

# Life Insurance Needs Worksheet

This worksheet can be used to estimate your life insurance needs. If you enter amounts for each category of need, the resulting estimate should be viewed as a maximum amount of insurance that will meet all foreseeable needs of your survivors.

## Expenses

1. Final expenses (one-time expenses incurred by your death, including funeral costs, legal fees, and estate taxes) \$ \_\_\_\_\_
2. Outstanding debt (to be paid off at your death) \$ \_\_\_\_\_
3. Readjustment expenses (to cover a transition period, including child care, additional homemaking help, and training for a surviving spouse) \$ \_\_\_\_\_
4. Dependency expenses (until all children are self-supporting)
  - A. Estimate your household's current annual expenditures \$ \_\_\_\_\_
  - B. To remove the deceased person's expenses, multiply this figure by:
    - .30 for a surviving family of one;
    - .26 for a surviving family of two;
    - .22 for a surviving family of three;
    - .20 for a surviving family of four;
    - .18 for a surviving family of five
$$\text{\$ } \underline{\hspace{2cm}} \text{ (Line 4A) } \times \underline{\hspace{2cm}} \text{ (above factor) } = \text{ ( } \underline{\hspace{2cm}} \text{ )}$$
  - C. Deduct surviving spouse's estimated annual income from employment ( \_\_\_\_\_ )
  - D. Equals current annual expenses to be covered by currently owned assets and insurance. (Subtract Lines 4B and 4C from Line 4A) \$ \_\_\_\_\_
  - E. To determine approximate total dependency expenses required, multiply by number of years until youngest child becomes self-supporting: 
$$\text{\$ } \underline{\hspace{2cm}} \text{ (Line 4D) } \times \underline{\hspace{2cm}} \text{ (years) } = \text{ \$ } \underline{\hspace{2cm}}$$
  - F. If support for dependent parent(s) is to be provided, multiply annual support by the number of years such support is expected to continue: 
$$\text{\$ } \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} \text{ (years) } = \text{ \$ } \underline{\hspace{2cm}}$$
  - G. Total dependency expenses (add Lines 4E and 4F) \$ \_\_\_\_\_

5. Education expenses
- A. Annual college costs in current dollars \$ \_\_\_\_\_
- B. Multiply by number of years and children left to attend:  
 \$ \_\_\_\_\_ (Line 5A) x \_\_\_\_\_ (years) = \$ \_\_\_\_\_
6. Life income for the surviving spouse (after the children are all self-supporting)
- A. Annual amount desired (in current dollars) \$ \_\_\_\_\_
- B. Deduct surviving spouse's estimated annual income from employment ( \_\_\_\_\_ )
- C. Equals annual expenses to be covered by currently owned assets and insurance (Subtract Line 6B from Line 6A) \$ \_\_\_\_\_
- D. Multiply by number of years between when the youngest child becomes self-supporting and the surviving spouse begins receiving Social Security benefits and other retirement income, if any:  
 \$ \_\_\_\_\_ (Line 6C) x \_\_\_\_\_ (years) = \$ \_\_\_\_\_
7. Retirement income for surviving spouse
- A. Annual amount desired in current dollars (less Social Security and any pension income) \$ \_\_\_\_\_
- B. Multiply by number of years of life expectancy after retirement begins:  
 \$ \_\_\_\_\_ (Line 7A) x \_\_\_\_\_ (years) = \$ \_\_\_\_\_
8. Total funds needed to cover expenses: (add Lines 1, 2, 3, 4G, 5B, 6D and 7B) \$ \_\_\_\_\_

**Assets currently available to support family**

- A. Proceeds from life insurance already owned \$ \_\_\_\_\_
- B. Cash and savings \_\_\_\_\_
- C. Equity in real estate (if survivors will sell) \_\_\_\_\_
- D. Securities \_\_\_\_\_
- E. Retirement plans \_\_\_\_\_
- F. Other sources \_\_\_\_\_
9. Total available assets (Add Line 8A through 8F) \$ \_\_\_\_\_

**Additional life insurance required**

Subtract available assets (Line 9) from total funds needed to cover expenses (Line 8). \$ \_\_\_\_\_