



# Using a Needs Analysis:

Selling Insurance Based on Value, Not Price

Selling insurance based on price alone is no doubt the easiest way to sell a product. However, lower rates aren't always the most important thing for our clients. When our clients are looking at their budget, sometimes they forget about their medical needs and additional costs associated with the plan. Insurance agents need to dissect plan options and benefits in order to really provide the best possible solution available to our clients.

It's hard to sell the right product when you don't know what's really important to your client. We're inclined to believe a client knows what they want/need. No matter what your prospects tell you, most of them don't understand how insurance works. If you can educate your clients, you're already providing a great value! When clients see how well you understand insurance they'll feel more comfortable about the decisions you're guiding them to make.

To find out what the client values most, it's important to ask questions to identify what benefits are needed in this individual's health plan.

- Are high deductible plans a better option?
- What doctors and hospitals are important to have in-network?
- Are there certain medications that need covered at a lower tier to ensure affordability?
- Does your client travel often?
- Is your client concerned about getting referrals to see a specialist?

Each client has a unique situation and it's important to have an understanding of that situation. By performing a needs analysis with your client, you can easily identify what your client's primary needs are.

Once you understand the needs of your clients, you have a better direction for product presentation. Using a needs analysis can also assist with an easy cross-selling opportunity. You are able to uncover any gaps in coverage your client may have and be in need of addressing.

A needs analysis is a simple process used to focus on your client and used to identify medical, financial, and coverage needs. Once the needs have been identified, the analysis helps you provide solutions. Additionally, a needs analysis presents a visual for your clients to actually “see” what types of insurance they actually need. When you present a visual representation of what your client said is needed, it’s hard to avoid the tangible evidence.

## Principles of a Needs Analysis

Helping your clients understand what they need is hard. However, by using a needs analysis the correct way, they are coming up with their own logical explanations for why they should buy what you are offering.

Until they’ve told you both what their need and want is, you can not take the next step into discovering what the value is in each product presented. When you rush into a solution before both you and the prospect are ready, you lose. You lose because you are trying to provide a solution that has no importance to them (i.e., a quick sale based on low rates). When you do that they may passively agree to the sale; but then back out, cancel or simply won’t follow through to complete the process. This is why understanding the guiding principles of a needs analysis is so important!

1. Setting the Stage
2. Future Needs
3. Immediate Needs
4. Complete Needs Review
5. Recommendations for Needs Identified



## Setting the Stage

Your objective in the needs analysis is to help them clarify their needs and bring it on the table for discussion. Explain to your clients this process is only used to help them identify what is missing to ensure all coverage gaps are closed and they are completely protected.

- Review all existing coverage/plan(s)
- Look at the benefits included and discuss
- Look at the pricing and how it fits in their budget
- Have your clients voice their opinions on the pros/cons with existing coverage

## Future Needs

Sometimes prospects only see what is immediately in front of them. Preparing for the future is something they often do not think of until it's too late. Ensuring your clients see the importance of having not only standardized health insurance, but additional coverage is essential to excelling at cross-selling. The most important: learning to sell products because of the value, not price. Demonstrating the needs and value of the following products can be easily and effectively done in a needs analysis:

- Dental Insurance
- Vision Insurance
- Hearing Insurance
- Final Expense Insurance
- Term and/or Universal Life Insurance
- Hospital Indemnity and/or Accidental
- Cancer and/or Critical Care Insurance
- Health Savings Account
- Disability Insurance
- Long-Term Care Insurance
- Telemedicine Plans



## Immediate Needs

What do your clients need right now? A new health plan? A product with a more expansive network? Let your clients tell you exactly what they need. Perhaps, it's a plan that is more affordable.

Give your clients the opportunity to have a self-appraisal where they review their health care needs and financial situation.

Have they recently been diagnosed with a chronic medical condition? Will underwriting be an issue? Has their health recently improved? Are they always "on-the-go" with their children's activities?

Uncovering the immediate needs of your clients can expand the options of products to present and help you demonstrate their value.

## Complete Needs Review & Recommendations for Needs Identified

At this point, your client has identified all future and immediate needs. They have discussed what they like and dislike about their current coverage and you can now begin recommending products for replacement or to fill in gaps.

Your clients can actually see what they need because they provided the information, they told you exactly what they wanted and what they needed. Your job is simple: provide solutions for their needs based on your product knowledge. Show the value of each solution you are presenting and how it fits with their needs.

By providing only the solutions, it makes the sale easy and simple and you are selling products based on value to the client instead of pricing or a guess of what you think they need. For more information on developing a needs analysis or using a generic version, contact your Regional Sales Associate for more information at 800-962-4693.