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| **3** | **Apply knowledge of life, disability, and health insurance products and services to meet client needs** |

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| **Kaupae |** Level | 5 |
| **Whiwhinga |** Credit | 10 |
| **Whāinga |** Purpose | The purpose of this skill standard is for people who want to work as a financial adviser in the provision of life, disability, and health insurance services.  This skill standard will provide learners with the knowledge and skills to apply knowledge of life, disability, and health insurance products and services to meet client needs.  This skill standard has been developed primarily for the assessment within programmes leading to the New Zealand Certificate in Financial Services (Level 5) with strands in Life, Disability, and Health Insurance. |

**Hua o te ako me Paearu aromatawai |** Learning outcomes and assessment criteria

| **Hua o te ako |** Learning outcomes | **Paearu aromatawai |** Assessment criteria |
| --- | --- |
| 1. Apply knowledge of life, disability, and health insurance products and services to meet client needs. | 1. Apply pre-assessment process for insurance underwriting. |
| 1. Analyse the features, benefits, risks, and limitations of products and services to identify those that meet the needs and circumstances of the client. |
| 1. Adjust specific terms of products or services to meet client’s circumstances and needs. |

| 1. Apply knowledge of client and adviser capabilities relevant to creating life, disability, and health insurance solutions that meet client needs. | a. Analyse alternative options for managing risk and evaluate the impact or implications that would have on the client. |
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| b. Analyse and explain any policy ownership considerations that may arise with respect to identified insurance solutions including the need to refer to the client’s other professional advisers. |
| c. Explain strategies to identify and address any limits of authority or expertise when creating insurance solutions to meet client needs. |
| 1. Provide financial advice recommendations. | a. Develop insurance recommendations based on selected strategies and present to the client. |

**Pārongo aromatawai me te taumata paearu |** Assessment information and grade criteria

*Assessment specifications:*

Assessment should use real or realistic documentation where appropriate. Simulated examples are permitted.

Learners are not expected to use tools and systems that are only available if they are available to a licenced financial advice provider or having a licence to use.

Any use of digital advice tools or artificial intelligence will need to be used in accordance with relevant organisational and industry codes of conduct and practice.

All activities must comply with legislation, regulations, and best practice, including any guidance notes published by the agency responsible for the relevant enactment or code.

*Client* also includes potential clients. Clients may include Trust, business, individual or a purchaser of insurance.

*Client* is intentionally broad to capture all types and include, individuals, partnerships, businesses, families, companies, trusts, charities, organisations, body corporates, and associations as current examples.

Evidence of four examples with a range of needs and complexities is required for Learning Outcome 1B.

***Ngā momo whiwhinga |*** *Grades available*

Achieved

**Ihirangi waitohu |** Indicative content

Pre-assessment process for insurance underwriting

* Pre-underwriting process could include information collected from the client on medical, financial, lifestyle, pastimes, occupation that may impact on ability to get cover or may impact on the extent to get cover on standard terms.

Modelling different strategies or solutions.

Features, benefits, risks, and limitations of products and services

* types of excess ie: amount and/or time period
* policy limit and/or sub limit
* time restrictions ie: indemnity period
* key exclusions
* policy automatic and optional benefits
* endorsements
* payment options
* policy types and options.

Specific adjusting actions

* adjusting wait period or excess
* including or excluding optional elements
* offering or accepting special terms.

Policy ownership considerations

* legal or tax implications.

Common policy ownership structures

* personal ownership
* joint tenants
* tenants in common
* companies
* corporate trusts
* trustees
* partnerships
* estate
* other parties.

Common policy ownership roles may refer to policy owner, premium payer, insured, beneficiary.

Provide financial advice recommendations must include

* communicating how the advice is suitable to client’s specific needs and objectives
* the cost of the recommendations
* outlining risks and/or disadvantages of recommendations including limitations, subjectivities, reduction of cover
* underinsurance
* responsibilities of the parties.

**Rauemi |** Resources

* [Code of Professional Conduct for Financial Advice Services](https://financialadvicecode.govt.nz/wp-content/uploads/2021/03/codeofprofessionalconduct-march2021.pdf)
* Customer vulnerability and expectations for providers - [CustomerVulnerability-ourexpectationsforproviders.pdf (fma.govt.nz)](https://www.fma.govt.nz/assets/Reports/CustomerVulnerability-ourexpectationsforproviders.pdf)
* Consumer Guarantees Act 1993
* Contracts of Insurance Act 2024
* Contracts of Insurance (Repeals and Amendments) Act 2024
* Fair Insurance Code 2016
* Fair Trading Act 1986
* [Financial Markets Authority - Developing cyber resilience for financial advice providers (July 2024)](https://www.fma.govt.nz/assets/Information-sheets/Developing-cyber-resilience-for-financial-advice-providers.pdf)
* Financial Markets Authority- [Understanding Artificial Intelligence in Financial Services (July 2024)](https://www.fma.govt.nz/assets/Research/Understanding-Artificial-Intelligence-in-Financial-Services.pdf) by Mikayla Pakinga-Lawson, Amie White, Stuart Johnson
* Financial Markets Conduct Act 2013
* Financial Services Legislation Amendment Act 2019
* Financial Services Providers (Registration and Dispute Resolution) Act 2008
* Health and Safety at Work Act 2015
* Insurance Intermediaries Act 1994
* Insurance Law Reform Act 1977
* Insurance Law Reform Act 1988
* ISO 22222:2005 Personal Financial Planning – Requirements for personal financial planners, available from <https://www.iso.org>
* Life Insurance Act 1908
* Privacy Act 2020
* Relevant industry codes of conduct

and their subsequent amendments or replacements.

**Pārongo Whakaū Kounga |** Quality assurance information

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| **Ngā rōpū whakatau-paerewa |** Standard Setting Body | Ringa Hora Services Workforce Development Council |
| **Whakaritenga Rārangi Paetae Aromatawai |** DASS classification | Service Sector> Financial Services> Professional Practice |
| **Ko te tohutoro ki ngā Whakaritenga i te Whakamanatanga me te Whakaōritenga |** CMR | 0003 |

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| **Hātepe |** Process | **Putanga |** Version | **Rā whakaputa |** ReviewDate | **Rā whakamutunga mō te aromatawai |** Last date for assessment |
| **Rēhitatanga |** Registration | 1 | [dd mm yyyy] | [dd mm yyyy] |
| **Kōrero whakakapinga |** Replacement information | This skill standard replaces unit standard 31867 and 31872. | | |
| **Rā arotake |** Planned review date | 2030 | | |

Please contact Ringa Hora Services Workforce Development Council at [qualifications@ringahora.nz](mailto:qualifications@ringahora.nz) to suggest changes to the content of this skill standard.