DIME Framework — Life Insurance Coverage Estimation

Educational template · 2 pages · Estimate coverage based on your family's actual obligations

WHAT IS DIME?

DIME = **D**ebt + **I**ncome × years + **M**ortgage + **E**ducation, minus existing coverage and savings. It's an educational framework that helps families estimate how much life insurance they may need — based on actual financial obligations, not generic rules of thumb. Every family's situation is different; this framework is a starting point, not a prescription.

D — TOTAL DEBT (excluding mortgage)

Sum each current balance. Not the limit. Exclude mortgage — that goes in M.

Credit card 1	$
Credit card 2	$
Credit card 3	$
Auto loan	$
Student loan	$
Personal loans / BNPL	$
Medical debts	$
TOTAL D	$

I — INCOME × YEARS TO REPLACE

Your annual gross income × years your family needs to replace it. Rule: until youngest child is 18, or 10 years — whichever is greater.

Your annual gross income	
Years to replace (typical 10-15)	
TOTAL I (multiply the two)	

M — MORTGAGE

Current mortgage balance + HELOC (if any). If renting, write $0.

Current mortgage balance	$
HELOC balance (if applicable)	$

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TOTAL M	$

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E — CHILDREN'S EDUCATION

Total 4-year college cost per child. Public in-state ~$90K, out-of-state $180K, private $250K+.

Child / name	Type (public in-state / out / private)	Estimated cost ($)
#1		$
#2		$
#3		$
#4		$
TOTAL E		$

– ALREADY COVERED

What you DON'T need to buy (you already have it in some form).

Current life insurance (all policies)	$
Employer group life (typically 1× salary)	$
Emergency fund	$
50% of liquid savings + investments	$
TOTAL ALREADY COVERED	$

RESULT — COVERAGE ESTIMATE

Sum D + I + M + E, subtract 'Already covered'. The result is a useful estimate to guide conversations with your partner, coach, or advisor. Policies come in multiples of $50,000; round accordingly. Revisit this number whenever your family situation changes.

D — Debt	$
I — Income × years	$
M — Mortgage	$
E — Education	$
Subtotal	$
– Already covered	–$
ESTIMATED COVERAGE	$
Rounded to nearest $50K	$

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SIGN + DATE (OPTIONAL)

If you'd like, sign with your partner as a record of your family conversation:

Your signature	
Partner signature	
Date	
Next review (1 year)	

NEXT STEP · With this estimate, consider downloading the Options Comparison template and gathering quotes from several carriers. Comparing options helps families make informed decisions.

EDUCATIONAL NOTICE

This information is educational and should not be considered individualized financial, legal, tax, or insurance advice. Every family's situation is different. For personalized guidance, consult qualified professionals who act in your interest.

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