Lincoln Financial Group®
You're In Charge®

Survivor risk management questionnaire

Estate planning strategies

The unexpected loss of a loved one is a difficult and emotional time for a family. While nothing can replace the person, death benefit protection from a life insurance policy can be used to replace some or all of the financial support provided by that loved one. Insurance can help reduce or eliminate the financial impact.

If you already own life insurance:

1. Why did you buy the life insurance that you currently own?
2. How did you determine the amount of insurance?
3. What factors led you to the specific type (term/whole life/universal life/variable) of life insurance that you have?
4. When was the last time you had your current life insurance reviewed for its competitiveness and suitability for your current needs?
5. Do you have any objection to taking 10 minutes to determine the amount and type of life insurance appropriate for you and your family?

If you do not own (individual) life insurance:

1. Are you aware of your options regarding group life insurance through your employer if you leave/retire?
2. If you die unexpectedly, how much of your income will need to be replaced for your spouse (and children) after your group death benefits are exhausted, and for how long?
3. Do you feel you know as much as you should about the different types of life insurance?
4. Do you have any objection to taking 10 minutes to determine if you should consider individually owned life insurance?

Insurance products issued by:
The Lincoln National Life Insurance Company
Lincoln Life & Annuity Company of New York

	Permanent	Temporary	Years remaining
Liabilities at death			
Final expenses		N/A	N/A
Mortgage balance			
School loans	N/A		
Other debts			
College fund	N/A		
Emergency fund		N/A	N/A
Total liabilities at death			(Z)

Income replacement

Monthly income desired	(A)
Multiply x 12	(B)
Assumed net rate of return (NROR) on insurance proceeds	(C)
Total income replacement = B ÷ C	(D) Circle one: Temporary or Permanent
Total gross need = Z + D	(X)

Current resources

Current life insurance	
Retirement plans/IRAs	
Savings/investments	
College savings	
Other	
Total resources	(Y)

Net new total life insurance need = X – Y	(J)
Net new temporary life insurance need	(H)
Net new permanent life insurance need = J – H	

Instructions/definitions

Liabilities at death—This is the amount of cash necessary at death to satisfy current and future obligations.

Final expenses—This is the amount needed for burial, probate expenses, executor's fees, attorney's fees, administrator's fees, income taxes, state inheritance taxes, and final healthcare costs. Costs typically run between $5,000 and $50,000, depending on the type of funeral and amenities, and other fees and taxes to settle the estate.

Mortgage balance—This is the amount needed if you want the surviving spouse to pay off your primary mortgage. If not, include the mortgage payment with income replacement. How many years remaining on this mortgage? If you or your spouse plan on maintaining an existing mortgage longer than 25 years, the balance should be in the permanent column.

School loans and other debts—What is the balance of any remaining debt obligations? How many years until they are paid off?

College fund—How much, in today's dollars, do you need to fund higher education? For how many years? For how many children? How many years until the youngest child completes an undergraduate college degree or graduate school? Do not factor in inflation; the assumption is that performance on current savings and investments will equal rises in college costs.

Emergency fund—How much do you want to have available and earmarked to pay for emergencies and unforeseen large expenses? (A rule of thumb is 3–6 times monthly expenses—closer to 3x with consistent income, closer to 6x with fluctuating income.)

Temporary/permanent—Define for each of the above items whether you feel the need is temporary or permanent. Any need lasting longer than 25 years should be considered permanent. Note: A mortgage balance should be considered permanent if it is your expectation to have any mortgage for longer than 25 years (through new purchases, refinancing, etc.).

Years remaining—Use the largest number on this column to determine your level term period.

Income replacement—If all of the above are satisfied (mortgage is paid, college is funded, debts are cleared, etc.,) how much does the surviving spouse and other dependents need to maintain the desired standard of living (utilities, clothing, food, day care, insurances, car expenses, etc.)

Assumed net rate of return (NROR)—The after-tax rate of return that the surviving spouse could expect to earn on the life insurance death benefit proceeds.

Total income replacement—If the assumed net rate of return on death benefit proceeds is achieved, this figure represents a lifetime income for a surviving spouse from interest earnings only, without invading the principal. If planned retirement is 25 years or more from now, total income replacement is considered a permanent need.

Current life insurance—Consider both group life and personally owned policies, plus consider the impact of changing jobs if including group life insurance. (If a job change is imminent, may want to avoid including group life insurance unless benefits of new job are clearly known.)

Retirement plans/IRAs—Only use values from the deceased spouse's accounts. It is assumed that the income generated from retirement plan/IRA assets meet or exceed the assumed NROR on insurance proceeds.

Savings/investments—Include all savings or investments that could be liquidated and used for income in the event of death. It is assumed that the growth of the savings/investment assets meet or exceed the assumed NROR on insurance proceeds.

College savings—Include any current accumulated college savings balance.

Net new total life insurance need—This figure ignores inflation based on the assumption that performance on all savings and retirement plans will equal inflation. It does not take into account Social Security income benefits that may be available to a surviving spouse with children under age 18.

Net new temporary life insurance need—To arrive at this number, add up all of the temporary needs found in the cash needs at death section and/or line D.

Net new permanent life insurance need—This value is the addition of all of the temporary needs.

Protect your family's financial future.

Talk to your advisor about the unique benefits of life insurance.

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

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LCN-1074025-120814
POD 12/15 **Z04**
Order code: LIF-SRM-FLI001

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Certain products used with the strategies discussed may carry risks including loss of principal.