

LIFE INSURANCE WORKSHEET

Date ____ \ ____ \ ____

GROSS MONTHLY INCOME

SAMPLE

Present annual income needs: \$ 53,280
Subtract deceased person's needs: \$ 9,000
Subtract other income available:
(Social Security, investments, retirement) \$ 10,000
= Net annual income needed: \$ 34,000

Net annual income needed, multiplied by 12.5 (assumes an 8% after-tax investment return on insurance proceeds): \$ 428,500

LUMP SUM NEEDS

Debts: \$ 8,000
Education: \$ 20,000
Other: \$ 0

Total lump sum needs: \$ 28,000

TOTAL LIFE INSURANCE NEEDS: \$ 456,500

GROSS MONTHLY INCOME

Present annual income needs: \$ _____
Subtract deceased person's needs: \$ _____
Subtract other income available:
(Social Security, investments, retirement) \$ _____
= Net annual income needed: \$ _____

Net annual income needed, multiplied by 12.5 (assumes an 8% after-tax investment return on insurance proceeds): \$ _____

LUMP SUM NEEDS

Debts: \$ _____
Education: \$ _____
Other: \$ _____

Total lump sum needs: \$ _____

TOTAL LIFE INSURANCE NEEDS: \$ _____

Once you have quantified your approximate life insurance needs, deduct the amount of your present life insurance coverage to determine whether you need additional life insurance. Then analyze your spending plan to determine how much new insurance you can afford. Seek counsel to decide the precise amount and type of insurance that would meet your needs and spending plan.