

# FINANCIAL SERVICES: ALTERNATIVE PATHWAY FOR INDIVIDUALS

## EVIDENCE CHECKLIST:

### CORE + LIFE HEALTH AND DISABILITY INSURANCE

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><br><br>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> |   |   |

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|----|---|--|--|
|    | <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> |   |   |

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| 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><br><br>Proof of training with an approved and accredited NZ training provider |   |   |

# Life, Disability, and Health Insurance Strand - Outcome 10

You will need to show you have provided life, disability, and health insurance services using knowledge of life, disability, and health 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 life, disability, and health insurance services  |   |   |
|   | <p>Client files/ evidence that shows you understand the Life Insurance Act (1908); Insurance Law Reform Act (1977 &amp; 1985); Human Rights Act, Privacy Act.</p> <p>Your assessor may discuss the following with you:</p> <ul style="list-style-type: none"> <li>▪ When do you represent the insurer's interest rather than the insured's interest?</li> <li>▪ What is your process for retaining and disposing of client data?</li> <li>▪ What practices do you follow in your business to comply with the Privacy Act?</li> <li>▪ How do you establish ownership of a policy and what do you do to keep ownership structures valid?</li> <li>▪ What legislation and key provisions do you consider when providing advice?</li> </ul> |   |   |
| 2.  | Explain key roles in life, disability, and health insurance organisations.  |   |   |
|   | <p>Provide evidence of the following. Your assessor may discuss this with you:</p> <ul style="list-style-type: none"> <li>▪ Describe the role of the reinsurer</li> <li>▪ Describe the purpose of underwriting and the function of an underwriter</li> </ul>  |   |   |



|    |  |  |  |
|----|--|--|--|
|    | <ul style="list-style-type: none"> <li>▪ Describe the steps in a claims process</li> <li>▪ Who else could be involved in the process of insurance and what would they do?</li> </ul>   |  |  |
| 3. | Demonstrate knowledge of risk types and key life, disability, and health insurance principles and concepts   |  |  |
|    | <p>Provide evidence of the following.</p> <ul style="list-style-type: none"> <li>▪ Evidence of the product ranges and their application to the client need.</li> <li>▪ Evidence of the application of key insurance principles such as capacity to retain risk</li> <li>▪ Evidence to show the client risk tolerance to specific events</li> </ul> |  |  |
| 4. | Apply risk assessment and risk management approaches to life, disability, and health insurance situations  |  |  |
|    | Provide evidence of the evaluation of the potential severity and consequences of a risk event, specific to a client situation.   |  |  |

# Life, Disability, and Health Insurance Strand - Outcome 11

You will need to show how you established, analysed, and reviewed a range of personal life, disability, and health 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 personal life, disability, and health insurance needs   |   |   |
|   | <p>Client files/ evidence that shows the following:</p> <ul style="list-style-type: none"> <li>▪ The reason for a client wanting insurance, their objectives, their current situation and what they would require in the event of death, disability, or medical needs</li> <li>▪ Both "hard" facts and "soft" facts recorded</li> <li>▪ Their short, medium and long term goals recorded</li> </ul>  |   |   |
| 2.  | Analyse client information to determine any potential impacts on client life, disability, and health insurance needs   |   |   |
|   | <p>Client files/ evidence that shows the following:</p> <ul style="list-style-type: none"> <li>▪ Calculating the amounts that the customer might need</li> <li>▪ Looking at the options available such as agreed vs indemnity or \$ excess or wait period, benefit period</li> <li>▪ The requirement for other professionals such as lawyers/accountants.</li> <li>▪ Show changes such as relocation or job change / birth of a child. moving to a new house etc.</li> </ul> |   |   |

## Life, Disability, and Health Insurance Strand - Outcome 12

You will need to show how you analysed life, disability, and health insurance products, structures, and options; Government support agency benefits; and potential non-insurance solutions when developing solutions to a range of personal life, disability, and health insurance needs.

| Evidence Required - what you need to show |  | ✓ | Notes to show how/ where you can demonstrate each requirement |
|---|--|---|---|
| 1.  | Apply knowledge of life, disability, and health insurance products and services to meet client needs   |   |   |
|   | Client files/ evidence that shows the following: <ul style="list-style-type: none"> <li>▪ The benefits and disadvantages for the product are understood in the SOA</li> <li>▪ A comparison of the existing products and how they factor into the advice has been made (the options that have been considered for the customer)</li> </ul>    |   |   |
| 2.  | Apply knowledge of client and adviser circumstances that are relevant to creating life, disability, and health insurance solutions that meet client needs  |   |   |
|   | Client files/ evidence that shows the following: <ul style="list-style-type: none"> <li>▪ Advice of ownership and implications associated</li> <li>▪ Implications of not ensuring what potential community or govt support may be available</li> <li>▪ When outside advice may be required - such as business insurance expertise</li> </ul> |   |   |

## Life, Disability, and Health Insurance Strand - Outcome 13

You will need to show how you provided life, disability, and health insurance services using knowledge of the processes of the application, underwriting, issue, maintenance, claims, cancellation, and ending of life, disability, and health 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 life, disability, and health insurance policies   |   |   |
|   | <p>Client files/ evidence that shows the following:</p> <ul style="list-style-type: none"> <li>▪ Next steps are identified with responsibilities and timelines</li> <li>▪ The implications for non-disclosure and if something changes - a list of potential changes that may affect the advice provided</li> <li>▪ Contact details for help post implementation</li> <li>▪ Checklist that shows you have followed all the required steps</li> </ul> |   |   |
| 2.  | Apply knowledge of the administrative processes required for life, disability, and health insurance policies   |   |   |
|   | <p>Client files/ evidence that shows examples of the above, e.g.</p> <ul style="list-style-type: none"> <li>▪ Sample letter after an application has been received</li> <li>▪ Sample of workplace evidence checklist, showing that all required steps have been completed</li> </ul>   |   |   |

## Life, Disability, and Health Insurance Strand - Outcome 14

You will need to show you have applied the Six Step advice process to provide advice in a life, disability, and health insurance context.

| Evidence Required - what you need to show  | ✓ | Notes to show how/ where you can demonstrate each requirement |
|--|---|---|
| 1. Provide advice in a life, disability, and health 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 of LMI Risk Coach Hazard Index (or similar) to assist with identifying relevant areas of risk, in particularly 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> |   |   |

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|  | <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> |  |  |
|--|--|--|--|