

Life Insurance Needs Analysis

How much life insurance is enough?

Member Name: _____ Date: _____

This worksheet provides a quick and simple method to estimate the amount of life insurance you will need.

Income Needs

1. **Annual income your family would need upon your death**
(Include all salaries, dividends, and interest) \$ _____

2. **Funds needed to provide income for _____ years**
Multiply line 1 by the appropriate factor below¹ \$ _____

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

3. **Burial and final expenses**
The average cost of an adult funeral is about \$10,000 \$ _____

4. **Mortgage and other debts**
Include mortgage balance, credit card debt, car loans, home equity loans, etc. \$ _____

5. **College costs²**
2010-2011 average annual cost of a four-year education
(In-State Public College - \$17,131; Private College - \$38,589)

	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 \$ _____
6. **Total Capital Required** [add lines 2, 3, 4, and 5 (total college costs)] \$ _____

Assets

7. **Liquid savings and investments**
Bank accounts, CDs, stocks, bonds, mutual funds, etc. \$ _____

8. **Retirement savings**
IRAs, 401(k) plans, SEPs, profit sharing plans, etc. \$ _____

9. **Present amount of life insurance**
Personal insurance purchased on your own (Exclude group insurance due to the lack of portability) \$ _____

10. **Total of assets** (Add lines 7, 8, and 9). \$ _____

11. **Estimated amount of additional life insurance needed** (Subtract line 10 from line 6). \$ _____

For a more thorough discussion of your needs, meet with your Delta Community Retirement & Investment Services Professional.

¹Inflation is assumed to be 3%. College costs indexed at 6%. The rate of return is assumed to be 6% after tax.

²Source: The College Board, Trends in College Pricing 2011. Cost estimates include tuition, fees, room and board. Books, supplies, transportation and other related expenses not included in estimate.