

# FINANCIAL SERVICES: ALTERNATIVE PATHWAY FOR INDIVIDUALS

## EVIDENCE CHECKLIST:

### CORE + GENERAL INSURANCE STRAND

This is the Evidence Checklist referred to in the Alternative Pathway for Individuals - Application Evidence Guide.

The checklist sets out the criteria against which you will be assessed and provides guidance on the type of evidence you need to supply to show how you meet the criteria. Evidence can be in the form of the 3 client files you need to provide, or other relevant documents. You can also make notes in the “notes” column of the table. If there are gaps in the evidence provided, your assessor will discuss this with you.

You need to complete and submit this checklist as part of your application, along with other documentation such as:

- Evidence of training in current New Zealand legislation pertaining to Financial Services
- At least 2 professional referees
- Evidence of your Disclosure Statement (or equivalent)
- 3 complete client files
- A detailed work history
- Evidence of continuing professional development

# Core - Outcome 1

You will need to show evidence of how you apply good conduct obligations in client interactions, including the advice process and the key elements of legal, ethical, and professional obligations.

Evidence Required - what you need to show	✓	Notes to show how/ where you can demonstrate each requirement
Hold US 31855 <b>OR</b>  Proof of training with an approved and accredited NZ training provider		

## Core - Outcome 2

You will need show how you have provided a range of financial advice solutions to clients using knowledge of key financial institutions, systems, markets, and products/services.

Evidence Required - what you need to show		✓	Notes to show how/ where you can demonstrate each requirement
1.	Demonstrate knowledge of financial markets, systems, and market participants		
	<p>You will need to show evidence of the following, specific to the Strand you are completing:</p> <ul style="list-style-type: none"> <li>▪ The current market, participants, cycle, trends, and impact on clients</li> <li>▪ Products, providers, and intermediaries, e.g. Agencies or binders explained</li> <li>▪ License type, FAs, and other information as required for disclosure</li> </ul>		
2.	Demonstrate knowledge of financial products and services		
	<p>Client files/ evidence of the following:</p> <ul style="list-style-type: none"> <li>▪ Description of event risks that may impact on a family/individual</li> <li>▪ Evidence that you have discussed each of these event risks with the client</li> <li>▪ Financial analysis and requirements for each event risk</li> <li>▪ Recommendations for the range of suitable products</li> <li>▪ Recommendations on policy ownership which shows an understanding of estate planning</li> <li>▪ Commentary on any relevant tax considerations for policy premiums and impact of tax at claim time</li> <li>▪ Commentary on other related estate matters e.g. EPA's, up to date wills etc</li> <li>▪ What markets were approached</li> </ul>		

	<ul style="list-style-type: none"> <li>▪ Which products were identified as potentially suitable?</li> <li>▪ Any comparisons done for the various products</li> <li>▪ If overseas placements, was tax addressed if applicable</li> <li>▪ Are levies calculated correctly and shown clearly e.g. Fire service or EQC and explained?</li> <li>▪ Were any other relevant tax implications relevant</li> </ul>		
3.	Apply knowledge of financial markets, systems, participants, and services and products to provide financial advice solutions in a general financial services context		
	<p>Client files/ evidence of the following:</p> <ul style="list-style-type: none"> <li>▪ Risk File showing risk management techniques identified</li> <li>▪ Similar as above for products, pricing, research. Any comparisons done for the various products and recommendations as appropriate for client needs</li> <li>▪ Clarity on products which are insurable but not taken up by customer based on scope</li> <li>▪ Advice meets client's needs, links back to quantified needs identified in fact find etc.</li> </ul>		

## Core - Outcome 3

You will need show how you provided a range of financial advice solutions using knowledge of key factors in the economic environment that impact participants in the financial services sector.

Evidence Required - what you need to show		✓	Notes to show how/ where you can demonstrate each requirement
1.	Demonstrate knowledge of factors in the economic environment that impact participants in the financial services sector		
	<p>Client files/ evidence of the following:</p> <ul style="list-style-type: none"> <li>▪ Commentary on the market and current cycle</li> <li>▪ Reinsurance</li> <li>▪ Claims experience or legislation impacting the client or insurance sector which may impact costs or capacity</li> <li>▪ New providers or existing ones</li> <li>▪ Overseas factors</li> <li>▪ Changes in things like EQC limits, fire service levies, Wellington capacity etc.</li> <li>▪ Investment returns, global impacts, insurer financial security/claims paying ability, global economic issues</li> <li>▪ Client file notes, evidence of broad discussion re factors &amp; how they might impact on client.</li> </ul>		
2.	Apply knowledge of key factors in the economic environment to provide financial advice solutions		
	As above		

## Core - Outcome 4

You will need show how you interpreted applicable provisions in the regulatory framework to use when providing Financial Advice and Financial Advice Services.

Evidence Required - what you need to show	✓	Notes to show how/ where you can demonstrate each requirement
Hold US 31858 <b>OR</b>  Proof of training with an approved and accredited NZ training provider		

## General Insurance Strand – Outcome 15

You will need to show how you provided general insurance services using knowledge of general insurance concepts, legislation, regulations, codes of conduct, and the purpose, responsibilities and roles of participants.

Evidence Required - what you need to show		✓	Notes to show how/ where you can demonstrate each requirement
1.	Explain and apply knowledge of the regulatory framework when providing general insurance services.		
	<p>Client files/ evidence that shows the compliance with applicable code, conditions, and disclosure requirements. You may also be asked the following questions:</p> <ul style="list-style-type: none"> <li>Describe three daily (or regular) activities that have been impacted and/or are now required because of the regulatory environment you operate under</li> <li>What Acts or Code of Practice/s impact on your role as an adviser</li> </ul>		
2.	Explain key roles in general insurance organisations.		
	Evidence of client files show how any advice required outside of expertise has been addressed e.g. file notes, reports, corrections, etc.		
3.	Demonstrate knowledge of risk types and key general insurance principles and concepts.		
	<p>Client files/ evidence showing the following:</p> <ul style="list-style-type: none"> <li>Correspondence on uninsurable or uninsured risks, commentaries, comparisons (including to expiring cover, terms and premium), contracts, recommendations, limit, excess and other options, budget, premium funding, calculations</li> </ul>		

	<ul style="list-style-type: none"> <li>▪ Emails/ file notes of policy discussion with client in respect of specific risk concerns, transfer of risk via insurance, cover/excess options, areas of self-insurance and financial ability to absorb loss, premium funding options and business continuity planning.</li> </ul>		
4.	Apply risk assessment and risk management approaches to general insurance situations.		
	<p>Client files/ evidence that shows the following:</p> <ul style="list-style-type: none"> <li>▪ File notes/emails with client discussing any existing risk identification and management processes verses known industry/occupation insurable and uninsurable risks.</li> <li>▪ File notes/ emails discussing the need for/or not insurance to transfer risk and the flow on consequences of not having insurance or a business continuity plan.</li> </ul>		



## General Insurance Strand – Outcome 16

You will need to show you have established, analysed, and reviewed a range of personal, domestic, or small business general insurance needs, objectives, risk tolerance, and priorities.

Evidence Required - what you need to show		✓	Notes to show how/ where you can demonstrate each requirement
1.	Gather client information to determine client general insurance needs.		
	<p>Client files/ evidence that shows the following:</p> <ul style="list-style-type: none"> <li>▪ Options provided for the client to consider and what they considered.</li> <li>▪ Correspondence with client to raise key points</li> <li>▪ The collection of information that applies to a client's business ownership/ risk exposures</li> <li>▪ Where cover is being arranged for a client's house, contents or personal vehicle, risk information is gathered via a proposal and on occasion a house valuation if available and premium payment options discussed.</li> </ul>		
2.	Analyse client information to determine any potential impacts on client's general insurance needs.		
	<p>Client files/ evidence that shows the following:</p> <ul style="list-style-type: none"> <li>▪ How client needs were addressed</li> <li>▪ Where the needs that required advice from others identified.</li> <li>▪ That the client was clear on the limitations outside of your expertise</li> </ul>		

## General Insurance Strand – Outcome 17

You will need to show you have analysed general insurance products, structures, and options; Government support agency benefits; and potential non-insurance solutions when developing solutions to a range of personal, domestic, or small business general insurance needs.

Evidence Required - what you need to show		✓	Notes to show how/ where you can demonstrate each requirement
1.	Apply knowledge of general insurance products and services to meet client needs.		
	Client files/ evidence that shows the following: <ul style="list-style-type: none"> <li>▪ Sub limits, excesses or restrictions are noted as specifically applicable to the identified needs.</li> <li>▪ Issues where alternate options sought/offered.</li> </ul>		
2.	Apply knowledge of client and adviser circumstances that are relevant to creating general insurance solutions that meet client needs.		
	Client files/ evidence that shows the following: <ul style="list-style-type: none"> <li>▪ Insurable interest was considered at all times</li> <li>▪ Who and when external advisers may be suitable to meet insurers needs</li> <li>▪ Emails, notes, diagram of structure of business / ownership / shareholders e.g. overseas ownership, ultimate holding company.</li> <li>▪ Referral introduction to specialist</li> <li>▪ Any email correspondence with colleague for advice / help</li> </ul>		

## General Insurance Strand – Outcome 18

You will need to show you have provided general insurance services using knowledge of the processes of the application, underwriting, issue, placement, maintenance, review, claims, cancellation, and ending of general insurance contracts.

Evidence Required - what you need to show		✓	Notes to show how/ where you can demonstrate each requirement
1.	Demonstrate knowledge of the administrative processes required for general insurance policies.		
	<p>Client files/ evidence that shows the following:</p> <ul style="list-style-type: none"> <li>▪ Policy Application e.g. relevant copies of file notes / risk analysis documentation/ emails to insurers summarising client’s business activities, financial position, cover requirements / changes and claims history, submitted to an insurer for underwriting.</li> <li>▪ Communication from insurer /underwriter requiring additional information to underwrite the risk and set the terms.</li> <li>▪ Offer of terms from insurer / underwriter and client / client acceptance.</li> <li>▪ Placement instruction to insurer.</li> <li>▪ New cover confirmation to client - invoice(s), policy wordings, Advice including ongoing duty of disclosure etc.</li> <li>▪ Internal claims process, system notes, emails to insurers and clients.</li> <li>▪ Advice to insurer, additional information, negotiation (if required), acceptance = settlement / not accepted - claim declined. Broker management of the process.</li> <li>▪ Claim procedures document provided to insured.</li> <li>▪ Email confirming cancellation to insured together with any relevant advice notes explaining the effect(s) of the cancellation, particularly in relation to the cancellation of any liability cover, contracts, and ongoing obligations.</li> </ul>		

2.	Apply knowledge of the administrative processes required for general insurance policies.		
	As above.		

# General Insurance Strand – Outcome 19

You will need to show you have applied the Six Step advice process to provide advice in a general insurance context.

Evidence Required - what you need to show		✓	Notes to show how/ where you can demonstrate each requirement
1.	Provide advice in a general insurance context using the Six Step Process.		
	<p>Client files/ evidence that shows the following:</p> <ul style="list-style-type: none"> <li>▪ Disclosure Statement along with email confirmation of date sent.</li> <li>▪ Personal Profile of applicant -e.g. evidence of experience and any specialisation and personal values.</li> <li>▪ Statement of Services or similar describing role and responsibilities of adviser and client, remuneration / fees / Privacy policy etc.</li> <li>▪ Email / copy of other documents provided (including marketing material) that describes the individual adviser or company's service offering and how they operate.</li> <li>▪ Broker Authority to Quote or Broker Appointment signed by client.</li> <li>▪ Risk analysis or similar (including proposals and file notes) that includes details of a client's risk concerns and attitude to risk.</li> <li>▪ Their financial position, business / company structure, contracts, reliance on suppliers, copy of financials, assets register.</li> <li>▪ Details of previous claims and notes on provisionally recommended insurance programme/policies.</li> <li>▪ Research off LMI Risk Coach Hazard Index (or similar) to assist with identifying relevant areas of risk, in particular high-risk exposure.</li> <li>▪ Updated pre-renewal or new cover documents provided to insurer(s) for terms / remarketing of policies.</li> <li>▪ Insurer terms received e.g. excess options.</li> </ul>		

	<ul style="list-style-type: none"><li>▪ Policy comparison notes detailing benefits of one policy over another.</li><li>▪ Premium Calculation sheets / options. Comparison with last year if applicable</li><li>▪ Referral email to third party for specialist advice if outside adviser's expertise has been sought.</li></ul>		
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