

# Life Insurance

## Needs Analysis

Purchasing life insurance is an important step toward protecting your family. The amount and type of life insurance that you need is something that should be considered carefully.

First you should estimate how much your family will need when you are gone. Look at this based on your final expenses, outstanding debts, and future expenses. Next, add up the resources that you currently have that family members can use.

You also need to consider factors such as inflation and future life events (purchase of a home, marriage, children, college, etc.). Your agent can help you determine how much and what kind of life insurance may be suitable for your situation.

The amounts listed in the “example” column below are for illustrative purposes only. Please use amounts based on your actual circumstances in the “your need” column. All examples shown are hypothetical and intended only for illustrative, educational purposes. Figures used in the hypotheticals are not indicative of actual amounts.

## Expenses

	Example	Your Need
<b>FINAL EXPENSES</b>		
1. <b>Funeral Expenses</b> A traditional funeral, including a casket and vault, costs about \$6,000, although extras like flowers and obituary notices can add thousands of dollars to the total cost. Many funerals can run well over \$10,000. (Source: Funerals: A Consumer Guide, Federal Trade Commission, Accessed at <a href="http://www.ftc.gov">www.ftc.gov</a> , July 2012.)	\$10,000	_____
2. <b>Probate Fees</b> Probate fees are the expenses required to settle an estate.	\$5,000	_____
3. <b>Outstanding Medical Expenses</b>	\$0	_____
4. <b>Other</b>	\$0	_____
5. <b>Add lines 1 through 4 for a final expenses subtotal</b>	\$15,000	_____
		Final Expenses Subtotal
<b>OUTSTANDING DEBTS</b>		
6. <b>Mortgage Balance</b>	\$170,000	_____
7. <b>Credit Card(s) Balance</b>	\$5,000	_____
8. <b>Auto Loan(s) Balance</b>	\$4,000	_____
9. <b>Other</b>	\$5,000	_____
10. <b>Add lines 6 through 9 for an outstanding debts subtotal</b>	\$184,000	_____
		Outstanding Debts Subtotal

## FUTURE EXPENSES

<b>11. Future Income</b>	\$250,000
Multiply your annual income by the number of years dependents should expect to need that amount.	
<b>12. Projected/remaining college costs</b>	\$50,000
<b>13. Retirement</b>	\$0
<b>14. Other</b>	\$0
<b>15. Add lines 11 through 12 for a future expenses subtotal</b>	\$300,000
<b>16. Add lines 5, 10, and 15 for an expenses subtotal</b>	\$499,000

Future Expenses Subtotal

Expenses Total

## Assets

	Example	Your Amount
<b>17. Investments</b>	\$80,000	
i.e. 401(k), IRA, Pension Plan, Stocks, Mutual Funds		
<b>18. Life Insurance</b>	\$10,000	
<b>19. Real Estate</b>	\$0	
<b>20. Savings</b>	\$10,000	
<b>21. Other</b>	\$5,000	
<b>22. Add lines 17 through 21 for assets total</b>	\$105,000	

Assets Total

## Life Insurance Need

<b>23. Subtract line 22 (total assets) from line 16 (total expenses) to arrive at approximate life insurance need.</b>	\$394,000
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**You have just taken an important first step toward protecting your family. Speak to your Americo Representative on which product will be suitable for your needs.**