



**Australian Government**

# **FNSISV402 Underwrite new business**

**Release: 1**

## FNSISV402 Underwrite new business

### Modification History

| Release   | Comments  |
|-----------|---|
| Release 1 | This version first released with FNS Financial Services Training Package Version 1.0. |

### Application

This unit describes the skills and knowledge required to conduct underwriting of new business, including determining the terms and conditions, risk acceptance, evaluating the response of the client, negotiating and finalising the cover.

It applies to individuals in a range of insurance sectors and may be applied within organisations of various sizes and across a range of client bases.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Refer to the FNS Implementation Guide Companion Volume or the relevant regulator for specific guidance on requirements.

### Unit Sector

Insurance services

### Elements and Performance Criteria

| ELEMENT   | PERFORMANCE CRITERIA  |
|---|---|
| <i>Elements describe the essential outcomes.</i>        | <i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>  |
| 1. Determine terms and conditions of risk acceptability | 1.1 Collect risk acceptance information and determine terms and conditions of acceptance<br>1.2 Determine risk acceptability within authority limitations and capacities<br>1.3 Determine terms and conditions of risk acceptance in accordance with risk acceptance criteria<br>1.4 Determine referrals, where appropriate<br>1.5 Place facultative reinsurance, where appropriate |
| 2. Communicate result of                                | 2.1 Prepare and communicate quotation, if required  |

| <b>ELEMENT</b>                        | <b>PERFORMANCE CRITERIA</b>   |
|---------------------------------------|---|
| risk assessment                       | <p>2.2 Advise client of terms and conditions of risk acceptance, including expiry date of offer and pricing, within appropriate timeframes</p> <p>2.3 Advise rejection of risk, if applicable, as soon as it is evident that risk falls outside guidelines or as soon as decision is made not to underwrite risk</p>  |
| 3. Evaluate client response           | <p>3.1 Assess client response to determine whether action to modify terms and conditions is required</p> <p>3.2 Modify offer as necessary and prepare advice to client according to operating procedures</p> <p>3.3 Ensure modified offer complies with underwriting acceptance authorities and criteria, or seek appropriate referral approval</p>   |
| 4. Negotiate agreement                | <p>4.1 Undertake negotiation on revised offer to reach mutually satisfactory agreement, including change to reinsurance where applicable</p> <p>4.2 Advise client of acceptance or rejection of risk according to operating procedures</p> <p>4.3 Establish mechanism to check that conditions have been met, if conditions have been placed on acceptance of risk</p>  |
| 5. Issue interim cover where required | <p>5.1 Specify disclosure requirements in all cases</p> <p>5.2 Issue initial documentation to client in organisation's format and according to operating procedures</p> <p>5.3 Confirm reinsurance cover, as appropriate</p> <p>5.4 Obtain additional information, as required</p> <p>5.5 File and store documents in accordance with organisational operating procedures</p> <p>5.6 Monitor expiry of interim cover following standard operating procedures, to ensure any required terms are met prior to issue of policy</p> |

## Foundation Skills

*This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.*

| <b>Skill</b> | <b>Performance</b> | <b>Description</b> |
|--------------|--------------------|--------------------|
|--------------|--------------------|--------------------|

|                            | <b>Criteria</b>                                       |   |
|----------------------------|---|---|
| Reading                    | 1.1, 1.2 1.3, 1.4,                                    | <ul style="list-style-type: none"> <li>Critically analyses complex documentation from a variety of sources and consolidates information relating to specific criteria to determine requirements</li> </ul>  |
| Writing                    | 1.1, 2.1-2.3, 3.2, 4.1, 4.2, 5.2, 5.3, 5.4            | <ul style="list-style-type: none"> <li>Accurately records and completes organisational documents and correspondence using clear language and correct spelling, grammar and terminology</li> <li>Writes, edits and proofreads documents to ensure clarity of meaning, and accuracy and consistency of information</li> </ul>   |
| Oral Communication         | 2.1-2.3, 3.1, 3.3, 4.1, 4.2                           | <ul style="list-style-type: none"> <li>Interacts effectively in verbal exchanges, using active listening and questioning to convey and clarify information</li> <li>Clearly explains detailed information using language, tone and pace appropriate to audience</li> </ul>  |
| Numeracy                   | 1.1, 1.2, 1.5, 2.1, 2.2, 2.3, 3.2, 4.1                | <ul style="list-style-type: none"> <li>Performs mathematical calculations to analyse financial data and statistics to accurately process insurance cover</li> </ul>   |
| Navigate the world of work | 1.2, 1.3, 1.4, 2.3, 3.2, 3.3, 4.2, 5.1, 5.2, 5.5, 5.6 | <ul style="list-style-type: none"> <li>Accepts responsibility and ownership for the task and makes decisions on completion parameters and the need to coordinate with others</li> <li>Takes personal responsibility for following explicit and implicit policies, procedures and legislative requirements</li> </ul>  |
| Interact with others       | 1.4, 2.1, 2.2, 2.3, 3.1-3.3, 4.1, 4.2, 5.2, 5.3       | <ul style="list-style-type: none"> <li>Selects and uses appropriate conventions and protocols when communicating with clients and co-workers in a range of work contexts</li> <li>Recognises and accommodates basic differences and priorities of others</li> <li>Recognises behaviours and triggers that contribute to conflict and implements strategies to reduce issues during negotiations</li> </ul>  |
| Get the work done          | 1.1-1.5, 2.1-2.3, 3.2, 3.3, 4.3, 5.3-5.6              | <ul style="list-style-type: none"> <li>Takes responsibility for planning, sequencing and prioritising tasks and own workload for efficiency and effective outcomes</li> <li>Accepts responsibility for addressing less predictable problems and initiates standard procedures in response, applying problem-solving processes to determine solutions</li> <li>Uses digital technologies to access, enter and store information required to complete work tasks</li> </ul> |

## Unit Mapping Information

| <b>Code and title<br/>current version</b> | <b>Code and title<br/>previous version</b> | <b>Comments</b>                                       | <b>Equivalence status</b> |
|---|--|---|---------------------------|
| FNSISV402<br>Underwrite new<br>business   | FNSISV402A<br>Underwrite new<br>business   | Updated to meet<br>Standards for<br>Training Packages | Equivalent unit           |

## Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>