

Life Insurance Needs Analysis

INCOME		
1. Total annual income your family would need if you died today. What your family needs, before taxes, to maintain its current standard of living (Typically between 60% - 75% of total income)		\$ _____
2. Annual income your family would receive from other sources. For example, spouse's earnings or a fixed pension. ¹ (Do not include income earned on your assets, as it is addressed later in the calculation)		\$ _____
3. Income to be replaced (Subtract line 2 from line 1)		\$ _____
4. Capital needed for income (Multiply Line 3 by appropriate factor in Table A)		\$ _____
EXPENSES		\$ _____
5. Funeral & Other Expense Typically the greater of \$15,000 or 4% of your estate		\$ _____
6. Mortgage & other outstanding debts Include mortgage balance, credit card balance, car loans, etc		\$ _____
7. Capital needed for college <small>(2013-2014 average 4-year cost: Private \$163,668; Public \$73,564²)</small>		\$ _____
8. Total capital required (Add items 4,5,6 & 7)		\$ _____

INCOME	
9. Savings and investments: Bank accounts, money market accounts, CDs, stocks, bonds, mutual funds, annuities, etc	\$ _____
10. Retirement savings: IRAs, 401(k)s, SEP plans, SIMPLE IRA plans, Keoghs, pension and profit sharing plans.	\$ _____
11. Present amount of Life Insurance Including group insurance as well as insurance purchased on your own	\$ _____
12. Total Income producing assets (Add lines 9, 10, & 11)	\$ _____
13. Life Insurance Need (Subtract line 12 from line 8)	\$ _____

TABLE A

Years Income Needed	Factor
10	8.8
15	12.4
20	15.4
25	18.1
30	20.4
35	22.4
40	24.1

TABLE B

Years Before College	Factor
5	.95
10	.91
15	.86
20	.82

Note: These tables help you determine net present value (NPV), the amount of capital required today to satisfy future income or college cost needs, given an assumed investment return of 6%, inflation of 3% for living costs and 5% for college costs.

Please return to your agent once complete. For any questions or concerns, Call Asset Max at (281) 732-2119 or visit us at AssetMax4u.com or in person at 2623 Paramount Blvd. Suite 5 Amarillo, Texas 79109