



Australian Government

Department of Education, Employment and Workplace Relations

FNSASICP503A Provide Tier 1 general advice in life insurance

Revision Number: 1

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Modification History

Not applicable.

Unit Descriptor

<p>Unit descriptor</p>	<p>This unit is applicable to individuals working within enterprises and job roles subject to licensing, legislative, regulatory or certification requirements including legislation administered by the Australian Securities and Investments Commission (ASIC).</p> <p>This unit covers the functions undertaken by non-broker insurance advisers providing general advice in Tier 1 life insurance to a consumer or current client.</p> <p>Conditions relating to ASIC training requirements and accreditation should be obtained from ASIC.</p> <p>General advice is defined by ASIC in its regulatory guides relating to the conduct and training of financial service product advisers.</p> <p>This unit requires the application of skills and knowledge to identify where the consumer is seeking general rather than personal product advice and to follow the appropriate steps to provide this level of advice.</p> <p>There is a substantial component of generic, core and specialist life insurance knowledge that must be developed by the adviser as part of this unit in order to meet the ASIC training standards for Tier 1 general advice.</p>
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Application of the Unit

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

Prerequisite units		

Employability Skills Information

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

<p>Elements describe the essential outcomes of a unit of competency.</p>	<p>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.</p>
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Deal with initial client enquiry for general insurance	<p>1.1. <i>Client enquiries</i> are attended to in a timely and courteous manner</p> <p>1.2. Active listening skills are demonstrated in dealing with consumer enquiries and help and assistance is provided to ensure the full and accurate completion of <i>initial documentation</i> where required</p> <p>1.3. Clear and unambiguous communication is undertaken with the consumer to determine and clarify the product of interest to them</p> <p>1.4. The range of products of interest to the consumer are analysed to determine their categorisation as areas of general advice in line with <i>legislation and organisational policy</i></p> <p>1.5. Consumers are informed that general advice will be provided to them in relation to the products of interest and that only personal information for underwriting and calculating the cost of the product will be sought</p> <p>1.6. The consumer is referred to appropriate specialist personnel where required advice is deemed to fall outside the category of general advice</p>
2. Prepare general advice to client	<p>2.1. The correct <i>disclosure documentation</i> is provided in accordance with legislation and organisational policy</p> <p>2.2. A <i>general advice warning</i> is given to the consumer in line with legislative and organisation policy</p> <p>2.3. <i>Special communication needs</i> of clients or consumers are considered in delivering general advice warning</p>
3. Provide general advice	<p>3.1. The product advice is given to the consumer in a clear and unambiguous way avoiding jargon and in a language appropriate to the receiver and using <i>organisational tools</i></p> <p>3.2. <i>Product and industry knowledge</i> appropriate for advice offered is demonstrated when providing advice to the client</p> <p>3.3. Product advice is explained and discussed with the client in language that avoids giving the impression the adviser has considered the consumer's personal circumstances in providing the advice</p> <p>3.4. Client is requested to consider the appropriateness of the advice in the light of their own circumstances</p>

ELEMENT	PERFORMANCE CRITERIA
	3.5. Client is advised to read the product disclosure statement before making a decision

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
 - 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

Required knowledge

- generic insurance knowledge:
 - operation of insurance markets: definition of an insurance risk product, characteristics and participants of the Australian insurance market, the roles played by intermediaries
- core insurance knowledge:
 - 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 of taxation issues in relation to the products
 - advisory functions:
 - the role of the representative/adviser
 - participants in the advisory services market
 - range of services provided

REQUIRED SKILLS AND KNOWLEDGE

- 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 industry code of practice and organisational codes of conduct
 - complaints resolution procedures (internal and external)
 - ASIC guidelines on adviser conduct and training
- specialist life insurance knowledge:
 - types/classes of life insurance products/policies
 - standard cover (and deviations)
 - product development
 - policy wordings
 - underwriting
 - insurance claims
 - premium rating/risk assessment
 - investment strategy (investment component of life insurance products)
- terms and conditions of life insurance products used by the organisation
- legislative and organisational compliance requirements in relation to advice:
 - relevant legislation affecting the provision of general and personal advice (e.g. ASIC Regulatory Guide 175 on conduct and disclosure)
 - the role of different advisers within the organisation
 - organisation policy and guidelines related to the provision of general advice
 - details of relevant marketing and disclosure documents, including product disclosure statements and marketing brochures on the relevant product

Evidence Guide

EVIDENCE GUIDE	
<p>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.</p>	
Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	<p>Evidence of the ability to:</p> <ul style="list-style-type: none"> • apply procedures to deal with clients to whom general rather than personal advice is to be provided at the Tier 1 level.
Context of and specific resources for assessment	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> • 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	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:</p> <ul style="list-style-type: none"> • 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	
<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>	
<p><i>Consumer enquiries</i> may include:</p>	<ul style="list-style-type: none"> • electronic communication • face-to-face enquiries • telephone enquiries • written communication.
<p><i>Initial documentation</i> may include:</p>	<ul style="list-style-type: none"> • computer and manual application forms.
<p><i>Legislation and organisation policy</i> may include:</p>	<ul style="list-style-type: none"> • ASIC Act and its regulatory guides • organisation guidelines, operating and policy manuals • general insurance code of conduct.
<p><i>Disclosure documentation</i> may include:</p>	<ul style="list-style-type: none"> • financial services guide • product disclosure statement.
<p><i>General advice warning:</i></p>	<ul style="list-style-type: none"> • has a specific definition under the Financial Services Reform Act.
<p><i>Special communication needs</i> include:</p>	<ul style="list-style-type: none"> • people from different cultural backgrounds • people with a disability.
<p><i>Organisational tools</i> may include:</p>	<ul style="list-style-type: none"> • brochures • computer prompts and systems • financial services guides • telephone or face-to-face scripts.
<p><i>Product and industry knowledge</i> may include:</p>	<ul style="list-style-type: none"> • insurance policy terms and conditions.

Unit Sector(s)

Unit sector	Insurance life/general ASIC
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		