

If you have a need for less than \$1 million in life insurance, you should have two policies. If you have a need for over \$1 million, you should have at least three policies. Although this sounds complicated, it is not that difficult; for example, you can make a quick phone call one of the life companies listed. If you need \$2 million in life insurance, type in, "I want \$700,000 of 5-year term." Each company will send you the forms and walk you through the medical underwriting process. For the balance of your insurance needs, or for simplicity, simply fill out the Low Load Insurance quote. Asking for three policies of \$650,000 each will get you a response quickly, and they also will walk you through the underwriting. You may want to fill all of your insurance needs through Low Load. A number of providers are listed in the box, "Life Insurance: Where to Buy It" on page 000.

Life Insurance Worksheet

Step 1

List below who would suffer financially if you died. (Example: spouse, children, parents, business partners, charity, friends, and siblings.)

Name	List type of loss (i.e., income, debt payoff, family care, etc)
_____	_____
_____	_____
_____	_____
_____	_____

Step 2

List a specific amount of economic support for the above listed people.

Monthly income to _____ of \$ _____

Monthly income to _____ of \$ _____

Pay off debts for _____ of \$ _____

Cash resource for _____ of \$ _____

*Special cash to _____ of \$ _____ (lump sum)

Step 3

- A. Total monthly income desired at \$_____ divided by 0.005 = +\$_____
- B. Total cash needed to pay off debts, mortgages, for cash reserves, and special cash = +\$_____
- C. Total assets needed to provide for above TA = \$_____

(A 6% interest rate is used so if there are any, excess earnings can go to help offset inflation)

- D. Total assets needed (from above, same as C) TA \$_____
- E. Less liquid assets you own and assets that could produce income -\$_____
- F. Total insurance death benefit you need \$_____

Life insurance needs should be reviewed as circumstances change; for example, when you stop birth control, take on debts, become a partner, or adopt.

Note that Social Security benefits add “margin-of-error” to your insurance planning so it is not figured into this calculation.

*Special cash could be for purchase of a home if renting, lump sums for college for children, liquid fund for charity, etc.

Source: Sutherland, PH. *Zenvesting, The Art of Abundance and Managing Money*. Suttons Bar, MI: Financial Sourcebook, 1998. A printable version of this sheet is available at www.fimg.net

Death Benefit Insurance Checklist

Check your insurance coverage amount:

- The day you or your spouse decide to try to become pregnant
- If your debt structure changes—you take on a new debt or pay off an old one
- If you become engaged to be married
- If someone becomes dependent on you (parent, child, sibling)
- If your net worth changes by \$100,000 or more
- If you change jobs, take on a partner, change business form (incorporate)
- If you have not reviewed your insurance within a few years

Source: Sutherland, PH. *Zenvesting, The Art of Abundance and Managing Money*. Suttons Bar, MI: Financial Sourcebook, 1998.