

# Life insurance worksheet

To help estimate your life insurance needs, complete each section and follow the colour coded numbers on the reverse side for more details, descriptions and things to consider.

### How much is enough?

Liabilities and cash needs		Name	Partner's name
Mortgage(s) or rent fund			
Loans and other debts (including interest payments)			
1	Final expenses (burial, taxes, probate, lawyer fees, etc.)		
2	Education fund (\$ _____ x _____ yrs. x _____ children)		
	Child/home care (\$ _____ x _____ yrs. x _____ children)		
Other cash needs (emergency fund, bequests, etc.)			
Total liabilities and cash needs		(a)	(a)
Amount of money needed to provide income			
3	Family income needed after death	(b)	(b)
	Partner's annual employment income	(c)	(c)
	Annual CPP/QPP survivor/orphan income benefits	(d)	(d)
	Gross annual income available (c + d)	(e)	(e)
	Annual income shortage/surplus (b - e)	(f)	(f)
4	Amount of money needed to meet income shortage (f x _____ yrs.) Calculate only if f is greater than \$0, if f is less than \$0, enter \$0)	(g)	(g)
Total amount of money required (a + g)		(h)	(h)
5	Assets (usable by family/partner)	Amount available	Amount to liquidate
	Savings		
	Registered investments		
	Tax free savings plan		
	Non-registered investments		
	Principal residence		
	Other real estate		
	Total life insurance (group, personal, mortgage, credit)		
	Business/farm assets		
	CPP/QPP death benefit		
	Other assets	(i)	(i)
Total assets available			
Your life insurance need (h-i)			

Client acknowledgement: \_\_\_\_\_ Date: \_\_\_\_\_

Client acknowledgement: \_\_\_\_\_ Date: \_\_\_\_\_

Advisor acknowledgement: \_\_\_\_\_ Date: \_\_\_\_\_

## COMPLETING THE WORKSHEET

1. Burial costs may range from \$3,000 to \$15,000.<sup>1</sup>  
Your advisor can help estimate additional fees.
2. Total fees, including cost of living, may range from \$10,000 to \$20,000 per year, per child.<sup>2</sup>
3. Typically, the percentage of annual income your family will need if you die is 60% to 75% of your total family income before death.
4. When you die, the benefit received from your life insurance will help support your loved ones. After final expenses and debts are covered, the balance forms a capital fund that will help support your family's income shortage over a period of time. The duration of the capital fund depends on how the funds are invested and the length of time you plan for the funds to be available. You can choose from:
  - **Capital depletion** – the amount invested and the interest earned are both used to provide income. The capital is depleted to zero (\$0) at the end of the term you select. For simplicity, if you assume 0% return, the capital fund would be the annual funds needed multiplied by the number of years required (i.e., \$30,000 X 10 years = \$300,000 capital fund required).

- **Capital retention** – The capital fund is maintained and the amount invested is used to generate interest to provide income. To calculate the capital fund, take the annual funds needed and divide by an estimated annual return (i.e., \$30,000 ÷ 0.03 = \$1,000,000 capital fund required).

Your advisor can help estimate how long the funds will be needed and an appropriate interest rate. Use the InsureRight Calculator, available on InsureRight.ca, to input specific variables and receive an automatic calculation.

5. Not all assets will be liquidated at the time of your death. From the amount available, only indicate those that will be used to cover expenses under the "amount to liquidate" column.

Manulife's life insurance worksheet provides an estimate of the amount of life insurance you may need, based on the information you provide. Your insurance needs will change over time, so you should periodically review these needs with your advisor.

## DETERMINING YOUR INSURANCE NEEDS IS SIMPLE, WITH INSURERIGHT

There's a lot to consider when buying insurance. What type of coverage is right for you? How much is enough?

The **InsureRight Checklist** will help you learn about important things to consider when developing a financial plan. Use this **life insurance worksheet** to help review your life insurance needs. And when you're ready, use the **critical illness worksheet** to estimate how much protection you need to help cover medical bills and other expenses if you become ill.

You can also review your life, critical illness and disability insurance needs using InsureRight. For more information and tools talk to your advisor or visit InsureRight.ca today.



<sup>1</sup> Canadian Funerals Online. "Differences in costs between burials and cremation in Canada." www.canadianfunerals.com.

<sup>2</sup> Statistics Canada. "Undergraduate tuition fees for full time Canadian students, by discipline, by province." www.statcan.gc.ca.

