

HOW MUCH LIFE INSURANCE DO YOU NEED?

Will your family be taken care of should the unthinkable happen?

The first step in figuring out how much life insurance you need is to estimate what your family would need to continue its current lifestyle if you or your spouse passes away. There are many ways to do this, but one way to figure out how much is best is to answer these few questions:

1. If you or your spouse die, how much money will your family need to:

- Live on each year (75% of current net income) \$ _____ annually x _____ years = \$ _____
- Pay for child care \$ _____ annually x _____ years = \$ _____
- Provide for your children's education \$ _____ annually x _____ years = \$ _____
- Pay for major purchases (cars, home repair, etc.) \$ _____ annually x _____ years = \$ _____
- Pay off estate and funeral expenses \$ _____
- Pay off your mortgage loan or pay your rent \$ _____
- Pay off debts, such as credit cards, auto loans, student loans, etc. \$ _____
- Have available for an emergency fund, or provide for a family member with special needs \$ _____

Add up the above to estimate the total amount your family will need: = \$ _____

2. Consider how much money would be available in the event of your or your spouse's death:

- Life insurance you now have (including employer-paid coverage) \$ _____
- Cash and savings \$ _____
- Retirement savings (IRA, 401(k), etc.) \$ _____
- Stocks and bonds (at current market value) \$ _____
- Income from your spouse (multiply by 60%)* \$ _____ annually x _____ years = \$ _____
- Other assets (e.g., pension plans) = +\$ _____

Add up this total = \$ _____

The total in this worksheet is approximately how much additional money your family will need if you die. Term Life insurance can help you meet that need. Naturally, a worksheet like this is only an aid in determining life insurance needs. It cannot predict all of your expenses, economic conditions, inflation, investment performance or other factors which may alter your needs. For a more accurate plan, you should consult an investment advisor.

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Offered by: Life Insurance Company of North America or Cigna Life Insurance Company of New York.

* Estimate likely spouse income as sole provider. Include your estimate of Social Security benefits to surviving spouse and dependents. The 60% factor above is used to account for taxation so that a net income figure can be derived. Vary this factor if you feel combined federal, state and local taxes and FICA will be different for your situation.

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