

# Ask us about Life Insurance

*Protecting your loan balance will protect the financial security of your loved ones*



## Why You Need Life Insurance:

- Maintain your family's standard of living
- Protect your family's home and financial security by enabling them to pay off debts
- Safeguard your child's future by providing for college education
- Provide retirement income for your spouse or partner
- Keep your business in the family



# Life Insurance. How Much Is Enough?

There are three areas to address:

- **Income Replacement:** Five times annual family living expenses/annual income. Protects the surviving spouse to allow maintenance of the current lifestyle.
- **Loan Protection:** Enough insurance to cover all outstanding debts. Prevents debt from decreasing life insurance benefits which are for income replacement.
- **Dependent Coverage:** One times annual salary for each dependent to assist with college funding, or for public tuition \$10,000/year, private tuition \$20,000/year.

	Borrower	Co-Borrower	Example
1. Annual Living Expenses Multiply by Five	\$ _____ x5 \$ _____	\$ _____ x5 \$ _____	\$30,000 x5 \$150,000
2. Loan Protection Adding Up Outstanding Debt	\$ _____ \$ _____	\$ _____ \$ _____	\$70,000 Farm Credit 65,000 Home 4,000 Auto 1,000 Credit Card \$140,000
3. Children's College Funding One Times Salary for Each Child	\$ _____ x \$ _____	\$ _____ x \$ _____	\$30,000 x2 \$60,000
4. Total Life Insurance Recommended (Add 1, 2, & 3)	\$ _____ \$ _____	\$ _____ \$ _____	\$150,000 140,000 60,000 \$350,000
5. Subtract Customer's Current Insurance Coverage to Determine Total Risk	\$ _____ - \$ _____	\$ _____ - \$ _____	\$350,000 -200,000 \$150,000

## Option:

Consideration for Liquid Assets Assets Not Intended for a Specific Purpose or Expendable NonLiquid Assets	\$ _____	\$ _____	\$50,000
Life Insurance Recommended Less Liquid Assets	\$ _____ - \$ _____	\$ _____ - \$ _____	\$150,000 -50,000 \$100,000

*\*Estimated guide annual living expenses of \$10,000 per adult and \$5,000 per child.  
This formula provides a basic indication of what your life insurance needs may be.*