

Life Insurance Needs Analysis

An Objective Method to Help Determine the Right Amount of Life Insurance

Assets (those assets that will be used to provide income)

Savings/Money Market	\$ _____	
Equities	\$ _____	
Mutual Funds	\$ _____	
401(k)/Pension Plan	\$ _____	
Real Estate	\$ _____	
Other Assets	\$ _____	
1 Total Assets Available for Income		\$ _____

Liabilities (those liabilities that will be paid off)

Primary Residence Mortgage	\$ _____	
Other Mortgage	\$ _____	
Educational Loans/Business Loans	\$ _____	
Car Loans/Leases	\$ _____	
Other Debts	\$ _____	
2 Total Liabilities to be Paid		\$ _____
3 Current Income	\$ _____	
4 Percent Income to Provide Dependents (i.e. 75%)	% _____	
5 Money Factor (see table below)	_____	
6 Capital Needed for Income 3 x 4 x 5		\$ _____
7 Available Capital 1 - 2		\$ _____
Insurance Needed 6 - 7		\$ _____

Money Factor Chart

The Money Factor Chart provides the factor to determine the amount of capital needed to provide an income stream. The factor takes into consideration the number of years to provide income as well as the assumed rate of return. To use this chart select the number of years to provide income and an assumed rate of return. Place the factor in **5** on the Needs Analysis.

		Assumed Rate of Return						
		4.00%	5.00%	6.00%	7.00%	8.00%	9.00%	10.00%
Years to Provide Income	5	4.63	4.55	4.47	4.39	4.31	4.24	4.17
	10	8.44	8.11	7.80	7.52	7.25	7.00	6.76
	15	11.56	10.90	10.29	9.75	9.24	8.79	8.37
	20	14.13	13.09	12.16	11.34	10.60	9.95	9.36
	25	16.25	14.80	13.55	12.47	11.53	10.71	9.98
	30	17.98	16.14	14.59	13.28	12.16	11.20	10.37
	35	19.41	17.19	15.37	13.85	12.59	11.52	10.61
	40	20.58	18.02	15.95	14.26	12.88	11.73	10.76

The Life Insurance Needs Analysis is only intended to provide an estimate of the amount of insurance needed. The results of the Needs Analysis are based on your inputs and assumptions. Changes in those items will produce different results. This Life Insurance Needs Analysis is only a snap shot of your current situation. It is suggested that you complete the Needs Analysis on an annual basis or if any of the information provided changes. Neither Protective nor its Registered Representatives offer tax or legal advice.