

Life Insurance Needs Analysis

Prepared April 2, 1997

	Assuming Kyle Dies First	Assuming Vicki Dies First
Financial Assumptions		
Current Annual Living Expenses	\$30,000.00	\$30,000.00
Today's Cost of tuition, room and board	\$15,000.00	\$15,000.00
Rate of Inflation	5.00%	5.00%
Estimated Funeral Expenses	\$10,000.00	\$10,000.00
Mortgage Balance	\$60,000.00	\$60,000.00
Other Loan Balances	\$20,000.00	\$20,000.00
Liquid Assets	\$3,000.00	\$3,000.00
Current Life Insurance Coverage	\$100,000.00	\$250,000.00
Spouse's Current after-tax Salary	\$10,000.00	\$30,000.00
Social Security Survivor Benefits	\$5,000.00	\$5,000.00
Estimated Yield on Investments	9.00%	9.00%

Child's Name	Years Till College
Brendan	15
Allison	14
Katie	13
Trevor	12
Megan	10

	If Kyle Dies First	If Vicki Dies First
Computation of Life Insurance Needs		
Estimated Funeral Expenses	\$10,000.00	\$10,000.00
Mortgage Balance	\$60,000.00	\$60,000.00
Other Loan Balances	\$20,000.00	\$20,000.00
College Fund	\$90,000.00	\$90,000.00
Dollars Needed at Death	\$180,000.00	\$180,000.00

Analysis of Annual Cash Flow of Survivors		
75% of Annual Living expenses	\$22,500.00	\$22,500.00
Less:		
Spouse's Current after-tax Salary	\$10,000.00	\$30,000.00
Social Security Survivor Benefits	\$5,000.00	\$5,000.00
Net Annual Cash Flow Surplus or (Deficit)	(\$7,500.00)	\$12,500.00

Additional Life Insurance Needed:		
Investment Fund Needs for Annual Cash Flow	\$83,333.33	\$0.00
Dollars Needed at Death	\$180,000.00	\$180,000.00
Liquid Assets	\$3,000.00	\$3,000.00
Current Life Insurance Coverage	\$100,000.00	\$250,000.00
Additional Insurance Needed or (Surplus)	<u>\$160,333.33</u>	<u>(\$73,000.00)</u>