

Assignments

Financial Plan Assignments

Your assignment is to prepare your vision, goals and plans and strategies for life insurance and include these in your [PFP Insurance Template](#) (LT01-09). First, determine whether you need life insurance. This drives your vision. Depending on your situation, you may not need it.

Second, determine your goal for having it. Deciding on your goal for insurance is a critical part of evaluating the different types of life insurance products.

Third, determine how much insurance you need based on the framework laid out in this chapter. Remember, as interest rates decline, the size of the assets you will need increases. I encourage you to use [Calculating Life Insurance Needs](#) (LT29 – Detailed) or [Fin200 Calculating Life Insurance Needs](#) (LT29B – Simpler) to determine how much insurance you need. This will be included in your Plans and Strategies, and will change over time.

Fourth, determine how much insurance you can afford based on your budget. This is a critical step. Take into account the potential for job loss or changes in lifestyle caused by children, teenagers, and so on when you are considering your budget.

Finally, evaluate the different insurance companies and the different products available. Using the criteria discussed, evaluate the different insurance companies for stability; look for signs that they will be around when benefits need to be paid. Determine the type of product you should have, evaluate the different alternatives, and include your findings in your financial plan.