

Life insurance needs analysis



Date (DD/MM/YYYY)

	A	B
Client name		
Assets to be converted at death		
Savings accounts		
Tax-free savings account		
After-tax value of registered investments		
After-tax value of non-registered investments		
Principal residence		
After-tax value of other real estate <i>(cottage, etc.)</i>		
After-tax value of business/farm assets		
Total life insurance ¹		
CPP/QPP death benefit		
Other assets		
Total assets available	\$ <input type="text"/>	a \$ <input type="text"/>
Liabilities		
Mortgage(s)		
Loan(s) and other debts		
Final expenses ²		
Total liabilities	\$ <input type="text"/>	b \$ <input type="text"/>
Cash needs at death for survivors		
Education fund		
Readjustment costs ³		
Other cash needs ⁴		
Total cash needs	\$ <input type="text"/>	c \$ <input type="text"/>
Total liabilities and cash needs (b + c)	\$ <input type="text"/>	d \$ <input type="text"/>
Income for survivors <i>(gross, annual and beginning of period values)</i>		
Income required after death <i>(70% of total family income is suggested)</i>	\$ <input type="text"/>	e \$ <input type="text"/>
Partner's/Spouse's employment income		
CPP/QPP survivor/orphan income benefits		
Other income		
Income available	\$ <input type="text"/>	f \$ <input type="text"/>
Income shortage/surplus <i>(if negative, enter 0)</i>	(e - f) \$ <input type="text"/>	g \$ <input type="text"/>
Factor selected <i>(refer to reverse side)</i>		h <input type="text"/>
Amount needed to cover income shortage	(g x h) \$ <input type="text"/>	i \$ <input type="text"/>
Total insurance needs	(d + i) \$ <input type="text"/>	j \$ <input type="text"/>
Additional life insurance required <i>(if negative, enter 0)</i>	(j - a) \$ <input type="text"/>	\$ <input type="text"/>
Client A signature	Date (DD/MM/YYYY)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Client B signature	Date (DD/MM/YYYY)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Advisor signature	Date (DD/MM/YYYY)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

¹ Total life insurance includes personal insurance, group insurance, mortgage insurance, credit insurance.

² Final expense includes funeral expenses, final taxes, probate fees, legal and executor fees, etc.

³ Readjustment costs include advance payment of rent, leave without pay, trip, etc.

⁴ Other cash needs include child and home care expenses, emergency fund, bequest, etc.

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Factor for the calculation of the capital needed to cover the income shortage

		Interest rate*							
		1%	2%	3%	4%	5%	6%	7%	8%
Capital depletion	5 years	4.90	4.81	4.72	4.63	4.55	4.47	4.39	4.31
	10 years	9.57	9.16	8.79	8.44	8.11	7.80	7.52	7.25
	15 years	14.00	13.11	12.30	11.56	10.90	10.29	9.75	9.24
	20 years	18.23	16.68	15.32	14.13	13.09	12.16	11.34	10.60
	25 years	22.24	19.91	17.94	16.25	14.80	13.55	12.47	11.53
	30 years	26.07	22.84	20.19	17.98	16.14	14.59	13.28	12.16
	35 years	29.70	25.50	22.13	19.41	17.19	15.37	13.85	12.59
	40 years	33.16	27.90	23.81	20.58	18.02	15.95	14.26	12.88
	45 years	36.46	30.08	25.25	21.55	18.66	16.38	14.56	13.08
	50 years	39.59	32.05	26.50	22.34	19.17	16.71	14.77	13.21
Capital preservation		101.00	51.00	34.33	26.00	21.00	17.67	15.29	13.50

* To account for inflation, you may use a net interest rate equal to interest rate minus inflation rate.