DAY 10 Friday, 20 Nov 2026

Day 10: Need Analysis | State Life Insurance Training



Key points

1. Meaning and importance of Need Analysis
2. Understanding customer financial responsibilities
3. Identifying customer priorities
4. Asking effective questions
5. Understanding affordability
6. Matching customer needs with suitable solutions
7. Building trust through professional advice

Day 10 - Need Analysis: Understanding Customer Needs

30 Days Professional Training Series - State Life Insurance

Date: 20 November 2026
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Introduction

A successful Financial Advisor does not begin a client conversation by immediately presenting an insurance policy. The first responsibility is to understand the customer's needs, financial responsibilities, priorities and future goals.

This process is known as Need Analysis.

Every customer has a different financial situation. A person with young children may be concerned about their education and family security, while another customer may be focused on long-term financial planning. Therefore, a professional advisor must understand the individual before recommending a solution.

1. What is Need Analysis?

Need Analysis is a structured process of asking relevant questions, listening carefully and identifying the financial priorities of a potential customer.

It helps an advisor understand:

* Family responsibilities and dependants.
* Children's education and future planning goals.
* Existing life insurance coverage, if any.
* General income and expenditure commitments.
* The amount the customer can comfortably afford.
* The customer's most important financial priorities.

The objective is not to collect unnecessary personal information. It is to understand enough to provide relevant and responsible guidance.

2. Why is Need Analysis Important?

A. Better Customer Understanding

It helps the advisor understand what the customer actually wants rather than making assumptions.

B. Appropriate Recommendations

A recommendation should be based on the customer's needs, affordability and verified product terms.

C. Building Trust

Customers feel respected when an advisor listens to them instead of pressuring them to buy.

D. Long-Term Relationships

Understanding the customer's priorities creates the foundation for a professional relationship beyond a single sale.

3. Important Questions to Ask a Customer

An advisor can use the following questions as a starting point:

1. How many family members financially depend on you?

2. What are your future plans for your children's education?
3. Do you already have any life insurance coverage?
4. What amount can you comfortably set aside for financial planning?
5. What is your most important financial priority at present?

Ask these questions politely, explain why the information is relevant and respect the customer's privacy.

4. Practical Example

Suppose a customer earns Rs. 100,000 per month and has two children. The customer wants to plan for their children's future education.

A professional advisor should not immediately suggest a policy.

First, the advisor should understand:

* The customer's family responsibilities.
* Existing financial commitments.
* Current insurance coverage.
* Future education goals.
* Affordable contribution level.

After understanding these points, the advisor can explain relevant State Life options using current, officially verified product information and terms.

5. The Need Analysis Process

Step 1 - Listen: Allow the customer to explain their concerns and goals.

Step 2 - Ask: Use clear, relevant and respectful questions.

Step 3 - Understand: Identify priorities, responsibilities and affordability.

Step 4 - Evaluate: Consider the customer's requirements and existing arrangements.

Step 5 - Recommend: Present a suitable option with accurate product details, benefits, limitations and terms.

Step 6 - Confirm: Make sure the customer understands the proposal and has an opportunity to ask questions.

6. Common Mistakes to Avoid

* Recommending a policy without understanding the customer.
* Making assumptions about income or affordability.
* Promising returns or benefits that are not officially verified.
* Ignoring existing insurance coverage.
* Pressuring a customer to make an immediate decision.
* Asking unnecessary private questions.
* Presenting a product as suitable for everyone.

7. Today's Practical Assignment

Complete the following activity:

1. Speak with at least three potential customers.

2. Practise asking relevant Need Analysis questions.
3. Identify each customer's primary financial priority.
4. Understand their affordability without pressuring them.
5. Share your learning with the team without disclosing customers' private information.

8. Key Learning

Need Analysis is not simply a sales technique. It is an essential professional responsibility.

The better you understand your customer, the more relevant and responsible your advice can become.

Golden Rule: Don't Sell Before You Understand.

First listen, then understand, and finally advise.

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