

# 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:** \$ \_\_\_\_\_ <sup>1</sup>

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: \$ \_\_\_\_\_ <sup>2</sup>

## 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:** \$ \_\_\_\_\_ <sup>3</sup>

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

Additional costs related to replacement: + \$ \_\_\_\_\_  
 Estimated loss of future income: + \$ \_\_\_\_\_  
 \$ \_\_\_\_\_ <sup>4</sup>

## 5 – PLANNED GIFT

Amount of the gift planned by the company at your death: \$ \_\_\_\_\_ <sup>5</sup>

### Calculating life insurance need:

**Estimated total life insurance needed:** ( <sup>1</sup> + <sup>2</sup> + <sup>3</sup> + <sup>4</sup> + <sup>5</sup> ) \$ \_\_\_\_\_ <sup>A</sup>

Less

Cash on hand: + \$ \_\_\_\_\_  
 Business life insurance in force: + \$ \_\_\_\_\_

- \$ \_\_\_\_\_ <sup>B</sup>

**Estimated additional life insurance amount:** ( <sup>A</sup> - <sup>B</sup> ) \$

## 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) \$  ①

*Less*  
 Cash on hand: + \$ \_\_\_\_\_  
 Critical illness insurance in force: + \$ \_\_\_\_\_  
 \$ \_\_\_\_\_ ②

**Estimated additional critical illness insurance amount:** (① – ②) \$

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