



Disability insurance needs analysis.

THE MANUFACTURERS LIFE INSURANCE COMPANY





You spend a lot of money protecting your home and car(s). But, what about the one thing that makes them possible – your income? Personalized disability insurance can provide the protection you need for insuring your potential income.



Where will the money come from if you're unable to work?



Can you afford NOT to have personally owned disability insurance?



Have you insured your most critical asset – your income?



What can you do to meet these expenses? How much disability insurance would you need?

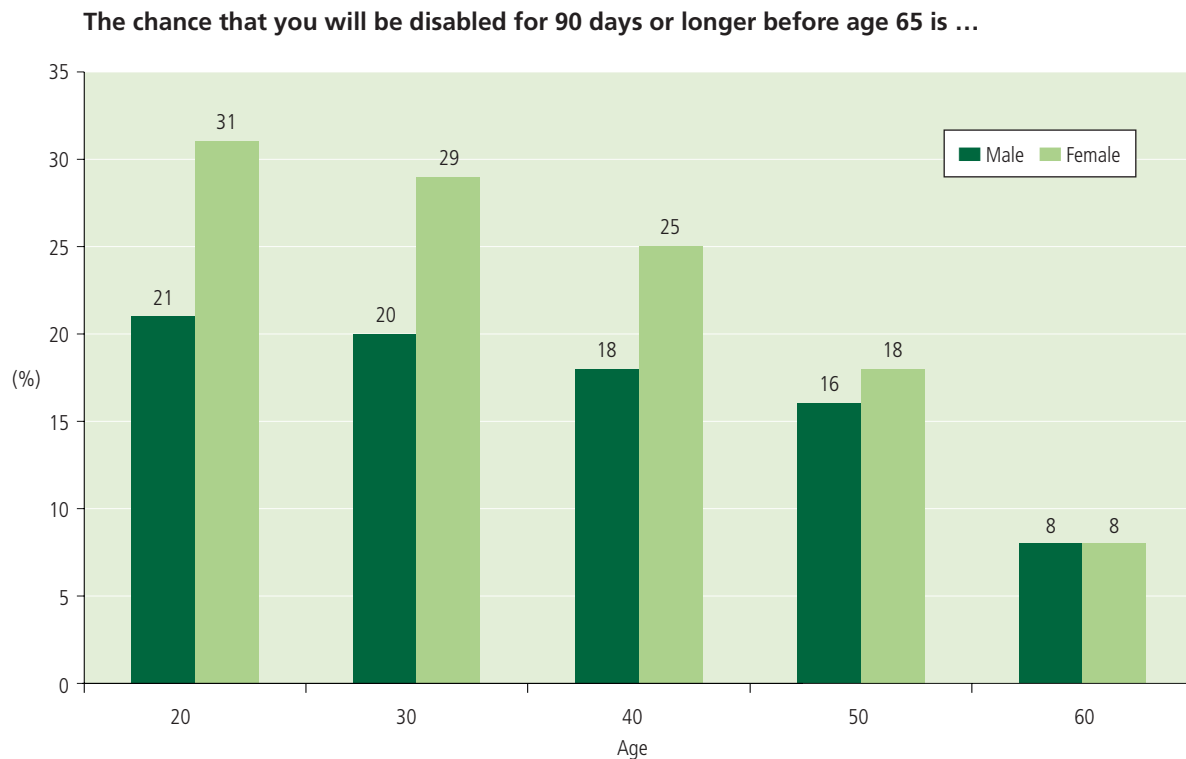


You know the monthly benefit you're eligible for, now what plan do you need?

## Do you know that ...?

Most people recognize the need for home insurance, car insurance and even life insurance. But many overlook the need for disability insurance – insurance that provides a source of income if you should become ill or injured and can't work.

The fact is, disability strikes working people far more often than premature death. Did you know one in three people, on average, will be disabled for 90 days or more at least once before they reach age 65?\*



Source: 1985 Commissioners Individual Table A (for occupations involving no manual labour)

\*A guide to disability insurance. Canadian Life and Health Insurance Association.

## THE POTENTIAL SOURCES OF INCOME



### Government benefits

Can you count on them? CPP/QPP only pay for the most severe disabilities. EI only covers employees and only pays a short-term benefit. Workers' Compensation primarily covers work related injury.



### Savings

How long will they last? Even a relatively short disability can wipe out years of savings. And if you have to use your RRSP savings to cover your expenses, don't forget you'll have to pay tax on the withdrawals, which will deplete your savings even more rapidly.



### Liquidation of assets

Even if you have no sentimental attachment to them, will you receive fair market value?



### Borrowing

Do your family and friends have the money to spare? Would a bank lend to you if you were not working?



### Group long term disability (LTD) insurance

If you're currently eligible, how much are you covered for? Does your plan provide the comprehensive coverage you need? Will you be covered if you change employers or become self-employed?



### Individual disability insurance

A personalized disability insurance coverage that can be tailored to your unique needs.

## THE VALUE OF YOUR INCOME

Use the following calculation to forecast your potential earnings to age 65:

Current income \$ \_\_\_\_\_

Multiplier\* from table below \_\_\_\_\_

Potential earnings to age 65 (AxB) \$ \_\_\_\_\_

| Current Age | Multiplier* | Current Age | Multiplier* |
|-------------|-------------|-------------|-------------|
| 25          | 67.4026     | 41          | 32.3490     |
| 26          | 64.7830     | 42          | 30.5844     |
| 27          | 62.2273     | 43          | 28.8629     |
| 28          | 59.7339     | 44          | 27.1833     |
| 29          | 57.3014     | 45          | 25.5447     |
| 30          | 54.9282     | 46          | 23.9460     |
| 31          | 52.6129     | 47          | 22.3863     |
| 32          | 50.3540     | 48          | 20.8647     |
| 33          | 48.1503     | 49          | 19.3802     |
| 34          | 46.0003     | 50          | 17.9319     |
| 35          | 43.9027     | 51          | 16.5190     |
| 36          | 41.8563     | 52          | 15.1404     |
| 37          | 39.8598     | 53          | 13.7956     |
| 38          | 37.9120     | 54          | 12.4835     |
| 39          | 36.0117     | 55          | 11.2034     |
| 40          | 34.1578     |             |             |

\* Assumes that earnings grow 2.5% each year

## INSURING YOUR ASSETS

The value of your home and car(s) \$ \_\_\_\_\_

The premium you pay to insure these assets \$ \_\_\_\_\_

The value of your potential earnings up to age 65 (from page 3) \$ \_\_\_\_\_

The premium you pay to insure this asset \$ \_\_\_\_\_

You spend a lot of money protecting your home and car(s). But, what about the one thing that makes them possible – your income? Personalized disability insurance can provide the protection you need for insuring your potential income.

**To maintain your current standard of living, you need:**

### Monthly expenses

Mortgage or rent \$ \_\_\_\_\_

Utilities \$ \_\_\_\_\_

Loan repayments \$ \_\_\_\_\_

Groceries \$ \_\_\_\_\_

Personal care (clothing, fitness, etc.) \$ \_\_\_\_\_

Transportation \$ \_\_\_\_\_

Medical/dental \$ \_\_\_\_\_

Childcare (including alimony, child support) \$ \_\_\_\_\_

Education \$ \_\_\_\_\_

Retirement savings \$ \_\_\_\_\_

Other \$ \_\_\_\_\_

**Total expenses \$ \_\_\_\_\_**

If you were disabled and lost your earning power, how many months or years could you maintain this lifestyle without the money you earn?

## DISABILITY NEEDS ANALYSIS WORKSHEET

Total expenses (from page 6) \$ \_\_\_\_\_

Minus existing coverage:

Individual \$ \_\_\_\_\_

Group \$ \_\_\_\_\_

Total existing: \$ \_\_\_\_\_

The total new amount required  
is the difference between these two: \$ \_\_\_\_\_

The amount of disability insurance that you can apply for depends on many factors, including your current income, occupation and existing disability coverage. See the chart below for the non-taxable benefit limits by income.

| Annual income (\$) | Monthly benefit limit (\$) | Annual income (\$) | Monthly benefit limit (\$) |
|--------------------|----------------------------|--------------------|----------------------------|
| 20,000             | 1,300                      | 200,000            | 8,500                      |
| 40,000             | 2,375                      | 300,000            | 10,950                     |
| 60,000             | 3,300                      | 400,000            | 12,800                     |
| 80,000             | 4,250                      | 500,000            | 14,500                     |
| 100,000            | 5,100                      | 600,000            | 17,000                     |
| 120,000            | 5,860                      | 700,000            | 19,250                     |
| 140,000            | 6,660                      | 800,000            | 21,250                     |
| 160,000            | 7,320                      | 900,000            | 23,400                     |
| 180,000            | 7,950                      | 1,000,000          | 25,850                     |

### QUOTE DETAIL

Complete the following to determine the disability insurance plan that you need.

Name: \_\_\_\_\_

Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_ Sex:  M  F

Occupation: \_\_\_\_\_

Duties: \_\_\_\_\_

Student or new grad?  Yes  No

In what profession: \_\_\_\_\_

Smoker:  Yes  No

Taking any medications?  Yes  No

If yes, why? \_\_\_\_\_

Declined for insurance elsewhere?  Yes  No

Company? \_\_\_\_\_

Why? \_\_\_\_\_

Do you work from home?  Yes  No

Eligible for EI?  Yes  No

Other D.I. plan?  Yes  No

If yes, amount: \$ \_\_\_\_\_

#### If self-employed:

Percentage ownership: \_\_\_\_\_

Years as owner of this business: \_\_\_\_\_

Number of full-time employees: \_\_\_\_\_

#### Income for last year:

Earned Income: \$ \_\_\_\_\_

Income Splitting: \$ \_\_\_\_\_

Other: \$ \_\_\_\_\_

Total: \$ \_\_\_\_\_

#### Coverage desired:

Monthly amount: \$ \_\_\_\_\_

Elimination period: 30 / 60 / 90 / 120 / 730 days

Benefit period: 5 years / to age 65

Options:  Cost of Living Adjustment rider (COLA)

Additional Insurance rider (AIR)

Partial/Residual Disability Benefits

Pensionguard rider

Premium Refund rider

Ask your advisor today about a high quality disability insurance plan from Manulife.



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MK1715E 11/15