



## What's Inside:

p2

◦ Twenty Dollar Bill

p3

◦ Greg's Corner

p4

◦ Umbrella cont...

## KEEP YOUR UMBRELLA HANDY

In 2016 the U.S. had a record 10.8 million millionaires, up from 10.4 million in the previous year. An increase in personal wealth may bring greater financial flexibility; it may also bring greater liability. Individuals with high net worth, or those who are perceived to have high net worth, may be more likely to be sued. And personal injury claims can reach into the millions.<sup>1</sup>

Umbrella liability insurance is designed to put an extra layer of protection between your assets and a potential lawsuit. It provides coverage over and above existing automobile and homeowner's insurance limits.

### For example:

Imagine your teenage son borrows your car and gets in an accident seriously injuring the other driver. The accident results in a lawsuit and a \$1 million judgment against you. If your car insurance policy has a liability limit of \$500,000, that much should be covered. If you have additional umbrella liability coverage, your policy can be designed to kick in and cover the rest. Without umbrella coverage, you may be responsible for paying the other \$500,000 out of pocket, which could mean liquidating assets, losing the equity in your home, or even having your wages garnished.

### How does it work?

Umbrella liability insurance is usually sold in increments of \$1 million and generally costs just a few hundred dollars a year. It typically covers a broad range of scenarios, including bodily injuries, property damage caused by you or a member of your household, even libel, slander, false arrest and defamation of character.

Deciding whether liability coverage is right for you may be a question of lifestyle.

Continued on back page

### Gregory M. Hanson, President

*Securities offered through LPL Financial, member FINRA/SIPC. Investment advice offered through Private Advisor Group, a registered investment advisor. Private Advisor Group and APD Wealth Management are separate entities from LPL Financial.*





## LIFE AND DEATH OF A TWENTY DOLLAR BILL

The average \$20 bill is in circulation for 7.9 years, according to a report by the Federal Reserve. That's better than the \$10 bill, which has a life span of only 4.5 years, but worse than the \$100 bill, which is in circulation for 15 years.<sup>1</sup>

### Paper

A \$20 bill starts out life as part of a big, blank sheet of paper - but not just any paper. While most paper is made primarily from wood pulp, the paper used by the U.S. Bureau of Engraving and Printing doesn't contain any wood at all. Currency paper is composed of a special blend of 75% cotton and 25% linen. It's made with special watermarks and has tiny blue and red fibers embedded in it along with a special security thread.<sup>2,3</sup>

Each blank sheet is tracked from the time it leaves the mill until it is printed and the entire shipment is continuously reconciled to make certain all are accounted for.<sup>4</sup>

### Printing

These blank sheets of cotton and linen paper get printed four times. Background images and colors are printed -- both sides at once - using offset presses that are over 50 feet long and weigh over 70 tons. After drying for 72 hours, the portraits, vignettes, scrollwork, numerals and letters are printed on the back using Intaglio presses that are a mere 40 feet long and weigh 50 tons. After drying for another 72 hours - in special guarded cages - more portraits, vignettes, scrollwork, numerals and letters are printed on the front using the Intaglio presses. Finally, the serial numbers, Federal Reserve seal, Treasury Department seal, and Federal Reserve identification numbers are printed using a letter press.<sup>5</sup>

### Cutting and Wrapping

Once dry, these printed sheets are gathered in stacks of 100 to be cut by a specially designed guillotine cutter. Each new stack of 100 \$20 bills is wrapped with a special paper band. Ten of these 100-note stacks are gathered, machine count-

ed and shrink-wrapped into a bundle. Then four of these shrink-wrapped bundles are collated together, given a special bar-code label and shrink-wrapped again to create a brick of 4,000 bills, worth \$80,000.<sup>6</sup>

### Distribution and Circulation

The Treasury Department ships these newly printed \$20 bills to the Federal Reserve Banks, who in turn pay them out to banks and savings and loans, primarily in exchange for old, worn-out bills. The new bills are handed out to customers of these institutions as they withdraw cash, either through tellers or through automated teller machines.<sup>7</sup>

An average \$20 bill will change hands often, but even the U.S. Bureau of Engraving and Printing isn't sure how many times a bill will move from one pocket to the next. Contrary to popular belief, the government doesn't have any way to track individual bills.

There is a polyester security thread embedded in the paper that runs vertically up one side of each bill. If you look closely, the initials USA TWENTY along with the bill's denomination and a small flag are visible along the thread from both sides of the bill.

### Withdrawal

Banks gather worn out and damaged currency, sending it to the Federal Reserve in exchange for new bills. The Federal Reserve then sorts through these bills to determine which are still usable and which are not. Those bills deemed usable are stored until they can go out again through the commercial banking system. Those deemed no longer usable are cut into confetti-like shreds. Most are then disposed of, a small portion is sold in five-pound bags through the Treasury's website.<sup>9</sup>

1,3,7, 9. Federal Reserve, 2016

2,4,5,6,8, Bureau of Engraving and Printing, 20016

The content is developed from sources believed to be providing accurate information. This material is not intended as tax or legal advice. It may not be used for the purpose of avoiding federal tax penalties. Consult legal or tax professional for specific information. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG Suite is not affiliated with LPL Financial or APD Wealth Management. The opinions expressed are for general information and should not be considered a solicitation for the purchase or sale of any security.

# GREG'S CORNER

I hope you all had a great holiday season and that 2018 is off to a nice start. We had Christmas at home with family and went up north for the New Year. The temperature was between -5 and -20 the entire week. Cars don't start, things don't work - we were not made to handle temps that cold!

Our kids are doing great. Believe it or not baseball practices have started a couple of nights a week. Tyler (16) is playing in the house basketball league. He's on a team with a lot of friends and they are having a blast.

Cal(18) is enjoying his senior year of high school. He has not committed to a college yet, but has narrowed his list to



Bethel or Gustavus. He'll do an overnight visit at each in the next few months and make his final decision. It's been a fun process and we're enjoying watching both the boys grow into great young men.

As usual, all is pretty much the same with Lisa and I. We took a mom and dad only trip

**Greg, Cal and Lisa**

to Nashville in November and had a blast. We went to the Johnny Cash Museum, the Country Music Hall of Fame and took a tour of RCA records Studio B where Elvis recorded dozens of songs. It was a fun trip and hopefully we can do some more fun things without the kids in the future.

I hope all is well with you and happy 2018 to all!



**Greg, Cal, Lisa, Tyler**



**Baking cookies**

## 2018 RETIREMENT PLANS

There was a slight change in the amount you can contribute to your workplace retirement plan for 2018.

The contribution limit on 401(k) and 403(b) increased by \$500. Those 49 and younger can contribute up to \$18,500 and those 50 and older can contribute up to \$24,500.

There were no changes to Roth IRA and traditional IRA limits. They remain at \$5,500 for those 49 and younger; \$6,500 for those 50 and older.

Keep in mind you can make an IRA contribution for 2017 until April 17th, 2018. You can make your contribution for 2018 at any time until tax day in 2019.

11140 Hwy 55, Suite D  
Plymouth, MN 55441  
952-541-0020  
apdwealth.com

---

## UMBRELLA CONTINUED....

### You might consider buying a policy if you:

- Entertain frequently and serve alcohol
- Operate a business out of your home
- Give interviews that may be published
- Employ uninsured workers on your property
- Drive a lot of miles or have teenage drivers
- Live in a way that gives the appearance of wealth
- Own jet skis, a boat, motorcycles or snowmobiles
- Have a dog, especially if the breed is aggressive

Even if you don't yet have a tent in the millionaire camp, you may want to consider the benefits of liability insurance. You don't have to be a millionaire to be sued for a million dollars. Anyone who is carefully building a financial portfolio may want to limit their exposure to risk. Umbrella liability can be a fairly inexpensive way to help shelter current assets and future income from the unexpected.

### Keep in mind:

You may have to maximize coverage on your homeowner's and car insurance policies before becoming eligible for an umbrella policy as these become deductibles to the policy.

*This is a simplified description of coverage. All statements made are subject to the provisions, exclusions, conditions and limitations of applicable insurance policies. Please refer to actual policy documents for complete details regarding coverage.*

