

Group Life Insurance

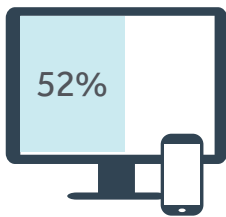
Most people, 80%, believe they need life insurance. And 25% say they aren't fully covered. See how you compare.

\$167,000

The average policy is \$167,000. This is the recommended amount if you were earning **\$18,000/year.**

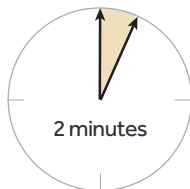
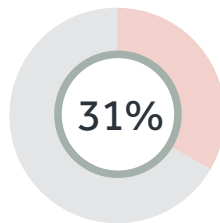
\$18,000

95 million people have **no life insurance.**



52% place buying cable TV or a mobile device **above life insurance.**

31% of families would feel a financial impact **in just one month** if an unexpected death occurred.



It takes **2 minutes** to calculate your life insurance needs.

Many associations and affinity groups proudly offer members Life Insurance underwritten by New York Life Insurance Company.

There are different types of life insurance. Knowing the differences can help you to make wise choices:

- **Annually Renewable Group Term:**

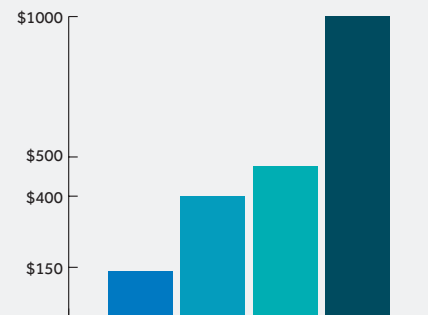
The premium is subject to renewal each year. These can often start out lower than other types, but increase each year.

- **Guaranteed Level Group Term:**

Your rate is guaranteed to remain the same throughout the term of the policy.

- **Group vs. Employer:**

Unlike employer sponsored insurance which often ends when you change jobs, your Association or Affinity Group plan allows you the flexibility to keep your Group Insurance as long as you are a member.



Many overestimate the cost of life insurance by as much as 10 times!

A plan costing \$150/month was thought to cost \$400 by those already owning insurance, \$500 by those with no insurance, and \$1,000 by those under age 25.

Sources: Policy needs calculated using Life Happens Life Needs Calculator, accepting preset assumptions, 10 year income replacement and no debt or assets; Life Happens Online Resource www.lifehappens.org; 2014 Insurance Barometer Study, LIMRA 2014.

New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010





Life Insurance Needs Worksheet

Get a general sense of how much life insurance you need to protect your family. Before buying life insurance, it makes sense to consult with an insurance professional for a more thorough analysis of your needs. This worksheet assumes you died today.

Income

1. Total annual income your family would need if you died today

What your family needs, before taxes, to maintain its current standard of living (Typically between 60% - 75% of total income) \$ _____

2. Annual income your family would receive from other sources

For example, spouse's earnings or a fixed pension.¹ (Do not include income earned on your assets, as it is addressed later in the calculation) \$ _____

3. Income to be replaced

Subtract line 2 from line 1 \$ _____

4. Capital needed for income

Multiply line 3 by appropriate factor in Table A. Factor _____ \$ _____

Expenses

5. Funeral and other final expenses

Typically the greater of \$15,000 or 4% of your estate \$ _____

6. Mortgage and other outstanding debts

Include mortgage balance, credit card balance, car loans, etc. \$ _____

7. Capital needed for college

(2016-2017 average 4-year cost: Private \$181,480; Public \$80,360²)

	Estimated 4-Year Cost	x	Appropriate Factor in Table B	=	NPV		
Child 1	_____	x	_____	=	_____	+]	→ \$ _____
Child 2	_____	x	_____	=	_____		
Child 3	_____	x	_____	=	_____		

8. Total capital required

Add items 4, 5, 6 and 7 \$ _____

Income

9. Savings and investments: Bank accounts, money market accounts, CDs, stocks, bonds, mutual funds, annuities, etc.

\$ _____

10. Retirement savings: IRAs, 401(k)s, SEP plans, SIMPLE IRA plans, Keoghs, pension and profit sharing plans³

\$ _____

11. Present amount of life insurance

Including group insurance as well as insurance purchased on your own \$ _____

12. Total income producing assets

Add lines 9, 10 and 11 \$ _____

13. Life insurance needed

Subtract line 12 from line 8 \$ _____

¹ Social Security benefits, which may be available, have not been factored into this calculation.

² *Trends in College Pricing*, 2016, The College Board. Costs reflect total charges, which include tuition, fees, room and board.

³ Distributions from most retirement savings plans are subject to ordinary income tax rates.

Table A

Years Income Needed	Factor
10	8.8
15	12.4
20	15.4
25	18.1
30	20.4
35	22.4
40	24.1

Table B

Years Before College	Factor
5	.95
10	.91
15	.86
20	.82

Note: These tables help you determine net present value (NPV), the amount of capital required today to satisfy future income or college cost needs, given an assumed investment return of 6%, inflation of 3% for living costs and 5% for college costs.