

Life Insurance Needs Calculator

STEP 1 Consider Final Expenses & Immediate Cash Needs:

IF _____	Dies: _____	_____ Dies:
Funeral	\$ _____	\$ _____
Final Medical	_____	_____
Emergency	_____	_____
Transition (___ mos.)	_____	_____
Debt Elimination	_____	_____
Total	\$ _____	\$ _____

STEP 2 Discuss need for Income Replacement/Dependency Period:

Would there be major lifestyle changes (move, change jobs, work less) ...? Would there be significant additional expenses? What expenses would cease?

If _____ dies: _____

If _____ dies: _____

(Enter result in Net Add'l Expenses below)

IF: _____ Dies: _____ Dies:

Gross Mo Pay x _____%	\$ _____	\$ _____
Net Add'l Expenses	_____	_____
Social Security	- _____	- _____
Mo. Need	_____	_____
# of mo. Needed	X _____	X _____
Principal Needed(gross)	\$ _____	\$ _____
Apply disc factor (below)	X _____	X _____
Principal Needed	\$ _____	\$ _____

Sample Discount Factor -Assuming 4% return net of inflation yields, for ex: 8% investment – 4% inflation

Factor Per \$ 1 of Monthly Income:

10 yrs. 98.77 15 yrs. 135.19 20 yrs. 165.02 25 yrs. 189.45

STEP 3 Education – discuss how family would want insurance to assist with costs:

Current cost funded with insurance proceeds \$ _____ per year

Assumed Future Cost in _____ years \$ _____

Principal Needed today (future x discount factor) \$ _____ \$ _____

Assuming a 4% net return, for ex: 9% investment – 5% inflation

Factor per \$1 of Future Capital 5 yrs. .82 10 yrs. .67 15 yrs. .55

STEP 4 Factor in Existing Coverage – Subtract existing insurance

_____ has \$ _____ _____ has \$ _____

STEP 5 Additional Coverage Needed for Capital Needed at Death (1+2+3-4)

_____ 's Death \$ _____ _____ 's Death \$ _____

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