

Life Insurance Needs Analysis

How much life insurance is enough?

Client Name: _____ Date: _____

Income Needs

1. Annual income your family would need if you die today

Enter a number that's typically 10%-80% of total income. Include all salaries, dividends, interest and any other sources of income.

\$ _____

2. Annual income available to your family from other sources

Enter a number that includes dividends, interest, spouse's earnings and social security.

\$ _____

3. Annual income to be replaced (subtract line 2 from line 1)

\$ _____

4. Funds needed to provide income for how many years? _____

Multiply line 3 by the appropriate factor below¹

\$ _____

10 Yrs. x 8.9	15 Yrs. x 12.4	20 Yrs. x 15.4	25 Yrs. x 18.1	30 Yrs. x 20.4	35 Yrs. x 22.4
40 Yrs. x 24.1	45 Yrs. x 25.6	50 Yrs. x 26.9	55 Yrs. x 28.1	60 Yrs. x 29.0	

Expenses

5. Burial final expenses

The average cost of an adult funeral is about \$10,000

\$ _____

6. Mortgage and other debts

Include mortgage balance, credit card debt, car loans, home equity loans, etc.

\$ _____

7. College costs²

2008-2009 average annual cost of a four-year education: public college-\$19,388; private college-\$39,028

	Annual Amount		No. of Yrs. in College
Child 1:		multiplied by	
Child 2:		multiplied by	
Child 3:		multiplied by	
Child 4:		multiplied by	
Child 5:		multiplied by	

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

Total College Costs

\$ _____

8. Total Capital Required [(Add lines 4, 5, 6 and 7 (total college costs))].

\$ _____

Assets

9. Savings and investments

Bank accounts, CDs, stocks, bonds, mutual funds, real estate/rental property, etc.

\$ _____

10. Retirement savings

IRAs, 401(k) plans, SEPs, pension and profit sharing plans

\$ _____

11. Present amount of the insurance

Personal insurance purchased on your own (Exclude group insurance due to the lack of portability)

\$ _____

12. Total of assets (Add lines 9, 10 and 11).

\$ _____

13. Estimated amount of additional life insurance needed (Subtract line 12 from line 8).

\$ _____

For a more thorough discussion of your needs, ask your licensed financial professional about a personalized needs analysis.

¹Inflation is assumed to be 3%. College costs indexed at 6%. The rate of return on investments is assumed to be 6% after tax.

²Source: The College Board, *Trends in College Pricing 2009*. Costs include tuition, room, board, books and supplies, transportation, and other expenses.