



Australian Government

Department of Education, Employment and Workplace Relations

FNSIBK505A Undertake risk analysis for an insurance broking client

Revision Number: 1

FNSIBK505A Undertake risk analysis for an insurance broking client

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to analyse risks for a new or renewal broking client so that potential insurers can determine a premium.</p> <p>This unit is applicable to individuals working within enterprises and job roles subject to licensing, legislative, regulatory or certification requirements including legislation administered by the Australian Securities and Investments Commission (ASIC).</p>
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Application of the Unit

Application of the unit	<p>This unit applies to brokers who may undertake the risk analysis or arrange for a specialist risk consultant to provide a risk assessment depending on whether the risk portfolio is standard or complex. It may be applied within organisations of various sizes and across a range of customer bases.</p>
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Select methods to assess clients risks	1.1. Risk assessment is completed in compliance with brokerage guidelines 1.2. Industry and general environmental information is collected as input to risk analysis 1.3. Specialists with relevant expertise to conduct risk assessment and prepare risk report are recommended to client 1.4. Relevant criteria for selection of specialist is provided to client 1.5. Comprehensive records of risk analysis and actions taken are maintained
2. Identify how risks are managed	2.1. Types of risks are identified and ranked as insurable and uninsurable and how they are to be managed 2.2. Potential losses identified and probability of loss assessed 2.3. Insurable risks classified as standards or above (low risk) or below standard (high risk) 2.4. Controls to minimise effect of potential losses are identified 2.5. Risks to be managed by insurance are identified
3. Make recommendation on management of risks to client	3.1. Stakeholders are identified 3.2. Recommendations for insurance and risk management plan covering resources, timing, responsibilities and monitoring and reporting of impact on overall risk exposure are recommended to client 3.3. Views of stakeholders are sought and information is provided to stakeholders at each stage of assessing the organisation's exposure to risks
4. Prepare information for insurer	4.1. Information to prepare accurate broking skip is extracted from risk assessment information 4.2. Information is presented in a manner that allows an insurer to judge the type and extent of cover

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- well-developed communication skills to:
 - determine and confirm information from clients and others, using questioning and active listening techniques
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- numeracy and IT skills to:
 - perform calculations related to achieving required outcomes
 - use computer applications (word processing, spreadsheet, database, specific purpose computer systems) to assist in achieving required outcomes
 - access and update records electronically
 - access web-based information services
- well-developed literacy skills to read and interpret documentation from a variety of sources and record and consolidate relevant related information
- research and analysis skills for accessing and interpreting relevant information
- interpersonal skills
- organisational skills, including the ability to plan and sequence work

Required knowledge

- methods of identifying risks
- principles of risk management
- understanding of the nature and scope of business

Evidence Guide

EVIDENCE GUIDE	
<p>The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.</p>	
Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	<p>Evidence of the ability to:</p> <ul style="list-style-type: none"> • apply risk management principles and practices • identify risk specialists for additional input.
Context of and specific resources for assessment	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> • competency is demonstrated in the context of the work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment • access to and the use of a range of common office equipment, technology, software and consumables • access to organisation records • access to organisational policies and procedures.
Method of assessment	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:</p> <ul style="list-style-type: none"> • evaluating an integrated activity, which combines the elements of competency for the unit, or a cluster of related units of competency • observing processes and procedures in workplaces • verbal or written questioning on underpinning knowledge and skills • evaluating samples of work • accessing and validating third party reports • setting and reviewing workplace projects and business simulations or scenarios.
Guidance information for assessment	

Range Statement

RANGE STATEMENT	
<p>The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.</p>	
<i>Risk</i> may include:	<ul style="list-style-type: none"> • how they can occur and impact on the achievement of business objectives • their area of impact • their nature.
<i>Analysis</i> may include:	<ul style="list-style-type: none"> • mathematical calculations or statistics • qualitative and quantitative data or information.
<i>Risk assessment</i> may include:	<ul style="list-style-type: none"> • based on likelihood, consequences and mitigating effects.
<i>Ranked</i> may include:	<ul style="list-style-type: none"> • according to exposure level • consequences/severity • likelihood of occurrence • management priorities/policies.
<i>Controls</i> may include:	<ul style="list-style-type: none"> • measures which limit the impact of risks.
<i>Stakeholders</i> may include:	<ul style="list-style-type: none"> • those within the organisation who have an interest in the function under consideration, including: <ul style="list-style-type: none"> • policy makers • those providing services • those receiving services from this organisation.

Unit Sector(s)

Unit sector	Insurance broking
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Competency field

Competency field	
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Co-requisite units

Co-requisite units	FNSIBK401A	Research and analyse client and industry information for a broking risk assessment