

Title	Demonstrate understanding of insurance products as risk management strategies		
Level	2	Credits	3

Purpose	People credited with this unit standard are able to demonstrate understanding of insurance products as risk management strategies
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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 understanding</i> of insurance products as risk management strategies illustrates how the components of insurance policies impact on personal finances.
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Criteria for Excellence	<i>Comprehensive understanding</i> of insurance products as risk management strategies explains and justifies how disclosure and its related consequences impact on 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 References

Financial Services Complaints Ltd – <http://www.fscl.org.nz/>;
 Financial Services Council of New Zealand - <https://fsc.org.nz/>;
 Financial Dispute Resolution Service – <https://www.fdrs.org.nz/>.
 Insurance Council of New Zealand – <https://www.icnz.org.nz/>;
 Sorted: Your Independent Money Guide – <https://www.sorted.org.nz/>;
 The Insurance and Financial Services Ombudsman – <https://www.ifso.nz/>.

3 Definitions:

Components of insurance policies may include - excess, premium, sum insured, claims process, coverage, exclusions.

Health insurance may include - medical insurance, trauma (also called critical illness), Income protection, disability, and mortgage protection insurance

Insurance products may include - travel, house, motor vehicle, house contents, health, and life

Non disclosure refers to information that you have not revealed to the insurer (whether accidentally or deliberately)

- 4 Legislation may include but is not limited to:
 Financial Markets Conduct Act 2013
 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.

Outcomes and performance criteria

Outcome 1

Demonstrate understanding of insurance products as risk management strategies.

Performance criteria

- 1.1 Insurance product types are described in terms of their purpose, features and suitability to personal circumstances.
 Range four insurance products.
- 1.2 Components of insurance policies are described in terms of their impact on personal finances.
 Range four components of insurance policies
- 1.3 The consequences of non-disclosure are described in terms of impact on policy coverage and claims.

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
Republished	2	25 June 2015	31 December 2018
Review	3	21 July 2016	31 December 2022
Review	4	31 December 2020	

Consent and Moderation Requirements (CMR) reference

0226

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.

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