

How Much Personal Life Insurance is Needed?

Add

- + Expenses
 - Funeral expenses
 - Legal fees
 - Capital gains taxes
 - Probate
 - Debt repayment
 - Mortgage repayment

- + Readjustment Funds:
 - Emergency
 - Education
 - Bequests

- + Capital to Replace Income
 - Present value:
 - Pre-tax family expenses:
 - Initial period
 - Adjusted for inflation and interest
 - Subsequent periods
 - Adjusted for inflation and interest

Subtract

- Liquid or Disposable Assets

- Other Life Insurance Death Benefits

- Present Value of Survivor's Employment/Business Income:
 - Initial period
 - Adjusted for Inflation and Interest
 - Subsequent periods
 - Adjusted for inflation and interest

- Present Value of Government Benefits

Total = Life Insurance Death Benefit Needed