



USING A NEEDS ANALYSIS

For Insurance Agents

A SELF-STUDY ACADEMY COURSE
& WORKBOOK FOR SUCCESS

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Introduction to 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 a lower-cost premium plan (e.g., higher deductibles and higher out-of-pocket expenses, etc.) Insurance agents need to dissect plan options and benefits in order to really provide the best possible solution available to our client.

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.

What Will You Learn In This E-Book?

This resource is designed specifically for insurance agents looking to expand their knowledge of selling product based on value, not price. You will find the readings and activities will help to solidify your understand of a needs analysis.

Identify Your Client's Needs

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

- Are high deductible plan's 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 on your client, you can easily identify your client's primary needs.

Once you understand those needs, 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 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 client 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 cannot take the next step into discovering the value in each product presented. When you rush into a solution before you and the prospect are ready, you both 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 imperative to cross-selling and client retention.

Setting the Stage

Your objective in the needs analysis is to help them clarify the 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 protected completely.

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 the price. Demonstrating the needs and value can be easily and effectively done in a needs analysis.

Immediate Needs

What do your clients need right now? A new health plan? A product with a less-restrictive 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 conduct a self-appraisal where they review their health care needs and financial situation. Have they recently been diagnosed with a chronic 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.

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

By providing solutions, it makes the sale simply and easy, and you are selling products based on value to the client instead of pricing or a guess of what you think they need.

The next few pages consist of sample needs analysis' you can use to help uncover your client's needs and demands.

Needs Analysis

Client Name: _____

Date: _____

1. Do you feel like your current health plan is meeting your needs?

Please check all of the boxes for plans that you may have, or coverage that your existing plan has:

- | | |
|--|--|
| <input type="checkbox"/> Dental | <input type="checkbox"/> Emergency Room visits |
| <input type="checkbox"/> Vision | <input type="checkbox"/> Accidents |
| <input type="checkbox"/> Hearing | <input type="checkbox"/> Cancer/Heart Attack/Stroke |
| <input type="checkbox"/> Hospital Stays (extended) | <input type="checkbox"/> Final Expenses |
| <input type="checkbox"/> Long-Term Care Coverage | <input type="checkbox"/> College Tuition |
| <input type="checkbox"/> Nursing Home Coverage | <input type="checkbox"/> Catastrophic Event Coverage |
| <input type="checkbox"/> Health Savings Account | <input type="checkbox"/> Telemedicine Coverage |

2. Do you feel like your current health plan is affordable?

3. Are all of the providers and hospitals you regularly see in your current network?

4. Has your financial situation changed in the past year?

5. Has your medical condition changed in the past year?

6. Do you have a savings account to help cover any unexpected event that would require a long hospital stay, long-term care?

(Average 5-day hospital stay is about \$10,000 and does not include major procedures, ambulance feeds, or other charges, Source – Trusted Choice)

7. Do you have a savings account to help cover the cost of your children's tuition to college?

(Average cost of tuition and fees vary; 2018 – 2019 average annual tuition was \$35,676 at private colleges, \$9,716 for state residents at public colleges, and \$21,629 for out-of-state students at state schools – Source, US News)

8. Do you have a savings account to supplement any loss income in the event of an accident, or unexpected death?

(Average cost of work related injury including wages & medical expenses = \$38,000 – Source, National Safety Council and average cost of final expenses = \$7,181 (funeral) + medical expenses – Source, smartasset.com)

9. Do you have a savings account to help cover the cost of a root canal?

(Average cost = \$700 - \$1,400 – Source, omegadentists.com)

10. Do you take prescription medications?

11. Do you have any expected medical procedures?

12. Do you have any additional services required? (e.g., chiropractic care, mental health, physical therapy, etc.)

13. Do you or anyone in your family have a history of cancer?

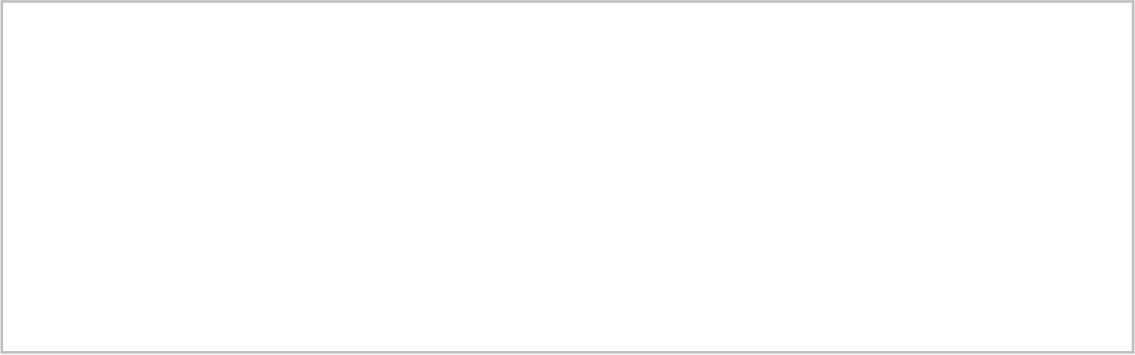
(Average cost of cancer treatment: one round of chemotherapy averages about \$60,000 for an eight-week period, other medications average \$10,000 per month, Source – AARP)

14. Do you live part-time in another state or travel frequently?

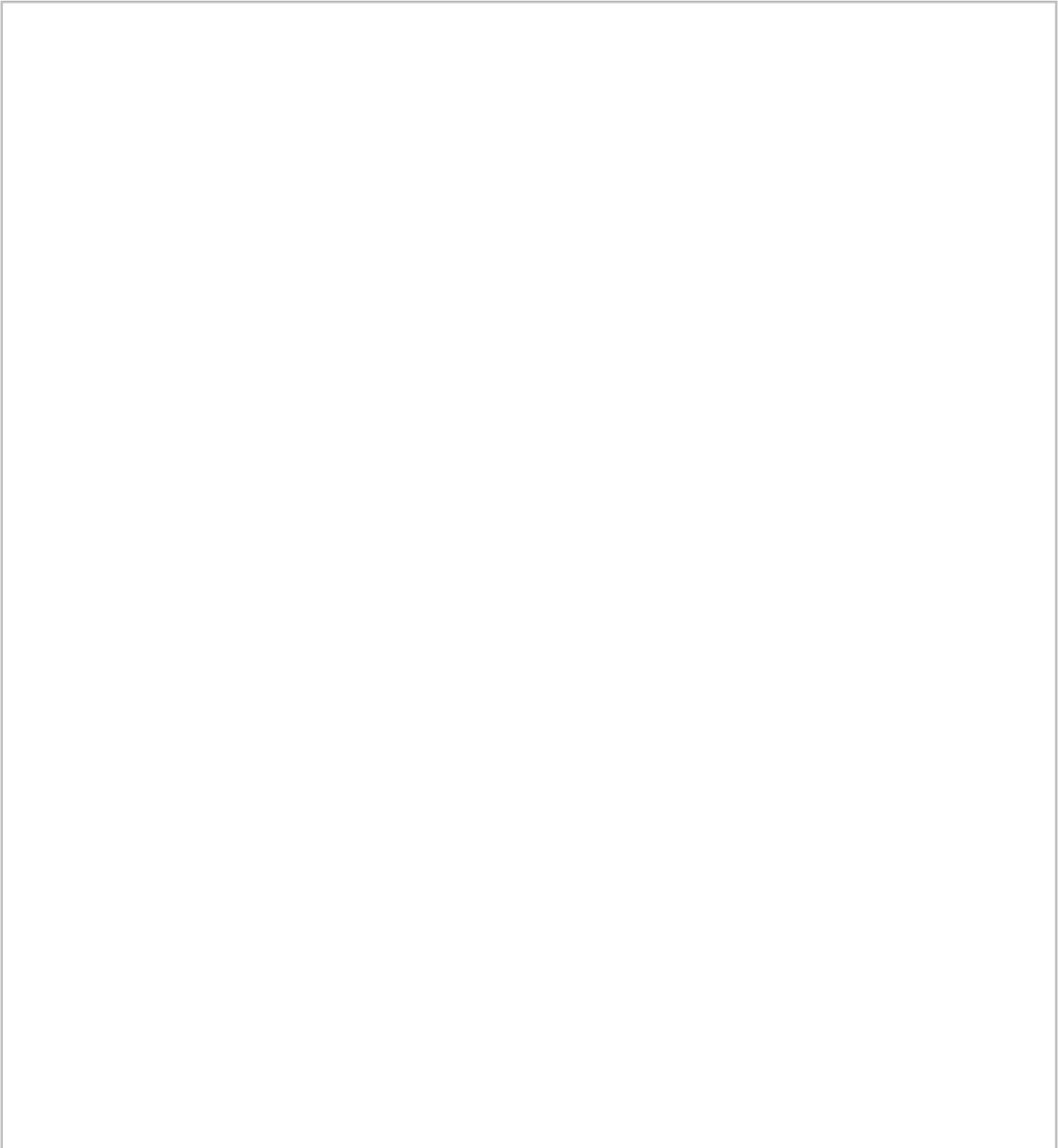
15. Do you currently receive health coverage through a former employer or organization?

16. What is your current household income?

Other notes & comments:

A large, empty rectangular box with a thin black border, intended for handwritten or typed notes and comments.

Agent Recommendations:

A very large, empty rectangular box with a thin black border, intended for handwritten or typed agent recommendations.



Please remember to keep the medical and financial information on your client or prospect completely confidential. Remind your clients that answering the questions are completely voluntarily and are used only to help identify current and future needs by and for the client.

If you have any questions regarding compliance, record retention, and cybersecurity, please contact Agent Pipeline's Compliance Board.

Agent Pipeline is here to help guide you and empower you to achieve a higher-level of success. You can contact us at 800-962-4693, or visit our Marketing Department online to request a one-on-one agency consultation. We thank you for your partnership!