

Business Needs Analysis (BNA)

Life and Critical Illness



BASIC INFORMATION ABOUT THE BUSINESS

Business Name: _____ Other name: _____
 Address: _____ Registration number (federal/provincial): _____
 _____ Line of business: _____
 _____ Activity type: ☐ Operations ☐ Management
 Date business was established: _____ Fiscal year end: _____
 Legal structure: ☐ Sole-proprietorship ☐ Partnership ☐ Corporation

PARTNERSHIP

If a partnership, is there a partnership agreement? ☐ No ☐ Yes Date: _____
 Is there a signed agreement binding the partners? ☐ No ☐ Yes Date: _____

CORPORATION

Incorporation date: _____
 Corporation type: ☐ Public ☐ Private ☐ SBC (Small Business Corporation)
 Is there a signed shareholder agreement? ☐ No ☐ Yes Date: _____
 Has it been amended? ☐ No ☐ Yes Date: _____
 Authorized persons: _____
 No. of employees: _____ Estimated value of the business: \$ _____
 Future development plans: ☐ Growing _____ % annually ☐ Stable ☐ Downsizing
 Future projects: _____

KEY PERSON NO. 1

Name: _____
 Date of birth: _____
 Salary: \$ _____
 Smoker/Non-smoker: _____
 Position: _____

KEY PERSON NO. 2

Name: _____
 Date of birth: _____
 Salary: \$ _____
 Smoker/Non-smoker: _____
 Position: _____



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PARTNER INFORMATION (PARTNERSHIP)

	Partner No. 1	Partner No. 2	Partner No. 3
Partner name:			
Date of birth:			
Smoker/Non-smoker:			
Share of profits (%):			
Current capital (\$):			
Average annual withholding:			

SHAREHOLDER INFORMATION (CORPORATION)

	Shareholder No. 1	Shareholder No. 2	Shareholder No. 3
Shareholder name:			
Date of birth:			
Smoker/Non-smoker:			
Health condition:			
Incorporation date:			
At what age or in how many years do you expect to permanently retire from the business (in 10 years, 20 years; at age 65 or 75, please specify):			

If there is a signed shareholder agreement:

At what age do you expect a purchase/redemption of shares?			
Is there a purchase/redemption clause in case of:			
• Death (Y/N)?			
• Long-term disability (Y/N)?			
• Critical illness (Y/N)?			

COMMON SHARES

%:			
Value:			
Adjusted cost base:			
Paid-up capital:			

PREFERRED SHARES

%:			
Value:			
Adjusted cost base:			
Paid-up capital:			

LOANS

Due to the shareholder:			
Due to the corporation:			
Date of last capital reorganization:		Reason:	

Value of any subsidiaries included in the FMV: ☐ No ☐ Yes Subsidiary FMV: _____

Net profit before taxes (last 3 years):	\$ _____	\$ _____	\$ _____
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Year(s):			
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Expected impact of long-term absence of insured person:			
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INSURANCE IN FORCE

Policyowner	Insured	Insurance company	Face amount	Type (Life, CI, DI)	Protection (term/perm)	Beneficiary

SUPPLEMENTARY DOCUMENTATION SUBMITTED

Partnership/shareholder agreement: ☐ Insurance policy: ☐ Financial statements: ☐ Other: ☐
Other: ☐ ☐ ☐ ☐

PURPOSE OF INSURANCE - OBJECTIVES AND NEEDS (CHECK IF APPLICABLE):

	INSURANCE	
	Life	CI
1. Financing of share/interest purchase or redemption	<input type="checkbox"/>	<input type="checkbox"/>
2. Security by the shareholder to a debtor	<input type="checkbox"/>	<input type="checkbox"/>
3. Other commitments: financial lease, guarantee, non-compete agreement, patent, breach of contract, lease, etc.	<input type="checkbox"/>	<input type="checkbox"/>
4. Economic loss coverage during the absence of a key person	<input type="checkbox"/>	N/A
5. Planned gift	<input type="checkbox"/>	N/A
6. Additional investment	<input type="checkbox"/>	N/A
7. Economic impact related to the absence of shareholder/partner/key person	N/A	<input type="checkbox"/>
8. Short-term continuation of income and support for care of shareholder/partner/key person	N/A	<input type="checkbox"/>

OTHER RELEVANT INFORMATION (SUCCESSION PLAN, ETC.)

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

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

X _____
Client's signature (optional)

Date

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

X _____
Financial Advisor's signature

Business Needs Analysis – Life Insurance

Policyholder: _____

Insured: _____

1 – FINANCING OF SHARE/INTEREST PURCHASE OR REDEMPTION

Value of shares for the purpose of purchase or buyback (see Note 1):

+ \$ _____

Estimated projected increase in value after 5 years:

+ \$ _____

Value of preferred shares:

+ \$ _____

OR If you are not bound by a shareholder agreement,
at what price would you be willing to sell your shares? (see Note 2):

OR \$ _____

Amount required:

\$ _____ **1**

Note 1: As specified in the agreement (if applicable) or confirmed in writing by the company auditor

Note 2: Any amount entered here will be used for the analysis, regardless of what was entered in the previous lines

2 – SECURITY BY THE SHAREHOLDER TO A DEBTOR

Amount committed:

\$ _____ **2**

3 – OTHER COMMITMENTS (financial lease, guarantee, non-compete agreement, patent, breach of contract, lease, etc.)

Financial lease:

+ \$ _____

Commercial lease:

+ \$ _____

Breach of contract:

+ \$ _____

Related party transaction:

+ \$ _____

Other: _____

+ \$ _____

Total commitments:

\$ _____ **3**

4 – ECONOMIC LOSS COVERAGE DURING THE ABSENCE OF A KEY PERSON

Additional costs related to replacement:

+ \$ _____

Estimated loss of future income:

+ \$ _____

\$ _____ **4**

5 – PLANNED GIFT

Amount of the gift planned by the company at your death:

\$ _____ **5**

Calculating life insurance need:

Estimated total life insurance needed: (**1** + **2** + **3** + **4** + **5**)

\$ _____ **A**

Less

Cash on hand:

+ \$ _____

Business life insurance in force:

+ \$ _____

– \$ _____ **B**

Estimated additional life insurance amount: (**A** – **B**)

\$

6 – ADDITIONAL INVESTMENT

A) Accumulation

Investment horizon (in years):

Target accumulated amount (at year end):

\$ _____

Projected rate of return (Max = inflation rate + 3%):

% _____

Annual payment at beginning of period:

\$ _____

B) Transfer of funds or investments (for estimated life insurance needs):

\$ _____

C) Additional accumulation (in addition to defined insurance need):

\$ _____

Amount of additional life insurance needed to reach this objective:

\$

Business Needs Analysis – Critical Illness Insurance

Policyholder: _____

Insured: _____

1 – FINANCING OF SHARE/INTEREST PURCHASE OR REDEMPTION

Value of shares for the purpose of purchase or redemption (see Note 1):

+ \$ _____

Estimated projected increase in value after 5 years:

+ \$ _____

Value of preferred shares:

+ \$ _____

OR If you are not bound by a shareholder agreement, at what price would you be willing to sell your shares? (see Note 2):

OR \$ _____

Amount required:

\$ _____ **1**

Note 1: As specified in the agreement (if applicable) or confirmed in writing by the company auditor

Note 2: Any amount entered here will be used for the analysis, regardless of what was entered in the previous lines

2 – SECURITY BY THE SHAREHOLDER TO A DEBTOR

Amount committed:

\$ _____ **2**

3 – OTHER COMMITMENTS (financial lease, guarantee, non-compete agreement, patent, breach of contract, lease, etc.)

Financial lease:

+ \$ _____

Loan reimbursement (if necessary):

+ \$ _____

Commercial lease:

+ \$ _____

Breach of contract:

+ \$ _____

Other:

+ \$ _____

Total commitments:

\$ _____ **3**

7 – ECONOMIC IMPACT RELATED TO THE ABSENCE OF SHAREHOLDER/PARTNER/KEY PERSON

Impact on the balance sheet

Loss of assets (intangible assets, permanent interests reduced): + \$ _____

Additional liabilities: + \$ _____

Total impact on the balance sheet:

\$ _____

Impact on income statement

Reduced income:

\$ _____

Additional expenditures:

Recruiting costs: + \$ _____

Compensation of replacement: + \$ _____

Training costs and loss of income: + \$ _____

Other: + \$ _____

Total additional expenditures:

\$ _____

Total economic impact:

\$ _____ **7**

8 – SHORT-TERM CONTINUATION OF INCOME AND SUPPORT FOR CARE OF SHAREHOLDER/PARTNER/KEY PERSON

Compensation for loss of income:

+ \$ _____

Compensation for care and/or treatment:

+ \$ _____

Office accessibility and retrofitting costs, if returning to work:

+ \$ _____

\$ _____ **8**

Estimated total critical illness insurance amount: (1 + 2 + 3 + 7 + 8)

\$ **A**

Less

Cash on hand:

+ \$ _____

Critical illness insurance in force:

+ \$ _____

\$ _____ **B**

Estimated additional critical illness insurance amount: (A – B)

\$ _____

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