**105026: Occupational Certificate:**

**Financial Advisor**

**Module 5**

**Long-term Insurance Advice**

**SAQA ID: 105022**

**NQF Level 5**

**150 credits**

**LEARNER RESOURCE GUIDE**

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# SECTION A: INTRODUCTION

**ABOUT THIS GUIDE**

This Resource Guide serves as an additional reference source containing information which is related to your learning material and, must be read in conjunction with the Occupational Certificate: Financial Advisor - Long-term Insurance Advice module.

The guide will cluster resources and information as per the qualification criteria. Section B will address Resources related to the Introduction to Insurance and General Claims Processing Module.

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|  | **Resources** During the contact session, your facilitator will refer to the resource guide where required – so please make sure you have it with you! |

# SECTION B: KNOWLEDGE MODULE RESOURCES

## LEARNING MODULE: Fundamentals of short-term insurance

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| Section 1: Basics of Insurance | | |
| **Subheading** | **Source** | **Summary** |
| **1. 1 Purpose of insurance** | Thami Gxabhu, 2016  Reaping the benefits of agricultural insurance in South Africa.  Risk Africa Magazine  Retrieved from: <http://www.riskafrica.com/reaping-benefits-agricultural-insurance-south-africa/> | This article describes the benefits of agricultural insurance in South Africa. |
| **1.2 Various types of insurance** | BRENDAN, 2010  *Short and Long-Term Insurance. What’s the Difference?*  Insurance Fundi  Retrieved from: <http://www.insurancefundi.co.za/short-long-term-insurance-whats-the-difference/> | This blog describes the difference between short- and long-term insurance. |
| **1.2 Various types of insurance** | HESSE, 2017  How new health cover regulations affect you.  Retrieved from: <http://www.iol.co.za/personal-finance/how-new-health-cover-regulations-affect-you-9708008> | This article provides information on the effect of new health cover regulations. |
| **1.2.3 Statutory insurance** | Paralegal Advice, 2017  The Compensation Fund.  <http://www.labourguide.co.za/injuries-on-duty/540-guidelines-for-claims> | This article provides you with additional details on the Compensation Fund. |
| **1.2.3 Statutory insurance** | Road Accident Fund, 2017  The Road Accident Fund  http://www.raf.co.za/Pages/default.aspx | This website will give you more information regarding the road accident fund. |
| **1.3.1 Types of risks** | Emmett J. Vaughan, Therese M. Vaughan (2008), *Fundamentals of risk and insurance,* 10th edition,Publisher, John Wiley & Sons, Inc, Hoboken, United States of America, pages 5, 6, 7 & 8  <http://197.14.51.10:81/pmb/GESTION2/FINANCE/0470087536FundamentalsRiskInsurance10.pdf> | Study pages 5-8 under classification of risks for more in-depth information on different types of risks. |
| **1.3.3 Risk management processes** | Michael Koller (2011), *Life Insurance Risk Management Essentials*, Publisher, Springer Heidelberg Dordrecht, Zurich, Switzerland  *What is risk management?* Pages 1-9 | Read pages 1-9 of this textbook for detailed information on risk management. |

| **Subheading** | **Source** | **Summary** |
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| **3.2 Codes of conduct** | Association for Savings and Investment SA; 2017.  *Codes, Standards & Guidelines*  <https://www.asisa.org.za/codes-standards-guidelines/> | Use this website to assess ASISA code of conduct. |
| **3.2 Codes of conduct** | South African Insurance Association (SAIA), 2017  *Code of Conduct*  <http://www.saia.co.za/info-center/saia-documents/code-of-conduct/> | Use this website to assess SAIA code of conduct. |
| **3.2 Codes of conduct** | Financial Intermediaries Association of Southern Africa (FIA), 2010  *The FIA Code of conduct explained in plain language.*  <http://www.fia.org.za/uploads/2010/02/The-FIA-code-of-conduct-business-guide.pdf> | Use this website to assess FIA code of conduct. |
| **3.2 Codes of conduct** | Financial Advisory and Intermediary Services, 2003  *General Code of Conduct for Authorised Financial Services Providers and Representatives*  <http://www.gov.za/sites/www.gov.za/files/25299b.pdf> | Use this website to assess FAIS code of conduct. |

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| **Subheading** | **Source** | **Summary** |
| **3.5.1 South African legislation relevant to insurance** | National Treasury  Tabling of The Insurance Bill, 2016  <http://www.treasury.gov.za/comm_media/press/2016/2016020101%20-%20Insurance%20Bill%20%20press%20statement.pdf>  Proposed Replacement of The Policyholder Protection Rules  Made Under the Long-Term Insurance Act, 1998 And Short-Term  Insurance Act, 1998  Document Supporting Consultation  December 2016  <https://www.masthead.co.za/wp-content/uploads/2017/01/PPRs-Annexure-C-Explanatory-document-supporting-amendments.pdf> | The links provides you with additional information of South African legislation relevant to underwriting. |
| **3.5.1 South African legislation relevant to insurance** | Hollard, 2016  Treating Customers Fairly.  An integrated approach.  <https://www.hollard.co.za/treating-customers-fairly> | This is an example of an insurance company’s approach to fair treatment of customers. |

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| **Subheading** | **Source** | **Summary** |
| **3.6.1 Insurance fraud** | Car Insurance Arrive Alive, 2010  Examples of Insurance Fraud in South Africa  <http://carinsurance.arrivealive.co.za/examples-of-insurance-fraud-in-south-africa.php>  IT Web Business Applications, 2016  BI cracks down on fraudulent insurance claims.  By Sibahle Malinga, ITWeb's portals journalist.  <http://www.itweb.co.za/index.php?option=com_content&view=article&id=148758>  Hollard, 2016  FAnews: insurance fraud is a guessing game.  <https://www.hollardbrokers.co.za/za/news/entry/fanews-insurance-fraud-is-a-guessing-game> | The links provide additional examples of insurance fraud. |

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| **Subheading** | **Source** | **Summary** |
| **3.6.1 Insurance fraud** | When can an insurer repudiate a claim on the basis of non-disclosure?  Insurance Matters.  <https://www.cliffedekkerhofmeyr.com/en/news/publications/2015/dispute-resolution/insurance-matters-16-november-when-can-an-insurer-repudiate-a-claim-on-the-basis-of-non-disclosure-.html>  Outsurance judgment - insurance laws should ultimately be aligned with the Consumer Protection Act.  <https://www.cliffedekkerhofmeyr.com/en/news/press-releases/2015/dispute-resolution/outsurance-judgment-insurance-laws-should-ultimately-be-aligned-with-the-consumer-protection-act-.html>  Jerrier v Outsurance Insurance Company Limited (AR 4160/2010) [2015] ZAKZPHC 34; 2015 (5) SA 433 (KZP); [2015] 3 All SA 701 (KZP) (7 July 2015)  <http://www.saflii.org/za/cases/ZAKZPHC/2015/34.html>  Alfagranite (Pty) Ltd v Alexander Forbes Insurance Company Ltd (38037/2014) [2015] ZAGPPHC 343 (22 May 2015)  <http://www.saflii.org/za/cases/ZAGPPHC/2015/343.html> | The links provide additional examples of insurance fraud. |

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| **Subheading** | **Source** | **Summary** |
| **4.3.4 Interpretation of contracts of insurance** | Southern African Legal Information Institute (SAFLII)  South Africa: South Gauteng High Court, Johannesburg  Bruwer v Nova Risk Partners Limited (A5030/2010) [2010] ZAGPJHC 96; 2011 (1) SA 234 (GSJ) (25 October 2010)  <http://www.saflii.org/za/cases/ZAGPJHC/2010/96.html>  South Gauteng High Court, Johannesburg, 2012  <http://www.saflii.org/za/cases/ZAGPJHC/2012/2.pdf> | The links provides you with additional information on interpretation of insurance contracts. |
| **5.4 Disclosures and non- disclosure** | Alistair Beaumont: 2015  *"You always get something 'out'": non-disclosure in insurance contracts.*  <http://www.lexology.com/library/detail.aspx?g=9805aac6-0554-451d-af3c-12ecb3602b4c> | In this article, you will find information on non-disclosure. |
| **5.4 Disclosures and non- disclosure** | Non-disclosure, misrepresentation and waiver of the insurer’s right to avoid the policy.  <http://www.financialinstitutionslegalsnapshot.com/2015/11/non-disclosure-misrepresentation-and-waiver-of-the-insurers-right-to-avoid-the-policy/>  The disclosure test is in the insurance act  <http://www.financialinstitutionslegalsnapshot.com/2015/02/the-disclosure-test-is-in-the-insurance-act/> | These are additional resources on non- disclosure. Download, study and discuss in groups. |

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| Section 2: Claims Handling procedures | | |
| **Subheading** | **Source** | **Summary** |
| **7.1 Prescription period** | Nick Veldman, 2016  Shepstone Wylie Attorney  **Long-Term Insurance: Beware of Prescription**  <http://www.wylie.co.za/articles/long-term-insurance-beware-of-prescription/> | This article provides information on prescription as it relates to insurance. |
| **7.1 Prescription period** | Donald Dinnie, 2009  Insurance Gateway  Insurance claims and prescription.  <http://www.insurancegateway.co.za/LifeConsumers/PressRoom/ViewPress/Irn=2309&URL=Insurance+claims+and+prescription#.WZay7FEjHIU> | This article provides information on prescription as it relates to insurance. |

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| **Subheading** | **Source** | **Summary** |
| **7.2 Policyholder protection rules** | Jo-Ann Ferreira, 2016  The Financial Services Board  Overview of proposed amendments to the Regulations and PPR’s <https://www.fpi.co.za/documents/2016%2011%2014%20Insurance%20Regulatory%20Seminar%20-%20Overview%20of%20amendments%20to%20....pdf>  KPMG, 2017  RDR Phase 1  <https://home.kpmg.com/za/en/home/insights/2017/03/rdr-phase-10.html>  FSB. 2017  Demarcation Regulations  <https://www.fsb.co.za/NewsLibrary/2017%2005%2018%20DEMARCATION%20REGULATIONS%20FAQ%20v2.pdf> | In these articles, you will find information on proposed amendments to the policyholder protection rules. |

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| Section 3: Professional Behaviour and Financial literacy | | |
| **Subheading** | **Source** | **Summary** |
| **10.2 How a claim assessor should calculate basic claim ratios / quantum/ amount** | Mike Addison, Addsure (2016),  Property24  *FYI: Insurance claim ratios in a nutshell.*  <https://www.property24.com/articles/fyi-insurance-claim-ratios-in-a-nutshell/24549> | Read this article for additional information on claims ratios. |
| **10.3 Interpretation of Financial Statements** | Assupol Holdings Limited and its Subsidiaries  Annual Financial Statements for the year ended 30 June 2016  <https://www.assupol.co.za/files/2314/7549/4612/Assupol_Holdings_Ltd_2016-06_AFS.PDF>  Sanlam  Annual Financial Statements 2016  <https://www.sanlam.com/investorrelations/financialresults/Documents/Sanlam_IR_2016_AFS_09Mar_webpdf.pdf> | These links provide you with examples of financial statements from various insurance companies. |

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| **Subheading** | **Source** | **Summary** | **Annexure Reference** |
| **10.3 Interpretation of Financial Statements** | MMI GROUP LIMITED ANNUAL FINANCIAL STATEMENTS 30 June 2016.  <http://www.mmiholdings.co.za/wps/wcm/connect/mmiholdings-za/da8a9e40-8ca8-4ca0-9e1e-f2e44a443823/MMI+Group+Ltd+AFS+FY2016+Signed.pdf?MOD=AJPERES>  MMI HOLDINGS 2016 YEAR-END RESULTS  <http://www.mmiholdings.co.za/en/investor-relations/financial-results/2016-year-end>  Discovery Limited  Annual Financial Statements for the year ended 30 June 2016.  <https://www.discovery.co.za/discovery_coza/web/linked_content/pdfs/investor_relations/discovery_afs_2016.pdf>  Discovery Health Medical Scheme 2016 Integrated Annual Report: Performance chapter.  <https://www.discovery.co.za/discovery_coza/web/linked_content/pdfs/health/dhms/2016_dhms_ir_performance_chapter.pdf> | These links provide you with examples of financial statements from various insurance companies. | N/A |

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| Section 4: The claims process | | | |
| **Subheading** | **Source** | **Summary** |
| **11.3.2 Features of an insurance policy** | Sample of a long-term insurance policy from industry role-player. | Find attached a sample of a retirement fund policy. |
| Sample of a short-term insurance policy from industry role-player. | Find attached a sample of a vehicle insurance policy. |
| Sample of a long-term insurance policy from industry role-player. | Find attached a sample of a life insurance policy. |
| Sample of a medical insurance policy from industry role-player. | Find attached a sample of a medical health insurance policy terms and conditions. |
| **12.2.2 The concept of quantum** | SAFLI  South Africa: Eastern Cape High Court, Port Elizabeth  Barnard obo Cakwebe v Road Accident Fund (2916/2013) [2016] ZAECPEHC 71; 2017 (1) SA 245 (ECP) (25 October 2016)  <http://www.saflii.org/za/cases/ZAECPEHC/2016/71.html> | The link provides you with additional information on the concept of quantum and claims. |