

# How Much Life Insurance Should I Consider?

Perhaps it's easier to think about it this way – **how much insurance income would your loved ones need if you died tomorrow?** After all, life insurance is not something you buy for yourself; it is something you buy to help those you care about.

The simple answer is: **enough to help make up for the ongoing support you used to provide, plus your final expenses.** There really are two kinds of needs: immediate cash for final expenses and the longer-term need for income replacement.



## COMMON AND SIGNIFICANT IMMEDIATE CASH NEEDS:

- Final expenses – funeral, burial, and medical – often run \$10,000 to \$20,000.
- Have you incurred debt that should be paid off to keep from burdening others? Student loans, a car loan, or credit card debt?
- Should you pay off the mortgage to reduce your spouse/partner's monthly expenses?
- Do you want to leave a final gift to an individual, charity, or cause you feel strongly about?

## ONGOING INCOME REPLACEMENT AND FUTURE NEEDS:

- How much regular monthly income will your family need to make up for what you used to contribute? For how long?
- Without your help with household tasks, will the family incur extra expenses? Think child care, transportation, lawn maintenance, taxes – and remember, your spouse/partner is now faced with the work that used to be done by two.
- If you have young children, is there sufficient money set aside to pay for their college tuition?

Add it all up to help get a reasonable estimate of what your loved ones will need. You may also want to consider any other insurance you have, plus income and investments that could fill part of the void.

## DON'T FORGET SPOUSE/PARTNER COVERAGE:

Most dual-person households, particularly ones with young children, should have life insurance covering *both* adults, whether both work outside the home or one works outside while the other manages the household. The same needs apply if your spouse/partner were to die tomorrow – will there be final expenses to take care of? Will there be an income deficit or additional help needed?

GEBA's Group Term Life Insurance\* provides affordable, flexible coverage, and spouse/domestic partner coverage is available as well. Our Insurance and Financial Consultants can guide and assist you in determining the level and type of coverage that fits your needs.

\*Group Term Life Insurance plan underwritten by New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010 on Policy form GMR. For information including features, costs, eligibility, renewability, limitations and exclusions, visit [www.geba.com](http://www.geba.com).

### Life Insurance Needs Calculator

This calculator was designed to provide you with an estimate of your insurance needs. It should not be used to make investment or insurance decisions. We recommend that you consult with a financial planner or other insurance advisor for a detailed review of your financial situation.

Future Needs		
1.	Survivor's annual future income needed	\$0.00
2.	For how long? (years)	0
3.	Annual Social Security benefits	\$0.00
4.	Survivor spouse's annual income	\$0.00
5.	Survivor's Other Annual Income Total	\$0.00
6.	Total Funds Needed to Pay for College or Education	\$0.00
7.	Final Expenses (funeral, uninsured medical costs, taxes, etc. \$7,000 - \$10,000 is recommended)	\$0.00
8.	Debt to be paid at death	\$0.00
9.	Present Investments	6 %

## CALCULATOR THAT HELPS YOU ESTIMATE YOUR NEEDS:

GEBA has a very useful calculator to help members like you estimate the amount of insurance needed. Just enter answers to many of the questions in this article, then let it calculate. The ease of recalculation also helps you see how sensitive the total is to different assumptions. It can be found at [www.GEBA.com](http://www.GEBA.com).