

LIFE INSURANCE NEEDS ANALYSIS

	Example	Your Situation
EXPENSES		
Immediate		
Funeral	\$6,000	
Final Expenses	\$2,000	
<i>Subtotal</i>	\$8,000	
1-9 Months		
Probate Expenses	\$2,000	
Estate Taxes		
Mortgage Pay-Off	\$50,000	
<i>Subtotal</i>	\$52,000	
Beyond 9 Months		
Emergency Fund	\$10,000	
College Funding	\$100,000	
<i>Subtotal</i>	\$110,000	
Lifetime Living Expenses		
Annual Living Expenses	\$60,000	
(from cash flow worksheet)		
Less Mortgage Payments	-\$12,000	
(if you pay it off)		
Less Spouse's Take-Home Pay	-\$20,000	
Less Social Security Benefits	-\$6,000	
<i>Subtotal</i>	\$22,000	
Multiplied By Number of Years Needed	x 18	x
<i>Subtotal</i>	\$396,000	
TOTAL EXPENSES	\$566,000	
ASSETS (available for support of dependents)		
Cash	\$10,000	
Investments	\$50,000	
Retirement Plans	\$50,000	
Life Insurance Already Owned	\$150,000	
Mortgage Insurance	\$50,000	
TOTAL ASSETS	\$310,000	
INSURANCE NEEDS (expenses minus assets)		
Total Expenses	\$566,000	
Minus Total Assets	-\$310,000	
Total (additional insurance needed)	*\$256,000	

*This is not meant to be an exact number, for the number will change each year. For our worksheet we assumed a family of four, major wage earner was the father and spouse worked part time. They want to send their kids to college and pay off the mortgage if something should happen to one of them. You will need to do this for each individual. To be accurate you will need to find out from Social Security what your survivor benefits will be. ssa.gov or 800-772-1213.