Have you
protected *all* of
your valuable assets?

ESTIMATING YOUR HUMAN LIFE VALUE

Prudential

IFS-A035664

ARE YOU PREPARED TO TAKE THE RISK?

We all understand the need to insure our valuable assets. Typically we insure those items we feel are most valuable. You have probably insured your cars, home, boat and maybe even your diamond engagement ring. But have you overlooked your most important asset—your **Human Life Value**?

When protecting your possessions, you likely will share in the cost of replacing these assets through a deductible. Usually that deductible represents the amount you feel can be absorbed into your budget should an unforeseen event occur.

Let's review how you have chosen to protect some of your important assets:

First, let's consider your car: The average price of a new car sold in the U.S. by April, 2006 was $28,400, according to the American International Automobile Dealers Association (AIADA), and a typical deductible is $500.

Let's look at your specific coverage:

$________________	–	$________________	=	$________________
Value of Your Car		Your Risk (deductible)		Insurance Company's Risk

Now, let's look at what many people consider their largest asset, their home:
According to the U.S. Census Bureau, the average price of a new house sold in the U.S. as of October, 2008, was approximately $272,300 (including the land) and a typical deductible is $500.

Let's look at your specific coverage:

$________________	–	$________________	=	$________________
Value of Your Home		Your Risk (deductible)		Insurance Company's Risk

Most people wouldn't think about keeping these valuable assets without insurance.

Finally, let's take a look at one of your largest and frequently overlooked assets—your ability to earn a living, or your *Human Life Value*.

What Financial Value Do You Place on Your Life?

Let's think of your Human Life Value as today's value of your future earning potential. How much money would your family need to replace the earnings lost if you were to die prematurely?

YOUR ESTIMATED HUMAN LIFE VALUE				
CURRENT ANNUAL INCOME	YEARS TO PROVIDE INCOME			
	40	30	20	15
$250,000	$2,805,402	$2,372,103	$1,794,706	$1,437,563
$200,000	$2,244,322	$1,897,682	$1,435,765	$1,150,051
$150,000	$1,683,241	$1,423,261	$1,076,824	$862,538
$100,000	$1,276,943	$1,079,717	$816,902	$654,340
$80,000	$1,021,559	$863,778	$653,524	$523,474
$60,000	$766,175	$647,838	$490,147	$392,609
$50,000	$638,472	$539,859	$408,451	$327,588
$30,000	$383,091	$323,919	$245,074	$196,304

These Human Life Value calculations assume a 3% annual increase in current annual income; a 34% reduction for federal and state taxes for income up to $150,000 and 42% for income above $150,000; a 15% reduction for personal expenses; and a 6% Net Present Value Discount Rate.

Now, let's look at your specific coverage:

$____________________ – $____________________ = $____________________

Your Human Life Value | Current Insurance Coverage | Your Risk (deductible)

Do you have money set aside for your family to cover payment of this gap between your Human Life Value and your current insurance coverage, or "deductible"?

- Will your family members be able to continue living the lifestyle to which they are accustomed?
- How will your family pay off the mortgage?
- How will your children's education be funded?
- Will the investments you have provide adequate retirement income for your spouse?

How Can Prudential Help?

As a licensed financial professional, I can help you develop a strategy that meets your specific needs and provide you with:

- a personalized needs analysis.
- an assessment of how life insurance can provide valuable death benefit protection to help minimize your Human Life Value risk while providing other key benefits.
- an explanation of insurance and financial products in our broad portfolio that can help you reach your retirement, estate conservation, and other long-term financial goals.

INSURANCE MARKETPLACE STANDARDS ASSOCIATION

Membership promotes ethical market conduct for individual life insurance, long-term care and annuities.

Life insurance policies contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Your licensed financial professional can provide you with costs and complete details.

Life insurance issued by The Prudential Insurance Company of America, Newark, NJ and its affiliates.

This material is designed to provide general information in regard to the subject matter covered. It should be used with the understanding that we are not rendering legal, accounting or tax advice. Such services should be provided by the client's own advisor. Accordingly, any information in this document cannot be used by any taxpayer for purposes of avoiding penalties under the Internal Revenue Code.

Securities and Insurance Products:
Not Insured by FDIC or Any Federal Government Agency.
May Lose Value.
Not a Deposit of or Guaranteed by Any Bank of Bank Affiliate.

IFS-A035664 Ed. 01/2009

Prudential

LIFE INSURANCE QUICK ESTIMATOR

HOW MUCH LIFE INSURANCE IS ENOUGH?

Client Name ______________________ Date ____________

Agent Name/Approved Title ______________________

This worksheet from the Prudential Insurance Company of America provides a quick and simple method to estimate the amount of life insurance you will need.

INCOME

1. **Annual before tax income your family would need if you died today**
   Typically between 60% and 80% of total income. Include all salaries, dividends, interest and any other sources of income. $ 0
2. **Annual income available to your family from other sources**
   Include dividends, interest, and spouse's earnings (Social Security may be available) $ 0
3. **Annual income to be replaced** (Subtract line 2 from line 1.) $ 0
4. **Capital needed for income**
   Multiply line 3 by the appropriate factor below — Choose years — $ 0

Years Income Needed	10	15	20	25	30	35	40	45	50
Factor[1]	8.8	12.4	15.4	18.1	20.4	22.4	24.1	25.6	26.9

EXPENSES

5. **Funeral[2] and other final expenses**
   Typically the greater of $15,000 or 4% of your estate $ 0
6. **Mortgage and other outstanding debts**
   Include mortgage balance, credit card debt, car loans, home equity loans, etc. $ 0
7. **College costs[3]**
   2007-2008 average annual costs at four-year colleges and universities:
   public – $17,336; private – $35,374

	Annual Amount	X	Number of Years in College =	Total Cost ($)
Child 1		X		$0
Child 2		X		$0
Child 3		X		$0
Child 4		X		$0
Child 5		X		$0
			Total capital needed for college	

$ 0

8. **Total capital required** (Add lines 4, 5, 6 and 7) $ 0

ASSETS

9. **Savings and investments**
   Bank accounts, CDs, stocks, bonds, mutual funds, real estate/rental property, etc. $ 0
10. **Retirement savings**
    IRAs, 401(k) plans, SEPs, pension and profit sharing plans $ 0
11. **Present amount of life insurance**
    Include group insurance and personal insurance purchased on your own $ 0
12. **Total of all assets** (Add lines 9, 10 and 11.) $ 0
13. **Estimated amount of additional life insurance needed** (Subtract line 12 from line 8.) $ 0

[1] Inflation is assumed to be 3%. The rate of return on investments is assumed to be 6%

[2] Many funerals run well over $10,000 – Federal Trade Commission – Retrieved on September 23, 2008 from http://www.ftc.gov/bcp/edu/pubs/consumer/products/pro19.shtm

[3] Source: The College Board, Trends in College Pricing 2007. Costs include tuition, room, board, books and supplies, transportation, and other expenses for a resident. The College Costs numbers are the 2007-2008 national average for a four year college or university

SAVE FORM PRINT FORM RESET FORM

Prudential