

Assessing Peter's needs

	AMOUNT (\$\$)	REMARKS
Monthly income	10,000	
% of income needed to support dependants: 75% of monthly income	7,500	
Time needed to support dependants following death	15 years	
Capital needed to support dependants with \$7,500 per month for 15 years	1,350,000	
Amount needed to fund children's education	177,000	Peter wants to ensure two of his children can afford university fees, even after his death
Home loans and liabilities	462,500	Peter wants these liabilities paid off upon his death
Total capital needed at death	1,989,500	
Peter's existing insurance coverage	600,000	
Current assets	400,000	Cash in bank, CPF and other investments
Shortfall in capital at death	989,000	Peter needs to buy this amount of additional insurance cover

Types of insurance plans

NEEDS	HOW LONG DO YOU NEED	AMOUNT NEEDED (\$\$)	PREMIUMS FOR WHOLE LIFE PLANS (\$\$)	PREMIUM FOR TERM PLANS (\$\$) (COVERAGE TILL AGE 70)
Income replacement upon death and disability	Temporary	1 million	28,640 p.a.	2,913 p.a.
Income replacement upon critical illness	Temporary	360,000	7,358 p.a. (pay for 15 years only)	2,637 p.a.
Total			35,998 p.a.	5,550 p.a.