



Subject Outline

FPC004 Insurance Advice



Section 1 — General information

1.1 Administrative details

Duration	Credit points	Level
One study period (12 weeks)	6	AQF8

1.2 Core or elective subject

This is a core subject for the Graduate Certificate in Financial Planning, Graduate Diploma of Financial Planning and Master of Financial Planning.

1.3 Delivery mode

This subject is delivered online.

1.4 Assumed knowledge

Kaplan assumes that students have completed FPC001B Economic and Legal Context for Financial Planning and FPC002B Ethics and Professionalism in Financial Advice, or understand the content covered in those subjects, prior to undertaking FPC004 Insurance Advice.

1.5 Course transition subject equivalence

Students may not be required to complete this subject if they have transitioned from a SIA/Finsia/Kaplan course and have completed the following subjects:

- FIN214 Insurance, Succession and Estate Planning.

1.6 Work integrated learning

There are no placements, internships or work experience requirements associated with undertaking this subject.

1.7 Other resource requirements

Students do not require access to specialist facilities and/or equipment to undertake this subject.

Section 2 — Academic details

2.1 Subject overview

This subject focuses on the management of personal, property and business risks using appropriate strategies and products. It examines the principles of risk management, the structure and regulation of general and life insurance products, and a range of strategies for addressing risks faced by retail clients and small businesses.

Students will critically evaluate client risk management needs using case studies and scenarios to develop and implement relevant and ethical financial planning advice in this area.

2.2 Subject learning outcomes

On successful completion of this subject, students should be able to:

1. Critically analyse and evaluate personal, property and small business risks
2. Distinguish between the types of life and general insurance products, including related taxation issues
3. Apply ethical, legal and regulatory practices in a financial planning context
4. Develop effective personal and small business risk management strategies incorporating the implementation of relevant insurance solutions.

2.3 Topic learning outcomes

Topic 1: Introduction to risk management

On successful completion of this topic, students should be able to:

- describe the nature of risk and its management using appropriate risk and insurance terminology
- distinguish the various types of risk faced by organisations, individuals and families
- describe how risk can be measured
- apply Regulatory Guide RG 104 'Licensing: Meeting the general obligations' and the Australian and New Zealand Standard on risk management systems (AS/NZS ISO 31000:2009) in the risk management process
- analyse and evaluate risk using a case study
- explain strategies for managing risk in both business and personal contexts.

Topic 2: Principles of insurance

On successful completion of this topic, students should be able to:

- explain the rationale for risk transference and the pooling of losses
- explain the ideal requirements of an insurable risk and identify insurable and non-insurable risks
- understand why an insurable risk may not necessarily be insured
- discuss the principles of risk classification and their impact on insurance premiums
- distinguish between private and social insurance.

Topic 3: Insurance legislation and regulations

On successful completion of this topic, students should be able to:

- discuss the key developments in the regulatory history of the insurance industry and how they have contributed to the performance of the industry today
- distinguish between the roles of key regulators in the Australian legal system
- explain the purpose and nature of the legislation regulating the insurance industry in Australia
- apply regulatory obligations when providing advice
- explain the key concepts underlying insurance law and apply them in context.

Topic 4: General insurance

On successful completion of this topic, students should be able to:

- apply the concepts of risk and insurance to general insurance products
- identify and explain general insurance terms and key items in policy documentation
- describe a range of general insurance products for personal and business use
- develop and implement risk management strategies for personal and business clients
- develop compliant general insurance advice based on a case study.

Topic 5: Income, disability and health safety nets

On successful completion of this topic, students should be able to:

- explain the interaction of social security and other insurance in providing a safety net
- distinguish key features of workers compensation, CTP and health insurance
- analyse the interaction of personal and business risk management with available safety nets.

Topic 6: Life insurance

On successful completion of this topic, students should be able to:

- evaluate risk and distinguish life insurance products
- analyse life insurance terms and key items in policy documentation
- develop strategies for personal and business life insurance clients
- explain why life insurance inside superannuation differs to that outside superannuation.

Topic 7: Providing insurance advice

On successful completion of this topic, students should be able to:

- use a range of techniques to demonstrate appropriate communication skills to advise a client
- identify client needs and expectations in relation to life insurance for both personal and business needs
- develop appropriate insurance strategies and product recommendations to satisfy client requirements
- provide compliant advice, including the provision and completion of appropriate documentation during the initial advice process, after-sales service and subsequent client review, while knowing when to refer a client for specialist advice.

Topic 8: Policy documentation and claims

On successful completion of this topic, students should be able to:

- describe the steps in making an insurance contract
- evaluate the process of constructing the insurance policy and the rationale for warranties, clauses, exclusions, excesses, conditions and endorsements
- discuss the restrictions on the insurer regarding cancellation and renewal of a policy
- critique the main issues associated with claims management, including detection of fraudulent claims, managing costs and avoidance of legal action
- describe to others the internal and external dispute resolution processes.

2.4 Assessment schedule

Assessment	Description	Week	Topics	Weighting	Subject learning outcomes assessed
Quiz 1	Multiple choice questions	Week 4	1–4	10%	LO1–LO3
Assignment 1	Short-answer and long answer questions	Week 6	1–4	35%	LO1–LO4
Quiz 2	Multiple choice questions	Week 10	5–8	15%	LO1–LO3
Assignment 2	Short-answer and long answer questions	Week 12	1–3, 6–8	40%	LO1–LO4

Please refer to our website <www.kaplanprofessional.edu.au> to review student policies relating to your assessment, including the *Kaplan Assessment Policy* and *Academic Integrity and Conduct Policy*.

2.5 Prescribed text

There is no prescribed text for this subject. Students are provided with key readings and access to Kaplan’s online databases. Students are encouraged to research and read widely on the topic.

2.6 Study plan

Week(s)	Topic name	Study load in hours
1	Topic 1: Introduction to risk management Topic 2: Principles of insurance	10
2	Topic 3: Insurance legislation and regulations	10
3	Topic 4: General insurance	10
4	Quiz 1 (Weighting 10%)	10
5	Assignment preparation	10
6	Assignment 1 (Weighting 35%) Topic 5: Income, disability and health safety nets	10
7	Topic 6: Life insurance	10
8	Topic 7: Providing insurance advice	10
9	Topic 8: Policy documentation and claims	10
10	Quiz 2 (Weighting 15%)	10
11	Assignment preparation	10
12	Assignment 2 (Weighting 40%)	10
Total minimum study load		120 hours

Additional study hours (if required), dependent on knowledge and personal commitments	60 hours
Total study load, including additional study hours	180 hours