

**Walton Associates Insurance Services Life Work Sheet**  
**How much Life Insurance Do You Need?**

**Income**

1. **(Total annual income:** your family would need if you died today.)  
 What your family needs, before taxes, to maintain its current  
 standard of living (Typically between 60% - 75% of total income) \$ \_\_\_\_\_
2. **(Annual income:** your family would like to receive from other sources:)  
 for example, spouse's earnings or a fixed pension. (Do not include  
 income earned on your assets, as it is addresses later in the calculation.) \$ \_\_\_\_\_
3. **(Income to be replaced:)**  
 Subtract line 2 from line 1 \$ \_\_\_\_\_
4. **(Capital needed for income:)**  
 Multiply line 3 by appropriate factor in Table A. Factor \_\_\_\_\_. \$ \_\_\_\_\_

**Expenses**

5. **Funeral and other final expenses** \$ \_\_\_\_\_  
*(Typically the greater of \$15,000 or 4% of your estate)*
6. **Mortgage and other outstanding debts** \$ \_\_\_\_\_  
*(Include mortgage balance, credit card balance, car loans, etc.)*
7. **Capital needed for college** \$ \_\_\_\_\_  
*(2007-2008 average 4-year cost: Private \$146,210; Public \$61,499x2)*
8. **Total capital required:** \$ \_\_\_\_\_  
*(Add items 4, 5, 6 and 7)*

<b>TABLE A</b>		<b>TABLE B</b>	
<i>Years Income Needed</i>	<i>Factor</i>	<i>Years Before College</i>	<i>Factor</i>
10	8.8	5	.95
15	12.4	10	.91
20	15.4	15	.86
25	18.1	20	.82
30	20.4		
35	22.4		
40	24.1		

<b>Estimated 4 Year Cost</b>	<b>Appropriate Factor in Table B</b>	<b>NPV</b>	<b>Amount Total</b>
Child 1=	X's	=	+ \$
Child 2=	X's	=	+ \$
Child 3=	X's	=	+ \$

**Assets**

9. **Savings and investments:** Bank accounts, money market accounts,  
 Cd's, stocks, bonds, mutual funds, annuities, etc. \$ \_\_\_\_\_
10. **Retirement savings:** IRA's, 401 (k)s, SEP plans, SIMPLE IRA plans,  
 Keoghs, pension and profit sharing plans X 3 \$ \_\_\_\_\_
11. **Present amount of life insurance:** \$ \_\_\_\_\_  
 Including group insurance as well as insurance purchased on your own
12. **Total income producing assets:** \$ \_\_\_\_\_  
 Add lines 9, 10 and 11
13. **Life insurance needed:** \$ \_\_\_\_\_  
 Subtract line 12 from line 8