

Life Insurance Needs Worksheet

This worksheet will give you a general sense of how much life insurance you need to protect your family. If you need a more thorough analysis of your needs contact us at 713-320-6124 or van@advice4lifeinsurance.com

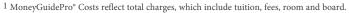
Table A

Factor
8.8
12.4
15.4
18.1
20.4
22.4
24.1

Note: This table helps you determine net present value (NPV), the amount of capital required today to satisfy future income.

Income

ι.	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	
	For example, spouse's earnings or a fixed pension. (Do not include income earned on your	
	assets, as it is addressed later in the calculation)	\$
3.	Income to be replaced	
	Subtract line 2 from line 1	\$
1.	Capital needed for income	
	Multiply line 3 by appropriate factor in Table A. Factor	\$
Ex	penses	
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 balance, car loans, etc.	\$
7.	Capital needed for college	
	(2019-2020 average 4-year cost: Private \$210,000; Public \$103,560¹)	
	Child 1	
	Child 2 Total	
	Child 3	\$
3.	Total capital required	Ċ
	Add items 4, 5, 6 and 7	\$
	come	
9.	Savings and investments: Bank accounts, money market accounts, CDs, stocks, bonds,	
	mutual funds, annuities, etc.	\$
10.	Retirement savings: IRAs, 401(k)s, SEP plans, SIMPLE IRA plans, Keoghs, pension and	•
	profit sharing plans ²	\$
11.	Present amount of life insurance	
	Including group insurance as well as insurance purchased on your own	\$
12.	Total income producing assets	
	Add lines 9, 10 and 11	\$
13.	Life insurance needed	Ċ
	Subtract line 12 from line 8	\$



² Distributions from most retirement savings plans are subject to ordinary income tax rates.



Advice 4 Life Insurance

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