

Critical Illness Needs Analysis

The Critical Illness Calculator will help you outline the additional expenses that occur through critical illness. The Critical Illness Calculator will allow you to 1. assess a comprehensive critical illness future cash flow requirement and 2. Present the client's current critical illness coverage position. By adjusting the inflation assumptions and assumed rates of return on investments you will be able to project in more detail the critical illness cash flow requirements on a yearly basis. Once the projected required cash flow is established the Critical Illness Calculator will present the amount of coverage required to adequately fulfill the client's critical illness needs.

Current Asset and Coverage Information

Bank Deposits	\$10 000.00
Savings (Non-Registered investments)	\$5 000.00
Registered Savings Plan (RRSP's)	\$150 000.00
Marginal Tax Rate	40.00 %
Net Available from RRSP's (after-tax)	\$90 000.00
Expected Rate of return on Investments	5.00 %
Inflation Rate	2.00 %
Current Critical Illness Coverage :	\$25 000.00
Total Current Investable Assets	\$130 000.00

Projected Expenses	Annual Expense	No. of Years	Total Expense
Debts Repayment	\$15 000.00	5	\$75 000.00
Lost Income	\$20 000.00	5	\$100 000.00
Medical Expenses	\$6 000.00	5	\$30 000.00
Housekeeping	\$6 000.00	5	\$30 000.00
Child Care	\$2 000.00	5	\$10 000.00
Home Care	\$10 000.00	5	\$50 000.00
Special Equipment/Renovations	\$35 000.00	1	\$35 000.00
Recovery Expenses	\$25 000.00	1	\$25 000.00
Rehabilitation/Retraining	\$10 000.00	1	\$10 000.00
Out of Country Medical Care	\$2 000.00	1	\$2 000.00
Miscellaneous	\$2 000.00	5	\$10 000.00
Total Current and Long-Term Expenses			\$377 000.00
Total Current and Long-Term Expenses Adjusted for Inflation			\$389 446.45

Current Critical Illness Financial Position

Required Invested Capital Required (Inflation Adjusted)	\$360 062.31
Expected Rate of Return on Capital	10.25 %
Total Current Assets Investible Assets	\$130 000.00
Additional Critical Illness Coverage Required	\$230 062.31

Year	Annual Expenses Per Year	Begin Balance	Payments Inflation Adjusted	Account Interest	End Balance
1	\$133 000.00	\$360 062.31	\$133 000.00	\$11 353.12	\$238 415.43
2	\$61 000.00	\$238 415.43	\$62 220.00	\$8 809.77	\$185 005.20
3	\$61 000.00	\$185 005.20	\$63 464.40	\$6 077.04	\$127 617.84
4	\$61 000.00	\$127 617.84	\$64 733.69	\$3 144.21	\$66 028.36
5	\$61 000.00	\$66 028.36	\$66 028.36	\$0.00	\$0.00

This report is provided for illustration purposes only. The ability to forecast your future financial situation is impacted by a wide variety of factors many of which can change significantly over time and not all of which can be included in this calculation. You should regularly review your current financial position and future goals to improve the likelihood of achieving success. We cannot guarantee its accuracy or completeness.