



HOW DO YOU KNOW...IF YOU HAVE ENOUGH?

TO PROTECT YOUR FAMILY Life Insurance can help provide funds to meet your family's immediate and ongoing needs. Use the following guide to quickly learn the amount of coverage needed to protect your family's standard of living. This calculation should be done on each person.

A. Immediate Cash Needs

1. Final Expenses (funeral costs, medical expenses not covered by health insurance, estate administration costs) \$ _____
2. Debts (Enter current balance of all debt that should be paid off, including mortgage, credit cards, student loans) \$ _____
3. Current Bills and Emergency Fund (usually 4-6 months income) \$ _____
4. Education Fund (Do a separate calculation for each child) \$ _____

TOTAL IMMEDIATE CASH NEEDS. Sum of above numbers \$ _____

B. Ongoing Family Income Needs**

1. Calculate how much money your family will be missing from your annual income \$ _____
2. Income from all other sources (stocks, bonds, real-estate etc.) \$ _____
3. Income need (subtract B.2. from B.1.) \$ _____
4. Number of years this income will be needed _____ years

TOTAL INCOME NEED (multiply B.3. times B.4.) \$ _____ *

C. CURRENT LIFE INSURANCE NEED**

1. Total Survivor Need (combine yellow highlighted numbers) \$ _____
2. Minus existing liquid assets available (savings and investments) \$ _____
3. Minus death benefit from existing life insurance (if you have any) \$ _____

ADDITIONAL INSURANCE NEEDED (C.1. minus C.2 and C.3.). \$ _____

***Please note that this very simple calculation does not take into consideration the time value of money.*

TO PROTECT YOUR BUSINESS

Owning part or all of a business is an important asset to you and your family. The death of a key person or partner in a business can have a devastating impact on the future of the

business. Typically, the death of a key person results in immediate lost revenue and months of additional expense to recruit, train and see the positive effects of a replacement employee.

For this reason, insuring a key person for 5 times that person's income is a wise business decision.

In addition, insuring a business partner provides immediate funds to buy out a deceased partner's business interest from his heirs, helps the remaining partner(s) keep control of the business, and provides immediate liquidity to maintain and grow the business during the subsequent adjustment period. Calculating a current valuation of your business is key to knowing the proper amount of insurance needed. Working with your CPA, attorney and licensed insurance broker, you can establish the business valuation, have valid buy sell agreements, and apply for the needed amount of coverage.