SSC # 98 – CLIENT BEHAVIOUR CONSIDERATIONS IN CONDUCTING INSURANCE NEEDS ASSESSMENTS

This course is eligible for:

2.0 Life & A&S CE Credits for BC, SK, MB & ON.

2.0 Life ONLY CE Credits for AB.

Target Audience

This course is designed for Canadian insurance advisors, life and health insurance agents, financial planners, and group benefits advisors who conduct insurance needs analyses as part of their client engagement process. It is particularly relevant for advisors who conduct annual reviews with existing clients or who serve clients carrying legacy coverage that has not been comprehensively reassessed since original placement. Advisors working in personal financial planning, estate planning, business succession, or employee benefits contexts will also find the course applicable to their practice. No prior formal training in behavioural economics is required; the course introduces all relevant behavioural concepts in accessible, practice-oriented language. Advisors who have completed foundational CE training in insurance needs analysis will find this course a valuable complement that deepens their analytical and conversational toolkit.

Course Purpose

The purpose of this course is to equip Canadian insurance and financial advisors with a comprehensive understanding of the behavioural biases that distort the insurance needs analysis process, and to provide practical, evidence-based strategies for conducting needs analyses that are accurate, current, client-centred, and compliant with applicable regulatory standards. This course aims to bridge the gap between what a proper needs analysis is designed to accomplish and what is frequently delivered in practice — by addressing the cognitive and relational dynamics that cause both clients and advisors to settle for coverage assessments that are inadequate, outdated, or insufficiently documented. In doing so, this course supports the broader professional obligation of Canadian insurance advisors to act in the best interests of their clients and to ground every recommendation in a thorough, documented understanding of each client's unique financial circumstances and obligations.

Learning Objectives

Upon successful completion of this course, advisors will be able to:

1. Identify and describe the primary behavioural biases — including anchoring, status quo bias, mental accounting, present bias, and motivated reasoning — that distort the insurance needs analysis on both the client side and the advisor side and explain the mechanisms by which each bias operates in the advisory context.

2. Apply a structured **Life Change Inventory** to assess the degree to which a client's existing coverage has diverged from their current financial obligations and use this inventory to initiate a recalibration conversation that is both compelling and non-confrontational.

3. Conduct a **behaviourally informed fact-finding** conversation that surfaces not only quantitative data (income, obligations, existing coverage) but also the values, relationships, vulnerabilities, and financial identity dimensions that drive real insurance need and client decision-making.

4. Apply the six-step **behaviourally sound needs analysis framework** — comprising life change inventory, financial obligation mapping, existing coverage audit, gap analysis, prioritised recommendation, and documented rationale — to produce a needs analysis that is rigorous, client-centred, and compliant with Provincial Insurance Regulators, CIRO, FP Canada, and CSF documentation standards.

5. Employ specific reframing techniques — including the loss frame, the "do nothing as a decision" frame, and the protection budget reframe — to help clients overcome the inertia created by status quo bias, anchoring, and mental accounting, and to engage productively with identified coverage gaps.

6. Document the needs analysis process in a manner that satisfies the suitability, evidence-based recommendation, and file documentation requirements of CIRO, FP Canada, and the CSF, including appropriate handling of client-imposed limitations, incomplete fact-finding, and replacement insurance scenarios.