

# RE 5: Second Level Regulatory Examination: Long Term Insurance Category A

---

Alan Holton



December 2009

Applicants and Key Individuals in relation to Category I, subcategories 1:1 Long-term Insurance category A and category IV are also required to complete the second level regulatory examination, Long-term Insurance category A and Category IV.

All representatives performing financial services in relation to category I, subcategory 1.1 Long Term Insurance Category A 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 5 of Board Notice 105 of 2008

## RE 5 - SECOND LEVEL REGULATORY EXAMINATION - LONG TERM INSURANCE CATEGORY A AND CATEGORY IV

- (1) Applicants and Key Individuals in relation to Category I, subcategories 1:1 Long-term Insurance category A and category IV are also required to complete the second level regulatory examination, Long-term Insurance category A and Category IV;
- (2) All representatives performing financial services in relation to category I, subcategory 1.1 Long Term Insurance Category A 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 5;
- (3) Examination bodies have the discretionary powers to offer a combination examination for representatives working with Long Term Insurance Category A, where such representatives may choose to complete one examination that addresses the qualifying criteria as it appears in Sections 4 and 5;
- (4) The qualifying criteria in Section 4 and Section 5 serve as the criteria against which qualifications will be evaluated for inclusion on the list of recognised qualifications.

### Task 1 Inform a client in terms of a Long-term Category A product.

Knowledge Criteria	Skill Criteria
Explain what funeral insurance cover is and what it covers.	Inform the client what will be covered by the long-term category A product.
Explain the exclusions, rules and regulations of the product.	Explain the exclusions to the client in the event of certain pre-defined covers.
Describe the waiting periods and when it applies.	Inform the client of the applicable waiting periods.
Explain the limits relating to who is covered in terms of the legislative age.	Clarify the limits of the cover provided by the policy to the client.
Describe the predefined policy parameters in terms of cover, including but not limited to: <ul style="list-style-type: none"> <li>• family dependants,</li> <li>• children,</li> <li>• spouses.</li> </ul>	Inform the client who can be covered under the policy.
Explain the different types of groups and legal/contractual requirements/ limitations.	Educate a group what they can do regarding the funeral cover & policies with their members.
Explain the legal/contractual obligation regarding premiums and when cover falls away.	Inform the client of the consequences if monthly premiums are not paid.

### Task 2 Educate a client about the claim procedures.

Knowledge Criteria	Skill Criteria
Describe the contact details and claims procedures.	Show the client how the claims process works and what documents are required.
	Inform the client who to contact, and how quickly they should do this after the death of the insured person.

**Task 3 Adhere to record keeping requirements as it applies to funeral insurance policies**

Knowledge Criteria	Skill Criteria
Explain why copies of policies that have been sold should be kept.	Verify that the administrators are keeping copies of the funeral insurance policies sold/ issued.
Explain why a summary of the policy document should be provided to the client.	Provide the client with a summary of the policy document.

**Task 4 Adhere to the General Code of Conduct disclosure requirements**

Knowledge Criteria	Skill Criteria
Explain the disclosure requirements in terms of the General Code of Conduct.	Apply the disclosure requirements when selling a funeral insurance policy to a client.

**Task 5 Apply knowledge in the work context of the relationship between the FSP, the underwriter, administrator and the client**

Knowledge Criteria	Skill Criteria
Describe the role of the underwriter and when the policy would be valid (legitimate).	Educate the client in terms of factors he/she should be aware of.
Explain what the underwriter does regarding risk to the business and the client.	Educate the client in terms of risks that should be avoided.

**Task 6 Apply knowledge of the role of the Ombud / Ombudsman regarding complaints**

Knowledge Criteria	Skill Criteria
Explain the process in the event of a client complaining.	Educate the client in terms of the role of the Ombud / Ombudsman regarding complaints.
Explain the role of the FAIS Ombud and the Life Ombudsman and what they do when there is a complaint.	