

Family needs analysis

Client worksheet

Products issued by Midland National® Life Insurance Company

Your financial security may affect your loved ones as much as, or more than, it affects you. Life insurance offers protection from life's uncertainties, and the opportunity to leverage assets so you can accomplish your goals. Since most of the things you've worked hard for—your home, your car and personal property are dependent on income, life insurance can provide protection from financial loss due to death and help meet your family's current and future needs.

A family needs analysis can provide an in-depth look at your current and future needs and help answer important questions, such as “how much life insurance do I need?” and “will I have enough to meet my specific goals?” At the core of this evaluation are three important steps that can impact your need for death benefit protection – **protecting your family, building cash values, and retirement planning.**

It's important that the life insurance you choose not only fits your life today, but will also fit down the road. These three steps can help guide your decisions.

Client _____

Section 1 – Life objectives

What personal, professional and financial goals do you have for the future?

| | Personal/professional goals | Financial goals |
|--|-----------------------------|-----------------|
| What would you like to achieve in the next 3 years? | | |
| What would you like to achieve in the next 4-10 years? | | |
| What would you like to achieve in the next 10+ years? | | |

Section 2 – General information

| Immediate family | | |
|------------------|------|---------------|
| | Name | Date of birth |
| You | | |
| Spouse | | |
| Children | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Are you planning to have (more) children?

☐ Yes ☐ No How many? _____

Are there any special considerations that relate to the future of your children and perhaps their future education (i.e. special talents, disabilities, prior marriages)?

☐ Yes ☐ No List all that apply. _____

| | | | |
|------------|--|------------|--|
| Address | | | |
| | | | |
| Home phone | | Work phone | |
| Cell phone | | Email | |

| Other family members/beneficiaries | | | | | |
|------------------------------------|------|---------------|------------|--------|-----------------------|
| Relationship | Name | Date of birth | Individual | Spouse | Still working? Y/N |
| Mother | | | | | |
| Father | | | | | |
| Brother(s) | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Sister(s) | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Other: | | | | | |
| Other: | | | | | |
| Other: | | | | | |

Is there anyone you are supporting now, or will be in the future, who may affect your financial situation?

☐ Yes ☐ No Who? _____

| Advisors | | |
|-----------------------------------|------|-------|
| | Name | Phone |
| Certified Public Accountant (CPA) | | |
| Attorney | | |
| Financial Advisor | | |
| Property/casualty agent | | |

| Employment | | |
|---------------------------------------|------------|--------|
| | Individual | Spouse |
| What is the name of your employer? | | |
| How long have you worked there? | | |
| What is your title? | | |
| What are your specific job duties? | | |
| Describe the nature of your business. | | |
| Business address | | |
| Business phone/fax | | |
| Business email | | |
| What are your future career plans? | | |

| Interests/hobbies | | |
|---|------------|--------|
| | Individual | Spouse |
| How do you spend your time away from work? (organizations, clubs, activities, etc.) | | |
| What other activities do you enjoy? | | |

| Savings | | |
|---|--|--|
| | Individual | Spouse |
| Do you consider yourself a disciplined saver? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| When have you been the best saver in your life? | | |
| What percentage of your total income do you think should be set aside to meet your financial goals? | % | |
| How much is this in dollars on an annual basis? | \$ | |
| Are you currently saving for your financial goals? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| If not, what would help you save more money? | | |
| Who manages your finances and pays your monthly expenses? | | |

| Education | | |
|--|--|--------|
| | Individual | Spouse |
| What is your education background? (schools, degrees, majors, etc.) | | |
| How did you fund your education? | | |
| What are your thoughts regarding your child(ren)'s future education? | | |
| Do you intend to send your child(ren) to private elementary or high school? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| What is the cost per year for these education goals? | \$ | |
| Do you plan to partially or fully fund your child(ren)'s college education? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| If you plan to fund your child(ren)'s education, what percentage? | % | |
| What would be the total cost per year to send your child(ren) to the college of their/your choice today? | \$ | |
| How many years will it take to fund this? | _____ Years | |
| How would you feel if you couldn't provide this? | | |
| How important is it to provide this if you died, became disabled, or developed an extended illness? | | |
| How are you currently saving to fund your child(ren)'s education? | | |
| How do you feel about your current plan to meet this goal? | | |

Retirement

| | Individual | Spouse |
|--|--|--|
| What thoughts do you have regarding your retirement? | | |
| How do you feel about your current plans for retirement? | | |
| At what age would you (and your spouse) like to be in a position not to have to work? | | |
| <p>If you retired today, is it safe to assume that you would like to continue the same lifestyle as you have today?</p> <p>If no, what would you expect to change?</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| How much after-tax monthly income would you need today to support this lifestyle? | \$ | |
| To what age would you want this income to continue? | | |
| Does this amount consider the cost of health insurance in retirement? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| <p>Do you or your spouse see yourself working after retiring?</p> <p>If yes, at what income level and for how long?</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| How are you currently saving to fund your retirement goal? | | |
| What will you do if your retirement goal is not met (work longer, retire on less)? | | |
| How would you fund your retirement if you were to become disabled or have an extended illness? | | |
| Does your employer provide a defined benefit plan/pension? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |

| | Description | Annual retirement income | Beginning age | Pre-retirement death benefit | Annual disability benefit | Cost of living | Cash settlement option |
|------------|-------------|--------------------------|---------------|------------------------------|---------------------------|----------------|------------------------|
| Individual | | \$ | | \$ | \$ | % | \$ |
| Spouse | | \$ | | \$ | \$ | % | \$ |

| Inheritance | | |
|--|--|--|
| | Individual | Spouse |
| Are you or your spouse anticipating any inheritance? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If so, how much? | \$ | \$ |
| Should this inheritance be included in your resources for your retirement goal? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Do you want Social Security to be included as a resource for your retirement goal? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |

| Health | | |
|--|--|--|
| | Individual | Spouse |
| How is your health? | | |
| Are you satisfied with your existing health coverage? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Share some detail about the health insurance benefits provided by your employer. | | |
| If none, how are you providing for these costs? | | |
| Who is the benefits administrator at your company? | | |
| Do you regularly see a personal physician? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Doctor or name of group/clinic | | |
| When was your last physical exam and what were the results? | | |
| Blood pressure | | |
| Cholesterol | | |
| What (if any) medication(s) are you currently taking? | | |
| Other than regular visits, have you had any other physicians? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Have you used tobacco or any other form of nicotine in the past three years? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Long-term care

| | Individual | Spouse |
|--|--|--|
| Do you know anyone who has needed long-term care services at home or in a facility (immediate family, relatives, acquaintances)? If so, please explain. | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Have you considered needing long-term care yourself? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Who would you consider capable and willing to care for you? | | |
| How would this impact that caregiver's lifestyle? | | |
| Have you (or your parents) had the opportunity to speak with someone knowledgeable about long-term care insurance? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Have you considered the impact to your lifestyle if a parent (or in-law) became dependent on you for long-term care? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Are you familiar with the approximate costs of long-term care services? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Costs for long-term care services in a nursing home average between \$200 and \$300 per day, depending on your area. ¹ How much would you like to plan for? | \$ | |
| If you (and/or your spouse) did need long-term care services, how would this impact you financially? | | |
| Would you like to use current or retirement income to offset any long-term care costs for the purposes of this analysis? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |

Wealth preservation and distribution

| | Individual | Spouse |
|--|--|--|
| Do you have a written will? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| When and where was your will executed? | | |
| Who will be your executor? Why? | | |
| Who will be the guardian for your child(ren)? Why? | | |
| Are you the chosen guardian for someone else? | | |
| If yes, who? | | |
| Are you a U.S. citizen? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Do you work with an attorney? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| What is the name of the firm? | | |
| Have you incorporated any other estate distribution strategies (trusts, gifting, charitable giving)? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Section 3 – Current information

Assets and Liabilities

| Assets | |
|---------------------|---------------|
| Item | Current value |
| Residence | |
| Vacation property | |
| Personal property | |
| Automobiles | |
| RV | |
| Retirement accounts | |
| Checking accounts | |
| Savings accounts | |
| CDs | |
| Bonds | |
| Mutual funds | |
| Stocks | |
| 401(k) | |
| Annuities | |
| IRAs | |
| 529 plan | |
| Business interest | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| Assets total | |

| Liabilities | |
|------------------------|-------------|
| Item | Amount owed |
| Mortgage 1 | |
| Mortgage 2 | |
| Home equity loan | |
| Personal/student loans | |
| Automobile loans | |
| Credit cards | |
| Lines of credit | |
| Business loan | |
| 401(k) loan, etc. | |
| | |
| | |
| | |
| | |
| | |
| Liabilities total | |

| Net worth | | | | |
|--------------|---|-------------------|---|-----------|
| Assets total | | Liabilities total | | Net worth |
| | — | | = | |

Additional questions

What are your general thoughts and feelings regarding debt?

Do you have a broker or someone to whom you turn to for financial advice?

☐ Yes ☐ No

What have you liked most about your previous investment experience?

What have you liked least about your previous investment experience?

Notes:

[illegible]

Section 3 – Current Information *Continued*

| Monthly income | |
|-------------------|--|
| Individual | |
| Salary | |
| Rental income | |
| Investment income | |
| Secondary income | |
| Interest income | |
| | |
| | |
| Spouse | |
| Salary | |
| Bonus (when?) | |
| Rental income | |
| Investment income | |
| Secondary income | |
| Interest income | |
| | |
| | |
| | |
| Total income | |

| Monthly expenses | |
|---------------------|--|
| Automobile loans | |
| Credit cards | |
| Student loans | |
| Utilities | |
| Food | |
| Insurance | |
| Life insurance | |
| Fuel/transportation | |
| Tuition | |
| Medical/dental | |
| Charity giving | |
| Clothes | |
| Maintenance | |
| Entertainment | |
| Child care | |

| Cash flow | | | | |
|--------------|---|----------------|---|-------------------|
| Income total | | Expenses total | | Surplus (deficit) |
| | — | | = | |

| Additional questions | | |
|--|--|--|
| | Individual | Spouse |
| At what rate do you expect your income to grow long term? | % | % |
| Do you anticipate any significant changes in your total income in the future? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| What do you typically do with the extra money you earn as a result of raises or bonuses? | | |
| What percent of your total income do you pay in income taxes? | % | % |
| Do you normally receive a tax refund? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| How much would you say it typically is? | \$ | |
| How do you typically use this refund? | | |

| Current life insurance | | Additional life insurance | |
|------------------------|--|---------------------------|--|
| Owner/insured | | Owner/insured | |
| Type | | Type | |
| Company | | Company | |
| Date issued | | Date issued | |
| Premium | | Premium | |
| Death benefit amount | | Death benefit amount | |
| Cash value | | Cash value | |
| Total | | Total | |

Section 3 – Cash needs

Surplus (deficit) from Section 3

\$

Immediate money fund/final expenses

This fund is for the bills presented after death, which will have to be paid. (Final expenses generally total \$5,000 to \$50,000 for most families.⁴)

☐ Medical and hospital expenses

☐ Attorney fees

☐ Burial expenses

☐ Probate court costs

\$

Replacement of lost income

Determine the investment capital needed to put into a fixed income account, such as an annuity or money market fund, to generate a desired income level for the surviving spouse.

| | | | |
|------------------------|---|----|----|
| Desired income | | \$ | |
| Less survivor income | – | \$ | |
| Needed income | = | \$ | |
| Assumed rate of return | ÷ | % | |
| Investment capital | = | \$ | \$ |

Education funding²

The cost of a four-year undergraduate education or comparable vocational training will vary by state and type of school.

\$

Inheritance equalization

If one child inherits the family business, help provide other heirs with an equal value of cash inheritance.

\$

Debt repayment

☐ Credit card balances

☐ Education loans

☐ Auto loans

☐ Home improvement loans

\$

Mortgage

Will a family member continue to live in the family home? Will family members continue to use vacation properties? If so, enter the amount needed to help pay off any mortgages.

\$

Child/home care

☐ Child care expenses

☐ Funding for a disabled child

\$

Illustration summary

This is a summary of a recommended policy as it fits into the three steps of protecting your family, building cash values, and retirement planning. See illustration for full details.

Prepared for: _____ Date: _____

| Protecting your family | |
|--|--|
| Death benefit | |
| Final expenses | |
| Replacement income | |
| College funding ² | |
| Mortgage protection | |
| Inheritance equalization | |
| Debt repayment | |
| Child/home care | |
| Remaining death benefit for unexpected needs | |

| Building cash values | |
|----------------------|--|
| Policy | |
| Annual premium | |
| Monthly premium | |

| Retirement planning | |
|--------------------------|--|
| Cash value at age 65 | |
| Annual retirement income | |

Additional protection!

Midland National offers additional benefits that allow the policyowner to access a portion of the policy’s death benefit to help cover expenses or other items if the insured is diagnosed with a qualifying illness. These benefits are called Accelerated Death Benefits.³ These benefits are available at no additional premium.⁴

Based on the information that you provided above, you may be able to accelerate up to \$_____ per year under the accelerated benefits.

Income replacement grid

Assumes the lump sum shown below earns a rate of 4% and a 20% effective tax rate on the investment earnings.

| Years of Income Needed | | | 5 | 10 | 15 | 20 | 25 | 30 | 35 | 40 | 45 | 50 | 55 | 60 |
|--|---------|-------------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Annual Income Provided The initial annual income is shown in the chart. It is assumed to grow at a 3% rate each year. | Annual | \$36,000 | 179,304 | 356,877 | 532,736 | 706,897 | 879,377 | 1,050,193 | 1,219,360 | 1,386,894 | 1,552,810 | 1,717,126 | 1,879,855 | 2,041,013 |
| | Monthly | \$3,000 | | | | | | | | | | | | |
| | Annual | \$42,000 | 209,188 | 416,356 | 621,525 | 824,713 | 1,025,940 | 1,225,225 | 1,422,586 | 1,618,043 | 1,811,612 | 2,003,313 | 2,193,164 | 2,381,182 |
| | Monthly | \$3,500 | | | | | | | | | | | | |
| | Annual | \$48,000 | 239,072 | 475,836 | 710,314 | 942,529 | 1,172,503 | 1,400,257 | 1,625,813 | 1,849,192 | 2,070,414 | 2,289,501 | 2,506,473 | 2,721,351 |
| | Monthly | \$4,000 | | | | | | | | | | | | |
| | Annual | \$54,000 | 268,956 | 535,315 | 799,103 | 1,060,346 | 1,319,066 | 1,575,289 | 1,829,040 | 2,080,340 | 2,329,216 | 2,575,689 | 2,819,782 | 3,061,520 |
| | Monthly | \$4,500 | | | | | | | | | | | | |
| | Annual | \$60,000 | 298,839 | 594,794 | 887,893 | 1,178,162 | 1,465,629 | 1,750,322 | 2,032,266 | 2,311,489 | 2,588,017 | 2,861,876 | 3,133,092 | 3,401,689 |
| | Monthly | \$5,000 | | | | | | | | | | | | |
| | Annual | \$66,000 | 328,723 | 654,274 | 976,682 | 1,295,978 | 1,612,192 | 1,925,354 | 2,235,493 | 2,542,638 | 2,846,819 | 3,148,064 | 3,446,401 | 3,741,858 |
| | Monthly | \$5,500 | | | | | | | | | | | | |
| | Annual | \$72,000 | 358,607 | 713,753 | 1,065,471 | 1,413,794 | 1,758,755 | 2,100,386 | 2,438,720 | 2,773,787 | 3,105,621 | 3,434,251 | 3,759,710 | 4,082,027 |
| | Monthly | \$6,000 | | | | | | | | | | | | |
| | Annual | \$78,000 | 388,491 | 773,233 | 1,154,260 | 1,531,610 | 1,905,318 | 2,275,418 | 2,641,946 | 3,004,936 | 3,364,423 | 3,720,439 | 4,073,019 | 4,422,196 |
| | Monthly | \$6,500 | | | | | | | | | | | | |
| | Annual | \$84,000 | 418,375 | 832,712 | 1,243,050 | 1,649,426 | 2,051,881 | 2,450,450 | 2,845,173 | 3,236,085 | 3,623,224 | 4,006,627 | 4,386,328 | 4,762,365 |
| | Monthly | \$7,000 | | | | | | | | | | | | |
| | Annual | \$90,000 | 448,259 | 892,192 | 1,331,839 | 1,767,243 | 2,198,444 | 2,625,482 | 3,048,399 | 3,467,234 | 3,882,026 | 4,292,814 | 4,699,637 | 5,102,534 |
| | Monthly | \$7,500 | | | | | | | | | | | | |
| | Annual | \$96,000 | 478,143 | 951,671 | 1,420,628 | 1,885,059 | 2,345,007 | 2,800,515 | 3,251,626 | 3,698,383 | 4,140,828 | 4,579,002 | 5,012,946 | 5,442,702 |
| | Monthly | \$8,000 | | | | | | | | | | | | |
| | Annual | \$102,000 | 508,027 | 1,011,150 | 1,509,417 | 2,002,875 | 2,491,569 | 2,975,547 | 3,454,853 | 3,929,532 | 4,399,629 | 4,865,189 | 5,326,256 | 5,782,871 |
| | Monthly | \$8,500 | | | | | | | | | | | | |
| | Annual | \$108,000 | 537,911 | 1,070,630 | 1,598,207 | 2,120,691 | 2,638,132 | 3,150,579 | 3,658,079 | 4,160,681 | 4,658,431 | 5,151,377 | 5,639,565 | 6,123,040 |
| | Monthly | \$9,000 | | | | | | | | | | | | |
| | Annual | \$114,000 | 567,795 | 1,130,109 | 1,686,996 | 2,238,507 | 2,784,695 | 3,325,611 | 3,861,306 | 4,391,830 | 4,917,233 | 5,437,565 | 5,952,874 | 6,463,209 |
| | Monthly | \$9,500 | | | | | | | | | | | | |
| | Annual | \$120,000 | 597,679 | 1,189,589 | 1,775,785 | 2,356,324 | 2,931,258 | 3,500,643 | 4,064,533 | 4,622,979 | 5,176,035 | 5,723,752 | 6,266,183 | 6,803,378 |
| | Monthly | \$10,000 | | | | | | | | | | | | |
| | Annual | \$180,000 | 896,518 | 1,784,383 | 2,663,678 | 3,534,485 | 4,396,887 | 5,250,965 | 6,096,799 | 6,934,468 | 7,764,052 | 8,585,628 | 9,399,275 | 10,205,067 |
| | Monthly | \$15,000 | | | | | | | | | | | | |
| | Annual | \$240,000 | 1,195,358 | 2,379,178 | 3,551,571 | 4,712,647 | 5,862,516 | 7,001,287 | 8,129,065 | 9,245,958 | 10,352,069 | 11,447,505 | 12,532,366 | 13,606,756 |
| | Monthly | \$20,000 | | | | | | | | | | | | |
| | Annual | \$300,000 | 1,494,197 | 2,973,972 | 4,439,463 | 5,890,809 | 7,328,145 | 8,751,608 | 10,161,331 | 11,557,447 | 12,940,087 | 14,309,381 | 15,665,458 | 17,008,445 |
| | Monthly | \$25,000 | | | | | | | | | | | | |
| | Annual | \$500,000 | 2,490,329 | 4,956,620 | 7,399,105 | 9,818,015 | 12,213,576 | 14,586,014 | 16,935,552 | 19,262,412 | 21,566,811 | 23,848,968 | 26,109,096 | 28,347,408 |
| | Monthly | \$41,667 | | | | | | | | | | | | |
| | Annual | \$750,000 | 3,735,493 | 7,434,930 | 11,098,658 | 14,727,022 | 18,320,364 | 21,879,021 | 25,403,328 | 28,893,617 | 32,350,217 | 35,773,452 | 39,163,644 | 42,521,113 |
| | Monthly | \$62,500 | | | | | | | | | | | | |
| | Annual | \$1,000,000 | 4,980,658 | 9,913,240 | 14,798,211 | 19,636,029 | 24,427,152 | 29,172,028 | 33,871,104 | 38,524,823 | 43,133,622 | 47,697,936 | 52,218,192 | 56,694,817 |
| | Monthly | \$83,333 | | | | | | | | | | | | |

The information presented is hypothetical and not intended to project or predict investment results.

[illegible]

Strength Since 1906

Midland National's story is a classic example of American perseverance and ingenuity. We've survived and thrived through two world wars, the Great Depression and multiple recessions.

Today, we're here to help you thrive.



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