



LIFE INSURANCE NEEDS ANALYSIS



... your gateway to financial success.

There may be assets which are not to be liquidated in order to provide income. Registered and Business Assets may fall into this category. If this is the case do not include these assets as part of the "assets to be converted at death".

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.

The person who is preparing this simplified Needs Analysis is an independent contractor. Financial Horizons Group will not be supervising the activity(ies) of your representative and you should not rely on Financial Horizons Group for any review of this Needs Analysis. Financial Horizons Group will not be liable to you for any errors or omissions as a result of any activity(ies) or service(s) performed by your representative.

Date: _____

Client name: **A** _____ **B** _____

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 (cottage, etc.)	\$ _____	\$ _____
After-tax value of business/farm assets	\$ _____	\$ _____
Total life insurance ¹	\$ _____	\$ _____
CPP/QPP death benefit	\$ _____	\$ _____
Other assets	\$ _____	\$ _____
Total assets available	\$ _____ a	\$ _____ a

Liabilities

Mortgage(s)	\$ _____	\$ _____
Loan(s) and other debts	\$ _____	\$ _____
Final expenses ²	\$ _____	\$ _____
Total liabilities	\$ _____ b	\$ _____ b

Cash needs at death for survivors

Education fund	\$ _____	\$ _____
Readjustment costs ³	\$ _____	\$ _____
Other cash needs ⁴	\$ _____	\$ _____
Total cash needs	\$ _____ c	\$ _____ c

Total liabilities and cash needs (b + c) \$ _____ d \$ _____ d

Income for survivors (gross, annual and beginning of period values)

Income required after death (70% of total family income is suggested)	\$ _____ e	\$ _____ e
Partner's/Spouse's employment income	\$ _____	\$ _____
CPP/QPP survivor/orphan income benefits	\$ _____	\$ _____
Other income	\$ _____	\$ _____

Income available (e - f) \$ _____ f \$ _____ f

Income shortage/surplus (e - f) \$ _____ g \$ _____ g
(if negative, enter 0)

Factor selected (refer to reverse side) \$ _____ h \$ _____ h

Amount needed to cover income shortage (g x h) \$ _____ i \$ _____ i

Total insurance needs (d + i) \$ _____ j \$ _____ j

Additional life insurance required (j - a) \$ _____ \$ _____
(if negative, enter 0)

Client A Signature: _____ **Date:** _____

Client B Signature: _____ **Date:** _____

Broker Signature: _____ **Date:** _____

	A _____		B _____	
Do you have a Will?	Yes	No	Yes	No
Do you have a Power of Attorney?	Yes	No	Yes	No
Are you interested in obtaining information concerning CI/DI	Yes	No	Yes	No

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. These factors are based on the assumption that incomes are taken annually at the beginning of the year.

