

Life Insurance Needs Analysis

How much life insurance is enough?

Client Name:					Date: _		
Agent Name	e/Approved Title:						
This worksh	eet from Ash Broke	rage provide:	s a quicl	k and simple me	thod to estimate t	he amount of	life insurance you will need.
Income N	eeds						
Enter a nu	ncome your famil mber that's typicall nd any other source	y 10%-80% c			all salaries, divide	nds,	\$
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 below ¹ \$							\$
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	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 costs ² 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						,00,000
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	,	, ,		(
	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.