



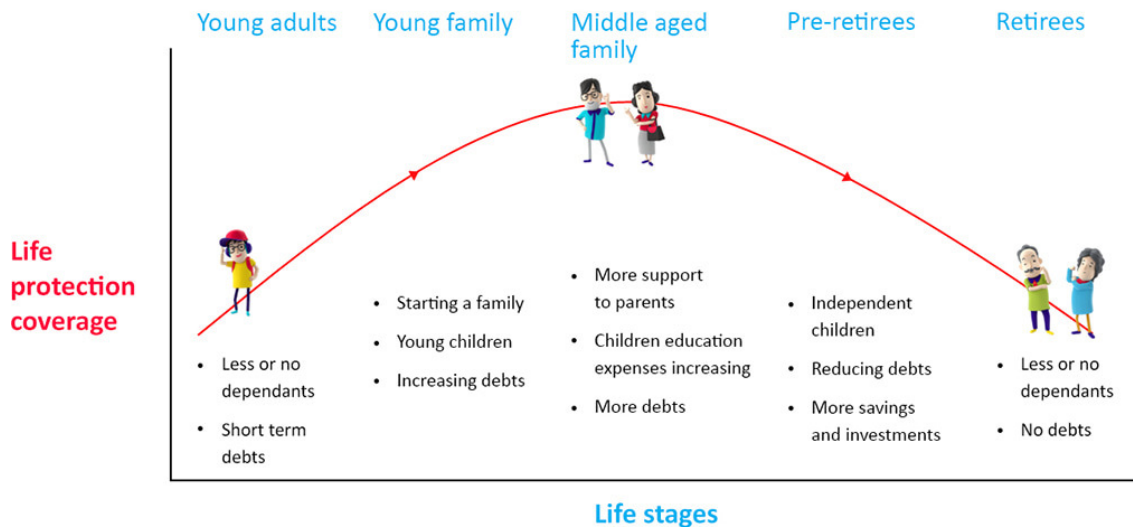
Life Protection Coverage Calculator

Quick guide

Life insurance is designed to cover the financial needs of your family/dependants and your debts in the event of your death. If you have children, and need to support your partner, parents or other family members, or if you have debts (such as mortgage loans), you should consider getting life insurance. However, if you do not need to support anyone financially and you are not indebted, you probably do not need life insurance.

Life protection needs at different life stages

At different life stages, people will have different life insurance needs. Generally speaking, young and middle-aged families who have more dependants and debts may require more life protection coverage as compared with young and elderly people. If you are the main breadwinner, taking out a life insurance policy would be important to you and your family.



It's the million dollar question – how much life protection coverage do you need?

This calculator uses the Needs Approach to estimate the life protection coverage that one may need. That means to predict the lump-sum cash needed upon death, the user needs to input the amount of outstanding liabilities, immediate/funeral expenses, existing insurance and assets, and the ongoing needs of the dependants/family.

You should be able to fill in the amount of outstanding liabilities, life insurance death benefits, total asset value as well as provide an estimate of the funeral expenses.

The challenging part is estimating the ongoing needs of the dependants. Simply put, how much money would your family need each month to maintain their current standard of

living? Some people may consider just the monthly expenses of the dependants as the real “need” (or basic needs), whereas others may consider their dependant needs to be much more.

For example, some users may consider the cost of long-term care for parents/spouse and medical insurance for spouse/children which could end up being a significant amount and outstrip inflation. Yet there are others who would calculate based on using public health care services instead.

There is no right or wrong answer. The user should consider how much and how long the financial support should be provided to the family, based on one’s means and affordability. There’s no point taking out a hefty amount of life insurance that you will struggle to pay each month.

You only need a few minutes to fill in all the information to get an estimated sum for your life protection coverage. Remember to check out our practical tips and key features of different types of life insurance policies in the bottom of the Result Page. Finally, please note that your protection coverage needs will change over time. Review life coverage amount periodically to ensure it remains relevant to your needs.

Assumptions and methodologies

For the purpose of this calculator, please note:

- All input values by the users should be the current costs.
- All calculations assume that the time of death is immediate.
- The estimated life protection coverage amount is equal to (1) liabilities and immediate expenses + (2) present value of family expenses + (3) present value of children education expenses - (4) value of savings/investments/assets and life insurance death benefits.
- The value of savings/investments/assets will be liquidated at the time of death.
- All liabilities and immediate expenses will be repaid at the time of death.
- All family expenses and children education expenses will be discounted to present value and paid to the dependants at the time of death.
- Expected inflation is set at a default 4% to calculate the future value of family expenses and children education expenses of the period specified by the users. Users can change the expected inflation rate in the Result Page.
- Expected return rate is set at a default 1% to discount the future value of family expenses and children education expenses of the period specified by the users. Users can change the expected return rate in the Result Page.
- The calculation only reflects the protection coverage that you might need at the present moment. Your protection coverage need will change over time. Review periodically to ensure the protection coverage remains relevant to your needs.