

NEEDS ANALYSIS WORKSHEET FOR LIFE

HOW MUCH LIFE INSURANCE DO YOU NEED?

1. What debt will be present at death? (typically the greater of \$15,000 or 4% of your estate*)		
Funeral	\$	
Legal Fees	\$	
Mortgage or Home Equity Lines	\$	
Credit Cards	\$	
Auto Loans	\$	
Miscellaneous Debt	\$	
	Total Debt	\$
2. What do you anticipate paying for your children's education?		
Average Annual Cost:	\$	
\$18,943 public college		
\$42,419 private collage		
	Multiply by 4	
Total Anticipated Four-Year Educational Expense		\$
3. Knowing that your current debt would be eliminated at death, what would your survivors' annual living expenses be?		
Annual Living Expenses		\$
4. What income will be annually available to your survivors?		
Spouse's Income	\$	
Social Security	\$	
Pension	\$	
Investment Income	\$	
Other Income	\$	
Annual Income		\$
5. Subtract line 4 from line 3 to find the additional income needed annually.		
Additional Income Needed Annually		\$
6. What rate of return do you conservatively expect from your investments?		
Rate of Return (%)		
7. Compute the amount of cash needed to provide the income specified in line 5. Divide line 5 by line 6. Example: \$40,000 (total of line 5) divided by 6% (rate of return from line 6).		
Income Needed		\$
8. Add lines 1, 2 and 7.		
Total Immediate Cash Needs		\$
9. What are the current assets available?		
Current Line Insurance (Group or Personal)	\$	
Liquid Assets (bank accounts, mutual funds, CDs, stocks, bonds and cash)	\$	
Retirement Plans (401(k), IRAs, etc.)	\$	
Total Assets Available		\$
10. Subtract line 9 from line 8.		
Total Additional Life Insurance Needed		\$