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INSURANCE SECTOR EDUCATION
AND TRAINING AUTHORITY

Learner Name	
ID Number	
Organisation	

FORMATIVE ASSESSMENT: LEARNER WORK FILE VERSION 1

Unit Standard Title: **Apply knowledge of Insurance of Household Contents**

Unit Standard No: **120016**

Unit Standard Credits: **4**

NQF Level: **4**

Mark information:

Specific Outcome/Section	1	2	3	4	5	Total	%	C / NYC
Maximum marks	27	17	20	17	15	96	100	

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Formative Activities

Section 1: 27 marks

Activity 1

Explain the concepts 'insured' and 'insured property' and give an example of each.

(4)



Activity 2

Source a policy document of any existing client, from your organisation / workplace. Analyse the policy document and name all the insured events that you could identify. Please attach a copy of this policy document to your Portfolio of Evidence.

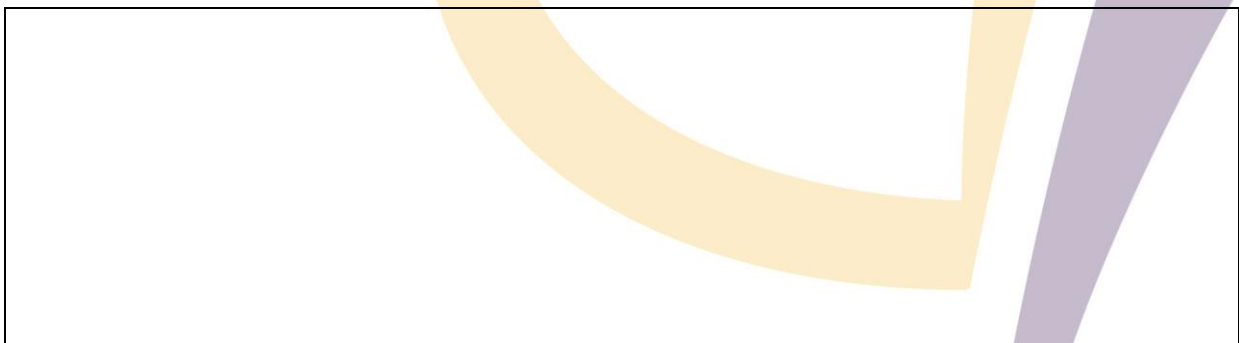
(5)



Activity 3

Explain the difference between accidental damage and accidental breakage in household contents insurance in your own words. Make use of an example to explain each concept.

(4)



Activity 4

Conduct research and then compare the exclusions in a listed perils policy wording to the exclusions in an all risks policy wording. Record your answers in the table below: (4)

Exclusions in a listed perils policy wording	Exclusions in an all risks policy wording

Activity 5

Explain the limitation on cover for computers under household contents insurance. (4)

Activity 6

Explain the two bases of indemnity and give an example of each. (6)

Section 2: 17 marks**Activity 7**

Name the 5 (five) optional covers that can be added to or excluded from a household contents insurance policy. (5)

Activity 8

Refer back to the policy document that you have used and attached at Activity 2. Analyse this policy document again and write short notes on any extensions and exclusions in this policy document. (3)

Activity 9

Source 2 (two) different policy documents. Analyse the two policy documents and compare them in terms of the cover provided to the insured. In the table below, outline the events / items covered in each of the policy documents. Remember to attach the policy documents as proof to your Portfolio of Evidence. (6)

Policy Document 1 What is covered?	Policy Document 2 What is covered?

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Activity 10

Explain the concept of territorial limits in household contents insurance with reference to permanent and temporary residence.

(3)

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Section 3: 20 marks**Activity 11**

Explain the limits on collectibles and give an indication as to the best insurance for these items.

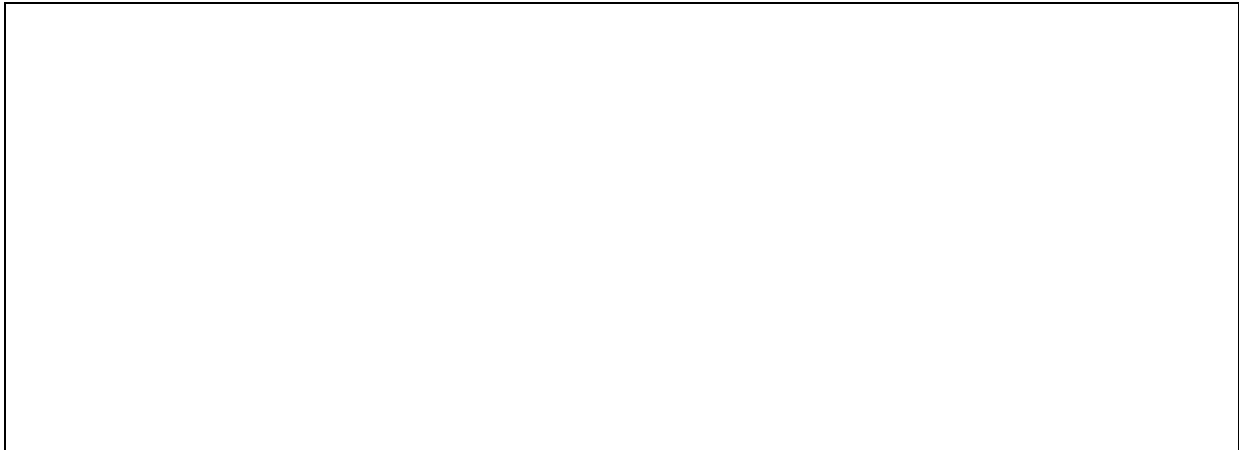
(6)

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Activity 12

Explain the cover on household goods in transit.

(4)

**Activity 13**

Talk to one of your colleagues about their needs and limitations for a household contents insurance policy. Summarise their needs and limitations and make suggestions for additional cover in order to meet their needs in certain circumstances.

(3)

**Activity 14**

Use one of the policy documents that you have used for either Activity 2 or Activity 9. Analyse the policy document to determine the factors that could affect the limit of indemnity. Also give an indication of possible extended liability cover.

(5)



Activity 15

Explain the consequences of giving incorrect advice in terms of Policyholder Protection legislation, FAIS and Professional Indemnity.

(2)

Section 4: 17 marks

Activity 16

Explain what underwriting is and list / name at least 5 (five) underwriting criteria applied to household contents insurance.

(7)

Activity 17

Average can have a huge impact on claims settlement. Complete the table below supplying two different scenarios where average in Contents would apply.

(10)

Definition of Average using your own words		
Average Formula		
	Contents scenario Description	Application of average formula to Scenario
Scenario 1		
Scenario 2		

Section 5: 15 marks

Activity 18

Explain the concept 'Personal liability' and mention examples of cover under a standard policy.

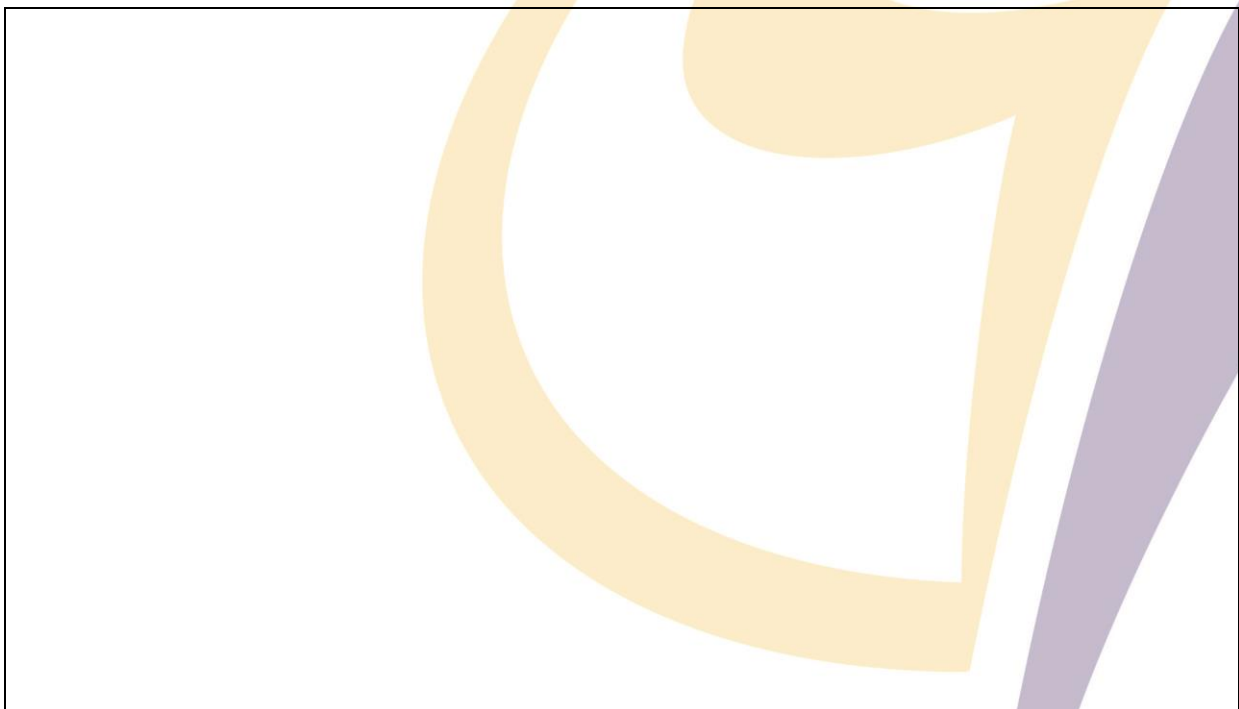
(5)



Activity 19

Use one of the policy documents that you have used for either Activity 2 or Activity 9. Analyse the policy document to determine the liability cover as well as the exclusions of personal liability. Write notes on your findings.

(5)



Activity 20

Explain the difference between property owners and tenant's liability as it applies to personal liability. (5)





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**SOUTH AFRICAN QUALIFICATIONS AUTHORITY
REGISTERED UNIT STANDARD:**

Apply knowledge insurance of household contents

SAQA US ID	UNIT STANDARD TITLE			
120016	Apply knowledge insurance of household contents			
ORIGINATOR		ORIGINATING PROVIDER		
SGB Insurance and Investment				
QUALITY ASSURING BODY				
-				
FIELD			SUBFIELD	
Field 03 - Business, Commerce and Management Studies			Finance, Economics and Accounting	
ABET BAND	UNIT STANDARD TYPE	OLD NQF LEVEL	NEW NQF LEVEL	CREDITS
Undefined	Regular	Level 4	NQF Level 04	4
REGISTRATION STATUS		REGISTRATION START DATE	REGISTRATION END DATE	SAQA DECISION NUMBER
Reregistered		2008-11-18	2011-11-18	SAQA 0160/05
LAST DATE FOR ENROLMENT		LAST DATE FOR ACHIEVEMENT		
2012-11-18		2015-11-18		

In all of the tables in this document, both the old and the new NQF Levels are shown. In the text (purpose statements, qualification rules, etc), any reference to NQF Levels are to the old levels unless specifically stated otherwise.

This unit standard replaces:

US ID	Unit Standard Title	Old NQF Level	New NQF Level	Credits	Replacement Status
10373	Demonstrate knowledge and understanding of insurance of personal/domestic household contents and household buildings	Level 4	NQF Level 04	3	Complete

PURPOSE OF THE UNIT STANDARD

This Unit Standard is intended for learners who wish to follow a career path in Short Term insurance or retail insurance. It will be useful for Intermediaries, Underwriters, Claims and Policy Administrators, Product Developers and learners in Service Centres.

The qualifying learner is capable of:

- Describing the cover provided under household contents insurance.
- Explaining extensions, exclusions and optional covers in household contents insurance.
- Indicating the limitations to standard household contents insurance cover as opposed to specified and unspecified all risks cover.
- Applying underwriting criteria in a household contents insurance policy.
- Explain personal liability insurance.

LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING

Learners should be competent in Communication and Mathematical Literacy at NQF Level 3.

UNIT STANDARD RANGE

The typical scope of this Unit Standard is:

- Main events insured include fire, storm, theft, impact, and explosion.
- Underwriting criteria include, but are not limited to, age of the client, security, construction, claims history and rating area/zone.

Specific Outcomes and Assessment Criteria:

SPECIFIC OUTCOME 1

Describe the cover provided under household contents insurance.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

The concepts of the insured and insured property is explained with examples.

ASSESSMENT CRITERION 2

A policy document is analysed in order to determine the insured events.

ASSESSMENT CRITERION 3

The concept of accidental damage as opposed to accidental breakage in household contents insurance is explained with examples.

ASSESSMENT CRITERION 4

The exclusions in a listed perils policy wording are compared to the exclusions in an all risks policy wording.

ASSESSMENT CRITERION 5

The limitation on cover for computers provided under household contents insurance is explained with reference to a specific policy.

ASSESSMENT CRITERION 6

The two bases of indemnity are explained with examples.

SPECIFIC OUTCOME 2

Explain extensions, exclusions and optional covers in household contents insurance.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

Optional covers that can be added to or excluded from a household contents insurance policy are indicated with examples.

ASSESSMENT CRITERION 2

A policy document is analysed to determine the extensions and exclusions.

ASSESSMENT CRITERION 3

Two different policies are compared in terms of cover.

ASSESSMENT CRITERION 4

The concept of territorial limits in household contents insurance is explained with reference to permanent and temporary residence and an indication is given of how this applies in a listed perils policy.

SPECIFIC OUTCOME 3

Indicate the limitations to standard household contents insurance cover as opposed to specified and unspecified all risks cover.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

The difference between accidental damage and breakage covered under household contents and all risks insurance is explained with reference to the best type of cover for valuable goods.

ASSESSMENT CRITERION 2

The limits on collectibles in a specific policy are identified and an indication is given as to the best insurance for these items.

ASSESSMENT CRITERION 3

The cover on household goods in transit is explained with reference to a specific policy.

ASSESSMENT CRITERION 4

The needs of a specific client and the limitations of a specific household contents insurance policy are analysed and suggestions are made for additional cover to meet the needs in the client's circumstances.

ASSESSMENT CRITERION 5

A policy document is analysed to determine factors that could affect the limit of indemnity and an indication is given of possible extended liability cover.

ASSESSMENT CRITERION 6

The consequences of giving incorrect advice are explained in terms of FAIS, Policyholder Protection Rules and Professional indemnity.

SPECIFIC OUTCOME 4

Apply underwriting criteria in a household contents insurance policy.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

The underwriting criteria applied to household contents insurance are explained with examples.

ASSESSMENT CRITERION 2

The concept of average is applied to a household contents and a household buildings insurance claim for two different scenarios.

SPECIFIC OUTCOME 5

Explain personal liability insurance.

ASSESSMENT CRITERIA**ASSESSMENT CRITERION 1**

The concept of personal liability is explained with examples of cover under a standard policy.

ASSESSMENT CRITERION 2

A policy document is analysed to determine liability cover.

ASSESSMENT CRITERION 3

Exclusions under a personal liability policy are analysed from a policy document.

ASSESSMENT CRITERION 4

The difference between property owners and tenant's liability is explained as it applies to personal liability.

UNIT STANDARD ACCREDITATION AND MODERATION OPTIONS

This Unit Standard will be internally assessed by the provider and moderated by a moderator registered by a relevant accredited ETQA or an ETQA that has a Memorandum of Understanding with the relevant accredited ETQA.

UNIT STANDARD ESSENTIAL EMBEDDED KNOWLEDGE

N/A

UNIT STANDARD DEVELOPMENTAL OUTCOME

N/A

UNIT STANDARD LINKAGES

N/A

Critical Cross-field Outcomes (CCFO):**UNIT STANDARD CCFO IDENTIFYING**

Learners are able to identify and solve problems in which responses show that responsible decisions using critical thinking have been made in suggesting additional cover needed in a household contents insurance policy.

UNIT STANDARD CCFO COLLECTING

Learners are able to collect, organise and critically evaluate information in analysing the needs of a specific client and suggesting applicable cover.

UNIT STANDARD CCFO COMMUNICATING

Learners are able to communicate effectively in explaining the various concepts in the Unit Standard.

UNIT STANDARD CCFO SCIENCE

Learners are able to use science and technology effectively in using a computer to access information about specific household contents insurance policies.

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