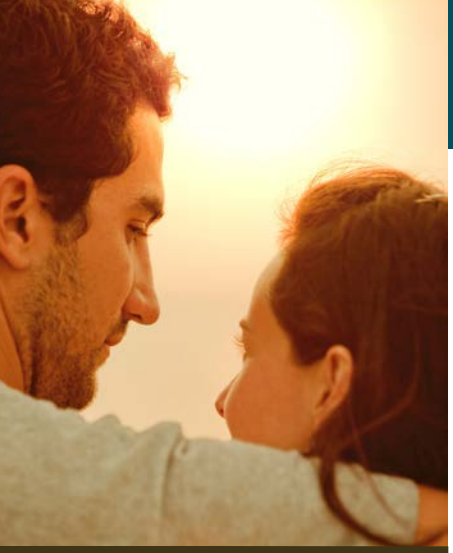

Life Insurance Needs Worksheet

Get a general sense of how much life insurance you need to protect your family. Before buying life insurance, it makes sense to consult with an insurance professional for a more thorough analysis of your needs. This 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** $ _____
   For example, spouse's earnings or a fixed pension. (Do not include income earned on your assets, as it is addressed later in the calculation)
3. **Income to be replaced** $ _____
   Subtract line 2 from line 1
4. **Capital needed for income** $ _____
   Multiply line 3 by appropriate factor in Table A. Factor _____ .

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 balance, car loans, etc.
7. **Capital needed for college**
   (2016-2017 average 4-year cost: Private $182,920; Public $80,360)

	Estimated 4-Year Cost		Appropriate Factor in Table B		NPV
Child 1	_____	x	_____	=	_____
Child 2	_____	x	_____	=	_____
Child 3	_____	x	_____	=	_____

+] → $ _____

8. **Total capital required** $ _____
   Add items 4, 5, 6, and 7

Income

9. **Savings and Investments:** $ _____
   Bank accounts, money market accounts, CDs, stocks, bonds, mutual funds, annuities, etc.
10. **Retirement Savings:** $ _____
    IRAs, 401(k)s, SEP plans, SIMPLE IRA plans, Keoghs, pension and profit sharing plans
11. **Present amount of life insurance** $ _____
    Including group insurance as well as insurance purchased on your own
12. **Total income producing assets** $ _____
    Add lines 9, 10 and 11
13. **Life insurance needed** $ _____
    Subtract line 12 from line 8

Table A

Years Income Needed	Factor
10	8.8
15	12.4
20	15.4
25	18.1
30	20.4
35	22.4
40	24.1

Table B

Years Before College	Factor
5	.95
10	.91
15	.86
20	.82

Note: These tables help you determine net present value {NPV}, the amount of capital required today to satisfy future income or college cost needs, given an assumed investment return of 6% inflation of 3% for living costs and 5% for college costs.

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