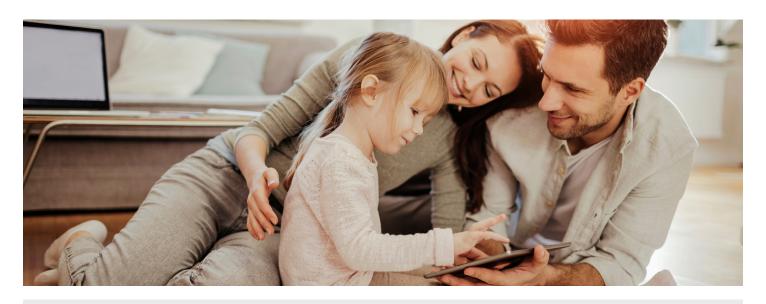# PERSONAL LIFE INSURANCE NEEDS ANALYSIS

A Tool to Estimate the Right Amount of Life Insurance Coverage
Your greatest asset is your ability to earn income! A simple formula to illustrate your life insurance needs is the DIME theory, which covers Debt, Income, Mortgage and Education.

THE DIME THEORY

1. **DEBT:** How much money would your family need to pay off your outstanding debt and final expenses? $ _____

2. **INCOME:** How much money would your family need to replace your income for 10 years? $ _____

3. **MORTGAGE:** How much money would your family need to pay off your existing mortgage balance? $ _____

4. **EDUCATION:** How much money would your family need to pay for a college education for each of your children? *The average cost of a four year education is $88,000, but varies between private and public schools and if the student is in state or out of state.* $ _____

Total Lump Sum Needed: Sum of Lines 1 through 4. $ _____

Less Current Liquid Assets: $ _____

Lump Sum Needed: $ _____

APPLICANT'S SIGNATURE(S):

Based on the information I/we provided the agent, I/we believe the agent's recommendation is suitable for our goals.

Applicant: _____   Date: _____

Applicant: _____   Date: _____

There are many life insurance needs analyses, and their inquiries and information are not uniform. Therefore, the result of any calculations may and likely will vary from needs analysis to needs analysis.