Australian Government

FNSILF410 Underwrite financial risk in life insurance policies

Release: 1

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Modification History

Release	**Comments**
Release 1	This version first released with FNS Financial Services Training Package Version 7.0. Newly created to provide those in underwriting roles with specialised knowledge required to determine and underwrite financial risk in life insurance policies.

Application

This unit describes the skills and knowledge required to assess applications for a life insurance policy to identify and underwrite associated financial risks.

The unit applies to individuals who use specialised knowledge to determine financial risk, within a level of delegated authority, and to complete underwriting functions in the life insurance industry.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Unit Sector

Life insurance

Elements and Performance Criteria

ELEMENT	**PERFORMANCE CRITERIA**
Elements describe the essential outcomes.	*Performance criteria describe the performance needed to demonstrate achievement of the element.*
1. Collect information and identify financial risks	1.1 Review application and associated documentation and identify required financial information according to organisational policies and procedures 1.2 Interpret financial information and identify financial risk factors 1.3 Assess need for additional financial information and collect supporting documents according to organisational policies and procedures and code of professional practice
2. Assess level of	2.1 Identify potential risk implications of supplied financial

ELEMENT	PERFORMANCE CRITERIA
financial risk	information according to organisational policies and procedures 2.2 Identify long-term risk implications of financial position and overall financial risk 2.3 Select and apply financial risk-rating systems and risk-handling techniques 2.4 Confirm outcome of financial risk-rating system with persons of authority according to organisational policies and procedures
3. Establish risk-acceptance criteria	3.1 Identify risk-acceptance criteria to suit type and context of risk according to organisational policies and procedures 3.2 Assess adequacy of financial information against risk-acceptance criteria according to organisational policies and procedures 3.3 Consult with required personnel where clarification is required on adequacy of financial information provided
4. Prepare life insurance policy	4.1 Develop policy terms of acceptance according to accepted levels of exposure 4.2 Document life insurance policy with terms according to organisational policies and procedures and legislative and regulatory requirements 4.3 Seek approval of drafted policy from required persons of authority 4.4 Action feedback provided as required 4.5 Resubmit for approval according to organisational policies and procedures, as required

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

Skill	Description
Numeracy	• Interprets numerical data and statistics relating to financial information being assessed
Oral communication	• Uses appropriate language and style to collect at times complex technical information • Uses techniques including active listening, open-ended questioning and paraphrasing to confirm understanding

Skill	Description
Reading	• Gathers, analyses and interprets information from a range of sources to identify and consolidate information relevant to requirements
Writing	• Produces routine texts using structure, grammar and vocabulary appropriate to task and context • Edits and proofreads documents to ensure clarity of meaning, accuracy and consistency of information
Planning and organising	• Takes responsibility for planning, sequencing and prioritising tasks and own workload for efficiency and effectiveness • Applies systematic and analytical processes in routine and non-routine situations • Cooperates with others and contributes to work where joint outcomes are expected and deadlines are to be met
Self-management	• Maintains knowledge of regulations necessary to perform own role
Technology	• Uses key features and functions of digital tools to complete work tasks

Unit Mapping Information

Newly created unit.

Links

Companion Volume Implementation Guide is found on VETNet - - https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe