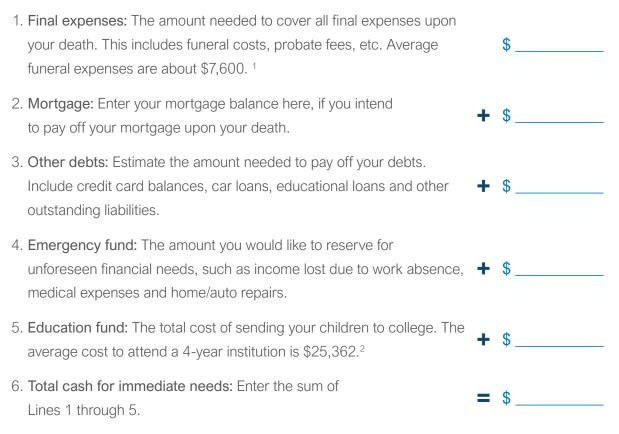
Estimate your life insurance coverage needs

Protecting the financial future of your loved ones is important to you, but how much life insurance coverage is enough? We want you to feel confident in the choices you make. This worksheet will help you estimate the amount of coverage needed based on your unique situation.

Immediate cash needs



Future Income Needs



- 7. Survivor's Income Replacement Need: Generally, it is estimated that your family will need to replace 65% to 75% of your current gross annual income in order to maintain its standard of living after your death.
- 8. Money Factor: Determine using the Money Factor Chart (on next page).
- 9. Present Value of Future Income Needs: Multiply Line 7 by Line 8 and enter the total here.

Available Funds

- 10. Savings and Investments: The current value of savings and investments which may be liquidated to provide your family cash flow upon your death. Include stocks, bonds, savings accounts, etc.
- 11. Retirement Savings: The current value of retirement savings which may be liquidated to provide your family cash flow upon your death. Include IRA, 401(k), annuities and other retirement accounts.
- 12. Other Assets: All other assets which may provide income to your family (inheritances, commodities, rental properties, etc.).
- 13. Current Life Insurance: Include all life insurance policies, including coverage through your employer.
- 14. Total Available Funds: Enter the sum of Lines 10 through 13.

Needs Summary

- 15. Total Funds Needed at Death: Line 6 plus Line 9
- 16. Total Available Funds: From Line 14
- 17. Estimate of Additional Life Insurance Coverage Needed: Line 15 minus Line 16



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Determine Your Money Factor

This chart provides the factor needed in Line 8 to determine the present value of your dependents' income needs. It considers how long income will be needed and an assumed "Real Rate of Return."

- 1. Annual Growth Rate: Average is between 5.5% and 10%.
- 2. Annual Rate of Inflation: Average is between 0.0% and 4.5%.3
- 3. Your Real Rate of Return: Subtract Line 2 from Line 1 and enter the total here.

To find your Money Factor, match up your Real Rate of Return with the number of years your beneficiaries will need income. Enter this number on Line 8 on the reverse side.

Income is needed	Your Real Rate of Return								
	1%	2%	3%	4%	5%	6%	7%	8%	9%
5 years	4.9	4.8	4.7	4.6	4.5	4.5	4.4	4.3	4.2
10 years	9.6	9.2	8.8	8.4	8.1	7.8	7.5	7.2	7.0
15 years	14.0	13.1	12.3	11.6	10.9	10.3	9.7	9.2	8.8
20 years	18.2	16.7	15.3	14.1	13.1	12.2	11.3	10.6	10.0
25 years	22.2	19.9	17.9	16.2	14.8	13.6	12.5	11.5	10.7
30 years	26.1	22.8	20.2	18.0	16.1	14.6	13.3	12.2	11.2
35 years	29.7	25.5	22.1	19.4	17.2	15.4	13.9	12.6	11.5
40 years	33.2	27.9	23.8	20.6	18.0	15.9	14.3	12.9	11.7

Now that you've estimated the amount of coverage you need, talk to your financial professional for help finding the right life insurance policy. ¹ https://nfda.org/news/statistics, captured on 7/16/2021.

² https://educationdata.org/average-cost-of-college, captured 7/16/2021.

³ For information on annual rate of inflation please visit usinflationcalculator.com/inflation/current-inflation-rates/.

This analysis of your life insurance coverage needs is intended only to provide a general estimate of the amount of coverage you may need. This analysis provides only a snapshot of your current situation. You should review your life insurance coverage needs at least annually and whenever your relevant information changes. The results of this analysis are based on your inputs and assumptions. Changes to those items will produce different results.

Neither Simplicity nor its representatives offer legal or tax advice. Please consult with a legal or tax advisor regarding your individual situation before making any tax-related decisions.

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