



Australian Government

FNSASICM503 Provide Tier 1 personal advice in life insurance

Release: 1

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Modification History

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

Application

This unit describes the skills and knowledge required to analyse a client's life insurance needs for current Australian Securities and Investments Commission (ASIC) regulation (Financial Services Reform Act) at Tier 1 (Diploma) level in the insurance specialist and generic knowledge areas.

It applies to individuals who have specialist product knowledge and strong interpersonal skills and are expert communicators. In this role, excellent customer service skills relating to the provision of advice to clients is essential.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Refer to the FNS Implementation Guide Companion Volume or the relevant regulator for specific guidance on requirements.

Unit Sector

ASIC units

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Establish relationship with client	1.1 Use range of communication and interpersonal skills to establish knowledge level of client 1.2 Respond to enquiries by explaining range of products and services available and their relevant fees and charging methodology 1.3 Inform client about role of adviser and licensee or principal responsible for adviser's conduct 1.4 Demonstrate knowledge of procedures for complaints handling

ELEMENT	PERFORMANCE CRITERIA
	and circumstances in which they should be engaged
2. Identify client's objectives, needs and financial situation	2.1 Use range of communication and interpersonal skills to gather client's personal, financial and business details 2.2 Encourage client to express objectives and goals, in short-term, medium-term and long-term, to identify client requirements in tandem with product 2.3 Identify product risk profile of client 2.4 Identify client's expectations of cash flow and relevant taxation obligations
3. Analyse client's objectives, needs, financial situation and risk profile	3.1 Undertake assessment of client needs, using all information gathered and taking into account client's product expectations and specific needs 3.2 Consult client throughout analysis to seek further clarification where necessary 3.3 Analyse need for specialist advice and refer client to appropriate adviser for higher level or specialist advice if required 3.4 Assess and agree on product risk profile of client 3.5 Apply ASIC generic and specialist knowledge relevant to products being offered
4. Develop appropriate strategies and solutions	4.1 Determine appropriate strategy to provide for identified needs and outcomes by analysing products and client risk profile, and assessing client's needs 4.2 Undertake relevant research, analysis and product modelling 4.3 Draft appropriate solution (plan, policy or transaction) for presentation to client
5. Present appropriate strategies and solutions to client	5.1 Explain and discuss proposed transaction with client in clear and unambiguous way, demonstrating product knowledge appropriate for service or product offered 5.2 Reinforce all relevant details, terms and conditions of product and service to client 5.3 Disclose impacts and possible risks of solution in clear and concise manner 5.4 Provide client with written supporting documentation and guide client through key aspects of documentation
6. Negotiate financial plan, policy or transaction	6.1 Discuss and clarify any concerns and/or issues client has regarding proposed insurance plan, policy or transaction

ELEMENT	PERFORMANCE CRITERIA
with client	6.2 Seek client's preferred plan, policy or transaction and confirm client's preference
7. Coordinate implementation of agreed plan, policy or transaction	7.1 Seek formal agreement from client to proposed plan, policy or transaction 7.2 Clearly explain associated fee and cost structures, and confirm client understands all details 7.3 Ensure that timeframes for execution and processing are clearly explained to client
8. Complete and maintain necessary documentation	8.1 Confirm that proposal and other documents are completed and, where appropriate, are signed off by client 8.2 Ensure that signed agreement and copies of appropriate documentation are exchanged
9. Provide ongoing service where requested by client	9.1 Ensure that type and form of ongoing service, including review of plan, policy or transaction, is agreed with client 9.2 Clearly explain and confirm fees and costs for ongoing and specifically defined service, and confirm client understands all details 9.3 Provide ongoing service as required

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Reading	1.4, 2.3	Recognises and interprets information from relevant sources
Writing	1.1-1.3, 2.1, 2.2, 2.4, 3.1, 3.2, 4.3, 5.3, 5.4, 6.1, 6.2, 7.1-7.3, 9.1, 9.2	Uses clear, specific and industry related terminology to record and consolidate workplace documentation
Oral Communication	1.1-1.3, 2.1-2.4, 3.1, 3.2, 3.4, 5.1-5.4, 6.1, 6.2, 7.1-7.3, 9.1, 9.2	- Clearly articulates requirements using language appropriate to the audience and environment - Uses active listening and questioning to elicit information and confirm understanding

Numeracy	1.2, 9.2	Interprets financial product information and completes calculations to achieve required outcomes
Navigate the world of work	1.3, 1.4, 3.5, 4.2, 5.3	- Takes responsibility for providing quality advisory services that comply with legal and organisational requirements - Develops and maintains knowledge of products and the relevant regulatory frameworks that define their use to provide accurate and compliant information
Interact with others	1.1, 2.1, 2.4, 5.1-5.4, 6.1, 6.2, 7.1-7.3	- Selects and uses appropriate communication conventions and protocols to establish rapport with clients to determine their knowledge and risk position - Adapts personal communication style to show respect for the values, beliefs and cultural expectations of others - Uses collaborative techniques to ensure understanding is established and agreement is negotiated
Get the work done	2.3, 3.1, 3.3, 4.1, 5.4, 8.1, 8.2, 9.3	- Takes responsibility for planning and sequencing the priority of some relatively complex tasks for efficiency and effective outcomes - Uses research and analytical processes to decide on recommendations that meet client requirements, and provides support that complies with legal and organisational requirements including referral to specialist assistance - Uses the main features and functions of digital tools to complete work tasks

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSASICM503 Provide Tier 1 personal advice in life insurance	FNSASICM503A Provide Tier 1 personal advice in life insurance	Updated to meet Standards for Training Packages	Equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

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

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

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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

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