

40659

Analyse client information to develop recommendations for life, disability, and health insurance needs

Kaupae Level	5
Whiwhinga Credit	15
Whāinga Purpose	<p>The 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 establish and analyse client information to develop recommendations for life, disability, and health insurance needs.</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

Hua o te ako Learning outcomes	Paearu aromatawai Assessment criteria
1. Collect client information in relation to life, disability, and health insurance needs.	a. Consult and guide the client through the process of collecting information and seek any further information to build understanding of the client.
	b. Collect information to determine client circumstances that would impact insurance needs or limitations of cover and identify client needs.
	c. Identify and determine risk tolerance and risk appetite of the client.
	d. Identify gaps in information collected from the client and apply appropriate action necessary for insurance needs.
2. Analyse client information to determine potential impacts on life, disability and health insurance needs.	a. Analyse and forecast financial risk of the client in terms of the information collected from the client.
	b. Analyse any existing client insurances in line with meeting identified client needs.
	c. Analyse client information to determine need for consultation with other specialists.

Hua o te ako Learning outcomes	Paearu aromatawai Assessment criteria
3. Apply knowledge of life, disability, and health insurance products and services to meet client needs.	a. Apply pre-assessment process to insurance underwriting.
	b. Analyse the features, benefits, risks, and limitations of products and services to identify those that meet the needs and circumstances of the client.
	c. Adjust specific terms of products or services to meet client's circumstances and needs.
4. Analyse client capabilities relevant to creating life, disability, and health insurance solutions that meet client needs.	a. Analyse alternative options for managing risk and evaluate the impact or implications that would have on the client.
	b. Analyse and explain any policy ownership considerations that may arise with respect to identified insurance solutions including the need to refer to the client's other professional advisers.
	c. Explain strategies to identify and address any limits of authority or expertise when creating insurance solutions to meet client needs.
5. Develop life, disability, and health insurance recommendations to meet client needs.	a. Develop life, disability, and health insurance recommendations based on selected strategies.

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 if they are 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.

Evidence of three different examples of client circumstances with a range of needs and complexities is required.

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.

Client insurances may also be referred to as programme, policy, portfolio, contract.

Definitions

Risk appetite refers to amount and type of risk that an individual is willing to pursue or retain of their financial and personal objectives.

Risk tolerance refers to the level of risk exposure an individual can endure without compromising their financial security or well-being.

Ngā momo whiwhinga | Grades available

Achieved.

Ihirangi waitohu | Indicative content

Client's personal circumstances and life cycle

- relationship status
- family structure
- age
- dependents
- occupation/s
- employment status (employed/self-employed)
- lifestyle
- earned incomes and passive incomes
- household expenses
- net surplus income
- debt/liabilities
- assets
- net wealth
- estate planning.

Tools for risk profiling

- current life cycle
- financial position
- expenditure of client and surplus income
- propensity to save
- client's expectations for retirement.

Event risks

- lifestyle risks related to health, high-risk activities, occupation, travel.

Analyse any existing client insurances in line with meeting identified client needs

- gaps in cover
- suitability of existing insurances
- possibility of ability to cover gap.

Analyse information to determine need for specialist consultation

- legal
- accounting
- other financial advisers.

Pre-assessment process for insurance underwriting

- Pre-underwriting process could include information collected from the client on medical, financial, lifestyle, pastimes, occupation that may impact on ability to get cover or may impact on the extent to get cover on standard terms.

Modelling different strategies or solutions.

Features, benefits, risks, and limitations of products and services

- types of excess ie: amount and/or time period
- policy limit and/or sub limit
- time restrictions ie: indemnity period
- key exclusions
- policy automatic and optional benefits
- endorsements
- payment options
- policy types and options.

Specific adjusting actions

- adjusting wait period or excess
- including or excluding optional elements
- offering or accepting special terms.

Policy ownership considerations

- legal or tax implications.

Common policy ownership structures

- personal ownership
- joint tenants
- tenants in common
- companies
- corporate trusts
- trustees
- partnerships
- estate
- other parties.

Common policy ownership roles

- policy owner
- premium payer
- insured, beneficiary.

Provide insurance recommendations

- communicating how the advice is suitable to client's specific needs and objectives
- the cost of the recommendations
- outlining risks and/or disadvantages of recommendations including limitations, subjectivities, reduction of cover
- underinsurance
- responsibilities of the parties.

Rauemi | Resources

- [Code of Professional Conduct for Financial Advice Services](#)
- Consumer Guarantees Act 1993
- Contracts of Insurance Act 2024
- Contracts of Insurance (Repeals and Amendments) Act 2024
- Customer vulnerability and expectations for providers - [CustomerVulnerability-ourexpectationsforproviders.pdf \(fma.govt.nz\)](#)
- 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 Service Providers (Registration and Dispute Resolution) Act 2008
- Financial Services Legislation Amendment Act 2019
- Insurance Intermediaries Act 1994
- Insurance Law Reform Act 1977
- Insurance Law Reform Act 1985
- ISO 22222:2005 Personal Financial Planning – Requirements for personal financial planners, available from <https://www.iso.org>
- Life Insurance Act 1908
- Privacy Act 2020
- Relevant industry codes of conduct; and their subsequent amendments or replacements.

Pārongo Whakaū Kouna | Quality assurance information

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

Hātepe Process	Putanga Version	Rā whakaputa Review Date	Rā whakamutunga mō te aromatawai Last date for assessment
Rēhitatanga Registration	1	29 May 2025	N/A
Kōrero whakakapinga Replacement information	This skill standard replaced unit standards 31866 and 31867.		
Rā arotake Planned review date	31 December 2030		

Please contact Ringa Hora Services Workforce Development Council at qualifications@ringahora.nz to suggest changes to the content of this skill standard.