

## Life insurance for income replacement



You are working hard to prepare for your family's future. In the event of your premature death, could your family afford to maintain the lifestyle that you are working so hard to achieve?

The foundation of your financial security is your income. The purchase of a life insurance policy creates a benefit at your death that can provide an income for your family.

Life insurance can help **protect** your family's financial future.

In the event of your premature death, could your family...

- Afford the mortgage payment?
- Send your children to the college of their choice?
- Remain in their home?
- Maintain their current standard of living?
- Pay the bills?

Fortunately, life insurance is available to help...

- Pay off the mortgage
- Replace lost income
- Establish an emergency fund
- Create an education fund

A review of your current financial picture and the following worksheet—with your representative—can help determine the amount of insurance needed to replace your income and provide for your family.

# Complete a family life insurance needs analysis in **just 5 minutes**

Name: \_\_\_\_\_

Date of birth: \_\_\_\_\_ Male Female Monthly Income: \$ \_\_\_\_\_

## Step 1

1. Final Expenses \$ \_\_\_\_\_  
[funeral, attorney fees, etc.;  
\$15,000 minimum recommended]

2. Mortgage Balance \$ \_\_\_\_\_

3. Debts \$ \_\_\_\_\_  
[auto loans, credit card balances, etc.]

4. Children's Education<sup>1</sup>  
\$ \_\_\_\_\_ x \_\_\_\_\_ = \$ \_\_\_\_\_  
total cost of degree number of children

5. Living Expenses \$ \_\_\_\_\_

TOTAL **STEP 1** [Add nos. 1 through 5]: \$ \_\_\_\_\_

## Step 2

6. Existing Life Insurance Coverage \$ \_\_\_\_\_

7. Cash and Savings Account Totals \$ \_\_\_\_\_

8. Retirement Assets (e.g. 401(k), IRA) \$ \_\_\_\_\_

9. Other Liquid Assets (e.g. mutual funds) \$ \_\_\_\_\_

TOTAL **STEP 2** [Add nos. 6 through 9]: \$ \_\_\_\_\_

## Step 3

Additional life insurance you need:

TOTAL **STEP 1** minus TOTAL **STEP 2** \$ \_\_\_\_\_

### Instructions:

- After the mortgage and other debts are paid off, how much does your family need to cover living expenses each month?
- Find the closest number in the monthly income column below and the corresponding number of years needed on the right. Enter the resulting number into no. 5, above.

Desired Monthly Income	Number of Years Needed <sup>2</sup>		
	10 years	15 years	20 years
\$1,000	\$100,000	\$140,000	\$170,000
\$2,000	\$200,000	\$280,000	\$340,000
\$3,000	\$300,000	\$410,000	\$500,000
\$4,000	\$400,000	\$550,000	\$670,000
\$5,000	\$500,000	\$680,000	\$830,000

<sup>1</sup>As a 2022-2023 estimate, the average annual cost of tuition, fees, and room and board for a 4-year in-state public university is approximately \$23,250 and \$53,430 for a private nonprofit university. [Source Trends in College Pricing, Annual Survey of Colleges 2022]

<sup>2</sup>Assumes 4% annual net interest earned combined with a systematic liquidation of principal to provide income for the stated period. 4% is not guaranteed and is used for illustrative purposes only. All amounts in the table have been rounded up to the next \$10,000.



For more information,  
contact your financial professional.

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