



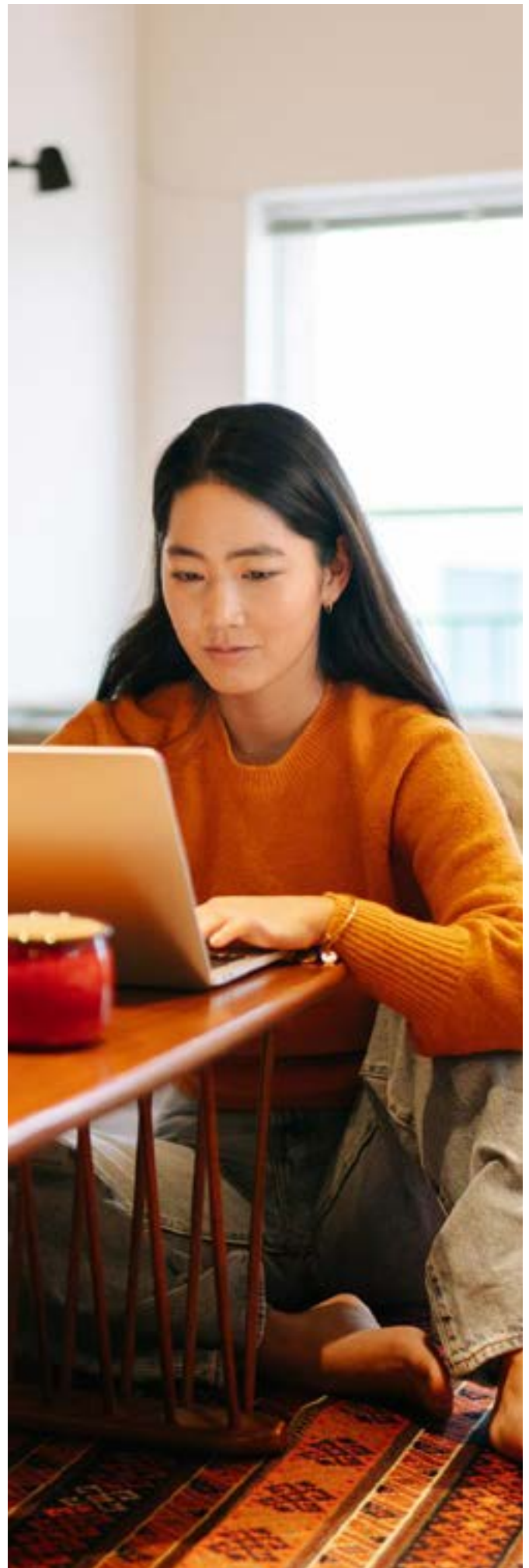
How much life insurance do I *need*?

When it comes to life insurance, many people simply follow the “10x rule,” meaning they take their annual salary, multiply it by 10, and purchase that amount.

But this coverage could end up being too much or too little, depending on your family circumstances, current financial situation, and long-term goals.

For a more accurate figure, it's important to take your future financial assets and obligations into account.

To help you estimate how much life insurance you may need, we've broken the calculation into three simple steps.



> Step 1: Determine your financial obligations

	Obligation	Amount	Example
1	Total income your family would need if you died today (<i>annual salary multiplied by the number of years you want to replace your income</i>) <i>This is the amount your family needs, before taxes, to maintain their current standard of living; for example, 75% of your current income.</i>		\$50,000
2	Outstanding mortgage and other debt <i>Include any credit card debt you currently have.</i>		\$200,000
3	Funeral and other final expenses <i>Other final expenses can include medical bills, attorney fees, probate costs, etc.</i>		\$15,000
4	College costs for children, if applicable <i>Consider the cost of a four-year institution, public or private, for all children.</i>		\$80,000
5	Total amount needed to cover your obligations <i>Add lines 1, 2, 3, and 4.</i>		\$345,000

> Step 2: Estimate the money your family will receive from other sources

	Sources of money	Amount	Example
6	Total savings and investments <i>Estimate the total funds you have in your bank accounts, retirement accounts, and investments.</i>		\$50,000
7	Current amount of life insurance, if applicable <i>You may already have life insurance through your employer. If so, include the death benefit here.</i>		\$150,000
8	Existing college funds <i>Enter the amount you've already saved for your children's educations.</i>		\$10,000
9	Total annual income from other sources (<i>multiplied by the same number of years you used to calculate your income in line 1</i>) <i>Consider dividends, your spouse's earnings, Social Security, etc.</i>		\$25,000
10	Total amount of other income and earnings <i>Add lines 6, 7, 8, and 9.</i>		\$235,000

> Step 3: Calculate the additional life insurance needed

	Sources of money	Amount	Example
11	Enter the total financial obligations from line 5		\$345,000
12	Enter the total amount of other income and earnings from line 10		\$235,000
13	Subtract line 12 from line 11 <i>This is the additional amount of life insurance needed to cover your obligations.</i>		\$110,000

This example is for illustrative purposes only.

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The results of the life insurance worksheet are not intended to represent a comprehensive portrayal of your financial profile or a specific recommendation. Review your personal financial needs and objectives with your financial consultant on a regular basis.

This is not an endorsement of any particular product, service or organization; nor is it intended to provide financial, investment, insurance, legal, accounting, or tax advice. It is intended to promote awareness and is for educational purposes only.

You might need more life insurance if:

- You're taking care of elderly parents or could be in the future.
- You want to leave a legacy gift to a charitable cause.

You might need less life insurance if:

- You have an existing policy.
- You're single and don't have children.