



Australian Government

Assessment Requirements for FNSASICM503 Provide Tier 1 personal advice in life insurance

Release: 1

Assessment Requirements for FNSASICM503 Provide Tier 1 personal advice in life insurance

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 1.0.

Performance Evidence

Evidence of the ability to:

- interpret and comply with industry regulations and codes of practice in providing Tier 1 personal advice in life insurance
- analyse client's need, risk situation and a range of financial products to develop a risk profile and potential strategy or solution
- advise clients accurately and ethically about specific life insurance products and services, and relevant tax implications
- finalise plan, policy or transaction, ensuring all documentation is completed accurately following organisational procedures.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must satisfy generic, core and specialist knowledge requirements relevant to the products and activities in which advice is given.

Generic knowledge

- analyse and provide an overview of the economic environment including:
 - characteristics and impact of economic and business cycles
 - interest rates and exchange rates
 - inflation
 - government monetary and fiscal policy
- analyse and provide a detailed explanation of the operation of financial markets including:
 - roles played by intermediaries and issuers
 - structure and interrelationships within the financial markets

- interrelationship between industry sectors
- outline financial products including:
 - concept of a financial product – general definition, and specific inclusions and exclusions
 - types of financial investment products
 - types of financial risk products.

Core insurance knowledge

- explain the operation of insurance markets including:
 - definition of insurance product
 - characteristics and participants of the Australian insurance market
 - roles played by intermediaries
- types of insurance products including risk insurance products, investment life insurance products and general insurance products
- explain the following aspects of insurance products:
 - conditions, exclusions and levels of coverage of risk transfer products
 - pricing
- explain taxation issues in relation to insurance products and markets
- describe advisory functions including:
 - role of insurance adviser, broker or agent
 - participants in the insurance advisory services market
 - range of services provided
 - profile and financial information of the client
 - appropriateness of a risk assessment
- discuss the legal environment including disclosure and compliance covering:
 - role of the representative or adviser
 - relevant legal principles relating to the Corporations Act, Australian Securities and Investments Commission (ASIC) Act, Insurance Contracts Act, Life Insurance Act, Privacy Amendment (Private Sector) Act, Financial Services Reform Act (FSRA) and Competition and Consumer Act
 - relationship between ethics and regulatory requirements including good faith, faith, utmost good faith, full disclosure of remuneration and fees, and any other conflicts of interest which may influence the adviser's recommendation
 - relevant industry standards and codes of conduct
 - regulators' guidelines including ASIC Regulatory Guide (RG)146 requirements
 - complaints resolution procedures (external and internal).

Specialist knowledge

- outline the following aspects of life insurance:
 - types and classes of life insurance products and policies

- standard cover and relevant deviations
- product development
- policy wordings
- underwriting
- insurance claims
- premium rating and risk assessment
- investment strategy (investment component of life insurance products).

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the financial services and products advice field of work and include access to:

- office equipment, technology, software and consumables
- organisational records
- organisational policy and procedures.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>