

# LIFE INSURANCE QUICK ESTIMATOR

HOW MUCH LIFE INSURANCE IS ENOUGH?

Client Name \_\_\_\_\_

Date \_\_\_\_\_

Agent Name/Approved Title \_\_\_\_\_

## Income Needs

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

Enter a number that's typically between 60%–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 below<sup>1</sup>

\$ \_\_\_\_\_

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, emergency fund**

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<sup>2</sup>**

2005–2006 average annual cost of a four-year education: public college—\$ 15,566; private college—\$ 31,916.

	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 Value of All You Do:** The cost of daily activities [Use the calculator on page 2.]

\$ \_\_\_\_\_

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

\$ \_\_\_\_\_

## Assets

**10. Savings and investments**

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

\$ \_\_\_\_\_

**11. Retirement savings**

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

\$ \_\_\_\_\_

**12. Present amount of life insurance**

Include group insurance and personal insurance purchased on your own

\$ \_\_\_\_\_

**13. Total of all assets** (Add lines 10, 11 and 12.)

\$ \_\_\_\_\_

**14. Estimated amount of additional life insurance needed** (Subtract line 13 from line 9.)

\$ \_\_\_\_\_

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

# THE VALUE OF ALL YOU DO CALCULATOR

Client Name \_\_\_\_\_

Date \_\_\_\_\_

Agent Name/Approved Title \_\_\_\_\_

If something were to suddenly happen to you, your family might have to hire others to take on some of your daily activities. You'd be surprised at how all you do adds up!

- ▶ To see just how much, estimate the number of hours per week that you spend on each of the activities below.
- ▶ The final cost will then be part of the calculation of how much life insurance you need. Even if you earn no income, insurers generally allow you to get as much life insurance as your working spouse has.
- ▶ To get a full picture of your insurance needs, be sure to look at your spouse's life insurance coverage, too.

Services	Hours per Week	Hourly Rate <sup>3</sup>	Estimated Weekly Cost	Number of Years	Estimated Total Cost
Child Care					
Driving Family Members					
Tutoring / Home Schooling					
Housekeeping / Home Mgmt.					
Food Preparation					
Bookkeeping					
Yard Care & Maintenance					
Home Maintenance & Repair					
Parental Care					
<b>Estimated Total Costs</b>					

**This is how much life insurance you would need to cover these services<sup>4</sup>**

<sup>3</sup> Based on current market rate averages.

<sup>4</sup> Inflation is assumed to be 3% and life insurance proceeds are invested to earn 6% after tax. The earnings on the life insurance proceeds plus spending down the life insurance proceeds will be used to cover these expenses over the expected period. The return is purely hypothetical and is used for illustrative purposes only. Performance results are not indicative of any particular investment. Actual results and investment risks will vary.