock Accounts/ Bonds/ Debenutes/ MLDs/ AIF/ PMS etc- to in perpetuity.  
(1): A/c No: \_\_\_\_\_ Institution Name & Address) \_\_\_\_\_ to \_\_\_\_\_  
(2): A/c No: \_\_\_\_\_ " \_\_\_\_\_ to \_\_\_\_\_  
(3): A/c No: \_\_\_\_\_ " \_\_\_\_\_ to \_\_\_\_\_  
(4): A/c No: \_\_\_\_\_ " \_\_\_\_\_ to \_\_\_\_\_  
(5): A/c No: \_\_\_\_\_ " \_\_\_\_\_ to \_\_\_\_\_  
(6): A/c No: \_\_\_\_\_ " \_\_\_\_\_ to \_\_\_\_\_  
(7): A/c No: \_\_\_\_\_ " \_\_\_\_\_ to \_\_\_\_\_  
(8): A/c No: \_\_\_\_\_ " \_\_\_\_\_ to \_\_\_\_\_

I bequeath the following Insurance Policies in perpetuity to.  
(1): A/c No: \_\_\_\_\_ Institution Name & Address) \_\_\_\_\_ to \_\_\_\_\_  
(2): A/c No: \_\_\_\_\_ " \_\_\_\_\_ to \_\_\_\_\_  
(3): A/c No: \_\_\_\_\_ " \_\_\_\_\_ to \_\_\_\_\_  
(4): A/c No: \_\_\_\_\_ " \_\_\_\_\_ to \_\_\_\_\_  
(5): A/c No: \_\_\_\_\_ " \_\_\_\_\_ to \_\_\_\_\_  
(6): A/c No: \_\_\_\_\_ " \_\_\_\_\_ to \_\_\_\_\_

I bequeath the following Motor Vehicles in perpetuity to \_\_\_\_\_ other movable Property including Gold in perpetuity to  
(1): Reg No: \_\_\_\_\_ to \_\_\_\_\_ (1): \_\_\_\_\_ to \_\_\_\_\_  
(2): Reg No: \_\_\_\_\_ to \_\_\_\_\_ (2): \_\_\_\_\_ to \_\_\_\_\_  
(3): Reg No: \_\_\_\_\_ to \_\_\_\_\_ (3): \_\_\_\_\_ to \_\_\_\_\_  
(4): Reg No: \_\_\_\_\_ to \_\_\_\_\_ (4): \_\_\_\_\_ to \_\_\_\_\_  
(5): Reg No: \_\_\_\_\_ to \_\_\_\_\_ (5): \_\_\_\_\_ to \_\_\_\_\_

All mentioned assets are self-acquired, and I affirm my sole ownership with no competing claims.  
I bequeath any other assets not mentioned in this Will but of which I am the owner in perpuity to \_\_\_\_\_

IN WITNESS WHEREOF, I sign this Will on this \_\_\_\_\_ day of \_\_\_\_\_ (month) \_\_\_\_\_ (year) at \_\_\_\_\_

**TESTATOR :** **Mr. ABC** **Signature :** \_\_\_\_\_

SIGNED by the Testator as their last WILL and Testament in our presence, who appear to have perfectly understood & approved the contents  
in the presence of both of us, who, at the same time, have subscribed our names as Witnesses

<b>WITNESSES :</b>	(1): Name	(2): Name
	Address	Address
	Signature	Signature







## ***DISCLAIMER***

This Financial wellness programme and its content is prepared purely for educational purpose based on the information provided by you and certain assumptions.

The actual returns and inflation may vary from year to year and hence could affect this report.

The aim of the programme is to provide a macro level picture to you vis a vis your financial aspirations and it is not an invitation to buy any financial products.

We have taken best of our effort to perform the calculations and arrive at the assumptions but will not be responsible for inaccuracies and any difference in actual rates versus assumptions.

We advise you to verify yourself and proceed further only if you are satisfied.

