



## How Much life insurance do you need? (3 methods for your review)

- **Method 1** Complete the life insurance needs assessment section. Follow the steps. It will do the work for you. If there are children under age 18, be aware that social security can and is an important benefit to the surviving family. <https://www.ssa.gov/OACT/quickcalc/>
  - Add up all existing debt or mortgages. “Include any that may come up in the near future – such as buying a home in the next few years”
  - Add up any supplemental income survivors will need if an income earner dies. Example: If they earned \$60,000 per year maybe about 66% of \$40,000 is still needed.. ask the client. If it is needed until retirement years ... 20 years - that that is  $\$40K * 20 = \$800,000$ . Payments to children continue to age 18. In this example – the calculator would like show a benefit of +- \$1,500 per month. If a child age 8 ... that is 18,000 per year for 10 years or \$180,000 so it could reduce total needs to \$620,000. Use the online tool or have the client contact social security themselves. <https://www.ssa.gov/OACT/quickcalc/>.  
Note, that if a spouse is going to work and earn more than a basic wage +- \$24,000 then only the child or children benefit is paid monthly until the youngest child is age 18.
  - Are there special educational needs for children – such as college or Vocac?
  - Final expenses medical, burial, “estate-legal-probate”- might be \$10,000 - \$15,000+-more if there are tax issues
- **Method 2** “not the best method” take your income times seven. “This is a very rough estimate.”
- **Method 3** Use the Life Brokerage Calculator for each person – takes only a couple minutes to do. Consider book marking it. <http://www.lifebrokerageplusinternational.com/calculators/life-insurance-needs/>. Do not use IE explorer for this, chrome or firefox works best.

## Some additional comments about Life Insurance

Unlike auto and home insurance, life insurance isn't something that is thought of as being important when it truly is. Clients don't think they will or can die at an inconvenient time, yet they do. Life Insurance can help a family survive a terrible, “unexpected”, tragedy. **Find ways to reduce other insurance and especially have some life insurance to cover debt and family needs.**

How Many years should my life insurance policy be in force 10, 20, 30 or more years? Do I need to continue to have Life Insurance in my 70s or until I die? Usually by retirement years, life insurance needs should be reduced. It is often more cost effective once retired to have savings available to cover burial and final expenses costs rather than to use a life insurance policy. Sometimes we still do have debt during early retirement years and in those instances – life insurance can still be important to pay of those debts. If you need any help contact one of the TRICOR team life specialists you work with or with a [broker specialist](#). If you do not have a relationship or know where to turn, please reach out to your manager or to Kim Paisley in the Life dept. for help.