

Financial needs analysis for business owners



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Basic information about the business:

Business name: _____ Registration number (federal/provincial): _____
Address: _____ Line of business: _____

Authorized person: _____

Phone: _____ Date established: _____
Date of last capital reorganization and reason: _____
Fiscal year-end: _____ Type of business: Operations Management
Legal structure: Sole proprietorship Trust Partnership Corporation
Number of employees: _____ Number of paid hours: _____ Fair Market Value (FMV): _____
Tax expert: _____ Phone: _____
Accountant: _____ Phone: _____
Legal advisor: _____ Phone: _____
Future development plans: Growth _____ % annually Stability Downsizing
Future projects: _____

Financial overview:

Year	Sales revenue	Net profit/loss before taxes	Assets	Liabilities

Key persons:

Name: _____	Name: _____
Date of birth: _____	Date of birth: _____
<input type="checkbox"/> Non-smoker <input type="checkbox"/> Smoker	<input type="checkbox"/> Non-smoker <input type="checkbox"/> Smoker
Salary (annual): _____	Salary (annual): _____
Title: _____	Title: _____
Would the prolonged absence of this person have an impact on the business? <input type="checkbox"/> Yes <input type="checkbox"/> No	Would the prolonged absence of this person have an impact on the business? <input type="checkbox"/> Yes <input type="checkbox"/> No

Basic information:

Partnership

Is there a partnership agreement?

Yes No Date: _____

Is there a signed agreement binding the partners?

Yes No Date: _____

Corporation

Incorporation date: _____

Corporation type: Private Public

If a private corporation, does it qualify as a small business corporation (SBC)?

Yes No

Is there a signed shareholder agreement?

Yes No Date: _____

Has it been amended?

Yes No Date: _____

Has there been a share capital reorganization?

Yes No

Reason: _____

Is the value of any subsidiaries included in the FMV?

Yes No FMV of subsidiaries: _____

Trust

Trust type: _____

Settlor: _____

Trustee: _____

Successor Trustee: _____

Beneficiaries: _____

Activities/purpose: _____

Partner/Shareholder information:

Partner/Shareholder 1

Partner/Shareholder 2

Partner/Shareholder 3

Name:	_____	_____	_____
Date of birth:	_____	_____	_____
Smoker:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Partner/shareholder since:	_____	_____	_____
Title:	_____	_____	_____
General state of health:	_____	_____	_____
At what age or in how many years do you expect to permanently retire from the business ? (e.g. in 10 years, 20 years, at age 65, 75 or other)	_____	_____	_____

If there is a signed shareholder/partnership agreement:

At what age do you expect a share/ interest purchase or redemption:	_____	_____	_____
Is there a purchase/redemption clause in the case of:			
• Death?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Disability?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
• Critical illness?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Detailed information about interests in partnership

% ownership:	_____	_____	_____
Share of profits (%):	_____	_____	_____
Current capital (\$):	_____	_____	_____
Average annual withholding:	_____	_____	_____

Detailed information about interests in the corporation

Shareholder 1

Shareholder 2

Shareholder 3

COMMON SHARES

%:

Value:

Adjusted cost basis:

Paid-up capital:

PREFERRED SHARES

%:

Value:

Adjusted cost basis:

Paid-up capital:

Loan to corporation:

Loan by corporation:

Would the prolonged absence of the shareholder have an impact on the business?

Yes No

Yes No

Yes No

Amount: _____

Amount: _____

Amount: _____

Inforce insurance:

Policyowner	Insured	Insurer	Face amount	Type (Life, CI, Dis.)	Coverage (term/perm.)	Beneficiary

Additional documents provided:

- Partnership/Shareholder agreement
 Insurance contract
 Financial statements
 Organization chart
 Partnership agreement
 Trust deed of gift
 Other: _____
 Other: _____
 Other: _____

Insurance objectives and needs (indicate all that apply):

	Life insurance	Critical illness insurance
1. Financing of share/interest purchase or redemption	<input type="checkbox"/>	<input type="checkbox"/>
2. Security by shareholder/partner to a debtor	<input type="checkbox"/>	<input type="checkbox"/>
3. Debts and other commitments	<input type="checkbox"/>	<input type="checkbox"/>
4. Financial impact of a prolonged absence of shareholder/partner/key person	<input type="checkbox"/>	<input type="checkbox"/>
5. Planned gift (donation)	<input type="checkbox"/>	N/A
6. Other investment strategies	<input type="checkbox"/>	N/A

Other relevant information

To the best of my knowledge, the above information is accurate and consistent with my situation.

In witness whereof I have signed at (place): _____



Date: _____

Client's signature (optional)

I hereby undertake to maintain the confidentiality of the contents of this document, which cannot be disclosed without the express consent of the client.



(Financial advisor's signature)

Financial needs analysis for business owners: Life insurance

Insureds' names: _____

1. Financing of share/interest purchase or redemption

Value of common shares/interests
for the purpose of
purchase/ redemption¹:

+ \$ _____ \$ _____ \$ _____

Estimated projected increase in
value (proof required)

+ \$ _____ \$ _____ \$ _____

Value of preferred shares:

\$ _____ \$ _____ \$ _____

Total: = \$ _____ \$ _____ \$ _____ ①

¹ Value obtained from the inforce agreement or estimated by the client. If the estimated value is entered here, it will be used for the analysis.

2. Security by shareholder/partner

Total amount committed: \$ _____ \$ _____ \$ _____ ②

3. Debts and other commitments

Payables: \$ _____ \$ _____ \$ _____

Financial lease: + \$ _____ \$ _____ \$ _____

Commercial lease: + \$ _____ \$ _____ \$ _____

Penalty for breach of contract: + \$ _____ \$ _____ \$ _____

Related party transactions: + \$ _____ \$ _____ \$ _____

Loans: + \$ _____ \$ _____ \$ _____

Other: + \$ _____ \$ _____ \$ _____

Other: + \$ _____ \$ _____ \$ _____

Other: + \$ _____ \$ _____ \$ _____

Total: = \$ _____ \$ _____ \$ _____ ③

4. Financial impact of a prolonged absence of a shareholder/partner/key person

Impact on balance sheet

Loss of assets:		\$ _____	\$ _____	\$ _____
Additional liabilities:	+	\$ _____	\$ _____	\$ _____

Impact on results

Loss of income:	+	\$ _____	\$ _____	\$ _____
Recruiting costs:	+	\$ _____	\$ _____	\$ _____
Compensation for replacement:	+	\$ _____	\$ _____	\$ _____
Training and replacement costs and loss of income:	+	\$ _____	\$ _____	\$ _____
Additional expenditures:	+	\$ _____	\$ _____	\$ _____
Additional expenditures:	+	\$ _____	\$ _____	\$ _____
Total:	=	\$ _____	\$ _____	\$ _____ (4)

5. Planned gift

Planned gift amount:		\$ _____	\$ _____	\$ _____ (5)
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6. Other investment strategies (proof required)

Life insurance needed:		\$ _____	\$ _____	\$ _____ (6)
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Please specify: _____

7. Total life insurance needed

(1) + (2) + (3) + (4) + (5) + (6) =

Total:		\$ _____	\$ _____	\$ _____ (7)
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8. Cash and inforce insurance

Cash on hand:		\$ _____	\$ _____	\$ _____
Inforce insurance:	+	\$ _____	\$ _____	\$ _____
Total:	=	\$ _____	\$ _____	\$ _____ (8)

9. Estimated amount of additional life insurance needed

(7) - (8) =

Total:		\$ _____	\$ _____	\$ _____ (9)
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Financial needs analysis for business owners: Critical illness insurance

Insureds' names: _____

1. Financing of share/interest purchase or redemption

Value of common shares/interests
for the purpose of
purchase/redemption:

+ \$ _____ \$ _____ \$ _____

Estimated projected increase in
value (proof required)

+ \$ _____ \$ _____ \$ _____

OR

Value of preferred shares:

\$ _____ \$ _____ \$ _____

Total: = \$ _____ \$ _____ \$ _____ ①

¹ Value obtained from the inforce agreement or estimated by the client. If the estimated value is entered here, it will be used for the analysis.

2. Security by shareholder/partner

Total amount committed: \$ _____ \$ _____ \$ _____ ②

3. Debts and other commitments

Payables: \$ _____ \$ _____ \$ _____

Financial lease: + \$ _____ \$ _____ \$ _____

Commercial lease: + \$ _____ \$ _____ \$ _____

Penalty for breach of contract: + \$ _____ \$ _____ \$ _____

Related party transactions: + \$ _____ \$ _____ \$ _____

Loans: + \$ _____ \$ _____ \$ _____

Other: + \$ _____ \$ _____ \$ _____

Other: + \$ _____ \$ _____ \$ _____

Other: + \$ _____ \$ _____ \$ _____

Total: = \$ _____ \$ _____ \$ _____ ③

4. Financial impact of a prolonged absence of a shareholder/partner/key person

Impact on balance sheet

Loss of assets:	+	\$ _____	\$ _____	\$ _____
Additional liabilities:	+	\$ _____	\$ _____	\$ _____

Impact on results

Loss of income:	+	\$ _____	\$ _____	\$ _____
Recruiting costs:	+	\$ _____	\$ _____	\$ _____
Compensation for replacement:	+	\$ _____	\$ _____	\$ _____
Training and replacement costs and loss of income:	+	\$ _____	\$ _____	\$ _____
Additional expenditures:	+	\$ _____	\$ _____	\$ _____
Additional expenditures:	+	\$ _____	\$ _____	\$ _____
Total:	=	\$ _____	\$ _____	\$ _____ ④

5. Total critical illness insurance needed

① + ② + ③ + ④ =

Total:	\$ _____	\$ _____	\$ _____ ⑤
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6. Cash and inforce insurance

Cash on hand:	+	\$ _____	\$ _____	\$ _____
Inforce insurance:	+	\$ _____	\$ _____	\$ _____
Total:	=	\$ _____	\$ _____	\$ _____ ⑥

7. Estimated amount of additional critical illness insurance needed

⑤ - ⑥ =

Total:	\$ _____	\$ _____	\$ _____ ⑦
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Appendix
Organization chart
Legal structure of businesses