

How Much Insurance Is Enough - Capital Needs Analysis



Company Name _____

Employee Name _____ () ____ - ____
 Last Name First Name Middle Initial Phone Number

Capital Needs Analysis Three-Step Income Planning System

Step 1: Cash Needed at Death

1. Estate Clearance Fund \$ _____
2. Emergency Quick Fund \$ _____
3. Mortgage or Rent \$ _____
4. Unsecured Debt \$ _____
5. Education Fund \$ _____
6. Miscellaneous Cash Needed \$ _____
7. Income Capital Required \$ _____
8. **TOTAL CASH NEEDED** \$ _____

Step 2: Cash Currently Available at Death

- Personal Life Insurance \$ _____
- Group Life Insurance \$ _____
- Bonds and Stocks \$ _____
- Real Estate other than home \$ _____
- Other available assets \$ _____
- CASH AVAILABLE** \$ _____

Step 3: Calculations of Current Situation

- Total Cash Needed (Step 1) \$ _____
- Deduct Cash Available (step 2) \$ _____
- Additional Cash Required** \$ _____
- New Life Insurance Needed** \$ _____

Question: Of what now comes into the household, how much is not needed \$ _____

Interest table to calculate capital required for income.

Monthly Taxable Income	3%	5%	8%	10%
\$500	\$200,000	\$120,000	\$75,000	\$60,000
\$1,000	\$400,000	\$240,000	\$150,000	\$120,000
\$1,500	\$600,000	\$360,000	\$225,000	\$180,000
\$2,000	\$800,000	\$480,000	\$300,000	\$240,000
\$4,000	\$1,600,000	\$960,000	\$600,000	\$480,000

Monthly Income Table – Amount of capital required to produce monthly income at varying interest rates without a reduction of capital. This protects against inflation.

For further assistance on insurance this form can be e-mailed to:
shannon.mcfadden@puhlemployeebenefits.com

Estate Clearance Fund – Should include funeral expenses, legal costs, income tax and any outstanding minor obligations. One half your annual income is usual.

Emergency Fund – Should include an amount for unexpected bills such as major auto and home repairs etc. Usually, this amount is from \$10,000 to \$30,000.

Mortgage or Rent Continuation Fund – Should include the balance of the outstanding mortgage on your home or a fund sufficient to pay the rent for ten (10) years.

Education Fund – Should include tuition and living expenses for each child for the number of years required.

Amount required for monthly income – Should include a percentage gross income for the surviving spouse usually between 60-70% of your present gross income.