Three questions, *three* answers.

Life insurance is a deceptively simple product made complicated by the people selling it. There are only three real questions: **how much, what kind, and for how long.** Here's how we answer them with clients.

1

How much?

10–12× income

Floor: enough to replace your income for the years your family still depends on it. **`10× gross income`** is the lazy answer; **`12× plus mortgage`** is the careful one.

2

What kind?

Term, almost always

For 95% of clients, **`level-premium term`** is the right product. Whole life and IUL serve specific estate-planning purposes — but rarely the income-replacement purpose most people are actually solving for.

3

How long?

Until you're self-insured

A term that covers you until your **`youngest child finishes college`** or your **`portfolio could carry your family without your income`** — whichever comes second.

1 SIZING IT MORE CAREFULLY — THE DIME METHOD

If you want a more precise answer than "10× income," walk through DIME and add the four numbers together. That's your minimum.

LETTER	WHAT TO ADD	HOW TO FIGURE IT
D — Debt	All non-mortgage debt	Credit cards, car loans, personal loans, student loans
I — Income	10× gross income	Replaces your earnings for the years your family depends on them
M — Mortgage	Remaining mortgage balance	So a surviving spouse can stay in the home if they want to
E — Education	~$120K per child for college	Adjust for in-state vs. private; Ohio state schools currently run $100–130K all-in

A 38-year-old earning $150K with two young kids, a $300K mortgage, $40K of debt and zero college savings: ***$300K + $1.5M + $300K + $240K = $2.34M.*** *Round up to $2.5M of 20-year term.*

2 TERM LENGTH — MATCH IT TO THE RUNWAY

YOUR SITUATION	TERM LENGTH
Mid-20s, no kids yet, mortgage	20 years
30s with young kids	20-year term, or 30 if kids are very young
40s with school-age kids	20 years — gets youngest through college and into adulthood
50s, kids near grown, building toward retirement	15 or 20 years, sized to bridge to retirement
60s, kids independent, portfolio funding retirement	You're likely self-insured — no policy needed

3 DON'T INSURE THE WRONG THINGS

- **Insure a stay-at-home spouse, too.** A floor of $500K–$1M covers childcare, household labor, and education the surviving partner would otherwise pay for. The math is real.
- **Don't insure children** unless your goal is to lock in their insurability for medical reasons. A small rider on the parent's policy is enough.
- **Don't buy life insurance as an investment.** Whole-life and IUL "cash value" pitches usually underperform a 60/40 portfolio after fees. The exception is large estates with specific tax planning needs — and that's a conversation, not a product.
- **Don't rely on group life through your employer alone.** It's typically 1–2× salary and doesn't follow you when you change jobs. Use it as a supplement.

4 A FEW RULES WE APPLY WITH CLIENTS

- **Buy now, not later.** Premiums climb roughly 8–10% per year of age. A delay of three years can cost more than the entire 20-year premium savings of shopping carriers.
- **Underwrite while healthy.** A new diagnosis can take the option away. If you're considering coverage, the application should go in this quarter.
- **Two stacked policies often beat one.** A $1M / 20-year plus a $500K / 30-year may cost less than $1.5M / 30-year — and matches actual need (high coverage during peak years, lower coverage in the tail).
- **Review every five years and at every life event.** New child, new home, new job, divorce, business sale. We prompt this at the annual review.
- **Name the beneficiary correctly.** Per stirpes for kids; spouse as primary; never your estate (probate, creditors). Update after every life event.

> **A NOTE FROM MPM**
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> The goal of life insurance is to make a death less financially catastrophic for the people who love you. That's it. *If the policy you have today does that, you don't need anything fancier.* If it doesn't, the fix is usually cheaper than you think.

Sources: LIMRA US Life Insurance Industry Research; Insurance Information Institute (III); Society of Actuaries mortality & pricing tables. The DIME method (Debt, Income, Mortgage, Education) is a long-standing insurance-industry framework; rules of thumb are starting points, not substitutes for a needs analysis.