

# Insurance Advisors

## Life insurance needs worksheet

This worksheet can help you get a general sense of how much life insurance you need to protect your family. The worksheet assumes you died today.

### Income

**1. Total annual income your family would need if you died today** \$ \_\_\_\_\_

What your family needs, before taxes, to maintain its current standard of living (Typically between 60% - 75% of total income)

**2. Annual income your family would receive from other sources** \$ \_\_\_\_\_

Spouse's earnings (Social Security may be available)

**3. Income to be replaced - Subtract line 2 from line 1** \$ \_\_\_\_\_

**4. Capital needed for income** \$ \_\_\_\_\_

Multiply line 3 by 15 to provide 25 years of income

### Expenses

**5. Funeral and other final expenses** \$ \_\_\_\_\_

Typically the greater of \$15,000 or 4% of your estate.

**6. Mortgage and other outstanding debts** \$ \_\_\_\_\_

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

**7. College costs for each child, in today's dollars** \$ \_\_\_\_\_

2003-2004 average 4-year costs; Private \$107,416, Public \$47,3521

**8. Total capital required** \$ \_\_\_\_\_

Add lines 4, 5, 6 and 8

### Assets

**9. Savings and investments** \$ \_\_\_\_\_

Bank accounts, money market accounts, CDs, stocks, bonds, mutual funds, etc.

**10. Retirement savings** \$ \_\_\_\_\_

IRAs, 401(k)s, Keoghs, pension and profit sharing plans

**11. Present amount of life insurance** \$ \_\_\_\_\_

Include group insurance as well as insurance purchased on your own

**12. Total income producing assets - Add lines 10, 11 and 12** \$ \_\_\_\_\_

**13. Life insurance needed** \$ \_\_\_\_\_

Subtract line 12 from line 8