

**40658**

## Apply knowledge of the regulatory framework, concepts, and approaches to provide life, disability, and health insurance

<b>Kaupae   Level</b>	5
<b>Whiwhinga   Credit</b>	5
<b>Whāinga   Purpose</b>	<p>This skill standard is intended for people who want to work as a financial adviser in the provision of life, disability, and health insurance advice services.</p> <p>This skill standard will provide learners with the knowledge and skills to provide life, disability, and health insurance using the regulatory framework, concepts, and approaches.</p> <p>This skill standard can be used in programmes leading to the New Zealand Certificate in Financial Services (Level 5) with strand in Life, Disability, and Health Insurance. [Ref: 2315-3].</p>

### Hua o te ako me Paearu aromatawai | Learning outcomes and assessment criteria

<b>Hua o te ako   Learning outcomes</b>	<b>Paearu aromatawai   Assessment criteria</b>
1. Provide life, disability, and health insurance services to meet client needs.	a. Take reasonable steps to prepare client for the insurance advice process and check for understanding.
	b. Apply knowledge of the regulatory framework, insurance principles and concepts when providing insurance services.
	c. Apply knowledge of key participants and roles in insurance organisations when providing insurance services.
	d. Record client information, interactions, analysis, and recommendations.
2. Apply risk management approaches to life, disability, and health insurance situations.	a. Describe types of risk and the relevance of insurance products to those risks.
	b. Evaluate exposures to risk in terms of probability of risk, and potential severity and impact of risk consequences.
	c. Apply risk management approaches to insurance situations.

**Pārongo aromatawai me te taumata paearu | Assessment information and grade criteria*****Assessment specifications:***

Assessment should use real or realistic documentation where appropriate. Simulated examples are permitted.

Learners are not expected to use tools and systems that are only available to a licenced financial advice provider or requiring a licence to use.

Any use of digital advice tools or artificial intelligence will need to be in accordance with relevant organisational and industry codes of conduct and practice.

All activities must comply with legislation, regulations, and best practice, including any guidance notes published by the agency responsible for the relevant enactment or code.

*Client* also includes potential clients. *Client* is intentionally broad to capture all types and include, individuals, partnerships, businesses, families, companies, trusts, charities, organisations, body corporates, and associations as current examples.

***Ngā momo whiwhinga | Grades available***

Achieved.

**Ihirangi waitohu | Indicative content**

Reasonable steps to take to ensure client understands insurance advice process

- checking on the client's skills, experiences, and vulnerabilities
- the nature and scope of advice being given including any limitations
- sufficient comprehension of content, risks, and the consequences of the insurance advice
- other services related to the advice.

Regulatory framework as it applies to financial services and the provision of life, disability, and health insurance advice

- legislation
- regulations
- codes of conduct and/or practice.

Insurance principles and concepts

- risk transferral through insurance
- compensation not enrichment
- reinsurance
- correct policy ownership
- tax implication.

Key participants and roles

- client
- financial advisors i.e. intermediaries
- insurance product providers
- regulators
- dispute resolution services.

### Types of risk

- pure risk
- speculative risk
- insurable risk.

### Exposures to risk

- direct losses
- consequential losses
- hidden losses.

### Risk management approaches

- identification
- avoidance
- mitigation
- financing
- acceptance
- transfer.

### Rauemi | Resources

- [Code of Professional Conduct for Financial Advice Services](#)
- Consumer Guarantees Act 1993
- Customer vulnerability and expectations for providers - [CustomerVulnerability-ourexpectationsforproviders.pdf \(fma.govt.nz\)](#)
- Fair Insurance Code 2016
- Fair Trading Act 1986
- [Financial Markets Authority - Developing cyber resilience for financial advice providers \(July 2024\)](#)
- Financial Markets Authority- [Understanding Artificial Intelligence in Financial Services \(July 2024\)](#) by Mikayla Pakinga-Lawson, Amie White, Stuart Johnson
- Financial Markets Conduct Act 2013
- Financial Services Legislation Amendment Act 2019
- Financial Services Providers (Registration and Dispute Resolution) Act 2008
- Health and Safety at Work Act 2015
- Insurance Intermediaries Act 1994
- Insurance Law Reform Act 1977
- Insurance Law Reform Act 1988
- Privacy Act 2020
- Relevant industry codes of conduct
- Six Step Process - ISO 22222:2005 Personal Financial Planning – Requirements for personal financial planners, available from <https://www.iso.org>; and their subsequent amendments or replacements.

**Pārongo Whakaū Kouna | Quality assurance information**

<b>Ngā rōpū whakatau-paerewa  </b> Standard Setting Body	Ringa Hora Services Workforce Development Council
<b>Whakaritenga Rārangi Paetae Aromatawai  </b> DASS classification	Service Sector > Financial Services > Financial Services - Professional Practice
<b>Ko te tohutoro ki ngā Whakaritenga i te Whakamanatanga me te Whakaōritenga  </b> CMR	0112

<b>Hātepe  </b> Process	<b>Putanga  </b> Version	<b>Rā whakaputa  </b> Review Date	<b>Rā whakamutunga mō te aromatawai  </b> Last date for assessment
<b>Rēhitatanga  </b> Registration	1	29 May 2025	N/A
<b>Kōrero whakakapinga  </b> Replacement information	This skill standard replaced unit standard 31865.		
<b>Rā arotake  </b> Planned review date	31 December 2030		

Please contact Ringa Hora Services Workforce Development Council at [qualifications@ringahora.nz](mailto:qualifications@ringahora.nz) to suggest changes to the content of this skill standard.