

9

The fact-find and financial planning

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Learning objectives

After studying this chapter, you should be able to:

- describe the fact-finding process;
- outline the objectives of fact-finding;
- use a fact-find;
- discuss the various sections of a fact-find;
- explain how to do the assessment and analysis of data collected during a fact-find;
- explain how to shortlist products for a client;
- describe how to make recommendations to a client;
- explain the use of benefit illustration documents at the time of making recommendations.

Introduction

An important part of the financial planning process is **fact-finding**. In this chapter you will learn how, as an agent, the fact-finding process will help you to identify the stage your clients have reached in achieving their financial goals in life. You will also learn how to:

- quantify the amount needed for the client's various goals;
- establish the provision (if any) already made to achieve those goals;
- determine the amount which still has to be provided;
- provide assistance to help the client to bridge the gap; and
- bring the client back on track in the financial planning process.

After looking at the fact-finding process itself we will discuss how to analyse the information collected and choose products which most satisfy your client's needs. We will also look at presenting the recommended products to your client and completing the final formalities of form-filling and collecting the required documents.



Key terms

This chapter features explanations of the following ideas:

Fact-finding	Cash flows	Structured interview	Personal details
Family details	Employment details	Financial details	Assets
Liabilities	Assessment	Analysis	Making recommendations
Needs	Priorities	Benefit illustration	Guaranteed benefits
Non-guaranteed benefits	Know your customer (KYC)		

A What is a fact-find?

Fact-finding is a process that enables the insurance adviser to:

- identify a client's financial planning needs;
- quantify them; and
- prioritise them based on the resources available for investment.

Completing a fact-find is the first step in the financial planning process. As we saw in chapter 8, a fact-find shows the current financial position of the person, where they stand today and also any anticipated changes in the future.

Good fact-finding is the key to successful financial planning. Without good fact-finding, you will have no means of knowing whether or not the products you recommend are suitable for your client's needs. Fact-finding consists of obtaining the answers to a series of questions about your client's profile, status, finances and ambitions for the future. Many questions require detailed factual answers; others seek statements of principle, such as a client's personal attitudes, feelings and concerns.

Traditionally, fact-finding has been carried out during interviews set up for this purpose and most agents wishing to provide a professional, personalised service still rely on this approach.

A1 Objectives of fact-finding

These are as follows:

Identify needs	<p>The prime objective of fact-finding is to identify what needs, if any, the client has in the areas of protection, savings, health insurance etc. Good fact-finding must assemble the information to enable the adviser to quantify the total amount of each need, the provision that already exists to meet the need and, therefore, the amount which still has to be provided.</p> <p>Example Ram wants to accumulate money for his son's education. Through the fact-finding process the insurance agent, Ravi, can help him to identify this need, the date at which the amount will be required, quantify the amount required, and based on an assumed rate of return, calculate how much the monthly investment amount required to achieve the goal will be.</p> <p>If Ram is already investing a certain amount on a monthly basis, then the agent, Ravi, can help him assess whether he is investing the appropriate amount and in the right financial products. The agent can help him to identify the shortfall amount (if any) and how to provide for it.</p>
Gathering client data	<p>Such precise identification of needs requires knowledge of the personal details of each client, their dependants, finances and employment status. This process requires details of existing health and life insurances and any existing pension provision. It also requires an understanding of the client's personal aims, desires and objectives for the future. Good fact-finding will reveal not only practical needs, but also those caused by emotional considerations.</p> <p>Example If Ravi has to help Ram achieve his goal of accumulating the desired amount for his son's education he will need to know more details from Ram such as the number of earning members in the family, number of dependants, number of children Ram has (including their current ages), his current salary and his savings.</p>
Analysing client cash flows	<p>Another important fact-finding objective is to identify the client's available contribution to invest in financial planning products. This information is derived from a detailed analysis of the client's income from all sources and of the outgoings on which it is spent. It also requires a detailed review of the client's existing capital resources and the liabilities that must be offset against them. In both cases, a positive balance indicates the likely amount available for financial planning purposes. Where no surplus exists, little can be done unless the client is able to reschedule debts or reduce outgoings on other expenditure.</p> <p>Example Through the fact-finding process Ravi will analyse Ram's cash flows. He will consider all his cash inflows and cash outflows, his current assets and liabilities and arrive at the cash surplus/deficit. From the surplus available the agent can prepare a plan for Ram to invest for his son's education.</p>
Provide for anticipated changes	<p>Fact-finding also seeks to uncover any anticipated changes to the client's circumstances which will affect their current financial position. For example, is the client expecting a pay rise or an inheritance in the near future; or are they expecting to start a family, to buy a bigger house or to become unemployed?</p> <p>Each expected change in financial circumstances will have an effect on the contribution the client can continue paying in the future. This helps to define the amount to which clients can afford to commit themselves now.</p> <p>Example Ravi will discuss with Ram:</p> <ul style="list-style-type: none"> • whether he plans to further extend his family; • if he plans to change his job in the near future; • whether he is expecting a salary increase in his current job; and • if he is planning to buy new assets like a home, car etc.

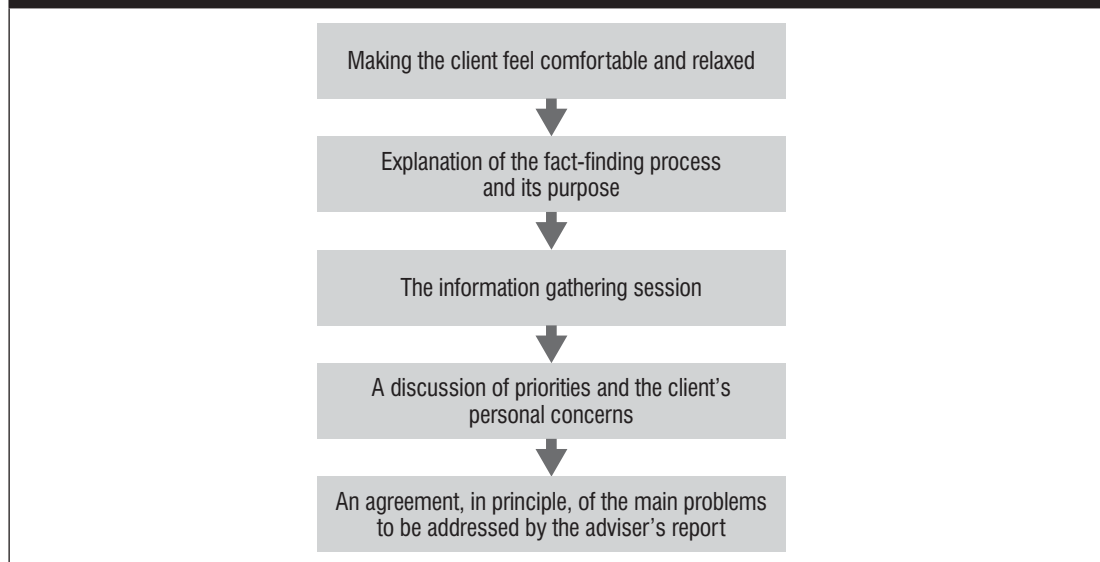
B Using a fact-find

The most common form of fact-finding record is a structured questionnaire. It is possible for these questionnaires to be completed without a formal interview with the client (for example by telephone interview or by corresponding with the client by post). However, we will consider their use in the interview situation.

B1 Structured interview

Typically, the interview structure moves through the following stages:

Figure 9.1



The fact-finding interview may take place at the agent's office or at the client's home. After the interview the agent may be required to prepare recommendations within a budget fixed by the client or, alternatively, there may be no cost constraints on recommendations.

After the interview, the agent will carry out a more comprehensive analysis of the information and, if necessary, seek any specialist guidance required. In this way the agent establishes the client's quantified needs, identifies the appropriate product(s) to meet each need and assesses the costs involved. The agent uses this information to finalise recommendations to be put to the client at a subsequent meeting.

Question 9.1

What are the objectives of carrying out a fact-find?

B2 Fact-finding forms

A fact-finding form is divided into separate sections covering the client's details. These sections include:

- personal details;
- family details;
- employment details;
- financial details;
- existing insurance and investments;
- monthly income and expenditure analysis;
- financial planning objectives and considerations; and
- future changes.



Be aware

Where joint financial plans are required for, say, husband and wife or two business partners, the same information will be required for each person.

Each section contains a series of questions. However, there are naturally some differences in the way in which they are used. Some companies also use computerised fact-finding forms where the agent inputs all the data into the system at the time of the interview or after the interview. The computer system then prints out the completed fact-find questionnaire, including information such as the client's priorities, risk profile, quantified needs, suitable products and cost-benefit analyses to clients on the screen.

In the following sections we will use the example of an insurance agent, Amit, who is advising his client, Kishore.

B2A Personal details

In this section Amit will record Kishore's personal details – his full name, address, telephone number and occupation etc. These details are required for the agent's own business records. Marital status will also be important as an indicator of family responsibilities and will point towards later questions on dependants.

The client's date of birth, place of birth and state of health, including smoking habits and/or drinking habits, will indicate eligibility for insurance policies and the premium rates to be paid.

B2B Family details

In this section Amit will record Kishore's family details.

The agent will normally ask for the names, ages, state of health and occupation of the client's:

- spouse;
- children;
- parents; and
- other dependants.

This information prompts questions on the extent to which clients need to provide protection against their own disability or death for their dependants' benefit. Also the information on dependants (such as elderly parents) will help the agent to advise on their health insurance needs. The cost of hospitalisation of elderly parents due to any illness will fall on Kishore in the absence of health insurance cover for his parents.

B2C Employment details

In the employment details section Amit will fill in details of Kishore's job and employer. If the client works for a business or a self-employed professional, the agent will record details accordingly. The client's job profile and workplace play an important role in deciding the insurance premium for a life insurance policy. An insurance company considers a person working in an IT company as low risk and a person working in an explosives factory as high risk.

The agent will record all the details of a client's earnings: basic salary, commission, performance bonus and any other additional benefits or any other sources of income. The agent will take into account this income and factor in annual growth in income during the remaining working years, and accordingly arrive at the income that needs to be protected against disability and death.

In the case of self-employed people, earnings from employment will be replaced by the client's profits and the amounts drawn from the business for family expenditure.

Be aware

The agent will take into consideration the employee benefits that the client is entitled to: provident fund, leave encashment, gratuity, superannuation, pension, life and health insurance provided by the employer and the amount of cover provided etc.



Be aware

An employee provident fund (EPF) is a fund into which the employee and the employer (on behalf of the employee) contribute regularly a certain portion of the employee's salary. The fund is managed by the Employees' Provident Fund Organisation (EPFO), a trust or is administered by the employer itself.

The EPFO invests the money collected in the fund on behalf of the members. The EPFO declares an annual return (annual interest rate payable) on the fund. The fund is governed by the rules and regulations of the **Employees' Provident Funds and Miscellaneous Provisions (EPF & MP) Act 1952**. The money together with the interest accumulated is paid to the employees when they leave the job or retire, or to the nominee on the employee's death.



The retirement benefits that Kishore is entitled to, such as the provident fund, leave encashment and gratuity will form a part of his retirement fund and after deducting this amount, the resulting gap is the amount for which Kishore now needs to start investing.

B2D Financial details

In this section Amit will record the details of Kishore's assets and liabilities. The **assets** section provides spaces to show the current value of each asset the client owns and the gross income, if any, it provides. Income from these assets must be added to income from employment to identify the client's total income and tax position.

Assets and liabilities	
Assets	Liabilities
Main residence	Home loan
Other real estate like residential property, commercial property, plots of land	Credit card payments outstanding, bank overdrafts and personal loans
Investments in equity shares and mutual funds	Vehicle loan, educational loan, business loan
Investments, fixed income securities like bank fixed deposits, government securities, public provident fund, post office deposits and other debt instruments	Any other borrowings
Investments in gold, silver and other precious metals	
Any other assets	

Where the client has significant assets, this may point to a need for investment advice.

Where the client has limited assets, it is necessary to check that they match the client's needs and the extent to which they might be available to fund more advantageous financial plans. Where the assets have been bought personally by the client, the type of investments may well indicate the client's attitude to risk.

With this information, the agent can see what further savings are necessary to achieve the financial goals of clients and their families.

The **liabilities** section lists the amounts of all the client's debts. For most clients the major liability will be a home loan which goes on for 15–20 years in most cases. The other liabilities may include outstanding credit card payments, personal loans and other loans (if any). For all loans, the client should be asked to show what protection plans, if any, are in place to pay off the outstanding debt in the event of the client's death, or to keep up interest payments during long periods of disability or unemployment. Where such cover exists, there is no need to deduct the liability from the assets when calculating amounts that are yet to be provided for.

Housing situation: The client's current housing situation will be a major factor in determining their financial planning needs.

In this section Amit's discussion with Kishore will include the following areas:

- Is he currently staying in rented accommodation? If so then the monthly rent is a major necessary expense.
- Does he own his own house? If so this will create potential expenses – e.g. utility bills, property tax, repairs etc.
- Does he have a home loan? This is a major necessary expense. Is it protected against death or illness?
- Does he aspire to buy a larger house or extend the current one? This may involve a larger home loan.

B2E Existing insurance and investments

In this section Amit will make a note of existing insurance plans and investments that Kishore has made.



Be aware

Existing policies and investments help to reduce the amount of financial provision required to meet the client's financial objectives.

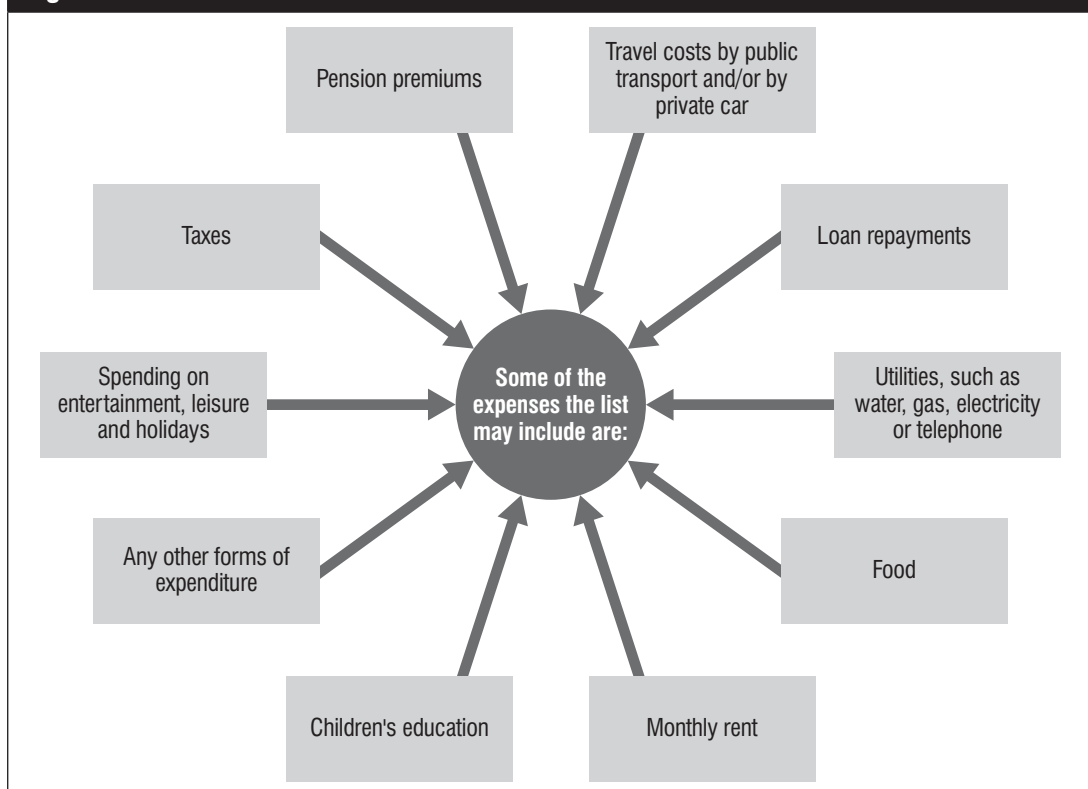
The agent will record the details of all the client's personal insurances, including life and health insurance, endowment policies, ULIPs and other forms of saving plans. For each insurance policy, this section requires the name of the insurer, the policy type, the nature and amount of the benefit, the premiums payable and the frequency of the payment. It will also ask for details of who pays the premiums, whose life is insured against disability or death and who are the beneficiaries under the policy. Any expiry or maturity date should also be noted.

B2F Monthly income and expenditure analysis

The purpose of the insurance agent doing a regular income and expenditure analysis is to identify the funds the client has available for contribution to financial planning products. An additional purpose is to enable clients to identify where they can best reduce existing expenditure, if this is necessary or desirable.

This section of the questionnaire will ask the client for total monthly income from all sources and, in the case of two earning members of the family, their joint incomes. The client will then be asked to list the main items of expenditure each month. Some of the likely expenses are:

Figure 9.2



B2G Financial planning objectives and considerations

In this section Amit will record Kishore's ambitions and concerns, both personal and for his family. The financial planning objectives section is one of the most important parts of all fact-finding questionnaires. The agent will record the client's specific longer-term plans, either personal and/or family.

The **existing provision** questions will ask how the client feels about the adequacy of their existing:

- life and health cover;
- disability insurance;
- spread of investments;
- level of regular saving; and
- retirement age and projected retirement fund.

A final question will ask which, if any, of the answers causes the client concern.

The other section asks what **plans and ambitions** the client has for their:

- family;
- children's education and marriage;
- changing homes in the future;
- career, occupation or business;
- investments and loan finance;
- retirement; and
- estate on death.

A supplementary question asking for any other aspirations will provide information on any unusual ambitions outside the standard range.

The objectives and considerations section will also provide space to list the client's financial planning priorities. Usually, priorities are indicated by a numerical ranking with one as the top priority. In practice, most people can only assess three or four priorities at a time. An attempt to prioritise a long list of needs is more likely to confuse than help them.



Be aware

One consideration that helps to determine the right choice of financial products to meet the client's needs is the client's ability to accept risk and withstand investment losses. Sometimes questionnaires provide space for the client's risk profile to be supplied in the client's own words. Increasingly, however, questionnaires offer a forced choice across a range of risk ratings. Typically, the risk rating range runs from zero to five, where zero represents an inability to take any risk and five indicates a willingness to take high risks.

This section will also record whether or not the client has written a will, the main provisions of any existing will, and any plans already made for tax-efficient disposal of the client's assets on death.

The objectives and considerations section of the questionnaire is not normally completed until the client and agent have discussed the purpose of objective-setting, the factors affecting the prioritisation of needs, and the relationship between investment risks and rewards. Only in this way can the client's answers be based on a clear distinction between real and perceived needs.

B2H Future changes

Whilst most of the information in a fact-find will be based on the current situation, possible future changes should not be ignored.

In this section Amit will ask Kishore about the possible future changes. These could include:

- inheritances (e.g. on death of a parent);
- birth of a child – leading to education costs and marriage costs;
- any plans to complete a professional, full qualification which may result in an increase in income;
- a possible change of career; and/or
- any other ambitions (e.g. foreign tours, accumulating a fund for charity or donations) which might require substantial expenditure.

C Assessment and analysis

The precise questions asked and the amount of information required varies considerably from one fact-find questionnaire to another. Equally, not all questions on a questionnaire will be relevant to the circumstances of every client.

In deciding which questions are relevant to any given client, the agent must keep the objectives of fact-finding clearly in mind. The purpose of seeking the information is to enable the agent to recommend financial products that meet the client's needs, objectives and personal profile.

For this purpose, Amit needs to be clear about the main categories of financial detail to be collected and summarised from his client Kishore. These will include:

- assets and liabilities;
- income, expenditure and savings;
- life and health insurance (including disability);
- retirement provision; and
- wills and inheritance plans.

This information determines how much existing provision there is to meet each major need and what resources are available to make up for any resulting gaps.

C1 Assessment

The key tasks of the agent include:

- identifying the amount to be provided for the needs of each client in each need area;
- identifying the client's affordable contribution;
- allocating this contribution to produce the best financial planning package currently available; and
- evaluating and reviewing the performance of the financial plan on a regular basis with the client.

The precise allocation of the available contribution among the different products will depend on the client's personal priorities.

C2 Analysis

To be of value the information on fact-finding questionnaires must be **properly recorded**. The diagnosis and quantification of needs requires the application of the agent's professional knowledge to the facts and opinions recorded on the questionnaire. At its simplest, needs analysis involves identifying whether or not the client has made sufficient financial provision to meet both predictable and unpredictable needs.

Example

After the fact-find has been completed, some of Kishore's predictable and unpredictable needs for which analysis is required by Amit include:

- Does Kishore have sufficient wealth or insurance cover to provide adequate income for dependants if he dies young?
- Is provision needed for a surviving spouse?
- Does Kishore have sufficient wealth, insurance cover or employer provision to maintain the same standard of living in the event of long periods of incapacity through illness, injury or even terminal illness?
- Does Kishore have adequate resources on which to live and to make interest payments on loans in the event of unemployment?
- How will medical treatment be paid for if Kishore, or members of his family, need expensive treatment, including hospitalisation?
- Has Kishore, or his employer, made adequate provision for his retirement income?
- What personal objectives does Kishore have for the future: provision of school or university fees for children, children's wedding costs, a new house, a trip round the world, starting his own business and plans for his retirement?
- If so, how much will the achievement of these personal ambitions cost and when is the money required?
- Does Kishore have any money set aside for these purposes already?



Many of the answers are on the fact-find form itself. For example, Kishore's current expenditure is a guide to the income needed on death, in ill-health and at retirement. A study of the existing insurance policies, assets and savings plans will show how much, or how little, provision has already been made. However, the fact-find form cannot tell us everything. Its content needs to be supplemented by knowledge of prices of the items the client wishes to provide or buy in the future, such as educational costs, house prices or travel costs.

Sometimes the duration of the period for which any life insurance will be required may be difficult to ascertain. The fact-find will show the ages of the children but not necessarily the period of their dependency. Typically, the policy needs to be in force until the youngest child is likely to complete their education. This age varies from one family to another. The 'objectives and considerations' section of the fact-find will indicate the client's aspirations for their children. It will also indicate whether or not continuing protection is needed for the surviving spouse after the children have grown up.

Question 9.2

List the various sections of a fact-find form.

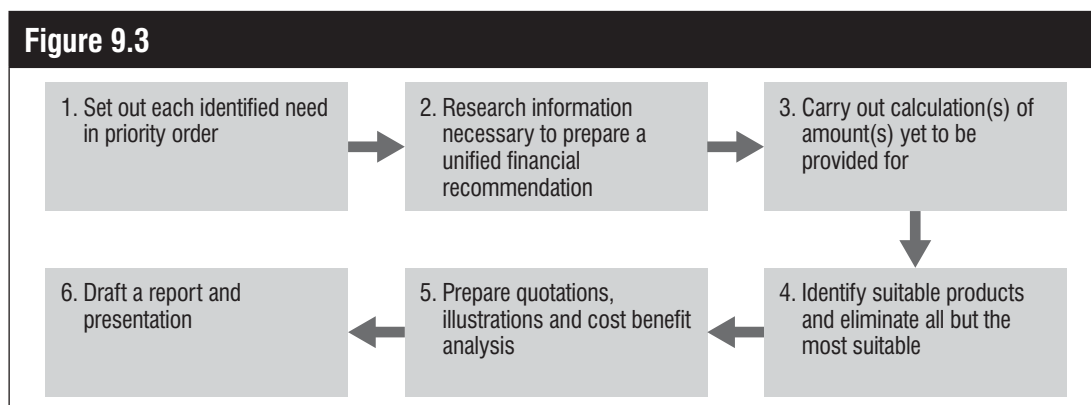
D Applying product features and benefits to a client situation

An additional objective of fact-finding is to identify products the client will need in the future and plan review dates to see when these can be funded. Without a full fact-find there is no way of knowing precisely what any individual's needs are. Even an individual who approaches an agent to buy a specific product should be offered a full fact-find to see if it is the type of product most suited to their specific needs. This is because perceived needs can be very different from real needs.

D1 Product shortlisting process

The process of analysing information and drafting recommendations for the client should be methodical and include a series of checks. After reviewing the client's fact-find questionnaire, the following stages are necessary:

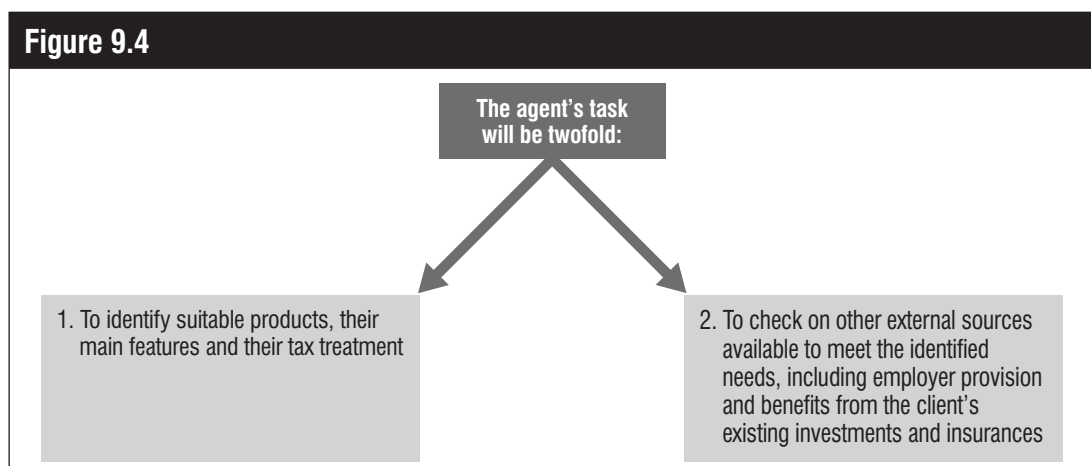
Figure 9.3



Professional conduct and expertise are required at each of these stages. Even the needs analysis has to identify the client's genuine and realistic needs from those that are only unattainable dreams. Each genuine need must have a sufficient value attached to it. If the value is overstated, the client will be paying for benefits that are not needed; if the value is understated, the benefit emerging will be insufficient to meet the need when it arises.

Agents may well have to amass and evaluate considerable volumes of information to find the most suitable solution for each separate need.

Figure 9.4

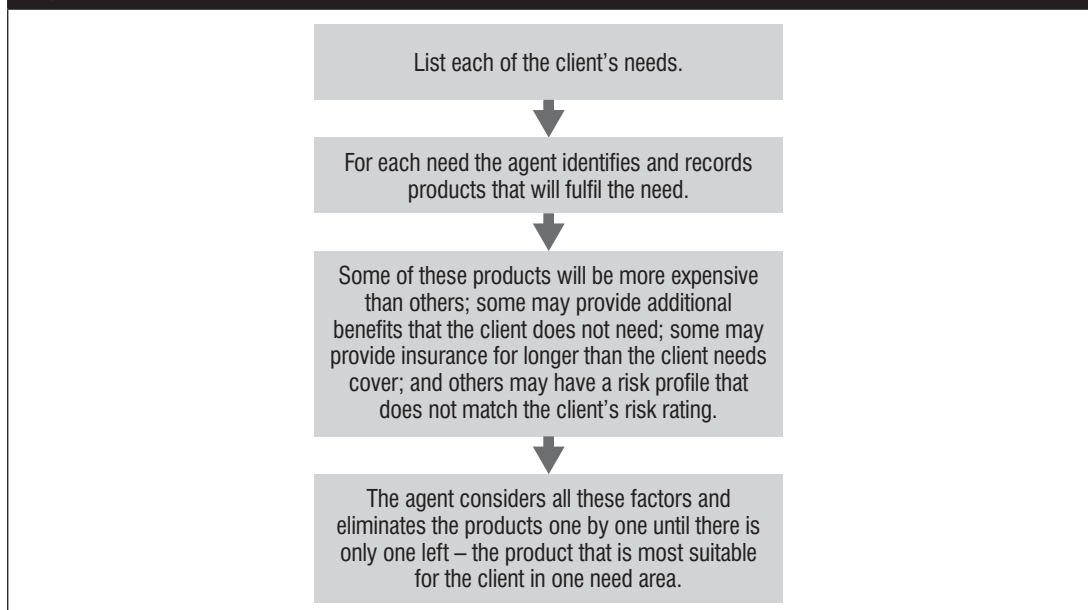


Much of this information is readily available. Indeed, the agent may already have the necessary brochures, charts and tables at hand to supplement the information on the fact-find.

D2 Product shortlisting for each need

One good method of selecting products for the client is to:

Figure 9.5



This process is repeated for each need area.

In preparing recommendations, agents will need to study quotations and product illustrations for the benefits their clients require. Where price is an important consideration, they have to locate the lowest cost product that will satisfy a given need. Only after studying the prices and benefits available is the agent in a position to select products and allocate the client's available resources in a balanced way across the product(s) recommended for each need area. The process is not easy; it requires great attention to detail and great professional care.

One of the agent's most difficult problems is what to recommend about the client's existing investments and insurances. The agent's final recommendation must certainly take existing provision into account, whether or not the client has been well-advised.

E Making recommendations

When all information has been assembled, discussed and analysed, the agent can fulfill the ultimate objective of fact-finding: to recommend the products or portfolio of products that best meets the client's needs for the contribution they can afford to pay now and sustain in the future.

As with fact-finding, good practice in making product recommendations requires a combination of efficient procedures and high ethical standards. What are the best solutions to the financial planning problems identified? Which alternative solutions are most cost-effective and tax efficient?

E1 Presenting recommendations to the client

Only when all the diagnostic work has been completed in a professional manner is the agent in a position to prepare a report for presentation to the client. Good practice principles apply both to the content of the presentation and to the skill with which it is delivered.

Be aware

Presentation skills are critical in securing acceptance of recommendations. Presentations need to be a two-way communication in which the client is fully involved by the agent.



Recommendations to clients are usually presented to the client orally at a meeting arranged especially for this purpose. During the meeting, the agent explains the proposals, shows the client the benefits and costs involved and, if the client accepts the proposals or revised proposals, helps the client to complete product application forms. For the agent to do this clearly and professionally, the presentation interview needs a structure.

E2 Recommendations: presentation structure

Once the client and agent have exchanged greetings, the normal structure of a presentation meeting should be as follows:

- check the client's commitment to the needs;
- outline the concept behind the detailed recommendations;
- outline the proposals in each need area;
- seek client authority to proceed; and
- complete the product documentation.

Checking the client's commitment to the needs is a simple but important procedure. It consists of reminding the client of the **needs** and **priorities** agreed, in principle, during fact-finding. The agent runs through each major need, in order, and asks the client to confirm that they are still areas of concern. Care needs to be taken to confine each need to a simple statement. Over-elaborate reminders will merely confuse the client, imply that changes may be necessary, or lead to another fact-finding session.

If, for any reason, the client's situation or concerns have changed, the agent may have to prepare a new set of proposals. Where, as usually happens, the agent has correctly interpreted the client's concerns and wishes, the agent can proceed with the planned presentation. Before explaining the recommendations in detail, the agent should **explain the concept** behind the proposals. This concept should be very closely linked to the client's needs and expressed concerns. Each item should be linked so that the client will subsequently appreciate how each detailed proposal fits into a single, coherent, overall plan.



Example

The concept for a family income provider with extensive protection needs and no existing insurance policies might be to ensure they keep a roof over their family's head in the event of their death or ill-health.

Or, for clients with large sums of money to invest, the concept might be to provide them with tax efficient income and capital growth through a balanced portfolio of guaranteed and risk investments.

It is important to confirm that the client agrees that the concept is the right approach before going into detail. At each stage of the presentation, the agent should show clearly how the detail fits in with the overall concept of the proposals. In outlining the **recommendation** for each need, the agent has a duty to see that the client understands the key features of the product recommended, why it is recommended and what limitations the product may have for the client.



Be aware

It is a failure of professionalism if the client is not aware of any restrictions or risks that may limit their right to benefits in the future or may involve them in an investment loss.

E3 Benefit illustration documents

In some circumstances there will be too much detail for it all to be covered in the main presentation. However, professional conduct requires that clients should understand the key features of each product recommended before a sale is completed. Many agents use **benefit illustration documents** (subject to IRDA guidelines) to show the client the nature of the product, its benefits and under what circumstances the benefit will be paid.

The benefit illustration also distinguishes between **guaranteed benefits** and **non-guaranteed benefits**. For non-guaranteed benefits, the benefit illustration shows the annual growth rate assumed (growth at the rate of 6% and 10% as per guidelines issued by the Life Insurance Council) for each projection and provides illustrations of investment values over different periods of time.

It is also usual to show the charges levied by the insurance company and the extent to which these reduce the investment return to the client during the period of the investment. It enables clients to make comparisons between one product and another.

E4 Know your customer

At the end of the presentation, the agent will sum up the proposals and seek the client's authority to proceed and complete the form filling and **know your customer (KYC)** formalities.

Know your customer (KYC)

Along with the completed form, the client needs to submit the premium cheque in the name of the insurance company and their identification documents as per the Know Your Customer (KYC) procedure. These include:

1. **photographs;**
2. **proof of identity** – some common documents accepted are a driving licence, passport, voter ID card, ID card for defence personnel, PAN card, any identification card issued by a government body etc; and
3. **proof of address** – some common documents accepted as proof of address are a driving licence, passport, electricity bill, telephone bill, premium receipt of any insurance company, ration card, bank passbook etc.

The list of documents accepted as proof of identify and address may vary among insurance companies.



Key points

The main ideas covered by this chapter can be summarised as follows:

What we need to know and why

- A fact-find shows the current financial position of the person, where they stand today and their anticipated future changes.
- A fact-find identifies a client's financial planning needs and points towards those needs that are the top priority for the client.
- Objectives of fact-finding include:
 - identifying needs;
 - gathering client data;
 - analysing client cash flows; and
 - providing for anticipated changes.

Using a fact-find

- A fact-finding form is divided into separate sections covering the client's details. These sections include:
 - personal details;
 - family details;
 - employment details;
 - financial details;
 - existing insurance and investments;
 - monthly income and expenditure analysis;
 - financial planning objectives and considerations; and
 - future changes.

Assessment and analysis

- Needs analysis involves identifying whether or not the client has made sufficient financial provision to meet unpredictable and predictable needs.
- During the assessment of a fact-find the key tasks of the agent include:
 - identifying the amount to be provided for the needs of each client in each need area;
 - identifying the client's affordable contribution;
 - allocating this contribution to produce the best financial planning package currently available; and
 - evaluating and reviewing the performance of the financial plan on a regular basis with the client.

Applying product features and benefits to a client situation.

- After analysing the fact-find information the agent applies product features to client needs and accordingly shortlists products that most suit the client's requirements.

Making recommendations

- When all information has been assembled, discussed and analysed, the agent can fulfill the ultimate objective of fact-finding: to recommend the products or portfolio of products that best meets the client's needs for the contribution they can afford to pay now and sustain in the future.
- Only when all the diagnostic work has been completed in a professional manner is the agent in a position to prepare a report for presentation to the client.
- The product recommendation presentation should have a proper structure.
- Once the recommendation presentation is over, the agent should sit with the client and clarify if they have any doubts. If not the agent should proceed with completing form-filling formalities.
- The agent can use the benefit illustration document to show the client the projected growth (at the rate of 6% and 10%) of investments.
- Along with the duly filled form the client needs to issue a cheque in the name of the insurance company and the KYC documents.