**105026: Occupational Certificate:**

**Financial Advisor**

**Module 5**

**Long-term Insurance Advice**

**SAQA ID: 105022**

**NQF Level 5**

**150 credits**

|  |
| --- |
| **Practical Assessment Memo** |

**PRACTICAL SKILL MODULE 1: Practical Assignment - Memorandum**

This assignment relates to the practical aspects of long-term insurance advice. You must read the instructions carefully and submit the required evidence:

***INSTRUCTIONS***

* This practical assignment must be done in class; the learner must demonstrate an ability to perform the tasks.
* Read the case study given and answer the questions that follow.

|  |  |
| --- | --- |
| **Main learning outcome:**  *Assess the claim to determine validity.* | |
| **Scope of Practical Skills:** | |
| **Apply knowledge of the different asset classes in order to give financial advice.**  Given simulated or controlled work environments where the long-term insurance needs of clients must be determined, the learner must be able to:  **Apply scenario planning to explain potential risk in a specified financial services context.**  Given simulated or controlled work environments where the long-term insurance needs of clients must be determined the learner must be able to:  **Research information in order to assist in conducting a financial risk assessment**  Given a range of scenarios where client’s needs regarding long-term insurance must be analysed, the learner must be able to: | Analyse the different asset classes and their role in a financial plan.  Analyse the effect of the investment environment on the asset classes  Investigate how market conditions impact on asset classes.  Analyse the risk profile of a client in order to propose a financial solution  Demonstrate knowledge and insight into the relationships that operate in the broad financial services environment.  Use divergent thinking techniques to generate a variety of scenarios in a selected context.  Prioritise and select appropriate scenarios for a specific purpose or context.  Analyse the effect of each of the selected scenarios on potential risk.  Analyse the research required to conduct a financial risk assessment.  Conduct an information search to answer questions raised by a brief.  Select information in order to produce a research report.  Organise and present the findings of the research.  ***(All evidence must be authenticated and signed by your Mentor)*** |

**Activity 1**

**Instructions**

* You are required to obtain a portfolio of a long-term insurance products from your facilitator. The products can be a life insurance policy/ies and/or other a long-term insurance products.
* You are also required to obtain an empty proposal/application, a needs analysis, form and relevant evidence from the facilitator. The client needs to understand the needs analysis, and the recommendations as per your findings.
* The client should send supporting documents, to the advisor.
* The advisor is required to determine what the client’s current situation entails.
* Utilise the information and documents from the client to determine the need for certain products.
* Carefully read and analyse the client’s information to identify any missing information.
* You will also partake in a role play to collect any outstanding information on the assessment
* You will be required to identify and summarise your findings in a report.
* You will also be required to prepare a client’s profile with all the evidence and information about the client. The file should include your needs analysis, recommendation reports, application forms and all the evidence gathered, your conclusions and action plan. Attach report and all relevant evidence in a file (Annexure E-Activity 1)

**Instruction for the role play**

1. Divide into pairs.
2. One learner will take the role of the client, the other will be the Financial Advisor
3. Rotate so that each learner gets a chance to play both roles.

**Financial advisor**

As the Financial Advisor, utilise the application and other forms to gather the client information from client interviews, evidence provided and current financial products. You will have to verbally ask relevant questions in order to collect the outstanding information. Record the information received from the client directly on the relevant forms and reports.

**Client**

When playing the part of the client, notify the advisor about your current financial situation, the products on your portfolio currently, your future plans and needs. In addition, receive an information summary of the client’s missing information from your facilitator. The information will assist you in answering the questions from the advisor.

Take a few minutes to familiarise yourself with the client’s information provided, prepare your questions and responses where required.

**Evidence**

Please record and attach the relevant evidence to address this Activity’s requirements.

|  |  |  |
| --- | --- | --- |
| **Activity Requirement** | **Learner Demonstration  (Evidence)** | **Refer to Annexure/Page Numbers** |
| *Complete client profile, Receive Application forms, and additional information to determine a comprehensive Needs Analysis.* | Read through the contracts, evidence and application forms provided and gather the relevant information to evaluate client’s needs.  Attach your report in Annexure A – Activity 1 and clearly number the attached pages. | To be included in report |
| *Interview Client to determine needs and close gaps with any missing information.* | Ask client questions to gather additional information to assist with needs analyses, note possible gaps client may need to consider. | To be included in report |
| *Establish whether the client has the capacity to add on more products.* | Check evidence received and income statements/ balance sheets to determine if client can afford certain products. May include ITC reports. | To be included in report |
| *Check client’s industry and product knowledge* | Ask additional questions to determine client’s history with the industry and knowledge of products. Explain the relevance of certain action as required by the applicable laws. | To be included in report |
| *Complete the needs analysis and report on your findings and recommendations, and present findings to the client.* | Take time to compile the needs analysis and report with your recommendations. Clearly noting each need, current cover, shortfall or surplus, and recommendations with rationale. Create an outline of your presentation and prepare your presentation with the relevant aids. | To be included in report |
| *Present your needs analysis findings, and recommendations to client, with an action plan.* | **Role play:**   * During the role-play request for additional evidence/information from the client. * Attach the information in the client’s file * Break down client’s needs and make recommendations, * Give clear reasoning for your recommendations * Agree with client on the implementation action plan | Learners answers may differ according to Client’s answers and evidence gathered. |

These are guidelines and may differ from learner’s answers:

1) Report structure:

* + Tittle page
  + Contents
  + Summary
  + Introduction
  + Methodology
  + Results or findings
  + Discussion
  + Conclusion and recommendations
  + References
  + Appendices

**Financial Advisor’s Questions and Responses Form**

Advisor to include own questions asked during role play. Examples:

* ID number
* Full Name
* Type of Products applied for
* Previous Financial knowledge
* Spouses details
* Dependants
* Assets and Liabilities
* Income and expenses

***Evaluation checklist - to be completed by the facilitator***

|  |  |
| --- | --- |
| **Evaluation Date:** | ***Facilitator to complete.*** |
| **Candidate Name:** |  |
| **Facilitator Name:** |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Required activity** | **Check (√)** | | |
| **Yes** | **No** | **Comments** |
| Was the Financial Advisor able to create rapport with client? |  |  | ***Facilitator to complete.*** |
| Was the Financial Advisor able to describe the possible needs of the client? |  |  | ***Facilitator to complete.*** |
| Were there any negotiations on amounts, terms and conditions between the client and Financial Advisor? |  |  | ***Facilitator to complete.*** |
| Was the Financial Advisor to anticipate and respond to questions and queries? |  |  | ***Facilitator to complete.*** |
| Was the Financial Advisor able to explain products and convince the client of the need for the products in the client’s financial plan? |  |  | ***Facilitator to complete.*** |
| Was the Financial advisor’s presentation well-structured and clear? |  |  | ***Facilitator to complete.*** |
| Did the Financial Advisor’s action plan practical and accommodative of client’s schedule |  |  | ***Facilitator to complete.*** |
| ***Signature facilitator:*** | | | |
| ***Date:*** | | | |