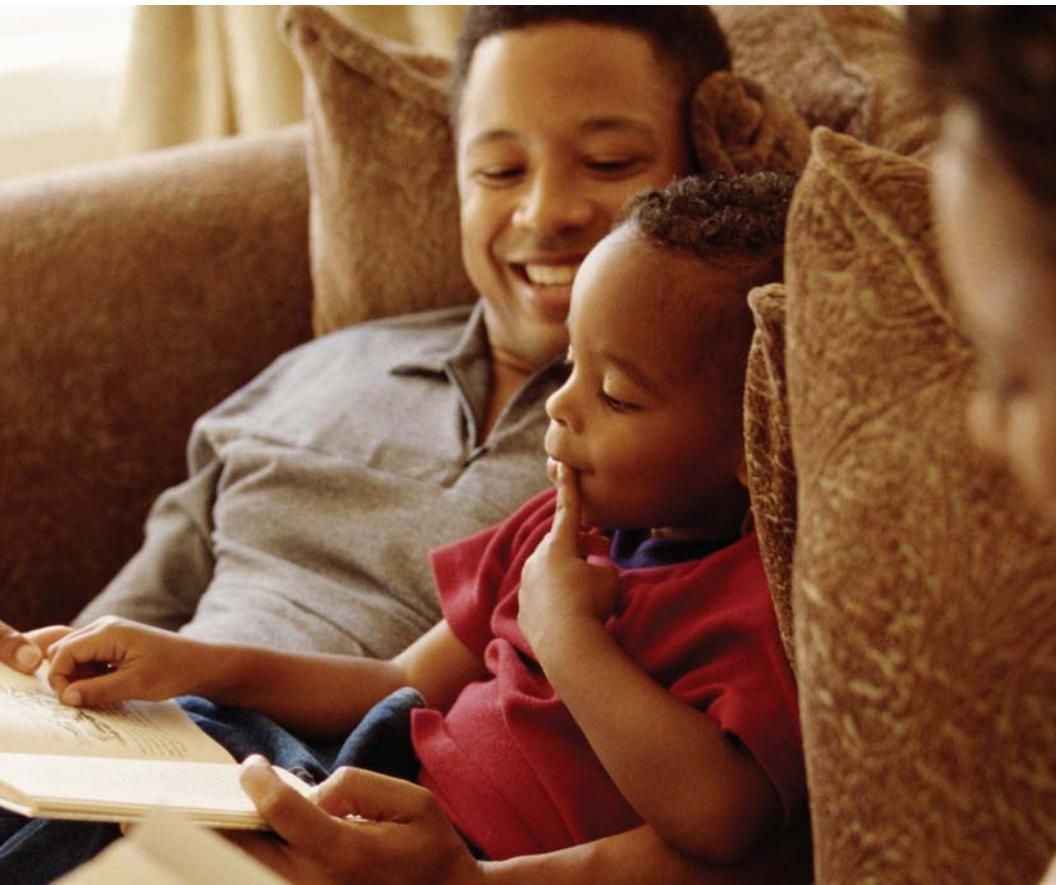




Canada Life™

DISABILITY INSURANCE

# Needs Analysis



**Protecting your financial security**

Not many of us expect to be affected by a disability. Yet disabilities are a very real fact of life that can be financially devastating.

**What are your odds?**

Percentage of people who will become disabled for at least 90 days prior to age 65 and average duration of disability

Age	% Disabled*	Average Duration**
25	44%	2.4 years
30	42%	3.2 years
35	40%	3.4 years
40	37%	3.9 years
45	33%	4.2 years
50	28%	4.7 years

\*Source: Commissioner's Disability Table, 92 CIA Mortality Table, blended 50/50 male/female

\*\*Source: Commissioner's Disability Table, blended 50/50 male/female and 50/50 accident/sickness

**Your income – your most valuable financial asset!**

Are you aware of the potential financial impact a disability could cause if it affected your ability to earn an income?

**Total potential earnings to age 65 assuming 2.5% increase**

Age	\$30,000	\$50,000	\$70,000	\$90,000	\$120,000	\$150,000	\$200,000
25	\$2,022,077	\$3,370,128	\$4,718,179	\$6,032,080	\$8,088,306	\$10,110,383	\$13,480,511
30	\$1,647,846	\$2,746,410	\$3,844,975	\$4,943,539	\$6,591,385	\$8,239,231	\$10,985,641
35	\$1,317,841	\$2,195,135	\$3,073,189	\$3,951,243	\$5,268,324	\$6,585,405	\$8,780,541
40	\$1,024,733	\$1,707,888	\$2,391,043	\$3,074,199	\$4,098,932	\$5,123,665	\$6,831,553
45	\$766,340	\$1,277,233	\$1,788,126	\$2,299,019	\$3,065,359	\$3,831,699	\$5,108,932
50	\$537,958	\$896,596	\$1,255,235	\$1,613,873	\$2,151,831	\$2,689,789	\$3,586,385

Based on your current age and income, what are your total potential earnings to age 65?

\$ \_\_\_\_\_

## Is your income worth protecting?

We all insure our homes and vehicles. Most of us couldn't afford to lose them. But is your income insured? Could you afford to lose it?

## What is it worth to insure your most valuable asset

Value of your home: \$ \_\_\_\_\_  
Value of your vehicle(s): \$ \_\_\_\_\_  
Annual premium to insure these assets: \$ \_\_\_\_\_  
Total potential earnings to age 65: \$ \_\_\_\_\_

## Do you have insurance coverage to protect this valuable asset?

Your current annual premium (if any) to insure this asset: \$ \_\_\_\_\_

## Monthly Expenses Calculation

This simple exercise will help you identify the income needed to maintain your current standard of living:

Expense	Cost per month
Mortgage / rent	\$ _____
Car payments	\$ _____
Credit card bills	\$ _____
RRSP / RESP / savings	\$ _____
Loan payments	\$ _____
Utilities	\$ _____
Phone / cable	\$ _____
Car expenses	\$ _____
Insurance (e.g. home, car, life, critical illness)	\$ _____
Food	\$ _____
Clothing, gifts	\$ _____
Property taxes	\$ _____
Childcare / education	\$ _____
Vacations	\$ _____
Entertainment	\$ _____
Other	\$ _____
<b>Total:</b>	\$ _____

# If you are disabled, where will this money come from?

## **Your spouse**

A spouse may be able to cover some or all expenses. However, your disability may affect your spouse's income by requiring him or her to become a caregiver or assume more household responsibilities. There may also be additional expenses such as childcare, medical, or home modifications.

## **RRSP and savings**

How long could you live off your savings? Remember that money withdrawn from Registered Retirement Savings Plans (RRSPs) is subject to income tax.

## **Loans and credit**

This can be a short term “band-aid” solution leaving you further in debt with additional monthly expenses. While disabled, it may be difficult to obtain new loans or credit.

## **Government disability benefits**

To qualify for Canada Pension Plan or Quebec Pension Plan benefits your disability must be severe and prolonged and prevent you from being able to work at any job. Employment Insurance has a limited benefit and only covers employees. Workers Compensation Board benefits only cover disabilities which occur on the job.

## **Sale of assets**

Would you be willing and able to quickly sell sufficient assets to meet your needs for their full value while disabled?

## **Borrowing from family and friends**

Would your family and friends be willing and able to pay your monthly expenses on an ongoing basis?

## **Group disability insurance**

If you have group coverage, is it enough? Does it provide the level of protection that you need? Remember, you do not control it, your plan sponsor does. What will happen to this coverage if you change employment?

## **Individual disability insurance**

Individual non-cancellable disability insurance from Canada Life offers flexibility and features to help bridge the gap between income and expenses during a disability.



## Is this enough coverage?

### Important points to remember...

#### Some considerations

- Expenses may increase significantly during a disability – e.g. additional medical or childcare expenses
- Disability may result in the loss of more than one income – e.g. if your spouse must give up work to become a caregiver. Your spouse's income may be essential to your financial security.

#### Some suggestions

- Maximize your available disability coverage
- Consider coverage for your spouse's income
- Discuss additional /alternate risk management strategies such as critical illness insurance with your advisor



## How much insurance do you need?

This chart shows the maximum (ultimate) non-taxable monthly disability benefit you are eligible for from Canada Life based on your income:

Annual insurable income	Ultimate non-taxable monthly benefit	Annual insurable income	Ultimate non-taxable monthly benefit
12,000	900	200,000	7,700
25,000	1,550	220,000	8,150
35,000	2,000	240,000	8,550
45,000	2,575	260,000	9,050
50,000	2,725	280,000	9,525
60,000	3,200	300,000	9,975
70,000	3,625	320,000	10,425
80,000	4,025	340,000	10,825
90,000	4,450	360,000	11,150
100,000	4,775	380,000	11,400
110,000	5,075	400,000	11,650
120,000	5,450	450,000	12,675
130,000	5,750	500,000	13,575
140,000	6,025	550,000	14,850
150,000	6,300	600,000	15,850
160,000	6,625	700,000	18,025
170,000	6,875	800,000	20,000
180,000	7,125	900,000	20,000
190,000	7,475	1,000,000	20,000

Your maximum (ultimate) non-taxable monthly benefit: \$ \_\_\_\_\_

### Needs Analysis:

Total monthly expenses \$ \_\_\_\_\_  
 (minus) Current monthly disability coverage \$ \_\_\_\_\_  
 (group, individual etc. if any)  
 (minus) Monthly spousal income (if applicable) \$ \_\_\_\_\_  
 = \$ \_\_\_\_\_ additional disability insurance needed.



This is not intended to be a complete needs analysis. Please work with your financial advisor to establish a complete financial security plan. This is not intended to be a recommendation or opinion as to the amount of insurance you require, but rather a basis for discussion between you and your advisor.

For more information about Canada Life and its products, visit [www.canadalife.ca](http://www.canadalife.ca). For more information about how disability insurance may fit your needs ask your financial advisor for an illustration.

The Canada Life Assurance Company, a subsidiary of The Great-West Life Assurance Company and a member of the Power Financial Corporation group of companies, provides insurance and wealth management products and services. Founded in 1847, Canada Life is the country's first domestic life insurance company.

Helping people achieve more™

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