



Australian Government

Department of Education, Employment and Workplace Relations

FNSIBK302B Provide general advice in general insurance broking products and services

Release: 1

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Modification History

Release	Comments
Release 1	This Unit of Competency first released with <i>FNS10 Financial Services Training Package version 2.0</i> . Has the "tier 2" label removed, it suggests some relevance to ASIC requirements which is erroneous. Replaces FNSIBK302A Provide general advice in general insurance broking products and services (Tier 2).

Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to advise retail and wholesale clients and current clients in standard general insurance products.

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).

Conditions relating to ASIC training requirements and accreditation should be obtained from ASIC.

Application of the Unit

This unit is applicable to individuals working within insurance broking enterprises and in broking adviser job roles. For those brokers seeking to meet ASIC training standards:

- General 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 client is seeking general rather than personal 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.
- Tier 2 products are defined by ASIC as:
 - General insurance products other than personal sickness and accident. These products:
 - Do not have any investment component
 - Are subject to standard terms and conditions except for previously disclosed variations
 - Are of a limited life, e.g. 12 months
 - Travel insurance products including where the product covers losses arising due to sickness or accident while travelling; and
 - Client credit insurance including where the product covers client credit liabilities that cannot be paid due to sickness or accident.
 - There is a substantial core and specialist general insurance product and insurance broking knowledge component that must be developed by the adviser as part of the requirements to meet ASIC training standards for Tier 2 general advice.

The unit may be applied within organisations of various sizes and across a range of customer bases.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Element	Performance Criteria
<i>Elements describe the essential outcomes of a unit of competency.</i>	<i>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.</i>

Elements and Performance Criteria

<p>1. Deal with initial client enquiry for general insurance</p>	<p>1.1 <i>Client enquiries</i> are attended to in a timely and courteous manner</p> <p>1.2 A range of communication and interpersonal skills are used to clarify the general insurance products and broking services the client is requesting to be provided</p> <p>1.3 Active listening skills are demonstrated in dealing with client enquiries and help and assistance is provided to ensure the full and accurate completion of <i>initial documentation</i> where required</p> <p>1.4 The role of the broker and licensee/principal responsible for the adviser's conduct is explained to the client</p> <p>1.5 The range of products of interest to the client are analysed to determine their categorisation as areas of general advice in line with <i>legislation and organisation policy</i></p> <p>1.6 Clients 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>1.7 An explanation of the relevant fees and charging methodology is provided</p> <p>1.8 The client is referred to appropriate specialist personnel within the brokerage where required advice is deemed to fall outside the category of general advice</p>
<p>2. Prepare general advice to client</p>	<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 client/client in line with legislative and organisation policy</p> <p>2.3 <i>Special communication needs</i> of clients or clients are considered in delivering general advice warning</p>
<p>3. Provide general advice</p>	<p>3.1 The product advice is given to the client in a clear and unambiguous way avoiding jargon and in a language appropriate to the receiver and using organisational tools</p> <p>3.2 Product and industry knowledge 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 client'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> <p>3.5 Client is advised to read the product disclosure statement before making a decision</p>

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 techniques
 - liaise with others, share information, listen and understand
 - Interpersonal communication including questioning techniques to gather information and explain products in language that avoids unnecessary industry specific jargon
 - use language and concepts appropriate to cultural differences
- numeracy and IT skills to:
 - perform calculations related to achieving required outcomes
 - 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
- effective interpersonal skills
- organisational skills, including the ability to plan and sequence work.

Required knowledge

- core insurance knowledge:
 - characteristics and participants of the Australian insurance market
 - types of general insurance products, conditions, inclusions and exclusions, levels of coverage and pricing
- advisory functions:
 - the role of the broker/representative/adviser
 - 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 (e.g. good faith, utmost good faith)
 - full disclosure of remuneration/fees and any other conflicts of interest which may influence the adviser's recommendation
 - Insurance Brokers Code of Practice and organisational codes of conduct
 - complaints resolution procedures (internal and external)
 - ASIC guidelines on adviser conduct and training

- specialist knowledge of insurance broking products and services provided:
 - 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
 - binder products
- legislative and organisational compliance requirements in relation to advice
- relevant legislation and ASIC advisory guides relating to the provision of general and personal advice
- the role of different advisers within the brokerage
- brokerage 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 products.

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	<p>Evidence of the ability to:</p> <ul style="list-style-type: none"> • apply broking advisory procedures to provide appropriate general advice in general insurance broking products and services.
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.
Guidance information for assessment	

Range Statement

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.

<i>Client enquiries</i> may include:	<ul style="list-style-type: none"> • electronic communication • face-to-face enquiries • telephone enquiries • written communication.
<i>Initial documentation</i> may include:	<ul style="list-style-type: none"> • computer and manual application forms.
<i>Legislation and organisation policy</i> may include:	<ul style="list-style-type: none"> • ASIC Act and its regulatory guides • brokerage guidelines, operating and policy manuals • General insurance Brokers code of Practice.
<i>Disclosure documentation</i> may include:	<ul style="list-style-type: none"> • financial services guide • product disclosure statement.
<i>General advice warning:</i>	<ul style="list-style-type: none"> • has a specific definition under the Financial Services Reform Act.
<i>Special communication needs</i> may include:	<ul style="list-style-type: none"> • people with a disability or from different cultural backgrounds.

Unit Sector(s)

Insurance broking