

# How Much Insurance Is Enough - Capital Needs Analysis



Company Name \_\_\_\_\_

Employee Name \_\_\_\_\_ ( ) \_\_\_\_\_ - \_\_\_\_\_  
 Last Name First Name Middle Initial Phone Number

## Capital Needs Analysis Three-Step Income Planning System

### Step 1: Cash Needed at Death

1. Estate Clearance Fund \$ \_\_\_\_\_
2. Emergency Quick Fund \$ \_\_\_\_\_
3. Mortgage or Rent \$ \_\_\_\_\_
4. Unsecured Debt \$ \_\_\_\_\_
5. Education Fund \$ \_\_\_\_\_
6. Miscellaneous Cash Needed \$ \_\_\_\_\_
7. Income Capital Required \$ \_\_\_\_\_
8. **TOTAL CASH NEEDED** \$ \_\_\_\_\_

### Step 2: Cash Currently Available at Death

- Personal Life Insurance \$ \_\_\_\_\_
- Group Life Insurance \$ \_\_\_\_\_
- Bonds and Stocks \$ \_\_\_\_\_
- Real Estate other than home \$ \_\_\_\_\_
- Other available assets \$ \_\_\_\_\_
- CASH AVAILABLE** \$ \_\_\_\_\_

### Step 3: Calculations of Current Situation

- Total Cash Needed (Step 1) \$ \_\_\_\_\_
- Deduct Cash Available (step 2) \$ \_\_\_\_\_
- Additional Cash Required** \$ \_\_\_\_\_
- New Life Insurance Needed** \$ \_\_\_\_\_

**Question:** Of what now comes into the household, how much is not needed \$ \_\_\_\_\_

### Interest table to calculate capital required for income.

Monthly Taxable Income	3%	5%	8%	10%
\$500	\$200,000	\$120,000	\$75,000	\$60,000
\$1,000	\$400,000	\$240,000	\$150,000	\$120,000
\$1,500	\$600,000	\$360,000	\$225,000	\$180,000
\$2,000	\$800,000	\$480,000	\$300,000	\$240,000
\$4,000	\$1,600,000	\$960,000	\$600,000	\$480,000

**Monthly Income Table** – Amount of capital required to produce monthly income at varying interest rates without a reduction of capital. This protects against inflation.

**Estate Clearance Fund** – Should include funeral expenses, legal costs, income tax and any outstanding minor obligations. One half your annual income is usual.

**Emergency Fund** – Should include an amount for unexpected bills such as major auto and home repairs etc. Usually, this amount is from \$10,000 to \$30,000.

**Mortgage or Rent Continuation Fund** – Should include the balance of the outstanding mortgage on your home or a fund sufficient to pay the rent for ten (10) years.

**Education Fund** – Should include tuition and living expenses for each child for the number of years required.

**Amount required for monthly income** – Should include a percentage gross income for the surviving spouse usually between 60-70% of your present gross income.

For further assistance on insurance, this form can be e-mailed to: [david.puhl@puhlempleybenefits.com](mailto:david.puhl@puhlempleybenefits.com)