

Life Insurance Needs Analysis Worksheet

Date: _____

This Worksheet may be used to collect information as part of a life insurance needs analysis for 1 or 2 individuals within the same family. The type and amount of information required to be collected will vary depending on each client's particular circumstances, therefore the information that can be collected in this Worksheet may be more or less than is required. Advisors are responsible for determining the extent of the information required to be collected for each client and for analyzing the collected information to determine each client's life insurance need.

For further information about needs-based sales practices, you may wish to review CLHIA Reference Document: *The Approach: Serving Clients Through Needs-based Analysis*. You may also want to use some of our other tools, such as our Investor Profile Questionnaire, which can be accessed on our website www.empire.ca

1. General Information					
	First name	Last name	Date of birth (mm/dd/yyyy)	Relationship	Province of residence
Client 1					
Client 2					
Dependent (if applicable)					
Dependent (if applicable)					
Dependent (if applicable)					
Dependent (if applicable)					

2. Occupation			
Nature of business owned and existence of a Buy/Sell Agreement may indicate a need for additional business focused planning.			
	Employer	Position	Check if applicable
Client 1			<input type="radio"/> Self employed <input type="radio"/> Business owner <input type="radio"/> Incorporated
Client 2			<input type="radio"/> Self employed <input type="radio"/> Business owner <input type="radio"/> Incorporated
	Nature of business		Do you have a Buy/Sell agreement?
Client 1			<input type="radio"/> yes <input type="radio"/> no
Client 2			<input type="radio"/> yes <input type="radio"/> no

3. Professional Advisors	
Answers to questions about wills, guardian for children, executor and continuing power of attorney may indicate a need for additional estate planning.	
Name of lawyer	Address
Name of accountant	Address
Do you have a will? <input type="radio"/> yes <input type="radio"/> no - if yes, indicate the date the will was made or last revised:	Name of executor
Name of guardian for children	Relationship to children
Do you have a Continuing Power of Attorney for Property or a Mandate given in anticipation of incapacity to administer your property? <input type="radio"/> yes <input type="radio"/> no If yes, who is your attorney or mandatory for property?	

4. Budget Information

Monthly Income: List the **Net Income** received by Client 1 and Client 2 from all sources.

Monthly Expenses: Indicate the total amount of each expense and the amount paid by each client.

For example: If the monthly mortgage payment is \$1,000.00, show \$1,000 as the Total Amount and if it is split equally between Client 1 and Client 2, indicate \$500.00 for each client. However if mortgage expense is only paid by Client 1, indicate \$1000 for Client 1 and \$0 for Client 2.

Monthly Income (Net)	Client 1	Client 2
Monthly employment income	\$	\$
Other Monthly Income 1	\$	\$
Source of Other Monthly Income 1		
Other Monthly Income 2	\$	\$
Source of Other Income 2		
Total Net Monthly Income	\$	\$

Monthly Expenses	Total Amount	Amount paid by Client 1	Amount paid by Client 2
Mortgage/Rent	\$	\$	\$
Groceries	\$	\$	\$
Telephone	\$	\$	\$
Daycare / Child Care	\$	\$	\$
Property Tax	\$	\$	\$
Transportation/Commuting Expenses	\$	\$	\$
Car/Home Insurance	\$	\$	\$
Water	\$	\$	\$
Cable/Satellite	\$	\$	\$
Electricity	\$	\$	\$
Heating	\$	\$	\$
Credit Card	\$	\$	\$
Alimony	\$	\$	\$
Child Support	\$	\$	\$
Loan 1	\$	\$	\$
Loan 2	\$	\$	\$
Loan 3	\$	\$	\$
Automobile – <input type="radio"/> Own <input type="radio"/> Lease	\$	\$	\$
Vacation fund	\$	\$	\$
Miscellaneous	\$	\$	\$
Other	\$	\$	\$
Total Monthly Expenses	\$	\$	\$
Monthly Discretionary Income (Total Net Monthly Income - Total Monthly Expenses)	\$	\$	\$

4. Budget Information (cont'd)

Disposable Income

	Client 1	Client 2
Monthly savings List amount each client saves each month for future needs, eg. retirement, education, emergencies, debt repayment, vacations, etc.		
Registered Retirement Savings Plan (RRSP)	\$	\$
Education (E.g. RESP)	\$	\$
Emergency Fund	\$	\$
Debt Repayment (not including amounts indicated in Monthly Expenses)	\$	\$
Other	\$	\$
Please specify:		
Total Monthly Savings	\$	\$
Total Disposable Income (Monthly Discretionary Income – Total Monthly Savings)	\$	\$

5. Balance Sheet – Client 1

List all assets and liabilities for Client 1 to determine net worth for Client 1. If all assets and liabilities are jointly held by Client 1 and Client 2, complete one balance sheet only.

Do you have foreign assets or liabilities? yes no – If yes, specify in which country _____

Specify the currency/exchange rate _____ – Add any foreign assets or liabilities under "Other"

ASSETS		LIABILITIES		
Fixed Assets	Value (Cdn. \$)	Long Term Liabilities	Value (Cdn. \$)	Do you want the liability paid off if you die?
Residence	\$	Residential Mortgage	\$	<input type="radio"/> yes <input type="radio"/> no
Automobile	\$	2nd Property Mortgage	\$	<input type="radio"/> yes <input type="radio"/> no
Vacation Property	\$	Other	\$	<input type="radio"/> yes <input type="radio"/> no
Pension	\$	Other	\$	<input type="radio"/> yes <input type="radio"/> no
Other	\$	Total Long Term Liabilities	\$	
Total Fixed Assets	\$			
Liquid Assets		Short Term Liabilities		
Savings Accounts	\$	Loan	\$	
Registered Retirement Savings Plans (RRSP):	\$	Loan	\$	
Guaranteed Investment Certificates (GIC):	\$	Loan	\$	
Mutual Funds	\$	Line of Credit	\$	
Stocks	\$	Line of Credit	\$	
Other	\$	Line of Credit	\$	
Total Liquid Assets	\$	Total Short Term Liabilities	\$	
Income Generating Assets		Investment Liabilities		
Rental Property	\$	Rental Property Mortgage	\$	
Registered Retirement Income Fund (RRIF)	\$	Other Liabilities	\$	
Life Income Fund (LIF)	\$	Other Liabilities	\$	
Other	\$	Total Investment Liabilities	\$	
Total Income Generating Assets	\$			
Total Assets	\$	Total Liabilities	\$	
NET WORTH (Total Assets – Total Liabilities)	\$			

5. Balance Sheet – Client 2

List all assets and liabilities for Client 2 to determine net worth for Client 2. If all assets and liabilities are jointly held by Client 1 and Client 2, complete one balance sheet only.

Do you have foreign assets or liabilities? yes no – If yes, specify in which country _____
Specify the currency/exchange rate _____ – Add any foreign assets or liabilities under "Other"

ASSETS		LIABILITIES		
Fixed Assets	Value (Cdn. \$)	Long Term Liabilities	Value (Cdn. \$)	Do you want the liability paid off if you die?
Residence	\$	Residential Mortgage	\$	<input type="radio"/> yes <input type="radio"/> no
Automobile	\$	2nd Property Mortgage	\$	<input type="radio"/> yes <input type="radio"/> no
Vacation Property	\$	Other	\$	<input type="radio"/> yes <input type="radio"/> no
Pension	\$	Other	\$	<input type="radio"/> yes <input type="radio"/> no
Other	\$	Total Long Term Liabilities	\$	
Total Fixed Assets	\$			
Liquid Assets		Short Term Liabilities		
Savings Accounts	\$	Loan	\$	
Registered Retirement Savings Plans (RRSP):	\$	Loan	\$	
Guaranteed Investment Certificates (GIC):	\$	Loan	\$	
Mutual Funds	\$	Line of Credit	\$	
Stocks	\$	Line of Credit	\$	
Other	\$	Line of Credit	\$	
Total Liquid Assets	\$	Total Short Term Liabilities	\$	
Income Generating Assets		Investment Liabilities		
Rental Property	\$	Rental Property Mortgage	\$	
Registered Retirement Income Fund (RRIF)	\$	Other Liabilities	\$	
Life Income Fund (LIF)	\$	Other Liabilities	\$	
Other	\$	Total Investment Liabilities	\$	
Total Income Generating Assets	\$			
Total Assets	\$	Total Liabilities	\$	
NET WORTH (Total Assets – Total Liabilities)		\$		

6. Existing Life Insurance

Record the details of all Life Insurance currently on the life of Client 1 and Client 2, including any group life insurance coverage. Indicate if a client intends to replace any existing coverage with the life insurance to be purchased.

Client 1 – Existing Life Insurance

Policy #	Company	Annual premium	Coverage type	Coverage amount	Beneficiary	Revocable?	Date of issue	Cash value	Replacing policy?
		\$		\$				\$	
		\$		\$				\$	
		\$		\$				\$	
		\$		\$				\$	
Total Existing Life Insurance (not including life insurance to be replaced)		\$							

Client 2 – Existing Life Insurance

Policy #	Company	Annual premium	Coverage type	Coverage amount	Beneficiary	Revocable?	Date of issue	Cash value	Replacing policy?
		\$		\$				\$	
		\$		\$				\$	
		\$		\$				\$	
		\$		\$				\$	
Total Existing Life Insurance (not including life insurance to be replaced)		\$							

7a. Current Life Insurance Needs

Immediate Insurance Needs - List the amounts required to pay all final expenses, to pay off debts and to create funds in the event Client 1 or Client 2 dies. If assumptions have been made, indicate what they are below.

Assumptions:

Final Expenses	If Client 1 dies	If Client 2 dies
Funeral and related expenses	\$	\$
Estate Income Tax	\$	\$
Lawyers/Accountant/Executor Fees	\$	\$
Medical/ Hospital Bills	\$	\$
Provincial Taxes	\$	\$
Court Costs	\$	
Probate Fees	\$	\$
Other	\$	\$
Please specify:		
Total Final Expenses	\$	\$
Debts to be paid	If Client 1 dies	If Client 2 dies
Residential mortgage	\$	\$
Total credit cards	\$	\$
Loans	\$	\$
Foreign liabilities	\$	\$
Business taxes	\$	\$
Other	\$	\$
Please Specify:		
Total Debts to be Paid	\$	\$

Funds:

Emergency Fund: List the amount required to create a fund for client's family to use to pay for unforeseen expenditures.

Annual Rental Fund: If client's family will rent their home after client dies, calculate the amount required to create a fund to pay their rent for a specified adjustment period.

Educations/Vocational fund: List the amount required to create a fund to cover the cost of post-secondary education for dependent children or to allow the surviving spouse to go back to school or change jobs.

	If Client 1 dies	If Client 2 dies
Emergency fund	\$	\$
Annual rental fund	\$	\$
Educational/vocational fund	\$	\$
Total Fund (Emergency + Rental + Education funds)	\$	\$
TOTAL IMMEDIATE NEEDS (Total Final Expenses + Total Debts to be Paid + Total Fund)	\$	\$
Cash Available		
Total Existing life insurance	\$	\$
Total liquid assets	\$	\$
Total Cash Available (Total existing life insurance minus Total liquid assets)	\$	\$
NET IMMEDIATE NEEDS (Total Immediate Needs minus Total Cash Available)	\$	\$

7b. Income Replacement Needs

Using the table below, determine the approximate Annual Gross Income required for the family to "remain in their own world" after the death of Client 1 or Client 2. This will establish an approximate annual income goal for the family.

Income objective:

Based on a study by a group of economists, the following are typical income objectives in order to permit a family to "remain in their own world" after the death of a wage earner. Assumption is the mortgage on the residence is paid, or a rent fund is established; educational expenses provided for separately.

Annual Gross Income	Percentage of Gross Income Required
Up to \$44,000	70%
\$44,001 to \$49,000	66%
\$49,001 to \$54,000	63%
\$54,001 to \$60,000	60%
\$60,001 and Over	57%
Two Income Families (at all income levels)	70%

	Client 1	Client 2
Current annual gross income	\$	\$
Percentage of gross income required if Client 1 or Client 2 dies (refer to chart above)	_____ %	_____ %
Annual Income needed (current annual gross income x % of gross income required objective)	\$	\$
Less income available to client's family	If Client 1 dies	If Client 2 dies
Gross Annual amount of Government pensions available to survivor	\$	\$
Gross Annual Income from employment (survivor)	\$	\$
Gross Annual Income from other sources available to survivor	\$	\$
TOTAL ANNUAL GROSS INCOME SHORTAGE/SURPLUS	\$	\$
	Client 1	Client 2
Number of years to provide annual gross income shortage	_____ years	_____ years
Amount of capital required to provide income (annual gross income shortage x number of years to provide it)	\$ _____ x _____ yrs	\$ _____ x _____ yrs
Equals Total Capital required for Income Replacement Needs	\$	\$
Plus Net immediate needs	\$	\$
Equals CURRENT LIFE INSURANCE NEEDS	\$	\$

Other Long Term Planning Needs

The following are not covered by this Worksheet and may require additional planning.

- Have you planned for Long Term Care? yes no
 Have you planned in case of Disability? yes no
 Have you planned in case of Critical Illness? yes no
 Do you need to plan for business coverage? yes no
 Do you need investment planning? yes no

Signatures

By signing below, I confirm that I have reviewed the information provided above and it is accurate and complete as of the date indicated below.

Signature of client 1 X	Print name of client 1	Date (dd/mmm/yy)
Signature of client 2 X	Print name of client 2	Date (dd/mmm/yy)
Signature of advisor as witness X		Date (dd/mmm/yy)

*** Life Expectancy in Canada**

Current Age	Male Life Expectancy	Female Life Expectancy	Current Age	Male Life Expectancy	Female Life Expectancy
0	79	84	50	82	85
1	80	84	51	82	85
2	80	84	52	82	85
3	80	84	53	82	85
4	80	84	54	82	85
5	80	84	55	82	86
6	80	84	56	82	86
7	80	84	57	82	86
8	80	84	58	83	86
9	80	84	59	83	86
10	80	84	60	83	86
11	80	84	61	83	86
12	80	84	62	83	86
13	80	84	63	83	86
14	80	84	64	84	87
15	80	84	65	84	87
16	80	84	66	84	87
17	80	84	67	84	87
18	80	84	68	85	87
19	80	84	69	85	87
20	80	84	70	85	88
21	80	84	71	85	88
22	80	84	72	86	88
23	80	84	73	86	88
24	80	84	74	86	89
25	80	84	75	87	89
26	80	84	76	87	89
27	80	84	77	88	90
28	80	84	78	88	90
29	80	84	79	88	90
30	80	84	80	89	91
31	80	84	81	89	91
32	80	84	82	90	91
33	81	84	83	90	92
34	81	84	84	91	92
35	81	84	85	92	93
36	81	84	86	92	93
37	81	85	87	93	94
38	81	85	88	93	94
39	81	85	89	94	95
40	81	85	90	95	95
41	81	85	91	95	96
42	81	85	92	96	97
43	81	85	93	97	97
44	81	85	94	98	98
45	81	85	95	98	99
46	81	85	96	99	99
47	81	85	97	100	100
48	81	85	98	101	101
49	81	85	99	102	102
			100	102	103

* Complete life table, Canada, 2009 to 2011