HIGHLIGHTS OF THE 2014 AHOU ANNUAL CONFERENCE

Jodi McDonald, FALU
Associate Editor
Hannover Life Reassurance Company of America
Denver, CO
jodi.mcdonald@hlramerica.com

Executive Summary *The 13th annual conference of the Association of Home Office Underwriters (AHOU) was held May 4-7 in Indianapolis, IN. Highlights from the 2014 AHOU conference include a fascinating talk on the digital revolution in medicine, a look at how the millenial generation is affecting the workplace, an update on the recent DSM-5 changes, a review of stem cell uses and therapies, and an overview of financial underwriting using tax returns.*

The Digital Revolution in Medicine

Dr. Eric Topol, Scripps Clinic, discussed the future of medicine and how digital tools of genomics, wireless and medical imaging will reboot medicine, empower consumers, cut costs and, most importantly, bring focus to the individual. He began by looking at some recent developments on a population level – in February the Swiss Medical Board said there should be no mammograms. This was further supported by an April study of 10,000 women followed for 10 years, finding only 5 women benefited from mammograms, 9,995 did not benefit, and 6,000 had unnecessary procedures. Additional recent articles quoted the inventor of the PSA test now saying it's a public disaster, while another article stated that pap smears should be discontinued, with HPV tests as a substitute.

On an individual level, Dr. Topol noted that Facebook is working to develop a facial recognition program of its 1.3 billion users. He also explained how sensors are being developed for every aspect of physiology that can be tracked. On a side note, he did mention that wrist sensors like Fitbit are not accurate but they are great motivators, so they do serve a purpose. There is a wrist monitor that is the equivalent of a modern mood ring, as well as a handheld spectrometer that will give you calories on your phone when you hold it over a food item, posture trackers, etc. More specifically, there is a wireless blood pressure cuff that allows for more frequent blood pressure readings, a glucometer that transfers glucose readings to your phone (but still requires a finger stick), and an app to do an EKG on your phone by putting your finger on a sensor or on the back of the phone to get a cardiogram. Most EKGs today are read by a machine with only oversight by a physician.

The Holter monitor is now obsolete. Instead, there is a band-aid that a patient receives in the mail to wear for 2 weeks; it records every heartbeat during that time on a chip in the band-aid, and at the end of 2 weeks, the band-aid is mailed back to be read/interpreted. A sleep study costs approximately $3,000 in a hospital. It is now possible to get a reusable sensor, pull up an app for obstructive sleep apnea, put your finger in the sensor, wear it overnight, and it will measure apneas, hypopneas, oxygen saturation, etc. There is a watch to monitor the autonomic system that will give your continuous vital signs – blood pressure, oxygen saturation, temperature, etc.

Google is working on a smart contact lens that will measure glucose level through a person's tears. Lung function can be measured through breath and a smart phone. It has been known for a long time that dogs can sniff cancer, and there is now an electronic nose that you can breathe into that can diagnose cancer. There is also an app for depression/mood tracking and stress, voice detection to diagnose Parkinson's disease, and an infrared eye scanner to predict with very high accuracy whether a person will develop Alzheimer's Disease. There will be sensors to quantify your environment and digitalized pills (chips in pills you eat and also that are embedded). Bionics will be used to track health – patches to track many things including EKGs, EEGs and EMGs. All of these are being tested to verify their accuracy and, if successful, these digital medicine advancements could easily decrease health care costs.

What Topol called the Edifice Complex refers to the role of hospitals being markedly changed in the future – now one in four patients gets harmed, gets an

infection, etc. Even the past CEO of Kaiser has said that we need to get away from hospitals. There are new tests that can be done at home rather than at a hospital. Doctor office visits are going virtual. An office visit currently requires an appointment and an average wait time of 59 minutes to see a physician for 7 minutes. Virtual visits will offer significant cost savings in time and money, and many patients prefer virtual appointments. There are now doctors-on-demand who charge a $40 fee for you to consult via a video connection. Physicals can be done at a kiosk in retail locations on demand, with no appointments needed and no wait time. In April, the Mayo Clinic introduced "Better" – RN video consults through a smartphone. Through microfluidics, with one tiny drop of blood, hundreds of tests can be run with the results available in minutes – all at your corner drugstore. Lab on a chip – tests and results for HIV, pathogens, blood thinners, etc., will be available on your iPhone.

Dr. Topol next talked about "Lab on a Body" and how a car has 400 sensors to keep it running. The iPhone has 10+ embedded sensors. The biggest challenge in cardiovascular medicine is predicting a heart attack so it can be prevented. Someday there may be a chip that can be put into your bloodstream that will circulate and give you a ring tone to let you know that you are going to have a myocardial infarction in the next few days to a couple of weeks. There may be apps for many diseases – diabetes, cancer, rheumatoid arthritis, multiple sclerosis. In the future, if you fall and hurt your hand, you will be able to take an X-ray through your iPhone and have it read to know whether it is a sprain or broken. Eye exams, ear exams, etc., will also be available through your iPhone. He suggested that the pocket ultrasound should replace the stethoscope and noted that it is already being used by him and at Harvard. Currently, two of the 140 medical schools are providing these for their medical students.

Human genome sequencing allows for fetal analysis at 8 weeks through DNA, rather than invasive tests such as amniocentesis at a much later date. De novo mutations such as schizophrenia and autism are now being found to be related to older age men/sperm, not to females. There has been no significant decrease in cancer mortality in over 50 years despite knowing the mutations associated with 21 tumor types. The bloodstream has tumor DNA (except brain cancer due to the blood/brain barrier) circulating in it. There is the possibility that nanochips will be developed that can circulate in the blood and pick up a signal when cancer is present. Some men lose the presence of the Y chromosome as they age and have therefore been found to have three times the incidence of cancer and death. Genomics is also allowing for the prediction of medicines that will work vs. those that will have an adverse effect in individual patients.

Having provided insight on innovations in health care, explaining the new way drugs will be developed and marketed, and how wireless solutions are hyper-innovative and exciting, Dr. Topol concluded by describing the next medical revolution: "Your smartphone will see you now." He noted how 12 million Americans are misdiagnosed every year. Doctors are increasingly getting squeezed out by all of the new technology advancements and options. The digital revolution in medicine will activate patients to generate their own data and have access to their own records, since after all, it is their information and they are entitled to it.

How the Millenial Generation Is Affecting the Workplace

Seth Mattison, Chief Movement Officer, FutureSight Labs, gave a mainstage presentation on the workplace of the past, present and future, with a focus on how that is changing as a new generation enters the workforce. He spent some time discussing each generation and its characteristics, as well as how each of them influenced subsequent generations. He started with the traditionalists, moving into the baby boomers, then generation x, followed by the current millenial generation (generation y) and the future generation yet to be named. He explained how each generation has its own unique history that shaped who and what they are and what the next generation of talent looks like.

Traditionalists are those born prior to 1946. These are the people who lived through the Great Depression and World War II. These key events made them thrifty, self-sufficient and patriotic. They are absolutely not a "me-generation" but, rather, are always looking out for others. They have great faith in institutions.

Baby boomers are those born between 1946 and 1964. These are the people who lived through Vietnam, Martin Luther King Jr. the focus on civil liberties and the introduction of television into homes. With traditionalist parents, they have an incredibly strong work ethic and are credited with creating the 100-hour work week, leading to a much more comfortable standard of living than their parents had. A key event for this generation was the landing on the moon – baby boomers, therefore, have great faith in NASA.

Generation Xers are those born between 1965 and 1979. They grew up watching *Sesame Street* in a time

of stagflation and the media explosion with the advent of 24-hour news. They are the least parented generation, making them independent, entrepreneurial and skeptical. Television played a large role in their daily lives, especially the latchkey kids of single parents or whose parents both worked. There are fewer numbers of generation Xers as well, due to women's lib and birth control playing a key role in that trend. To them, when NASA is mentioned, they think of the explosion of the Challenger shuttle.

Generation Y – the millenials, are those born between 1980 and 1995. Often stereotyped as the entitled generation, this is really a hyper-connected, collaborative, tech-dependent, globally diverse and socially conscious generation, growing up in the age of technology advances and knowledge transfer. They have high-level technology skills and a much more casual approach to life and work than their parents.

The next generation, those born since 1996, doesn't yet have a name. Some names that have been thrown out are generation Z and homelanders, but with their even higher level of technological skills and expectations of such, only time will determine the characteristics for which they will be remembered.

After giving historical perspectives on each of the generations, Mattison turned to their interaction in the workplace. He noted how baby boomers and generation Xers are used to the hierarchy as demonstrated by the organizational chart and use it in their conversations on a daily basis ("the higher-ups," one's "direct reports," etc.). They learned to follow org chart protocol – calling people Mr. and Mrs. at certain levels of the chart, always going to their boss and not over their boss's head, and gender expectations – that men rule. The millenials, however, don't view things like the org chart, titles or hierarchal norms the way past generations have. To this generation, the workplace simply appears as a connected network of people, talent, ideas and information – quite literally, the Internet brought to life.

The key influences on the millennial generation are parenting and social media. This generation has seen a shift from a parenting standpoint – they see their parents as partners in a democracy, not as parents in a dictatorship. The millenials are often the chief technology officers in the house and have been since they were about 12 years old. They teach adults things that the adults don't know about technology. In contrast, baby boomers and gen-Xers taught their kids, not the reverse. Seventy-four percent of millenials believe they influence the decisions of those around them. Social media/the Internet have given millenials an avenue to use their voices. They have always been connected to the Internet, even though the Internet is not available to two-thirds of the people in the world. The immediacy of social media/Internet means all voices are equal – there is total transparency. The working world today demands that an organization look more and more like a network, not an organizational chart.

The cultural shift in the workplace is that there is a leader, but he/she sits in the center of the network, not at the top of a chart/pyramid. Organizations must evolve in the future, although change is scary to most. Many organizational structures fall in between the org chart and network. The 22-year-olds of today are demanding work-life balance. There are three practical things that the workforce of the future is looking for in a leader – someone who will:

1. Help navigate a career path.
2. Mentor and coach.
3. Create opportunity for meaningful work.

Millenials want frontline managers to be empowered and selfless. They see mentoring more as an exchange of information, rather than as a manager imparting information to them as employees. They also don't want mindless work – they want ownership of their job, project or whatever it is that the workplace demands of them.

Mattison summed it all up by stating that it's not just about millenials and the new generation, it's about all generations. It takes every generation to have a seat at the table and share ideas and philosophies in order to blend into a cohesive team. To be successful, organizations need to find a way for each generation to share its history and strengthen the team.

DSM-5 Changes and the Impact on Underwriting

Dr. Michael Clark, SVP and Medical Director at Swiss Re, reviewed the changes to the *Diagnostic and Statistical Manual of Mental Disorders* (*DSM-5*) and the impact they will have on the medical community, patients and underwriting. A primary change is in the autism spectrum disorder. DSM-5 merged five categories into one, which may mean that fewer cases will fit the diagnosis. About one-third of patients diagnosed with autism in the past will not qualify for that diagnosis now. In the disability income (DI) area, there are new diagnoses in DSM-5 that will allow more people to qualify for disability. Those diagnoses include hoarding, gambling, post-traumatic stress disorder (PTSD) and bereavement. Originally, the HIPAA coding stance was that as of October 2014, only ICD-10 codes should be used. This has now been delayed to 2015 at the earliest. When implemented, this will create a conflict, since

some of the current ICD codes do not match the new DSM-5 codes. Underwriting manuals will also need to be revised to reflect the DSM-5 changes.

The criteria for diagnosing ADHD in adults have changed. Now more adults will be able to receive that diagnosis and corresponding treatment. Dr. Clark did caution that the ADHD medications are cardiac stimulants and will not be a good choice for people in their 50s and older. Schizophrenia subtypes have been eliminated and all criteria combined into one class. Bipolar has a new category that may allow more patients to be diagnosed as bipolar and receive medication. New depressive disorders include extreme tantrums in children under 18, perimenopausal dysphoria disorder for women with severe symptoms, and bereavement lasting more than 2 months. These conditions will allow for increased antidepressant use. Likewise, new disorders such as hoarding, excoriation disorder, PTSD and substance-induced OCD were previously covered under anxiety and will now be stand-alone diagnoses, allowing for additional medication therapies to be used instead of only anti-anxiety medications. Attention will be given to advances in cognitive behavioral therapy as treatment for these conditions.

Dr. Clark next gave a brief history of the evolution of psychiatry, noting that in the 19th-20th centuries, counts were kept on who was in insane asylums. There were seven categories of insanity and four treatment approaches – asylums, eugenics (sterilization), "moral treatment" and "rest cures." In the early 20th century, there was a shift to the psychoanalytic approach as well as more extreme treatments (lobotomy). In the 1950s, Prozac and Valium were introduced and the drug companies ramped up their research into medication options. In the 1940s-1960s, private health insurance was established, and with it, the requirement for a diagnosis in order to receive coverage. The DSM was introduced in 1952 with periodic revisions since then, the most recent in 1994 (DSM-IV) until the current DSM-5 in 2014. The DSM is seen as the ultimate authority and is used to determine who gets treated (and with what), what insurance covers, who gets disability or veterans benefits, who gets school and mental health benefits, and who gets life insurance, can fly a plane, own a gun or adopt a child.

DSM-IV strengths and challenges were reviewed. On the positive side, it was a multi-dimensional approach with five Axis categories including Axis 1 for the clinical syndrome, Axis 2 for developmental and personality disorders, Axis 3 for physical conditions, Axis 4 for severity of psychosocial stressors and Axis 5 for the highest level of function. DSM-IV developed catchy phrases like bipolar, OCD and borderline personality that have entered into mainstream vocabulary today. DSM-IV was better aligned with the ICD codes used in clinical medicine. It had better inter-rater reliability and better methods to measure drug efficacy–a better handle on what medications are effective. On the negative side, with its "medical" model, it led to treatment by symptoms rather than causes, lumping all behaviors into one diagnosis because of a response to one particular medication. The NOS (not otherwise specified) became a catch-all diagnosis and, for example, was used on more than half of all eating disorders. It lacked the science to establish validity. From a societal standpoint, from 1995-2003, there was a tremendous surge in the diagnosis of autism, ADHD, youth bipolar and adult bipolar disorders (doubling to quadrupling the number of diagnoses of each in that 8-year period).

DSM-5 was released 1 year ago. Its goals were to incorporate the latest research in neurology, genetics and behavioral sciences to have a more accurate definition of mental disorders and better alignment with ICD codes. Its features and changes include changing the Roman numeral IV to Arabic 5 to allow for updates (5.1, 5.2, etc.), revising the chapter order, eliminating the Axis format, and eliminating the NOS category. Additional changes in DSM-5 are later onset allowed in adult ADHD, merging all autism disorders, a new section for PTSD, combining substance abuse and dependence into addiction and related disorders, and dementia now being neurocognitive disorder. There are also 10 new disorders, most of them mentioned above, with others being social communication disorder (speech delay), cannabis withdrawal disorder, skin-picking disorder and binge-eating disorder in adolescents.

Dr. Clark indicated that the major critic of DSM-5 is the doctor who created DSM-IV, Dr. Allen Frances. He and others have been outspoken in their criticism, stating the DSM-5 changes lack scientific support, are reckless suggestions, direct valuable resources toward those who don't need them at the expense of those who do, and that clinicians are too used to the criterion-driven diagnoses of the DSM to accept the DSM-5 replacements. There is also concern that the ICD-10 codes that are required to be used in the US as of October 2014 do not correlate with some of the DSM-5 classifications.

Lastly, Dr. Clark discussed the underwriting considerations when presented with a psychiatric or personality disorder case. Factors the underwriter will need to consider are the actual diagnosis (under DSM-5),

treatment and who is prescribing it (personal MD or psychiatrist), the number and dosages of medications with patient response to treatment, any hospitalizations or suicide ideation/attempts, length of time since diagnosis, last symptoms, follow-up, disability and current functioning, as well as co-morbid factors, risk-taking behavior, candor of the applicant and quality of the medical information received. He did caution that disability claims will be a challenge, as once a psychiatric diagnosis is made, it will be difficult to say that it is better or resolved.

The Approaching Tide of Stem Cell Therapy

Dr. Joseph Huguenard, retired Senior Medical Director, Met Life, reviewed the natural role of stem cells in the body and their therapeutic use, including ongoing research and current experimental stem cell therapies. He posed the question, "What do we know about stem cell therapy?" and indicated that it will eventually affect a wide range of medical practice. Currently, the underlying science is unsettled, with a limited role for treatment and with the risks not fully defined. Stem cell therapy has great potential applications, but the only certainty is continued and major change in the near future. In the meantime, underwriters may need to deal with it sooner rather than later.

Dr. Huguenard briefly reviewed the history of the stem cell, from 1868 when it was originally proposed by a German scientist, to the 1960s when tissue-specific stem cells were found that give rise to different types of mature cells in the body, and to 1981 with embryonic pluripotent stem cells that give rise to tissue-specific stem cells and can become anything in the body. Today, we know that there are totipotent stem cells that differentiate into pluripotent stem cells within the embryonic blastocyst, which then differentiate into tissue-specific stem cell types, also called multipotent or adult stem cells. A blastocyst is a bag of cells that forms within a few days of an egg being fertilized by a sperm. The blastocyst/embryo contains pluripotent stem cells that differentiate into various parts of the body. Totipotent stem cells are found from the time an egg is fertilized until it becomes a blastocyst. Once the fertilized egg becomes a blastocyst, embryonic pluripotent stem cells then give rise to multipotent or adult stem cells. Multipotent / adult stem cells are found throughout the body and produce all of the functional body tissue cells – bone marrow, peripheral blood, fat cells, brain, skeletal muscle, etc. Some tissue-specific stem cells persist in large numbers to allow for the frequent replication of red blood cells, white blood cells, skin cells and other tissue cells that are continually replaced within the body.

The characteristics of successful multipotent/tissue-specific/adult stem cell function are their ability to self-renew/duplicate themselves with a sufficient number of daughter cells, but not too many or too often; their ability to differentiate into other types of cells when needed and in the correct amounts of mature tissue cells; and their ability to incorporate differentiated mature tissue-specific cells structurally and functionally into the target organ. Disease, injury or toxic damage may result in failure of stem cells to self-replicate or to mature into tissue cells. Aging may be in part due to poor differentiation into, or inadequate production of, mature tissue cells that compromise organ function. Failure of mature tissue cells to reach or incorporate into the target organ can impair function and repair, or result in a benign tumor. Uncontrolled replication of daughter stem cells results in cancer.

Dr. Huguenard next addressed the issue of therapeutic use of stem cells. He noted that so far, there are few proven uses of them – only bone marrow transplants and skin/bone/corneal diseases and injuries treated with tissue grafting from organ-specific stem cells. In theory, there is the potential to replace, repair or regenerate almost any tissue or organ in the body. There are many experimental and unproven treatments currently being used. Stem cells can also be used to support treatment protocols such as customizing cancer treatment to individual patients. They are also being used in drug research and development to identify which of many agents may be the most successful without having to conduct as many research trials on animals and humans. We are likely not even close to knowing the full potential or extent to which stem cells can be used.

Stem cells for research & development and therapy can be obtained from embryos, umbilical cord blood and placenta tissue, tissue-specific cells like skin and bone marrow, and from techniques now available to make mature/tissue-specific cells go backwards to return to a less differentiated stem cell stage. Embryonic stem cells used for research still pose ethical and political issues. They also replicate continuously, and if directly transplanted, create a high risk of cancerous growth from the uncontrolled replication. Tissues derived from the stem cells of others may require immune suppression to prevent rejection (just like organ transplants); tissue derived from stem cells from older age individuals may "age" faster than embryonic-derived stem cells and be too old; and lack of controls may result in contaminated/malfunctioning tissue cells or organs. At this time, there are likely more unknown risks than known risks in using stem cell therapy. Dr. Huguenard noted that

those risks include clinics in the US and abroad that offer untested stem cell treatments with no quality controls in place; some unproven stem cell therapies being offered to desperate patients or families where there is no available conventional medical therapy; and many cosmetic treatments offered using stem cell therapy with high risks of complications that are hard to justify.

For underwriters, in the short term (next 5 years), there will be few breakthroughs that will change life expectancy or health. While a few individuals will have favorable results from stem cell therapy that improve their morbidity/mortality, there will be little long-term research results on which to rely. The unproven treatments and methods that result in complications will pose new risks that we won't understand. In the mid-term (next 5-20 years), there will be a growing number of specific, proven stem cell therapies, and individuals who benefited from them, as well as published longer term morbidity and mortality studies. The greatest benefits may be from the use of stem cells to target cancer therapy to individuals, to support faster production of new and effective drug treatments, and earlier identification of toxin risks. In the long term (20+ years), we will likely see an era of medicine focused on repairing organs, restoring and extending organ function, and effectively preventing and treating a wide range of cancers. We may need to rewrite underwriting manuals and life tables at that point, as the major drivers of mortality risk for life and annuity products would then become catastrophic accidents, natural events, and organized or random violence.

In the future, Dr. Huguenard explained that we can expect relatively steady, slow growth in new proven specific therapeutic applications for stem cell therapy, refinements in existing stem cell therapies with extension to more patients and adoption by more care providers, and lots of noise in the media from cases in which unproven therapies result in bad outcomes. Stem cell therapy will eventually cause a far-reaching revolution in medical treatment and disease prevention.

Putting Together the Financial Puzzle with Tax Returns

Patti Bell, CPA, CLU, Advanced Solutions Director at the Principal Financial Group, gave an overview of personal and business tax returns to help underwriters understand what pieces of the tax return help put the financial picture together on a case. She spoke about the business market in general, indicating that in 2012, there were 27 million small businesses

in the United States. Almost 98% of US companies have fewer than 500 employees. There are five types of business entities: C Corporation, S Corporation, Limited Liability Company (LLC), Partnership and Sole Proprietorship. The Small Business Administration (SBA) estimates that at any given time, 40% of businesses are wrestling with transfer of ownership and control. Over the next 20 years, $4.8 trillion of net worth will be transferred.

From a tax perspective, the tax form filed depends on the type of business entity. C Corporations file Form 1120, S Corporations file Form 1120S, LLCs file Form 1065 or 1120, Partnerships file Form 1065, and Sole Proprietorships file Form 1040/Schedule C. In 2012, there were 1.9 million C Corporation tax returns filed, 4.6 million S Corporation tax returns filed and 3.6 million Partnership tax returns filed. LLCs elect how they will file – as a C Corp, S Corp or Partnership. C Corporation features include having stockholders, double taxation (corporate rate + personal tax rate), alternative minimum tax (AMT) and additional taxes. S Corporations are limited to 100 shareholders and have additional limits placed on them, with profits flowing through to the individual shareholders. The LLC concept was introduced in 1977, and generally, those businesses file as an S Corp or Partnership, avoiding double taxation.

The C Corporation tax return is Form 1120. Key lines for an underwriter to look at occur on page 1, revenues/gross receipts (line 1), officer compensation (line 12), rents (line 16), depreciation (line 20), other deductions (line 26) and taxable income (line 30). When depreciation is taken, it is important to look at the depreciation schedule for excess owner salary details (for example, did he put his car in there too, etc.). Similarly, look for possible excess owner salary information in the statements attached to line 26 for other deductions. Excess owner salary items/amounts can be added back to the net income when informally valuing a business. Page 5 of Form 1120 is Schedule L, the business balance sheet. Look at Depreciation (line 10b), stockholder equity/retained earnings (line 25) and treasury stock (when a company buys back its own stock, it's a negative number that should be considered for valuation purposes).

S Corporations file Form 1120S. Key information on that form is the date of incorporation (line E), the number of K-1s that go with the return (line I), receipts/revenues (line 1), officer compensation (line 7), employee salaries (line 8), rent (line 11), depreciation (line 14) and operating income (line 21, gets split between the number of owners, based on their % ownership). S Corporation owners get W-2 and K-1 income (K-1 being the pass-through income/loss of the business). They don't get any tax advantages to do deferred compensation plans. It is still important to focus on excess owner salary items in depreciation and other schedules and statements for amounts that can be added back when valuing the business.

Form 1065 is filed by Partnerships/LLCs. Key lines for underwriters to pay attention to are line A for the type of business, line E for when it was started, line I for the number of partners/K-1s, line 1 for revenues/receipts, line 10 for guaranteed payments to partners paid, line 13 for rent, line 16 for depreciation and line 22 for business net income or (loss).

Sole Proprietors file their individual 1040 with Schedule C (profit/loss from a business). Schedule C information on the business includes income (part i), expenses (part II) and net profit/loss (line 31) that transfers to Form 1040, line 12.

Business owners and executives pursue life insurance for various reasons – some of which include exit planning (buy/sell), supplemental retirement benefits (bonus plans, IRAs, investment of sales proceeds and qualified plans), business protection (key person, debt), income protection, survivor income and estate planning. For buy/sell plans, consider reviewing the buy/sell agreement. For key person and loan coverage, look at officer compensation, wages and the loan agreement.

Bell briefly talked about the personal side of tax returns – the 1040 and some of the more common schedules. On page 1 of the 1040, to see the breakdown of a person's adjusted gross income (AGI)–both earned and unearned–look at wages (line 7), interest/dividends (lines 8 & 9), business income/loss from Schedule C (line 12), capital gains/losses from Schedule D (line 13) and rental/partnership income/loss from Schedule E (line 17). Personal needs planning using life insurance includes income replacement/survivor income, retirement planning/income and estate planning (estate taxes, estate equalization, ILITs, etc.).