



Life Insurance Needs Worksheet

This worksheet can help you get a general sense of how much life insurance you need to protect your family. However, you should consult with a qualified insurance professional before buying any insurance products. The 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**
Spouse's earnings (Social Security may be available) \$ _____
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 \$ _____

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 debt, car loans, etc.
7. **College costs for each child, in today's dollars** \$ _____
2005-2006 average 4-year costs: Private \$125,256; Public \$58,1141
8. **Capital needed for college** - Multiply line 7 by the appropriate factor in Table B \$ _____
9. **Total capital required** - Add lines 4, 5, 6 and 8 \$ _____

Assets

10. **Savings and investments** \$ _____
Bank accounts, money market accounts, CDs, stocks, bonds, mutual funds, etc.
11. **Retirement savings** \$ _____
IRAs, 401(k)s, Keoghs, pension and profit-sharing plans
12. **Present amount of life insurance** \$ _____
Include group insurance as well as insurance purchased on your own
13. **Total income-producing assets** - Add lines 10, 11 and 12 \$ _____

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|-----|---|----------|
| 14. | Life insurance needed - Subtract line 13 from line 9 | \$ _____ |
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Table 1	
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 2	
Years Before College	Factor
5	.85
10	.74
15	.64
20	.56

