

# Life Insurance: How much do you need?

To determine your need for Life Insurance, consider these questions:

- What would your family need financially if you couldn't be there?
- How much would your family need to pay funeral expenses and estate costs?
- What would it take to pay off your debts or other current obligations?
- What would be required to replace your income and sustain the household?
- How much would be needed to provide for the future needs of your spouse and children?

The following worksheet can help you estimate your needs. For further assistance, please contact Mike Beuchert at [mbeuchert@LSinsure.com](mailto:mbeuchert@LSinsure.com), or telephone at (814) 833-5433.

## Final Expenses

- ◆ Uncovered medical costs, funeral expenses, estate settlement: \$ \_\_\_\_\_

Estimate: Typically the greater of \$15,000 or 4% of your estate. This would include uncovered medical costs, funeral expenses and final estate settlement costs.

Note: If your estate is over \$1,500,000, your final expenses may be much higher due to federal and state estate or inheritance taxes.

## Debts and obligations

- ◆ Outstanding debts (other than your mortgage): \$ \_\_\_\_\_
- ◆ Outstanding mortgage: \$ \_\_\_\_\_

## Income Replacement

- ◆ Total annual income your family would need if you died today: \$ \_\_\_\_\_

Estimate: Total amount your family needs, before taxes, to maintain their current standard of living, typically 60% - 75% of total income.

## Planning for future needs

- ◆ College funding needs: \$ \_\_\_\_\_

Estimate: Total projected college costs, including tuition plus expenses (room and board/books), can range from \$15,000 to \$40,000, depending on the type of school. Be sure to consider expenses for each child.

**Total estimated expenses** \$ \_\_\_\_\_

You may also want to multiply by an estimated inflation rate of 3.5%. Compare these total estimated expenses to the total amount of Life Insurance coverage you currently have, including individual policies and group term coverage available at your work. If there is a gap, you might want to consider purchasing more Life Insurance for your family. This should not be viewed as a comprehensive assessment. For more information and a complete appraisal, contact Mike Beuchert at [mbeuchert@LSinsure.com](mailto:mbeuchert@LSinsure.com), or telephone at (814) 833-5433.