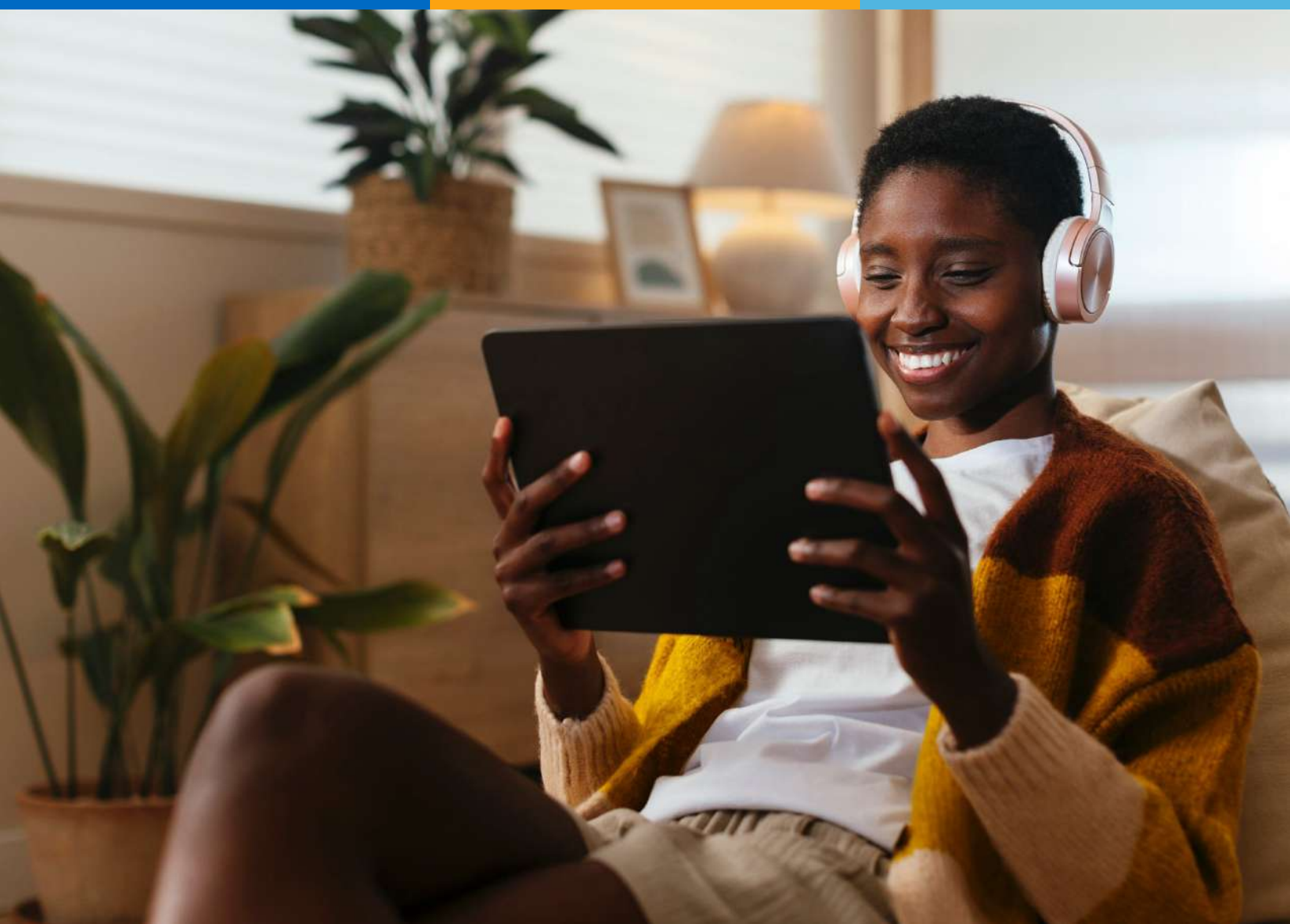




Insurance

# The 5-Step Coverage Kit

How to pick the right life insurance policy and speed up your application





# Your step-by-step plan to lock in the right coverage

Buying the right life insurance isn't easy. You have to navigate confusing jargon and an overwhelming number of choices. This leaves most people worried that they're going to get the wrong coverage or make a costly mistake with their application.

This guide walks you through exactly how to choose the right life insurance for your needs and gather all the details you'll need for a quote—whether you use a broker or apply online.

To guide you through the process, we've created easy to follow worksheets. This will help you better understand your coverage options, accurately estimate how much you need, and save time once you're ready to apply.



## Quick-Start Summary

Use this guide in 5 simple steps:

- ① Identify your motivators
- ② Calculate your coverage
- ③ Pick the best policy fit
- ④ Gather underwriting details
- ⑤ Start applying

By following these steps in order, you'll have a clear plan—one you can hand over to a broker or use yourself for quick quotes and faster applications.

Ready to get started?

## STEP 1

# Identify your motivators



The type of life insurance policy you buy should be determined by who and what you want to protect after you pass away.

## Step 1 - Identify your motivators

### Worksheet



Use this checklist to identify your main life insurance motivators. These choices will guide you in selecting the right type of policy.

- ☐ Provide ongoing financial security for a spouse/partner
- ☐ Replace lost income if I pass away
- ☐ Cover a mortgage
- ☐ Pay off major debts
- ☐ Ensure my children's education is funded
- ☐ Protect/assist aging parents
- ☐ Pay for funeral or final expenses
- ☐ Leave an inheritance or legacy for loved ones
- ☐ Secure business or partnership obligations
- ☐ Establish long-term savings
- ☐ Others \_\_\_\_\_

## Next step

Now that you've identified your motivators, head to Step 2 to calculate how much coverage you'll need.



STEP 2

# Calculate your coverage



## Skip the guesswork

When it comes to coverage, a common rule of thumb is to start with 10x your annual income, or enough to cover your mortgage plus 10 years of living costs. But your real needs also depend on debt, savings, and your unique family situation.

The worksheet below is organized into four categories: debts, protection, loose ends, and legacy. Fill in the amount of coverage you think you need for each category and add them together to get an estimate of your total required coverage.

### Worksheet

#### A Cover your debts

*Aim to eliminate these financial burdens so loved ones aren't responsible.*

What it is	Suggested amt	Description	Personal amt
<b>Mortgage</b>	~\$350,000	Outstanding home loan balance.	\$ _____
<b>Credit card debt</b>	~\$4,000	Total of any unpaid balances.	\$ _____
<b>Student loan</b>	~\$26,000	Any remaining education loans.	\$ _____
<b>Car payment</b> (remaining balance)	~\$20,000	Any remaining car loans.	\$ _____
<b>Other payment</b> (personal loan, line of credit)	~\$3,000	Catch-all for other debts.	\$ _____

## Worksheet

## B Protect your loved ones

*Think of everyone who depends on your income or support, either now or in the future.*

What it is	Suggested amt	Description	Personal amt
<b>Income replacement</b>		Income replacement (e.g., $\$50k \times 5 \text{ yrs} = \$250k$ ): Ensures your family can maintain their lifestyle if you pass away. The total amount will be paid out upfront.	\$ _____
<b>Child post-secondary education</b>	~\$60,000	Tuition plus living expenses over multiple years.	\$ _____
<b>Childcare</b>	~\$10,000	Daycare, extracurricular activities, or special needs.	\$ _____
<b>Partner support</b>	~\$30,000	Temporary support or assistance if your spouse/partner needs time to adjust financially.	\$ _____
<b>Pet care</b>	~\$5,000	Veterinary bills, pet insurance, or boarding if needed.	\$ _____
<b>Other dependent</b>	~\$10,000	Financial support for any other family member or person relying on you.	\$ _____



### Worksheet

#### C Tie up loose ends

*Plan for short-term costs that often arise after a death.*

What it is	Suggested amt	Description	Personal amt
<b>Rent (transitional period)</b>	<b>~\$10,000</b>	Ensures loved ones can cover temporary housing costs if needed.	\$ _____
<b>Medical bills</b>	<b>~\$5,000</b>	Covers any leftover hospital or treatment expenses.	\$ _____
<b>Funeral expenses</b>	<b>~\$10,000</b>	Funeral or memorial service, burial/ cremation, and related costs.	\$ _____
<b>Other loose ends</b>	<b>~\$2,000</b>	Legal, administrative, or miscellaneous fees.	\$ _____

## Worksheet

**D** Leave a legacy

*Consider the financial legacy you'd like to leave behind.*

What it is	Suggested amt	Description	Personal amt
Savings fund	~\$25,000	An extra cash reserve for your family or a nest egg for future needs.	\$ _____
Charitable giving	~\$10,000	Donations to causes or organizations you care about.	\$ _____
Cash gift	~\$10,000	A designated sum for friends, grandchildren, or other personal beneficiaries.	\$ _____

## Step 2 - Calculate your coverage

### Worksheet

$$\textcircled{A} + \textcircled{B} + \textcircled{C} + \textcircled{D} = \text{Total coverage}$$

Calculate any **existing coverage** (from an employer group policy, typically 1–2 times your annual salary) =

\$ \_\_\_\_\_

**Total coverage needed** (Subtract existing coverage from total coverage to find your net gap.) =

\$ \_\_\_\_\_

## Next step

Once you've estimated your coverage needs, move on to **Step 3** to choose the policy type that best aligns to your circumstances.

## STEP 3

# Pick the best policy fit



Life insurance generally falls into two categories: term, and permanent. Alternatively, you can opt for mortgage protection insurance. Below is a quick overview, followed by how each type of insurance links to your motivators.

## Step 3 - Pick the best policy fit

### Compare

Select the policy type that checks the most (or all) of the boxes you selected in **Step 1**.

#### ☐ **Mortgage protection insurance**


Covers the remaining amount of your mortgage if you die, so your home is paid off.

**Ideal for:** Covering a mortgage

**Coverage period:** Tied to your remaining mortgage balance

**Cost:** Lowest (\$)

**Declining payout:** Coverage usually decreases as you pay down the mortgage

 You're eligible for mortgage protection insurance with RBC Royal Bank if you're a borrower, co-borrower, or guarantor of an RBC Royal Bank-eligible mortgage and a Canadian resident older than 18 and younger than 66 years old

 [Get an online quote](#)

 [Learn about mortgage insurance](#)

#### ☐ **Term life insurance**

Most popular

Provides life insurance coverage for a set period (like 10 or 20 years) at a lower cost than other types.

**Ideal for:** Covering a mortgage, payoff major debts, replace lost income, ensure children's education is funded, cover funeral expenses, securing business/partnership obligations

**Coverage period:** Typically, 10, 20, or 30 years

**Cost:** Medium (\$\$)

**Option to convert:** Change or upgrade your coverage (often without a medical exam) before your policy ends

 [Get an online quote](#)

 [Learn about term life insurance](#)

#### ☐ **Permanent life insurance**

Stays active your entire life, providing premiums are paid, and often has a built-in savings feature to build wealth.


**Ideal for:** Covering a mortgage, payoff major debts, replace lost income, ensure children's education is funded, cover funeral expenses, securing business/partnership obligations, financial security, protect/assist aging parents, estate planning, leaving a legacy, and accumulating long-term savings

**Coverage period:** Lifetime

**Cost:** Highest (\$\$\$)

**Cash value component:** May build savings/investment (whole or universal life)

 [Speak to an advisor](#)

 [Learn about permanent life insurance](#)

Compare

## Next step

Now that you know which policy type fits your motivators, continue to Step 4 to gather the details insurers need for underwriting.

### Still not sure?

If you want the most coverage for the lowest cost, choose **term life**.

If you want coverage that lasts for life and builds value, choose **permanent life**.

If you're not sure, start with **term life** - you can usually upgrade later with no medical exam



## STEP 4

# Gather underwriting details



Underwriting is the process insurers use to assess how risky it is to provide you with coverage. Underwriters look at many factors, including your age, lifestyle, and medical history.

### Checklist

Use this checklist to gather the key medical and lifestyle information insurers typically ask for. Having these details ready beforehand can help you get accurate quotes faster.

#### Step-by-step task list

- 1 **Request and gather** your medical records (recent physical exam, lab results).
- 2 **Compile** any relevant family health history details.
- 3 **Note** any lifestyle factors (smoking, high-risk hobbies).
- 4 **Review** your financial info (annual income, existing coverage).
- 5 **Identify** your beneficiaries (primary, secondary).
- 6 **Fill in** the details below to hand off to a broker or use online for quotes.

Worksheet

## A Medical history

☒ Common major conditions (check any that apply):

☐ **Hypertension  
(High Blood Pressure)**

Date Diagnosed/Treated:

Notes:

☐ **Diabetes  
(Type 1 or 2)**

Date Diagnosed/Treated:

Notes:

☐ **Heart Disease**

Date Diagnosed/Treated:

Notes:

☐ **Depression/Anxiety**

Date Diagnosed/Treated:

Notes:

☐ **Cancer (any type)**

Date Diagnosed/Treated:

Notes:

☐ **Other Serious Conditions**

Condition:

Date Diagnosed/Treated:

Notes:

☐ None

### *Current medications*

Medication 1:

Medication 2:

Medication 3:

Dosage/Frequency:

Dosage/Frequency:

Dosage/Frequency:

Worksheet

**B Family medical history**

Relation (Father, Mother, etc.):

Condition:

Age of Onset:

Relation (Father, Mother, etc.):

Condition:

Age of Onset:

**C Lifestyle factors**

- Smoking status:

☐ Current   ☐ Former   ☐ Never

- Alcohol consumption (drinks/week): \_\_\_\_\_

- High-risk hobbies (e.g., scuba diving, skydiving, etc.):

\_\_\_\_\_  
\_\_\_\_\_

### Worksheet

#### D Financial & other information

Date of birth:

Gender:

Approx. annual income: \$

##### Existing life insurance

Insurer:

Insurer:

Coverage:

Coverage:

Occupation and industry (any hazards?):

##### Beneficiaries

Primary:

Contingent:

#### E Next steps/questions



*Write down any questions for your broker (e.g., "Will my medication affect rates?").*

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## Next step

You should now have all the details you'll need to get a fast and accurate quote. But before you start, you might consider reviewing some common questions from other Canadians about life insurance. Take a look at the next section to learn more.

Q & A

# Common questions about life insurance





Here are **10 commonly asked questions** from Canadian consumers on forums like Reddit (r/PersonalFinanceCanada, r/Insurance) before they buy life insurance.

**“I’m single with no kids. Do I really need life insurance?”**

It depends on your debts, funeral costs, or if you have co-signers for a property or business venture. Even single individuals may want coverage to ease any financial burden on loved ones.

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**Tip:** Life insurance policies get more expensive with age, so taking out a small term life policy when you’re young and healthy locks-in lower rates that will stay the same as you get older.

**“Is my employer coverage enough or do I need personal coverage?”**

Workplace policies often cover only 1–2 times your annual salary and may not be portable if you switch jobs. Many Canadians supplement or replace group coverage with their own life insurance policy to make sure their family and loved ones are fully protected.

“What if I have a pre-existing condition. Will I be denied or face huge premiums?”

Not necessarily. It depends on the condition and insurer. Honest disclosure is key to avoiding claim denials later. Speak to an insurance advisor if you're concerned about pre-existing conditions affecting your insurance eligibility or rates.

“Will my rates go up if my health changes after I buy a policy?”

Once in force, your rate is locked in for the term. Insurers generally can't raise it due to future health changes, which is why getting a policy when you're young and healthy is a smart idea.

“Will I need a medical exam, or can I get 'no medical' coverage?”

“No medical” policies exist but can be costlier because of the increased risk of insuring you. A traditional, fully underwritten policy with a medical exam tends to offer better rates if you're healthy.

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**Tip:** RBC Insurance offers 'No Medical' [Guaranteed Acceptance Life Insurance](#) with coverage up to \$40,000 for people between the ages of 40 and 75.

### “Should I work with a broker or buy online directly?”

Brokers can provide free, tailored advice, gather and compare quotes from multiple insurers and handle most of the application process for you. If you don't need or want that extra help, then online platforms are faster and more convenient but may lack personal guidance.

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**Tip:** If you're nervous about getting the right coverage, RBC Insurance offers a free 30-day review period for Simplified Term Life policies. If you change your mind for any reason within the first 30 days, we will cancel your policy and give you a full refund.

### “What if I'm older? Can I still get coverage?”

Yes, but premiums increase with age and some insurers have maximum age limits. Compare policies from a few different insurers for the best fit.

### “If I smoke or vape, how does that impact my premium?”

Smokers typically pay 2–4 times more than non-smokers for life insurance coverage. Quitting for 12+ months often qualifies you for non-smoker rates.

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**Tip:** Check out our companion guide, “5 ways to save on life insurance” to learn how to get the best coverage if you plan on quitting smoking soon.

“Can I start with a small policy and add more coverage later?”

Yes, many people start with a basic policy and increase coverage or convert their policy type later. Be mindful that premiums are higher when you’re older, so the sooner you can lock-in coverage the better.

“How do I make sure I’m not overpaying or under-covered?”

Complete the worksheets in this guide and shop around. Premiums vary between insurers, and brokers or comparison tools can help.

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**Tip:** Check out our companion guide, “5 ways to save on life insurance” to learn how to get the best coverage at the lowest possible price.

## Next step

Now that you’ve reviewed the FAQs, you’re ready to finalize your coverage plan or [speak with an advisor](#). Continue to Step 5 to start an application.

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## STEP 5

# Start an application



If you've completed all the worksheets in this guide, you should have everything you need to get a life insurance quote or start an application.

### A Get a free 60 second quote

Get an instant quote on a term life insurance policy from RBC Insurance that you can use to compare with other insurance providers.

[Get a quote](#) 

### B Apply online

Apply for an RBC Insurance Term Life insurance policy using the information in this document. You could get up to \$100,000 in coverage with rates starting at less than \$13 per month.

[Start an online application](#) 

*Takes 15 minutes or less*

 *Rate based on a \$100,000, Term 10 policy for a male, age 37, non-smoker.  
Plus sales tax where applicable.*

### C Work with an advisor

Contact your local RBC Insurance advisor and provide your coverage kit to get a quick quote and personalized advice on the best coverage for your needs.

[Speak to an advisor](#) 



# 3 Reasons to choose RBC Insurance



## Strong and stable

With over 4.8 million insured clients, we're one of the largest bank-owned insurance companies in Canada.



## Great value

We offer over 20 life, health, home, auto, travel and wealth insurance options to help you protect what matters most.



## Trusted advice

All our insurance professionals are extensively trained and licensed to give you clear advice that fits your needs.

### Got questions about life insurance?

Call an RBC Insurance advisor now at 1-866-223-7113, or request a call and we'll get back to you within 2 business days.



[Request a call](#)