

Life Insurance Worksheet

GROSS MONTHLY INCOME

Present annual income needs: \$ 53,200

Subtract deceased person's needs: 9,000

Subtract other income available:
(Social Security, investments, retirement) 10,000

= Net annual income needed: 34,200

Net annual income needed, multiplied by
12.5 (assumes an 8% after-tax investment
return on insurance proceeds): 427,500

Lump sum needs:

Debts: 8,000

Education: 20,000

Other: 0

Total lump sum needs: \$ 28,000

Total Life Insurance Needs: \$ 455,500

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 budget 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 budget.