

LIFE INSURANCE WORKSHEET

If you have people in your life who depend on your income, you probably need life insurance. While there are rules of thumb for how much life insurance you need (such as 7-10 times your annual income), each individual's circumstances vary. This worksheet is intended to be a guide to assist you in determining the amount of life insurance you may need. For ease of use, this worksheet does not take into account inflation or the time value of money.

1. Estimate the annual income needed by surviving spouse and dependents (include retirement savings for surviving spouse and cost of health insurance)	_____
2. Subtract the annual income sources available to the surviving spouse (e.g. surviving spouse's income, Social Security, earnings on investments)	-- _____ = _____
3. Estimate the number of years the annual income need will exist and multiply by this number	X _____ = _____
4. Add an amount for immediate cash needs (funeral/burial expenses, emergency cash, estate taxes)	+ _____
5. Add any debt to be paid off (credit card, auto loans, mortgage, non-dischargeable student loans, etc.)	+ _____
6. Add the estimated amount needed for dependents' college education	+ _____ = _____
7. Subtract existing amounts of life insurance and other assets that survivors could use to meet their needs (e.g., other savings, securities, IRAs, etc.)	-- _____ = _____
ESTIMATED AMOUNT OF ADDITIONAL LIFE INSURANCE NEEDED	_____