



Australian Government

Department of Education, Employment and Workplace Relations

FNSASICN503A Provide Tier 1 personal advice in general insurance

Revision Number: 1

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Modification History

Not applicable.

Unit Descriptor

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| Unit descriptor | <p>This unit is applicable to individuals working within enterprises and job roles subject to licensing, legislative, regulatory or certification requirements including that administered by the Australian Securities and Investments Commission (ASIC). Conditions relating to ASIC training requirements and accreditation should be obtained from ASIC.</p> <p>Tier 1 general insurance products are defined by ASIC as:</p> <ul style="list-style-type: none"> • personal sickness and accident insurance; and/or • general insurance products the licensee deems non-standard or complex <p>Personal sickness and accident insurance may be complex and the choices a client makes may have an increased potential to impact significantly the client's financial situation. Similarly, some general insurance products offered to clients are not straightforward or standard.</p> <p>In both cases, consumers place a greater reliance on an adviser's competence for advice on these products and adviser training at the Tier 1 level is required.</p> <p>Personal advice is defined by ASIC in its regulatory guide relating to the conduct and training of financial service product advisers. This unit requires the application of skills and knowledge to identify where the consumer is seeking advice based on their personal needs rather than general product advice and to follow the appropriate steps to provide this level of advice. It also requires clarification of the broker's role in providing this service.</p> <p>Apart from the advisory skills, there is a substantial generic, insurance core and specialist general insurance product knowledge component that must be developed by the adviser as part of the requirements to meet ASIC training standards for Tier 1 personal advice.</p> |
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Application of the Unit

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| Application of the unit | <p>This unit is specifically designed to assist advisers dealing with retail clients but it may have wider application to wholesale clients.</p> <p>The unit may be applied within organisations of various sizes and across a range of customer bases</p> |
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

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| Prerequisite units | | |
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Employability Skills Information

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| Employability skills | This unit contains employability skills. |
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Elements and Performance Criteria Pre-Content

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| Elements describe the essential outcomes of a unit of competency. | Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide. |
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Elements and Performance Criteria

| ELEMENT | PERFORMANCE CRITERIA |
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| 1. Establish relationship with client | <p>1.1. A range of communication and interpersonal skills are used to the knowledge level of client</p> <p>1.2. Enquiries are responded to by explaining the range of general insurance products and services available and their relevant fee and charging methodology</p> <p>1.3. Client is informed of the role of the <i>adviser</i> and the licensee/principal responsible for the adviser's conduct</p> <p>1.4. Client is informed of the procedures for complaints handling</p> |
| 2. Identify client objectives and risk situation | <p>2.1. A range of communication and interpersonal skills are used to establish <i>client objectives and goals</i></p> <p>2.2. Appropriate risk assessment processes and tools are used to collect relevant personal, financial and business details</p> |
| 3. Analyse client risk information | <p>3.1. All information from the <i>risk assessment process</i> is analysed</p> <p>3.2. The need for specialist advice is sought if required to address issues that professional judgement indicates may require further consideration</p> <p>3.3. Clients are consulted throughout the analysis for further clarification where necessary</p> |
| 4. Identify appropriate risk solution | <p>4.1. Available options are identified and assessed using <i>information</i> from risk analysis</p> <p>4.2. Relevant product research is conducted</p> <p>4.3. A statement of advice for presentation to the client is prepared</p> <p>4.4. The client is referred to an appropriate adviser for higher level or specialist advice if required</p> |
| 5. Present appropriate solutions to client | <p>5.1. Features of the statement of advice are explained to the client in a clear and unambiguous way</p> <p>5.2. Impact of key aspects of the recommendations including possible risks are disclosed in a clear and concise manner to the client</p> |
| 6. Negotiate effectively | <p>6.1. <i>Concerns and/or issues</i> the client has regarding the proposed insurance plan/policy/transaction are discussed and clarified</p> <p>6.2. Confirmation is sought from client regarding their preferred insurance plan/policy/transaction</p> |

| ELEMENT | PERFORMANCE CRITERIA |
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| 7. Coordinate implementation of the agreed solution | <p>7.1. Agreement regarding the proposed insurance plan/policy/transaction is sought from the client including fees and costs</p> <p>7.2. Timeframes for execution and processing are clearly explained to the client</p> |
| 8. Complete and maintain necessary documentation | <p>8.1. Proposal and other documents are completed and, where appropriate, signed off by the client</p> <p>8.2. Copies of appropriate documentation and the signed agreement are exchanged</p> <p>8.3. Client records are created or updated</p> |
| 9. Provide ongoing service where requested by client | <p>9.1. Type and form of ongoing service including review of insurance plan/policy/transaction is agreed with the client</p> <p>9.2. Fees and costs for defined ongoing services are clearly explained and confirmation of understanding gained from the client</p> <p>9.3. Ongoing service is provided as required</p> |

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- communication skills to:
 - determine and confirm information, using questioning and active listening as required
 - gather information and explain products in language that avoids unnecessary industry specific jargon
 - literacy and presentation to prepare and present information to clients and insurers
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- numeracy and IT skills to:
 - perform calculations related to achieving required outcomes
 - obtain product information
 - use IT calculators to determine insurance premiums
 - use computer applications (word processing, spreadsheet, database, specific purpose computer systems) to assist in achieving required outcomes
 - access and update records electronically
 - access web-based information services
- literacy skills to read and interpret documentation from a variety of sources and record and consolidate relevant related information
- research and analysis skills for accessing and interpreting relevant information
- interpersonal skills
- organisational skills, including the ability to plan and sequence work
- data collection and analysis skills to identify client needs
- product research and analysis skills to formulate recommendations
- time management and record keeping skills

Required knowledge

- core insurance knowledge:
 - characteristics and participants of the Australian insurance market
 - insurance products: types of insurance general insurance and risk insurance products, conditions, inclusions and exclusions, levels of coverage of risk transfer products, pricing
 - taxation: awareness if taxation issues in relation to the products
 - advisory functions:
 - the role of the representative/adviser

REQUIRED SKILLS AND KNOWLEDGE

- participants in the advisory services market
- range of services provided
- appropriateness of a risk assessment
- legal environment - disclosure and compliance:
 - the role of the broker/representative/adviser
 - relevant legal principles (e.g. Corporations Act, Financial Services Reform Act (FSRA), Trade Practices Act)
 - the relationship between ethics and regulatory requirements (eg good faith, utmost good faith)
 - full disclosure of remuneration/fees and any other conflicts of interest which may influence the adviser's recommendation)
 - General Insurance Code of Practice and organisational codes of conduct
 - complaints resolution procedures (internal and external)
 - ASIC guidelines on adviser conduct and training
- specialist general insurance knowledge
 - types of general insurance products/policies
 - standard cover (and deviations)
 - policy wordings
 - taxes and charges
 - insurance claims
 - premium rating/risk selection
 - reporting
 - product development
 - underwriting
- terms and conditions of retail general insurance products used by the organisation

Evidence Guide

EVIDENCE GUIDE

The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the ability to:

- apply core and specialist knowledge about the general insurance market in practical situations
- deal with standard general insurance policies and demonstrate application of knowledge to a variety of known customer service and technical situations
- interpret available information about the client's risk needs and products and apply discretion and judgement in developing an appropriate solution.

Context of and specific resources for assessment

Assessment must ensure:

- competency is demonstrated in the context of the work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment
- access to and the use of a range of common office equipment, technology, software and consumables
- access to organisation records
- access to organisational policies and procedures.

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:

- evaluating an integrated activity, which combines the elements of competency for the unit, or a cluster of related units of competency
- observing processes and procedures in workplaces
- verbal or written questioning on underpinning knowledge and skills
- evaluating samples of work
- accessing and validating third party reports
- setting and reviewing workplace projects and business simulations or scenarios.

Guidance information for assessment

Range Statement

| RANGE STATEMENT | |
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| <p>The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.</p> | |
| <i>Adviser</i> may include: | <ul style="list-style-type: none"> all natural persons who provide financial product advice to retail clients any representative of a licensee employee or owner. |
| <i>Client objectives and goals</i> may include: | <ul style="list-style-type: none"> business needs expectations of product coverage. |
| <i>Risk assessment process</i> might include: | <ul style="list-style-type: none"> checklists surveys. |
| <i>Information</i> may include: | <ul style="list-style-type: none"> details of the customer's needs and objectives for coverage, insurer security disclosures. |
| <i>Concerns and/or issues</i> might include: | <ul style="list-style-type: none"> beliefs about security and coverage. |

Unit Sector(s)

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| Unit sector | Insurance life/general ASIC |
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Competency field

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| Competency field | |
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Co-requisite units

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| Co-requisite units | | |
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