How Much Coverage Do You Actually Need?

A Simple Guide to Finding the Right Life Insurance Amount for Your Family

Your free guide to protecting what matters most.

Factors That Determine Your Coverage

There's no one-size-fits-all answer. The right amount depends on your unique financial picture. Here are the key factors to consider:

1. Income Replacement

Most experts recommend 10-15x your annual income. If you earn $80,000/year, that's $800,000 - $1,200,000 in coverage.

2. Outstanding Debts

Add up your mortgage balance, car loans, student loans, and credit card debt. Your policy should cover these so your family isn't burdened.

3. Future Education Costs

If you have children, factor in college tuition. The average 4-year degree costs $100,000+. Multiply by the number of children.

4. Final Expenses

Funeral and burial costs average $10,000 - $15,000. Medical bills from a final illness can add significantly more.

5. Childcare & Household

If you're a stay-at-home parent or primary caregiver, replacing those services costs $30,000 - $50,000+ per year.

6. Existing Assets & Savings

Subtract savings, investments, and any existing coverage through work. This reduces the gap your policy needs to fill.

The Simple Formula

(Annual Income × 10) + Debts + Education Costs + Final Expenses − Existing Assets = Your Coverage Need

Example: ($80,000 × 10) + $250,000 + $200,000 + $15,000 − $150,000 = $1,115,000

Your Next Steps

Use this simple checklist to determine your ideal coverage amount:

- ☐ Calculate your annual income and multiply by 10-15
- ☐ Add up all outstanding debts (mortgage, loans, credit cards)
- ☐ Estimate future education costs for your children
- ☐ Add $10,000 - $15,000 for final expenses
- ☐ Subtract any existing savings, investments, or employer coverage
- ☐ The remaining number is your recommended coverage amount

Ready to Protect Your Family?

We'll help you find the right policy at the right price. No pressure, no jargon — just honest guidance tailored to your family's needs.

Schedule a Free Consultation

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Life & Legacy Advisors

Ready to protect what matters most?

Your dedicated advisor is ready to guide you through coverage, retirement income, and legacy planning — no pressure, no jargon.

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