



## FPC004 Insurance Advice



# Subject outline

## FPC004 Insurance Advice

### Section 1 — General information

#### 1.1 Administrative details

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

#### 1.2 Core or elective subject

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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

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This subject is delivered online.

#### 1.4 Prerequisites

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There are no prerequisites for this subject. However please review the 'Assumed knowledge' section below to understand the prior knowledge Kaplan advises you should hold before enrolling in this subject.

#### 1.5 Assumed knowledge

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Whilst there are no prerequisites for this subject. 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.

#### 1.6 Course transition subject equivalence

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

- FIN214 Insurance, Succession and Estate Planning.



### **1.7 Work integrated learning**

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

### **1.8 Other resource requirements**

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



## Section 2 — Academic details

### 2.1 Subject overview

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The subject focuses comprehensively on the personal and business risk insurance market in Australia. It examines the design and structure of a range of personal, business and general insurance products, including related policy documentation and taxation issues. The subject is designed to build advice capability in risk management strategies for retail clients and small businesses.

Students will follow a series of fictitious scenarios, so they can apply their understanding of personal and business risk insurance within financial planning.

### 2.2 Subject learning outcomes

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

1. Identify, analyse and evaluate personal and small business risks.
2. Describe and differentiate the features of the various types of personal and business insurance products, including related policy documentation and taxation issues.
3. Develop and implement personal and small business risk management strategies using a range of general and life insurance policies.
4. Undertake financial planning duties while giving consideration to ethics and the legal and regulatory responsibilities owed by the planner and the planner's organisation to the planner's clients and other stakeholders.
5. Evaluate contemporary issues in insurance advice.

### 2.3 Topic learning outcomes

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#### 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
- identify and explain 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
- develop and analyse strategies for managing risk in both business and personal contexts.

## Topic 2: Insurance and risk

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: Regulation of the insurance industry

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
- explain the key concepts underlying insurance law and apply them in context.

## Topic 4: Life insurance

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

- apply the concepts of risk and insurance of life insurance products
- identify and explain life insurance terms and key items in policy documentation
- discuss a range of contemporary issues relating to life insurance products in both domestic and business contexts.

## Topic 5: Taxation

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

- explain the difference between how general insurance and life insurance companies are taxed on income
- discuss the differences in taxation on life insurance products based on whether they are held inside or outside of superannuation
- explain strategies for business succession using insurance products
- discuss the issues of efficiency and equity relating to taxation on insurance products
- distinguish between financial advice and tax (financial) advice and understand when to refer a client to a registered tax agent.

## Topic 6: 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 general and life insurance for personal as well as business needs
- design and present appropriate insurance strategies and product recommendations to satisfy client requirements
- provide compliant Tier 1 advice, including the provision and completion of appropriate documentation during the initial advice process, after-sales service and subsequent client review and know when to refer a client for specialist advice.

## Topic 7: 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
- discuss a range of contemporary issues relating to general insurance products in both domestic and business contexts.

## Topic 8: Mandated and health insurance

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

- explain the purpose of social security as a safety net and its relationship to private risk management strategies
- identify and explain terms and key items in policy documentation relating to mandated and health insurance
- discuss a range of contemporary issues relating to mandated and health insurance products.

## Topic 9: Policy documentation and claims

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

- describe the steps in making an insurance contract
- describe 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
- summarise the main issues associated with claims management, including detection of fraudulent claims, managing costs and avoidance of legal action
- discuss the different ways losses can be measured for general, life and liability insurance policies
- describe the internal and external dispute resolution processes.

## 2.4 Assessment schedule

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Assessment	Description	Week	Topics	Weighting	Subject learning outcomes assessed
Assignment 1	Short-answer questions	Week 5	3	20%	LO4–LO5
Assignment 2	Short-answer and long answer questions	Week 8	1–7	40%	LO1–LO4
Exam	Multiple choice questions and short answer questions	Week 12	1–9	40%	LO1–LO5

Please refer to our website <[www.kaplanprofessional.edu.au](http://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

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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
1-2	Topic 1: Introduction to risk management Topic 2: Insurance and risk	20
3	Topic 3: Regulation of the insurance industry	10
4-5	<b>Assignment 1 (Weighting 20%)</b> Topic 4: Life Insurance Topic 5: Taxation	30
6	Topic 6: Insurance advice	10
7	Topic 7: General insurance	10
8-9	<b>Assignment 2 (Weighting 40%)</b> Topic 8: Mandated and health insurance	20
10	Topic 9: Policy documentation and claims	10
11-12	<b>Exam (Weighting 40%)</b>	10
<b>Total minimum study load</b>		<b>120 hours</b>

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