

9-13. INSURANCE WORKSHEET

STEP 1	Income For My Family When I Die	STEP 2	Expenses Of My Family When I Die
	Military Death Gratuity Pay\$ _____		Executor's Fund (Count on \$5,000)\$ _____
	Back Pay and Allowances\$ _____		Home Mortgage Payoff (1st Mortgage) ...\$ _____
	VA Death Benefit Payment\$ _____		Home Mortgage Payoff (2nd Mortgage) ..\$ _____
	Social Security Death Benefit\$ _____		Funeral Expenses (Count on \$5,000)\$ _____
	Proceeds of SGLI/VGLI Insurance\$ _____		Emergency Expenses (Count on \$5,000) . \$ _____
	Proceeds of Other Insurance (List Below)		Auto Loans to be Paid Off\$ _____
	Policy No. _____ \$ _____		Other Loans to be Paid Off (Explain)
	Policy No. _____ \$ _____		For: _____ \$ _____
	Policy No. _____ \$ _____		For: _____ \$ _____
	Policy No. _____ \$ _____		For: _____ \$ _____
	Other Sources of Income (Explain)		Other Expenses (Explain)
	From: _____ \$ _____		For: _____ \$ _____
	From: _____ \$ _____		For: _____ \$ _____
	From: _____ \$ _____		For: _____ \$ _____
	From: _____ \$ _____		
	Total Income Available to Survivors\$ _____		Total Expenses Upon My Death.....\$ _____

STEP 3	Reconciliation of Family's Immediate Income Versus Immediate Expenses	STEP 3
	<p>Total Income Available to Survivors (from Step 1 above)\$ _____</p> <p>LESS: Total Expenses Upon My Death (from Step 2 above)\$ _____</p> <p>Excess Income Available or Shortage (if there is a shortage, show the amount in brackets)\$ _____</p> <p>If the above "Income minus Expenses" computation indicates that your family's income is enough to cover the immediate expenses they will face, your first concern about their financial security is satisfied. But remember that this</p>	<p>only covers their immediate expenses, it does not provide for a continued source of income for their day-to-day, month-to-month living expenses. This will be the next greatest concern you will face.</p> <p>On the other hand, if the computation shows that your survivors will not have enough immediate cash available to cover their expenses, you will need to take immediate actions to insure their financial security.</p> <p>Other than to increase the amount of your life insurance, there are very few actions you can take to provide a source of immediate funds, unless you have a "bundle" of money sitting idly by for investment purposes.</p>

STEP 4	Information On Family's Insurance Policies Already In Force			STEP 4
Policy Number	Type Insurance	Name of Insurance Company	Beneficiary	Face Value

INSURANCE WORKSHEET (Continued)

STEP 5	Family's Monthly Income	STEP 6	Family's Monthly Living Expenses
Surviving Spouse's Salary	\$ _____	Rent Payment	\$ _____
Survivor Benefit Plan Payments	\$ _____	Mortgage Payment	\$ _____
DIC Payments	\$ _____	Electricity/Gas Payment	\$ _____
VA Pension	\$ _____	Telephone Payment	\$ _____
VA Benefits (Explain)		Food	\$ _____
For: _____	\$ _____	Clothing	\$ _____
For: _____	\$ _____	Entertainment	\$ _____
For: _____	\$ _____	Transportation	\$ _____
Social Security Benefits:		Loan Payments (Explain)	
For Spouse:	\$ _____	For: _____	\$ _____
For Children:	\$ _____	For: _____	\$ _____
For Parents:	\$ _____	For: _____	\$ _____
Other Income (Explain)		Other Expenses (Explain)	
From: _____ ...	\$ _____	For: _____	\$ _____
From: _____ ...	\$ _____	For: _____	\$ _____
From: _____ ...	\$ _____	For: _____	\$ _____
From: _____ ...	\$ _____	For: _____	\$ _____
From: _____ ...	\$ _____	For: _____	\$ _____
Total Monthly Income For Family	\$ _____	Total Monthly Expenses For Family	\$ _____

STEP 7	Reconciliation of Family's Monthly Expenses Versus Monthly Income	STEP 7
Total Monthly Income For Family (from Step 5 above)	\$ _____	<p>your immediate concern regarding their financial security should be at ease. While it appears they will be provided for, they should have an income "cushion" to guard them against emergencies, inflation, disasters, and the death of other family members.</p> <p>On the other hand, if the computation shows that your survivors will not have enough monthly income to cover their expenses, <i>it is time to take immediate action to preclude this from happening.</i> The quickest and least expensive way to accomplish this is to immediately increase your insurance.</p>
Total Monthly Expenses For Family (from Step 6 above)	\$ _____	
Excess Income Available or Shortage (if there's a shortage, show the amount in brackets)	\$ _____	
<p>If the above monthly "Income minus Expenses" computation indicates that your family's monthly income (after your death) is enough to cover their anticipated monthly expenses,</p>		

STEP 8	Determining How Much Insurance You Need	STEP 8
<p>After the above computations, you might find yourself in the fortunate position of having enough insurance to satisfy your present financial needs, as well as the needs of your survivors after you are gone.</p> <p>By the same token, you might have determined that the amount of life insurance protection you are presently carrying will be insufficient to provide your family with the financial protection they will need and deserve.</p>	<p>As your income level increases and you are able to place more money into sound investments which provide you the financial security you seek, your insurance needs might very well decline. But until you reach that "safety net," it is better to be safe than sorry.</p> <p>At the end of this chapter, we outlined a few different methods of determining how much insurance you need. After reviewing the income and expenses your survivors would incur, it might be prudent to reread this section of the chapter and take another look at your requirements.</p>	

Notes, Comments & Points to Check