

Diploma in Professional Financial Advice Module Specification

Unit 5: Financial Protection

Module Aims:

Learners will be able to explain the aim and extent of financial protection products and their relationship with State benefits, analyse the key characteristics and roles of various contract types and how they are tailored to meet the specific protection requirements of individual clients and to identify the main protection needs of businesses.

Summary of Learning Outcomes:

1. Describe the consumer and retail market factors and trends relevant to financial protection.
2. Describe the areas of need for protection planning and the main sources of financial protection.
3. Describe the role and limitations of State benefits and state/local authority funded solutions for financial protection.
4. Describe the range, structure and application of life assurance and pension-based policies to meet financial protection needs.
5. Describe the taxation treatment of life assurance and pension-based protection policies.
6. Describe the range, structure and application of income protection insurance and options to meet financial protection needs.
7. Describe the range, structure and application of critical illness insurance to meet financial protection needs.
8. Describe the range, structure and application of long-term care insurance to meet financial protection needs.
9. Describe the main features of other insurance-based protection policies.
10. Demonstrate an ability to evaluate the needs and priorities for financial protection and the relevant factors in selecting appropriate solutions.

1. Describe the consumer and retail market factors and trends relevant to financial protection.

- 1.1 Explain the role of assurance and insurance in mitigating personal financial risk.
- 1.2 Describe the attitudes and behaviours of consumers to protection needs planning.
- 1.3 Describe trends relevant to financial protection.
- 1.4 Identify priorities, risks and choices relevant to financial protection.

2. Describe the areas of need for protection planning and the main sources of financial protection.

- 2.1 Describe the need for protection planning for individuals and businesses.
- 2.2 Explain the relationship between assets, insurance and liabilities.
- 2.3 Describe sources of financial protection.

3. Describe the role and limitations of State benefits and state/local authority funded solutions for financial protection.

- 3.1 Examine the role and limitations of State benefits, and state/local authority funded solutions for financial protection.

4. Describe the range, structure and application of life assurance and pension-based policies to meet financial protection needs.

- 4.1 Describe the range, structure and application of life assurance and pension-based policies to meet financial protection needs, their comparative costs, benefits and disadvantages, and how they meet financial protection needs.
- 4.2 Describe the processes and issues involved with underwriting, and claims management relevant to life assurance and pension-based policies.

5. Describe the taxation treatment of life assurance and pension-based protection policies.

- 5.1 Describe the taxation treatment of life assurance and pension-based protection policies.

6. Describe the range, structure and application of income protection insurance and options to meet financial protection needs.

- 6.1 Describe the types of income protection policy, their features and uses, treatment of taxation, comparative costs, benefits and disadvantages, and how they meet financial protection needs.
- 6.2 Describe the processes and issues involved with underwriting, and claims management relevant to income protection policies.

7. Describe the range, structure and application of critical illness insurance to meet financial protection needs.

- 7.1 Describe the types of critical illness policy, their features and uses, treatment of taxation, comparative costs, benefits and disadvantages, and how they meet financial protection needs.
- 7.2 Describe the processes and issues involved with underwriting, and claims management relevant to critical illness policies.

8. Describe the range, structure and application of long-term care insurance to meet financial protection needs.

- 8.1 Describe the regulatory considerations and the political environment (including social care policy and national factors) relevant to long-term care insurance.
- 8.2 Describe the main types of long-term care insurance.
- 8.3 Describe long term care planning processes.
- 8.4 Describe the long-term care insurance considerations applicable for vulnerable clients.

9. Describe the main features of other insurance-based protection policies.

- 9.1 Describe the main features of other insurance-based protection policies.

10. Demonstrate an ability to evaluate the needs and priorities for financial protection and the relevant factors in selecting appropriate solutions.

- 10.1 Identify priorities, risks, and choices for individual and personal clients.
- 10.2 Assess and quantify the current, and future, capital and income needs in real terms for clients.
- 10.3 Determine the suitability of products options and types.
- 10.4 Explain other planning considerations and approaches to ensure positive customer outcomes.
- 10.5 Explain the importance of regular reviews.