



Australian Government

FNSASICN503 Provide Tier 1 personal advice in general insurance

Release: 1

FNSASICN503 Provide Tier 1 personal advice in general insurance

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 general 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

ELEMENT	PERFORMANCE CRITERIA
	1.4 Inform client about procedures for complaints handling
2. Identify client objectives and risk situation	2.1 Use range of communication and interpersonal skills to establish client objectives and goals 2.2 Use appropriate risk assessment processes and tools to collect relevant personal, financial and business details
3. Analyse client risk information	3.1 Analyse all information from risk assessment process 3.2 Seek specialist advice if required to address issues that professional judgement indicates may require further consideration 3.3 Consult clients throughout analysis for further clarification where necessary
4. Identify appropriate risk solution	4.1 Identify and assess available options using information from risk analysis 4.2 Conduct relevant product research 4.3 Prepare statement of advice for presentation to client 4.4 Refer client to appropriate adviser for higher level or specialist advice, if required
5. Present appropriate solutions to client	5.1 Explain features of statement of advice clearly and unambiguously 5.2 Discuss impacts and possible risks of solution in clear and concise manner
6. Negotiate effectively	6.1 Discuss and clarify any concerns and/or issues client has regarding proposed insurance plan, policy and/or transaction 6.2 Seek client's preferred plan, policy and/or transaction and confirm client's preference
7. Coordinate implementation of agreed solution	7.1 Ensure that client agrees to proposed insurance plan, policy and/or transaction, including all associated fees and costs 7.2 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 8.3 Create and update client records
9. Provide ongoing	9.1 Ensure that type and form of ongoing service, including review

ELEMENT	PERFORMANCE CRITERIA
service where requested by client	of insurance plan, policy and/or transaction, is agreed with client 9.2 Clearly explain 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	2.2, 3.1, 4.1, 4.2, 8.1	Recognises and interprets textual information from relevant sources
Writing	1.1-1.4, 2.1, 3.2, 3.3, 4.3, 4.4, 5.1, 5.2, 6.1, 6.2, 7.1, 7.2, 8.3, 9.1, 9.2	Uses clear, specific and industry related terminology to record and consolidate workplace documentation
Oral Communication	1.1-1.4, 2.1, 3.2, 3.3, 4.4, 5.1, 5.2, 6.1, 6.2, 7.1, 7.2, 9.1, 9.2	- Clearly articulates product and service information unambiguously, 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, 4.2	- Understands and adheres to organisational requirements and protocols within own area of responsibility - Develops and maintains product knowledge to provide accurate and relevant information
Interact with others	1.1, 2.1, 5.1, 5.2, 6.1, 6.2, 7.1, 7.2	- Selects and uses appropriate communication conventions and protocols to establish rapport with clients to determine their knowledge, risk tolerance and concerns, and provide essential information to ensure agreement is negotiated - Adapts personal communication style to show respect for the values, beliefs and cultural expectations of others
Get the work	2.2, 3.2, 3.3, 4.1,	Takes responsibility for the sequence and priority of

done	4.4, 8.1, 8.2, 9.3	some relatively complex routine tasks for efficiency and effective outcomes • Formulates decisions relating to client requirements and support that comply with legal and organisational requirements, and initiates specialist assistance for client if required • Uses the main features and functions of digital tools to complete work tasks
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Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSASICN503 Provide Tier 1 personal advice in general insurance	FNSASICN503A Provide Tier 1 personal advice in general 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 FNSASICN503 Provide Tier 1 personal advice in general 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 general insurance
- analyse client's objectives, risk situation and a range of financial products to develop a risk profile and potential strategy or solution to meet client needs
- advise clients accurately and ethically about specific general insurance products and services
- finalise plan, policy and/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 general insurance products:
 - 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
- reporting
- explain terms and conditions of retail general insurance products used by the organisation.

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