



Life Insurance Needs Assessment Worksheet

Purchasing life insurance is an important step toward protecting your family. Determining the amount life insurance that you need is something that should be taken seriously and considered carefully.

The first step is to estimate how much you family will need when you are gone. You should look at this based on your final expenses, outstanding debts, and future expenses. Next, add up the resources that you currently have that family members can use in the event of your death.

You also need to consider factors such as inflation and future life events (purchase of a home, marriage, children, college, etc.). Your agent can help you determine how much and what kind of life insurance may be suitable for your situation.

The amounts listed in the "example" column below are for illustrative purposes only. Please use amounts based on your actual circumstances in the "your need" column. All examples shown are hypothetical and intended for illustrative, educational purposes. Figures used in the hypotheticals are not indicative of actual amounts.

Expenses

FINAL EXPENSES

Example

Your Need

Funeral Expenses

1. A traditional funeral, including a casket and Vault, Cost about \$6,000, although extras like flowers and Obituary notices can add thousands of dollars to the Total cost. Many funerals can run well over \$10,000. (Source: *Funerals: A Consumer Guide*, Federal Trade Commission, www.ftc.gov)

\$10,000

2. **Probate Fees**
Probate fees are the expenses required to settle an estate.

\$5,000

3. **Outstanding Medical Expenses**

\$0

4. **Other**

5. Add lines 1 through 4 for final expenses subtotal

\$15,000

Final Expenses Subtotal

OUTSTANDING DEBTS

6. **Mortgage Balance**

\$170,000

7. **Credit Card Balance**

\$5,000

8. **Auto Loan (s) Balance**

\$4,000

9. **Other**

\$5,000

10. Add lines 6 through 9 for outstanding debts subtotal

\$184,000

Outstanding Debts Subtotal

FUTURE EXPENSES

11. Future Income	\$250,000	_____
Multiply your annual income by the number of years dependents should expect to need that amount.		
12. Projected/remaining college costs	\$50,000	_____
13. Retirement	\$0	_____
14. Other	\$0	_____
15. Add lines 11 through 12 for a future expenses subtotal	\$300,000	_____
		Future Expenses Subtotal

16. Add lines 5, 10, and 15 for an expenses subtotal	\$499,000	_____
		Expenses Total

ASSETS

	Example	Your Amount
17. Investments (401(k), IRA, Pension Plan, Stocks, Mutual Funds)	\$80,000	_____
18. Life Insurance	\$10,000	_____
19. Real Estate	\$0	_____
20. Savings	\$10,000	_____
21. Other	\$5,000	_____
22. Add Lines 17 through 21 for assets total	\$105,000	_____
		Assets Total

Life Insurance Need

23. Subtract line 16 (total expenses) from Line 22 (total assets) to arrive at approximate life insurance need.	\$394,000	_____
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