

UNIT TITLE: FINANCIAL PROTECTION

Attainment Level	Outcome	Indicative Content
Demonstrate an understanding of:	The consumer and retail market factors and trends relevant to financial protection	<ul style="list-style-type: none"> • The role of insurance in mitigating personal financial risk • Consumer attitudes and behaviours to protection needs planning • Trends: <ul style="list-style-type: none"> – Health and morbidity – Longevity and mortality – Employment – Product design and development – Access to advice and/or insurance cover
Demonstrate an understanding of:	The areas of need for protection planning and the main sources of financial protection	<ul style="list-style-type: none"> • Personal and family income and capital protection needs: <ul style="list-style-type: none"> – Health, incapacity, accident – Income, mortgage and other debt – Death, asset protection • The relationship between insurance and assets and liabilities • Business protection needs - Small & Medium Enterprises(SMEs) • Sources of financial protection: <ul style="list-style-type: none"> – State – Employer – individual, group schemes – Life assurance and pension policies – Health and other insurance products
Demonstrate an understanding of:	The role and limitations of State Benefits and state/local authority funded solutions for financial protection	<ul style="list-style-type: none"> • Range and limitations of benefits • Mortgage repayment support • Considerations and impact on financial planning

Demonstrate an understanding of:	The range, structure and application of life assurance and pension based policies to meet financial protection needs	<ul style="list-style-type: none"> • Types of policies, comparative costs, benefits and disadvantages • Cost and premium calculation factors • Legal requirements, ownership, uses and relevance of trusts • Underwriting • Terminal illness benefit • Assignments, surrenders, paid-up policies, claims
Demonstrate an understanding of:	The taxation treatment of life assurance and pension based protection policies	<ul style="list-style-type: none"> • Qualifying and non-qualifying policies, offshore policies • Taxation of life funds, onshore and offshore • Capital Gains Tax (CGT) and life assurance policies • Inheritance Tax (IHT) and life assurance
Demonstrate an understanding of:	The range, structure and application of income protection insurance and options to meet financial protection needs	<ul style="list-style-type: none"> • Types of policies, features and uses, comparative costs, benefits and disadvantages • Definitions, exclusions, premium calculation factors • Underwriting • Claims • Taxation treatment • Group policies
Demonstrate an understanding of:	The range, structure and application of critical illness insurance to meet financial protection needs	<ul style="list-style-type: none"> • Types of policies, structure, comparative costs, benefits and disadvantages • Market developments for critical illness insurance • Definitions, conditions, exclusions • Term and amount of cover – factors, assessment • Premium calculation factors • Underwriting • Claims • Taxation treatment, use of trusts • Group policies

<p>Demonstrate an understanding of:</p>	<p>The range, structure and application of long term care insurance to meet financial protection needs</p>	<ul style="list-style-type: none"> • Regulatory considerations • Political environment, social care policy, national factors • Main product types and features • Long term care planning: <ul style="list-style-type: none"> – Cost and other factors, options and choices – Available resources, impact and consequences – Immediate needs provision – Future needs planning – Legal considerations, powers of attorney
<p>Demonstrate an understanding of:</p>	<p>The main features of other insurance based protection policies</p>	<ul style="list-style-type: none"> • Personal accident and sickness insurance • Private medical insurance, hospital plans, dental insurance • Payment protection insurance – mortgages, credit
<p>Demonstrate an ability to evaluate:</p>	<p>The needs and priorities for financial protection and the relevant factors in selecting appropriate solutions</p>	<ul style="list-style-type: none"> • Identifying the priorities, risks and choices <ul style="list-style-type: none"> – Consequences of inadequate protection • Assessing and quantifying current and future capital and income needs in real terms <ul style="list-style-type: none"> – Family and personal protection – SME business protection needs – business loans, keyperson and shareholder protection – Existing arrangements • Determining suitability of product types and options <ul style="list-style-type: none"> – Comparing similar types of products – Identifying and matching suitable product solutions to needs – Combinations of products – Current and future affordability

		<ul style="list-style-type: none">• Other planning considerations:<ul style="list-style-type: none">– Co-habitation, marriage, civil partnerships, birth of child– Property purchase– Separation and divorce– Work, going overseas, retirement– The suitability of trusts • Importance of regular reviews
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