

# Life Insurance

## Needs Analysis

Purchasing life insurance is an important step toward protecting your family. The amount and type of life insurance that you need is something that should be considered carefully.

First you should estimate how much your family will need when you are gone. Look at this based on your final expenses, outstanding debts, and future expenses. Next, add up the resources you currently have that family members can use.

You also need to consider factors such as inflation and future life events (purchase of a home, marriage, children, college, etc.). Your agent can help you determine how much and what kind of life insurance may be suitable for your situation.

The amounts listed in the “example” column below are for illustrative purposes only. Please use amounts based on your actual circumstances in the “your need” column. All examples shown are hypothetical and intended only for illustrative, educational purposes. Figures used in the hypotheticals are not indicative of actual amounts.

## Expenses

	Example	Your Need
<b>FINAL EXPENSES</b>		
<b>1. Funeral Expenses</b>	\$10,000	_____
A traditional adult funeral, including a casket and vault, carries a median cost of \$9,135. With the additional expense of flowers, limousines, and obituary notices, many funerals run well over \$10,000. <i>(Source: NFDA 2019 General Price List Survey. National Funeral Directors Association, July 18, 2019, nfda.org)</i>		
<b>2. Probate Fees</b>	\$5,000	_____
Probate fees are the expenses required to settle an estate.		
<b>3. Outstanding Medical Expenses</b>	\$0	_____
<b>4. Other</b>	\$0	_____
<b>5. Add lines 1 through 4 for the Final Expenses Subtotal.</b>	\$15,000	_____
		Final Expenses Subtotal
<b>OUTSTANDING DEBTS</b>		
<b>6. Mortgage Balance</b>	\$170,000	_____
<b>7. Credit Card(s) Balance</b>	\$5,000	_____
<b>8. Auto Loan(s) Balance</b>	\$4,000	_____
<b>9. Other</b>	\$5,000	_____
<b>10. Add lines 6 through 9 for the Outstanding Debts Subtotal.</b>	\$184,000	_____
		Outstanding Debts Subtotal

## FUTURE EXPENSES

<b>11. Future Income</b>	\$250,000
Multiply your annual income by the number of years dependents should expect to need that amount.	
<b>12. Projected/Remaining College Costs</b>	\$50,000
<b>13. Retirement</b>	\$0
<b>14. Other</b>	\$0
<b>15. Add lines 11 through 14 for the Future Expenses Subtotal.</b>	<b>\$300,000</b>
<b>16. Add lines 5, 10, and 15 for the Expenses Total.</b>	<b>\$499,000</b>

Future Expenses Subtotal

Expenses Total

## Assets

	Example
<b>17. Investments</b>	\$80,000
i.e. 401(k), IRA, Pension Plan, Stocks, Mutual Funds	
<b>18. Existing Life Insurance</b>	\$10,000
<b>19. Real Estate</b>	\$0
<b>20. Savings</b>	\$10,000
<b>21. Other</b>	\$5,000
<b>22. Add lines 17 through 21 for the Assets Total.</b>	<b>\$105,000</b>

Your Amount

Assets Total

## Life Insurance Need

<b>23. Subtract line 22 (Assets Total) from line 16 (Expenses Total) to arrive at approximate Life Insurance Need.</b>	<b>\$394,000</b>
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You have just taken an important first step toward protecting your family. Speak to your Amerigo Representative to find a product suitable to help meet your needs.

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