

Title	Explain risks and risk management strategies for personal finances		
Level	1	Credits	3

Purpose	People credited with this unit standard are able to explain risks and risk management strategies for personal finances.
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Classification	Core Generic > Financial Capability
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Available grade	Achieved, Merit, and Excellence
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Criteria for Merit	<i>Detailed explanation</i> of the risks and risk management strategies includes examples of how risk management strategies minimise risks to personal finances.
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Criteria for Excellence	<i>Comprehensive explanation</i> of the risks and risk management strategies justifies their use to minimise impact on future personal finances.
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Guidance Information

- 1 This unit standard can be awarded with *Achieved*, *Merit*, or *Excellence*. For the *Achieved* grade to be awarded, the outcome must be achieved as specified in the outcome statement. For *Merit* or *Excellence* to be awarded, the candidate must meet the *Merit* or *Excellence* criteria specified above.
- 2 Definitions
Risks refers to – the loss of money or property, theft of identity, change in value of assets, loss or damage due to natural or man-made events, health issues.
Risk management strategies refers to ways to protect your personal assets and may include wills, insurance and security measures; such strategies may be reviewed as lifestyle or personal circumstances change.
- 3 Legislation may include but is not limited to:
 Financial Advisers Act 2008
 Insurance Law Reform Act 1985
 Crimes Act 1961 (Sections 220, 228, 229, 240, 242, and 256, 257, 258 to 260)
 Land Transport Act 1998
 Financial Service Providers (Registration and Dispute Resolution) Act 2008
 Privacy Act 2020;
 and all subsequent amendments and replacements.

4 References

Ministry of Consumer Affairs – Scams – <https://www.consumerprotection.govt.nz>;
 Insurance Council of New Zealand – <https://www.icnz.org.nz/understanding-insurance/the-basics/>;
 Financial Markets Authority – <https://www.fma.govt.nz/>;
 Financial Services Council of New Zealand - <https://fsc.org.nz/>;
 Inland Revenue – <https://www.ird.govt.nz/>;
 Sorted: Your Independent Money Guide – <https://www.sorted.org.nz/>.

Outcomes and performance criteria

Outcome 1

Explain risks and risk management strategies for personal finances.

Performance criteria

1.1 Risks to personal assets are identified and explained in relation to impact on personal finances.

Range personal assets include – motor vehicle; house/house contents; identity; health and wellbeing/hauora.

1.2 Risk management strategies to minimise risks to personal finances are explained in relation to personal assets.

Range four different risk management strategies including insurance.

Planned review date	31 December 2025
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Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	12 December 2013	31 December 2018
Revision	2	21 May 2015	31 December 2018
Review	3	21 July 2016	31 December 2022
Review	4	31 December 2020	

Consent and Moderation Requirements (CMR) reference	0226
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This CMR can be accessed at <https://www.nzqa.govt.nz/framework/search/index.do>.

Comments on this unit standard

Please contact NZQA National Qualifications Services nqs@nzqa.govt.nz if you wish to suggest changes to the content of this unit standard.