

<b>Title</b>	<b>Demonstrate and apply knowledge of the life, disability, and health insurance services environment and concepts</b>		
<b>Level</b>	<b>5</b>	<b>Credits</b>	<b>5</b>

<b>Purpose</b>	<p>People credited with this unit standard are able to:</p> <ul style="list-style-type: none"> <li>– explain and apply knowledge of the regulatory framework when providing life, disability, and health insurance services;</li> <li>– explain key roles in life, disability, and health insurance organisations;</li> <li>– demonstrate knowledge of risk types and key life, disability, and health insurance principles and concepts; and</li> <li>– apply risk assessment and risk management approaches to life, disability, and health insurance situations.</li> </ul>
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<b>Classification</b>	Financial Services > Financial Services - Professional Practice
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<b>Available grade</b>	Achieved
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### Guidance Information

#### 1 References

Code of Professional Conduct for Financial Advice Services;  
 Consumer Guarantees Act 1993;  
 Fair Trading Act 1986;  
 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;  
 Privacy Act 1993;  
 relevant industry codes of conduct;  
 and all subsequent amendments and replacements.

#### 2 Definition

*Regulatory framework* – legislation, regulations, codes of conduct and/or practice as they apply to financial services and the provision of life, disability, and health insurance services.

#### 3 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.

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## Outcomes and performance criteria

### Outcome 1

Explain and apply knowledge of the regulatory framework when providing life, disability, and health insurance services.

#### Performance criteria

- 1.1 Explain key provisions of legislation, regulations, and codes of conduct that impact the daily operations of life, disability, and health insurance service providers.
- 1.2 Apply knowledge of key provisions of legislation, regulations, and codes of conduct when providing life, disability, and health insurance services.

Range evidence of three examples is required.

### Outcome 2

Explain key roles in life, disability, and health insurance organisations.

Range key roles may include but are not limited to – underwriters, claims processors, actuaries, complaints handlers, product developers, advisers and other distributors, reinsurers, Chief Medical Officers.

#### Performance criteria

- 2.1 Explain the purpose of key roles in life, disability, and health insurance organisations.
- 2.2 Explain the responsibilities of key roles in life, disability, and health insurance organisations.

### Outcome 3

Demonstrate knowledge of risk types and key life, disability, and health insurance principles and concepts.

#### Performance criteria

- 3.1 Describe types of risk and the relevance of life, disability, and health insurance products to those risks.

Range insurance risk types may include but are not limited to – pure risk, speculative risk, insurable risk, perils, hazards.

- 3.2 Explain how key insurance principles and concepts relate to life, disability, and health insurance.

Range insurance principles and concepts may include but are not limited to – utmost good faith, compensation not enrichment, adverse selection, anti-selection, law of large numbers.

- 3.3 Explain personal tolerance for risk in terms of attitude and capacity to cope with risk.

#### Outcome 4

Apply risk assessment and risk management approaches to life, disability, and health insurance situations.

#### Performance criteria

- 4.1 Evaluate exposures to risk in terms of probability of risk, and potential severity and impact of risk consequences.

Range exposures may include but are not limited to – direct losses, consequential losses, hidden losses.

- 4.2 Apply risk management approaches to life, disability, and health insurance situations.

Range evidence of three examples with a range of requirements and complexities;  
must include one non-insurable risk;  
risk management approaches may include but are not limited to – control, retention, avoidance, financing, and transfer.

<b>Replacement information</b>	This unit standard was replaced by skill standard 40658.
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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	23 January 2020	31 December 2027
Review	2	29 May 2025	31 December 2027

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