

Your S3 Risk Management Worksheet

This is not a generic checklist. It is a constitutional tool designed to help you build a Safe, Simple, and Sound foundation for financial security. By focusing on your personal vision first, we will create a proactive, risk-proof plan that serves you for life, whether you become a client or not.

Constitutional Both/And Solutions This Worksheet Provides:

1. Either/Or Dilemma: Reactive fear vs. Proactive planning: Feeling anxious about unknown risks but not knowing where to start.

Constitutional Resolution: The worksheet begins with clarifying your personal vision for security, transforming risk management from a fear-based reaction into a proactive exercise in protecting what truly matters.

2. Either/Or Dilemma: Buying insurance for everything vs. Self-insuring everything: An all-or-nothing approach to risk mitigation.

Constitutional Resolution: The 'Both/And Risk Framework' provides a simple, sound matrix to help you strategically decide when to avoid, reduce, retain, AND transfer risk, creating an integrated and cost-effective strategy.

Part 1: Your Constitutional Foundation for Security

We begin with your vision, not with fear. A Safe plan is built on a solid understanding of what you are protecting and why it matters.

***S3 Constitutional Context:** This demonstrates 'Vision-First Direction.' We establish the 'why' before the 'what,' ensuring the entire plan is aligned with your authentic purpose.*

What does true financial security look, sound, and feel like for you and your family?

Describe this in terms of experiences, relationships, and peace of mind, not just account balances. For example: 'Security is knowing we can handle a major medical event without derailing our kids' education,' or 'It's the freedom to take a sabbatical to pursue a passion project.'

***S3 Context:** This anchors the abstract concept of 'risk' to your tangible life goals, making the process personal and meaningful rather than technical and intimidating.*

Based on your vision, what are the top 3-5 specific events that could threaten this security?

Think beyond generic lists. Connect threats directly to your vision. Examples: 'A long-term disability would prevent me from being the active parent I want to be.' or 'A market collapse right before retirement would threaten our ability to travel and see our grandchildren.'

***S3 Context:** This step makes risk identification proactive and personal. It moves from vague anxiety to a clear, manageable list of concerns to address.*

Part 2: The Both/And Framework for Sound Decisions

Now that we know WHAT to protect, we can decide HOW. This Simple framework helps you use the right tool for the right job, avoiding the common trap of either over-insuring or under-preparing.

S3 Constitutional Context: *This section embodies the 'Both/And Solutions' principle, resolving the false dilemma between buying insurance and self-funding by offering an integrated strategy.*

Map Your Risks on the S3 Both/And Framework

For each risk you identified, place it in one of the four quadrants below. This will tell you the most logical way to handle it. High Severity = Financially Catastrophic. High Frequency = Happens Often.

S3 Context: *This is a core S3 application that makes a complex ChFC®-level concept accessible. It empowers you to think strategically about risk, demonstrating our commitment to educational generosity.*

- Quadrant 1: High Severity / Low Frequency (e.g., House fire, premature death)
Constitutional Guidance: S3 Principle: TRANSFER. This is the constitutional role of insurance. You transfer the catastrophic financial impact to an insurance company for a known premium.
- Quadrant 2: High Severity / High Frequency (e.g., Driving recklessly without a seatbelt)
Constitutional Guidance: S3 Principle: AVOID. These risks are so dangerous and common that the wisest strategy is to avoid the behavior altogether. No financial product can solve this.
- Quadrant 3: Low Severity / High Frequency (e.g., Cracked phone screen, seasonal cold)
Constitutional Guidance: S3 Principle: REDUCE & RETAIN. Reduce the frequency with preventative measures (e.g., phone case) and Retain the risk by paying for the small cost out-of-pocket from cash flow or savings. Insuring this is inefficient.
- Quadrant 4: Low Severity / Low Frequency (e.g., A meteor hitting your car)
Constitutional Guidance: S3 Principle: RETAIN. The impact is small and it's highly unlikely to happen. The most sound strategy is to accept this minor risk and self-insure (i.e., do nothing).

Part 3: Your Living Financial Constitution

A plan is only Sound if it adapts over time. Here, we'll establish a trustworthy process for keeping your plan relevant without constant, anxious changes.

S3 Constitutional Context: *This final section applies the 'Time Coexistence' and 'Integration Over Abandonment' principles, ensuring your plan is durable and responsive for the long term.*

Define Your 'Trustworthy Tortoise' Review Cadence

Slow and steady wins the race. Choose a sustainable rhythm for reviewing your risk constitution (e.g., annually on your birthday, after any major life event like a new job or child). What will your cadence be?

S3 Context: *This S3 concept turns the vague advice to 'review your plan' into a memorable, actionable habit, building confidence through a steady, trustworthy process.*

Write Your Personal Risk Constitution Summary

Based on your work, summarize your approach to risk in 2-3 core principles. This is your guiding document for all future decisions. Example: 1. My security is defined by freedom of time, not just money. 2. I will transfer any risk that could derail my family's core vision. 3. I will review this constitution every January to ensure it still serves our life.

S3 Context: *This synthesizes the entire worksheet into a personal, powerful declaration. It finalizes the process of building a constitutional framework that is uniquely yours, providing immense standalone value.*

Educational Generosity Commitment:

This educational tool provides genuine clarity and confidence to readers, demonstrates our unique constitutional process to prospects, reinforces foundational principles for clients, and enhances financial literacy for our entire community.