



Australian Government

Assessment Requirements for FNSASICM513 Provide general advice in life insurance

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with the FNS Financial Services Training Package Version 8.0. Supersedes and is not equivalent to FNSASICM503 Provide Tier 1 personal advice in life insurance.

Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- provide general advice in life insurance to at least two different clients.

In the course of the above, the candidate must:

- identify and analyse each client's objectives, needs and financial details
- comply with industry-specific legislative and regulatory requirements for life insurance
- advise clients accurately and ethically about specific life insurance products and services, and relevant tax implications
- demonstrate knowledge of product or service offered
- match product or service to client needs
- finalise product or service offering, ensuring required documentation is completed accurately following organisational procedures.

Knowledge Evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

General knowledge

- overview of current economic environment, including:
 - characteristics and impact of economic and business cycles
 - interest rates and exchange rates
 - inflation
 - government monetary and fiscal policy
- operations of financial markets, including:

- roles played by intermediaries and issuers
- structure and interrelationships within the financial markets
- interrelationship between industry sectors
- 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

- operation of insurance markets, including:
 - definition of insurance product
 - characteristics of and participants in the Australian insurance market
 - roles played by intermediaries
- types of insurance products, including risk insurance products, investment life insurance products and general insurance products
- aspects of insurance products, including:
 - conditions, exclusions and levels of coverage of risk transfer products
 - organisational standards for documentation
 - pricing
 - fee structures and charging methodologies
- taxation issues in relation to insurance products and markets
- advisory functions for life insurance, including:
 - role of insurance adviser, broker and agent
 - participants in the insurance advisory services market
 - range of services provided
 - profile and financial information of the client
 - appropriateness of a risk assessment
 - ethical considerations relevant to advisory functions
- key legal environment factors, including disclosure and compliance covering:
 - role of representative and adviser
 - legal principles relating to key Acts relevant to performance evidence
 - 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 that may influence adviser's recommendation
 - relevant industry standards and codes of conduct
 - regulators' guidelines relevant to the provision of general or wholesale advice in life insurance
 - resolution procedures for internal and external complaints

Specialist knowledge

- key aspects of life insurance, including:
 - 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 in relation to investment components of life insurance products.

Assessment Conditions

Skills in this unit must be demonstrated in a workplace or simulated environment where the conditions are typical of those in a working environment in this industry.

This includes access to:

- office equipment, technology, software and consumables used to provide general advice in life insurance
- clients requiring general advice in life insurance
- organisational records
- organisational policies and procedures.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

Links

Companion Volume Implementation Guide is found on VETNet -

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