



Life Insurance Quick Estimator

Name: _____ Date: _____

This worksheet provides a quick and simple method to estimate the amount of life insurance you will need.

INCOME

- 1. Annual before tax income your family will need if you died today**
Typically between 60% and 80% of total income. Include all salaries, dividends, interest, and any other sources of income. \$ _____
- 2. Annual income available to your family from other sources**
Include dividends, interest, and spouse's earnings. (Social Security may be available) \$ _____
- 3. Annual income to be replaces** (Subtract line 2 from line 1) \$ _____
- 4. Capital need for income**
Multiply line 3 by the appropriate factor below: \$ _____

Years income needed	10	15	20	25	30	35	40	45	50
Factor ¹	8.8	12.4	15.4	18.1	20.4	22.4	24.1	25.6	26.9

EXPENSES

- 5. Funeral² and other final expenses**
Typically the greater of \$15,000 or 4% of your estate \$ _____
- 6. Mortgage and other outstanding debts**
Include mortgage balance, credit card debt, car loans, home equity loans, etc. \$ _____
- 7. College costs³ 2010-2011 average annual costs at 4 yr. colleges and universities**
Public - \$16,140 (in-state), \$28,130 (out-of-state); Private - \$36,993 \$ _____

	Annual Amount	X	Number of Years in College=	Total Cost (\$)
Child 1		X		
Child 2		X		
Child 3		X		
Child 4		X		
Child 5		X		
Total capital needed for college				

- 8. Total value of all you do:** The cost of daily activities \$ _____
- 9. Total capital required** (Add lines 4, 5, 6, 7 and 8) \$ _____

ASSETS

- 10. Savings and investments**
Bank accounts, CDs, stocks, bonds, mutual funds, real estate/rental property, etc. \$ _____
- 11. Retirement savings**
IRAs, 401(k) plans, SEPs, pension and profit sharing plans \$ _____
- 12. Present amount of life insurance**
Include group insurance and personal insurance purchased on your own \$ _____
- 13. Total of all assets** (Add lines 10,11, and 12) \$ _____
- 14. Estimated amount of additional life insurance needed** (Subtract line 13 from line 9) \$ _____

¹Inflation is assumed to be 3%. The rate of return on investments is assumed to be 6%
²Nationally, many funerals cost well over \$10,000 – Federal Trade Commission – Retrieved on October 4, 2010, from <http://www.ftc.gov>
³Source: The College Board, Trends in College Pricing 2010. Costs include tuition, room, board, books and supplies, transportation, and other expenses for a resident.

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