

Title	Demonstrate understanding of general insurance needs and products and apply products to meet client needs		
Level	5	Credits	10

Purpose	People credited with this unit standard are able to: <ul style="list-style-type: none"> – relate insurance needs to appropriate general insurance product types – demonstrate understanding of other issues that are relevant to creating appropriate general insurance arrangements, and – apply detailed knowledge to identify products and services that meet general insurance needs.
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Classification	Financial Services > Financial Services - Professional Practice
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Available grade	Achieved
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Guidance Information

1 References

Consumer Guarantees Act 1993;
 Fair Trading Act 1986;
 Financial Advisers Act 2008;
 Financial Service Providers (Registration and Dispute Resolution) Act 2008;
 Health and Safety in Employment Act 1992;
 Insurance Law Reform Act 1977;
 Insurance Law Reform Act 1985;
 Privacy Act 1993;
 Insurance Council Fair Insurance Code;
 Other relevant industry codes of practice;
 and all subsequent amendments and replacements.

2 Definitions

Insurance needs – may include needs in respect of direct asset risks, consequential loss risks, and liability risks.

Direct asset risks – loss of or damage to the asset (for example any building, any contents, vehicles, boats etc) whether domestic or business.

Consequential loss risks – flow on costs or losses such as alternative accommodation (domestic), recovery, salvage (vehicles), business interruption (businesses).

Liability risks – risks arising from activity or ownership such as – liability to pay compensation and costs to others, cost of legal defence, liability to rectify, liability to pay sanctions.

3 Range

Assessments requiring application or demonstration of skills and knowledge may be performed using workplace evidence or evidence derived from simulation or scenario based activities.

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.

Outcomes and performance criteria

Outcome 1

Relate insurance needs to appropriate general insurance product types.

Performance criteria

- 1.1 Identify three potential insurance needs, and describe those needs with reference to the source of the risks, the nature of the risks, how the risks should be managed, and the applicability of insurance to the solution.
- 1.2 Explain three common policy types that would meet identified insurance needs.
- 1.3 Outline three different types of insurance products that may be applicable in terms of structures, events covered, and terms and conditions.
- 1.4 Relate three different types of insurance products to identified insurance needs in terms of specific features that make them suitable for meeting the need.

Outcome 2

Demonstrate understanding of other issues that are relevant to creating appropriate general insurance arrangements.

Performance criteria

- 2.1 Outline alternative sources of support that might be applicable and the impact that availability would have on the identified insurance solution.
- 2.2 Explain any particular policy ownership considerations that may arise in respect of the identified solutions including the need to refer to the client's other professional advisers.

Range includes but is not limited to – legal implications, tax implications.

- 2.3 Demonstrate understanding of common ownership structures and roles in relation to insurance contracts.

Range ownership structures include – personal ownership, joint tenants, tenants in common, companies, trusts, partnerships;
roles include but are not limited to – policy owner, premium payer, insured, beneficiary.

- 2.4 Identify any limits of delegated authority or personal expertise and the need to refer to relevant internal and/or external specialists when required.

Outcome 3

Apply detailed knowledge to identify products and services that meet general insurance needs in the context of arranging cover or in pursuing a claim.

Range evidence of three is required.

Performance criteria

- 3.1 Identify the type of product or service that is appropriate for meeting the needs of the client with reference to the features, benefits, risks, and limitations of that product or service.
- 3.2 Identify any specific information that may assist in identifying the best solution.
- 3.3 Using knowledge of the specific terms of the product or service, describe how it meets the needs of the client and identify any opportunities to adjust it to meet any special circumstances that are presented.
- 3.4 Explain what specific actions are to be taken when making adjustments and how those achieve an appropriate result with regard to the client's particular circumstances.

Range specific adjusting actions may include but are not limited to – adjusting wait period or excess, including or excluding optional elements, settling claim by replacement of goods or in cash.

Replacement information	This unit standard was replaced by unit standard 31872.
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This unit standard is expiring. Assessment against the standard must take place by the last date for assessment set out below.

Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	19 February 2015	31 December 2022
Review	2	23 January 2020	31 December 2022

Consent and Moderation Requirements (CMR) reference	0003
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.