

# Financial Risk Calculator

## Term Life Insurance

Term Life insurance provides a lump sum payment on death or (in most cases) diagnosis of a terminal illness. You should have adequate life insurance to cover any debts, costs associated with death and (if applicable) to provide an ongoing income stream for your family (dependants).

Name: \_\_\_\_\_

	<i>For example</i>	Your details
<i>Cash to cover costs associated with death</i>		
1. Funeral expenses	\$ 10,000	\$ -
2. Final medical costs	\$ 2,000	\$ -
3. Legal fees and probate costs	\$ 2,000	\$ -
4. Government charges	\$ 2,000	\$ -
5. Cost of child care (if you have children under your care, eg \$200 per week x 48 [weeks] x 10*)	\$ 96,000	\$ -
<i>Cash to cover re-payments of debt</i>		
1. Home mortgage	\$ 100,000	\$ -
2. Outstanding personal loans or credit card debts	\$ 5,000	\$ -
3. Unpaid bills	\$ 1,000	\$ -
<i>Replacement of family income</i>		
1. Education fund (to provide enough capital to fund your children through schooling - if applicable). eg. The fee pa (\$2,000) x the no. of years (13) x the no. of children (2) = (\$52,000)	\$ 52,000	\$ -
2. Annual income you would like to leave your family to cover living expenses, etc. (x10*)	\$ 300,000	\$ -
<b>Total amount required on death</b>	<b>\$ 570,000</b>	<b>\$ -</b>
<i>Assets currently available on death</i>		
1. Amount available through Superannuation	\$ 100,000	
2. Insurance benefit in Superannuation fund	\$ 50,000	\$ -
3. Current life insurance policies, if any	\$ 50,000	\$ -
4. Assets/investments that can be liquidated on death (that you don't wish to leave to your family eg funeral bond)	\$ 10,000	\$ -
<b>Total assets</b>	<b>\$ 210,000</b>	<b>\$ -</b>
Total amount required on death	\$ 570,000	\$ -
less total assets	\$ 210,000	\$ -
<b>Total Term Life requirement</b>	<b>\$ 360,000</b>	<b>\$ -</b>

\*As a general rule of thumb, any annual income requirement is multiplied by 10. This represents the amount of capital to be invested and an income drawn from the investment. Please note that this calculator does not take into account all individual factors to be considered when making a life insurance decision. For accurate advice regarding your specific situation, talk to your adviser.