

## Insurance Needs Analysis Worksheet

**How much Life Insurance do you need?**

	Your Estimate	Example
<b>1. Annual income objective</b>		<b>\$ 30,000</b>
<b>2. Minus other sources of annual income</b>		
Surviving partner's salary		18,000
Investment earnings		820
Social Security		4,400
Pensions		0
Miscellaneous (e.g. rental income)		0
Total income		23,220
<b>3. Annual income shortfall</b> <i>(Subtract total of Item 2 from Item 1)</i>		6,780
<b>4. Amount of death benefit needed to get annual income in Item 3</b> <i>(Divide amount in Item 3 by either .06 or .04)</i>		113,000
<b>5. Expenses</b>		
Funeral expenses		8,000
Cost of last hospital stay/illness		
Estate probate costs		10,200
Federal estate taxes		
State inheritance taxes		
Mortgage balance		0
Education fund		44,232
Emergency fund		6,480
Relocation		0
Other outstanding debts		5,000
Total expenses		73,912
<b>6. Preliminary insurance needs</b> <i>(Add total of Items 4 &amp; 5)</i>		186,912
<b>7. Existing liquid assets/other insurance</b>		
Group life insurance through employer		36,000
Personal life insurance coverages		0
Lump-sum pension payable at death		36,200
Cash and savings		3,300
Securities		5,000
TDA/IRA and Keogh plans/401(k)		0
Employer savings plan		0
Other liquid assets		8,000
Total assets/insurance		88,500
<b>8. Total life insurance needed</b> <i>(Subtract total Item 7 from Item 6)</i>		98,412

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