

RE 10: Second Level Regulatory Examination: Short Term Insurance: Personal Lines

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All representatives performing financial services in relation to category I dealing with the subcategory Short Term Insurance: Personal Lines are required to complete a first level regulatory examination, based on the qualifying criteria as it appears in Section 4 and a second level regulatory examination based on the qualifying criteria in Section 10 of Board Notice 105 of 2008

RE 10 - SECOND LEVEL REGULATORY EXAMINATION: SHORT TERM INSURANCE - PERSONAL LINES

- (1) All representatives performing financial services in relation to category I dealing with the subcategory Short Term Insurance: Personal Lines are required to complete a first level regulatory examination, based on the qualifying criteria as it appears in Section 4 and a second level regulatory examination based on the qualifying criteria in Section 10.
- (2) Examination bodies have the discretionary powers to offer a combination examination for representatives working with category I, dealing with the subcategory Short Term Insurance: Personal Lines, where such representatives may choose to complete one examination that addresses the qualifying criteria as it appears in Sections 4 and 10.
- (3) The qualifying criteria in Section 4 and Section 10 serve as the criteria against which qualifications will be evaluated for inclusion on the list of

Task 1 Determine the clients need for insurance.

Knowledge criteria	Skill criteria
Explain the principles of insurance including the concepts of insurable interest, insurable risk, duty of disclosure, indemnity, average, compensation, subrogation, proximate cause, contribution.	Ask relevant questions relating to product offering in order to determine the clients need for insurance.
Explain the policy wording/s including the concept of excess, underwriting criteria and types of perils.	Gather relevant information by completing a questionnaire where applicable.
Describe the benefits offered by relevant products.	Establish the insurable interest, previous claims loss history, previous insurance and personal financial status of the client.
Explain the different lines of insurance.	Capture relevant information.
Explain the different types of cover (including self insurance) available and the implications and benefits thereof.	Explain and apply principles of insurance.
Describe client specific contractual obligations e.g. HP agreements, tenant liability.	Identify the areas of risk to which the client is exposed.

Task2 Match the client's need to the relevant product/s.

Knowledge criteria	Skill criteria
Explain how to apply the underwriting criteria.	Conduct a comparison of types of cover available to the client.

Task 3 Apply underwriting criteria.

Knowledge criteria	Skill criteria
Explain the concept of reinsurance and limits of retention of the Company.	Determine factors/hazards that will influence risk.
	Identify additional requirements, loadings, discounts and excesses which may need to be applied.

Task 4 Draft/request a quotation for insurance.

Knowledge criteria	Skill criteria
Explain the applicability of rates structures.	Apply, calculate and illustrate applicable rates including fees and SASRIA with taking reinsurance into consideration where applicable.
Explain the concept of SASRIA as it applies to premium.	

Task 5 Agree terms and conditions of cover.

Knowledge criteria	Skill criteria
Describe endorsements, restrictions, exclusions, conditions of insurance, application of terms and conditions as applied to the quotation.	Present the agreed terms and conditions to the proposer.
	Obtain acceptance from client.
	Follow up on outstanding requirements (e.g. valuation certificates and security requirement certificates).

Task 6 Issue policy / fulfilment document

Knowledge criteria	Skill criteria
Explain the procedure for issuing policies/fulfilment.	Submit/receipt of closings/acceptance of quote.
	Ensure accuracy of closings/acceptance to the quote.
	Issue policy/fulfilment document.
	Quality assurance of policy document/contract to quote/proposal/closings.

Task 7 Provide a service to the client / maintain policy / client

Knowledge criteria	Skill criteria
Explain the concept and process of renewal/review of policies.	Analyse the performance of the policy and establish whether the policy still meets the need of the client.
Explain the procedures for making additions or changes to policies and the implications thereof.	Agree changes in terms and conditions of policy.
Explain the conditions of collection and payment of premiums.	Communicate and confirm all changes to policies with all relevant parties.
Explain the replacement policy concepts as defined in Board Notice 43/2008 Amendment of Part X of Schedule of Notice.	Obtain supporting documentation for changes where required.
	Make amendments to policies and issue endorsement.
	Ensure collection/payment/refund of premiums.

Task 8 Process a claim.

Knowledge criteria	Skill criteria
Identify whether the loss is an insured peril in terms of the policy/fulfilment.	Gather relevant information relating to the claim from the client.
Explain the claims procedure and criteria for claims of the insurer.	Advise the client on the claims procedure.
Explain the concept and applicability of third party insurance and the procedure for third party insurance claims.	Record the details of the incident or loss for record keeping.
Describe the role of the relevant parties to a claim.	Notify the relevant parties of the potential loss.
Explain the types of compulsory legislative insurance.	Obtain all relevant documentation regarding the claim.
Explain what the applicable formulas are (e.g. average, betterment and contribution) and how they should be used.	Validate the documents/information and the legitimacy of the claim.
	Establish liability in terms of the policy (Appoint loss adjustor/assessor and/or investigator if necessary).
	Establish the value/quantum of the claim.
	Notify relevant parties of claims outcome (settle/reject) internal and external.
	Settle the claim (if admitted).
	Record finalisation of claim.

Task 9 Recovery/mitigation of losses

Knowledge criteria	Skill criteria
Explain the process of salvage of goods and recovery of money.	Determine available recourse/recovery actions.
Explain the legal rights of recourse (i.e. subrogation) available to the relevant parties.	Determine the involvement of the client in this process.
	Advise client of actions/process to be taken and implement recovery actions where appropriate.
	Establish the relative interest of the parties in any recovery achieved.
	Settle between the parties involved.
	Record finalisation of recovery/mitigation settlement.