



LIFE COVER CALCULATOR

If you were to die tomorrow,
could your family survive?



Life Cover Calculator

You may have cover to pay off your mortgage if you die, but your family will also need to pay for everyday bills and expenses plus extras, such as the summer holiday, music or sports lessons, or just days out.

Will your existing life cover be enough to pay for all of this?

If there is a shortfall between the annual income your family would need and the level of income your current life cover would produce, how would your family cope?

How much life cover do you need?

You can use the tables below to calculate the approximate amount of cover you need. Start by considering any loans you would wish to repay, then your monthly outgoings. You should use this sales aid with your financial adviser's help.

Outstanding loans	Amount	
Mortgage		
Credit cards		
Other		
Total		A

Monthly Expenses		
Rent		
Credit card bills		
Property taxes		
Food		
Utilities		
Car expenses		
Pension		
Other insurances		
School fees		
Holidays		
Other		
Total monthly outgoings		
Multiply by 12 = yearly outgoings		B

Total B gives an idea of the yearly income your dependants might need.

Next consider how many years you might need the cover for, eg until children have finished higher education or the mortgage is paid off. Then use the table opposite to determine the factor needed.

Factor		C
Multiply B by the factor C		D
Amount of any existing life cover		E
Add A and D and take away E = amount of protection you should consider		

Number of years Proposed	Factor
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	8.5
10	9
11	10
12	11
13	12
14	13
15	13.5
16	14
17	15
18	16
19	17
20	17.5
21	18
22	19
23	20
24	20.5
25	21
26	22
27	22.5
28	23
29	24
30	24.5
31	25
32	26
33	26.5
34	27
35	28

This factor takes into account potential interest earned and the effects of inflation.

Assumptions:

Inflation rate 2.50%

Interest rate 4.00%

Example:

A couple want to provide protection for their dependants for the next 15 years.

The factor they should use is 13.5

**For illustration purposes only.
You should consult your financial adviser for further information.**

For a no-obligation review of your life cover arrangements
please contact your Independent Financial Adviser.



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