



HFIS Hartfield Financial &
Insurance Services
Financial Planning & Asset Management

REALIZE YOUR dreams & plans

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"Helping Families Preserve Their Wealth"

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Living Trusts: Trust Basics

Whether you're seeking to manage your own assets, control how your assets are distributed after your death, or plan for incapacity, trusts can help you accomplish your estate planning goals. Their power is in their versatility - many types of trust exist, each designed for a specific purpose. Although trust law is complex and establishing a trust requires the services of an experienced attorney, mastering the basics isn't hard.

What is a Trust?

A trust is a legal entity that holds assets for the benefit of another. Basically, it's like a container that holds money or property for somebody else. There are three parties in a trust arrangement:

The grantor (also called a settlor or trustee): The person(s) who creates and funds the trust

The beneficiary: The person(s) who receives benefits from the trust, such as income or the right to use a home, and has what is called equitable title to trust property

The trustee: The person(s) who



holds legal title to trust property, administers the trust, and has a duty to act in the best interest of the beneficiary

You create a trust by executing a legal document called a trust agreement. The trust agreement names the beneficiary and

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DISABILITY INSURANCE

Your Passport to Income Protection. If you've never considered disability income insurance before, you may wonder why you need it now, especially if you're young and healthy. But most professionals, at all stages, at all income levels, need solid disability income protection. Disability Income Insurance can help you protect your earning capacity.

Chances are you already protect your important assets, such as your house. Your health insurance can only cover your medical expenses; it can't provide a regular source of income. Why not help protect the most important asset you have--your ability to earn an income?

Disability Insurance helps provide a substitute source of income if you are totally disabled and cannot work. It also provides monthly benefits to aid in paying personal bills when disabled.

Monthly Benefit usually ranges from \$150 to \$7,500 a month and waiting periods of 30, 90, 180 or 365 days are available to choose from. A waiting period is the number of consecutive days you must be Totally

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L I F E T I M E

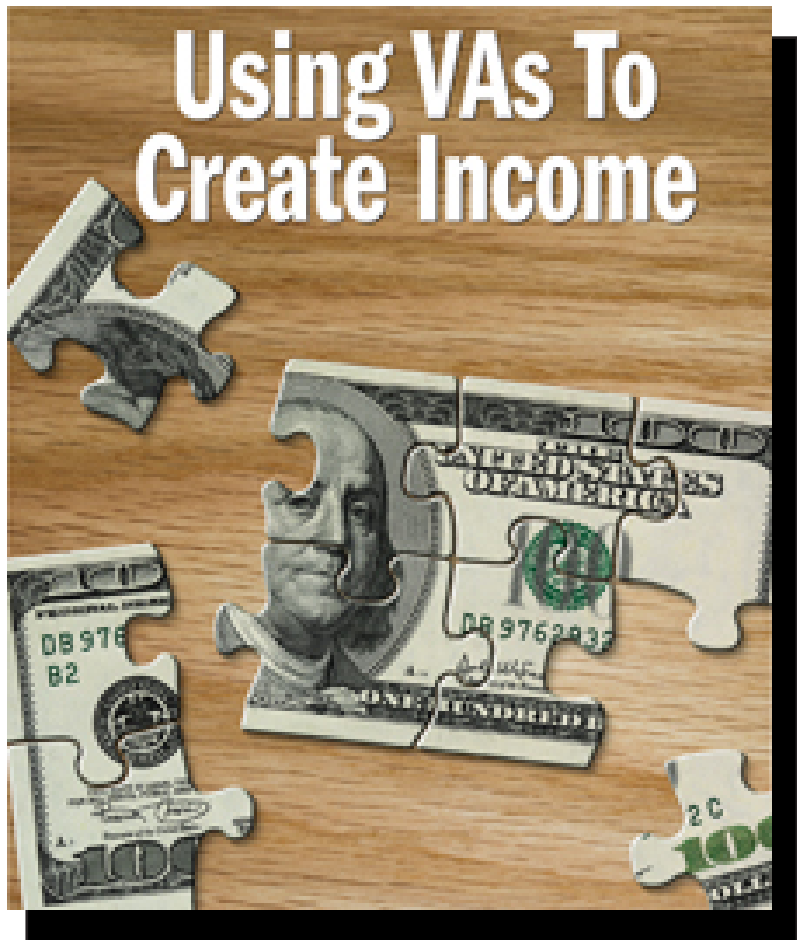
retirement income

You have life insurance, but have you considered an annuity with its potential for lifetime retirement income? There are no guarantees in life, but a lifetime benefit comes close.

It's important to start planning now, with advancements in technology and health care, people are living longer than ever. Retire at age 60, and you may live for 15, 20, or 30 more years without sufficient income.

The increase in life expectancy from 1920 to 2002 increased by 30% from 54.1 years of age in 1920 to 77.3 in 2002.

No one has a lock on the future, and the well-known volatility of the stock market might give your pause. Yet an annuity lets you capitalize on the upside potential of the stock market, while providing certain guarantees for your retirement income.



- **A living benefit:** an optional benefit of a variable annuity, it helps to protect individuals living in, or planning for, retirement, against downside market risk and may guarantee a set withdrawal amount during the course of retirement - a potential income stream for life.
- **A death benefit:** upon death of the contract owner, your designated beneficiary will receive the greater of either (a) the contract value or (b) a guaranteed death benefit amount.

While there are costs associated with these benefits, an annuity is a long-term investment that can help ensure you won't outlive your income and provides insurance protection for your beneficiaries.

To learn more about how an annuity could enhance your retirement, contact Hartfield Financial & Insurance Services.



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Disabled before benefit payments begin. You should choose a Plan that will provide benefits when your salary continuation plan runs out.

Disability Plans pay monthly benefits while you are Totally Disabled. "Totally Disabled" is defined in the Policy as being prevented by accident or sickness from performing the material and substantial duties of your usual occupation, provided you are not otherwise working for pay or profit. Benefits begin at the end of the waiting period

If you die--from any cause--while receiving benefits for Total Disability, a death benefit equal to three times the Monthly Benefit Option in force on the date of your death will be paid to your surviving relative(s) in the following order of survival: your spouse; or your children, equally; or your brothers and sisters, equally; otherwise to the executor or administrator of your estate.

Rehabilitation Benefit is designed to help certain disabled members return to the work force. A professional rehabilitation staff reviews case histories and identifies individuals who appear to have the greatest likelihood of rehabilitation. Individuals selected by the Insurance Company are offered the chance to participate in a rehabilitation program at no cost to them. Benefits are not reduced for members who agree to participate in this program.

NEED FOR PROTECTION



Nationwide, a fatal injury occurs every **5 minutes**.

By contrast, a disabling injury occurs every **1.5 seconds**.

Source: National Safety Council, 2001

While you are recovering from a Total Disability, you may be eligible to receive a partial disability benefit even though you return to work. If you return to work immediately following a period of Total Disability for which benefits were payable, you may continue to receive your monthly disability benefit until the earlier of the end of the maximum benefit period for Total Disability, or 24 monthly payments. However, the amount of your Monthly Benefit Option together with all other disability benefits and income you earn that month, cannot exceed 80% of your MONTHLY GROSS EARNED INCOME for the 12 months before Total Disability started.

Lastly, after you have been Totally Disabled for six months you begin to receive benefits for Total Disability, all future premium contributions under the Plan will be waived for as long as you receive benefits for that disability.

Many of you have heard me say "A Financial Plan without insurance is an incomplete Plan". This statement is now clearer than ever with the many pension plans that were once available now going the way of the dinosaur. Call us today to review your insurance needs to ensure you are adequately protected.



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trustee, and contains instructions about what benefits the beneficiary will receive, what the trustee's duties are, and when the trust will end, among other things.

of asset in a trust, including cash, stocks, bonds, insurance policies, real estate, and artwork. The assets you choose to put in a trust will depend largely on your goals. For example, if you want the trust to generate income, you should put income-producing assets, such as bonds in your trust. Or, if you want your trust to create a fund that can be used to pay estate taxes or

provide for your family at your death, you might fund the trust with a life insurance policy.

the most basic being revocable and irrevocable. The type of trust you should use will depend on what you're trying to accomplish.

create while you're alive. Avoids probate: Unlike property that passes to heirs by your will, property that passes by a living trust is not subject to probate, avoiding the delay of property transfers to your heirs and keeping

matters private. Maintains control and protects against incapacity.

change or end an irrevocable trust. You can't remove assets, change beneficiaries, or rewrite any of the terms of the trust. Irrevocable trusts are most often used to minimize estate tax. The transfer may be subject to gift tax on the value of the property at the time of transfer, but the property, plus any future appreciation, is removed from your gross estate. That means your ultimate estate tax liability may be less, resulting in more property that can pass to your heirs.

Community Happenings

Christmas Around the World:

The Ronald Reagan Presidential Library and Museum is bringing back its annual holiday exhibit "Christmas Around the World" from November 15, 2006 through January 7, 2007. "Christmas Around the World" includes trees beautifully decorated to represent cultures and traditions from Countries, most of which President Reagan visited while in office, along with toy soldiers, trains, garland and Christmas music. This will mark the 13th year the Reagan Library displays these trees inside the Library, and the second time the trees will be displayed in the Library's Air Force One Pavilion. The trees are from different countries including Armenia, Austria, Canada, Iceland and Russia. In addition to these 30 trees, a 17 foot tall tree and a White House tree will be displayed. Also on display will be a Menorah exhibit consisting of many of the Menorahs given to President Reagan while in the White House.

Santa Train at Metrolink Station:

Don't miss Metrolink's holiday toy express train bringing Santa and friends to Simi Valley's Metrolink Station and the special holiday train that will sparkle with more than 50,000 lights as Santa and friends entertain audiences. Santa will trade in his sleigh for a Metrolink train as he visits the Metrolink stations in Simi Valley, Chatsworth, Northridge, Van Nuys, and Glendale tentatively scheduled for Saturday, Dec. 9th aboard Metrolink's 2006 Holiday Toy Express.

Families are invited to come to their local Metrolink station, meet Santa and his friends, and enjoy an all-new holiday production. In addition, local firefighters will be at each show to collect toys for the Spark of Love Toy Drive. Audience members are encouraged to share their holiday spirit by donating new unwrapped toys, which the firefighters will distribute to needy children within their own communities.



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