



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **FNSIBK601A Develop guidelines for broking services**

**Revision Number: 2**

## FNSIBK601A Develop guidelines for broking services

### Modification History

Release	Comments
Release 2	Release 2 of this Unit first released with <i>FNS10 Financial Services Training Package version 2.0</i> .
	Updated suffix of prerequisite unit to FNSIBK503B Provide personal advice in general insurance broking products and services.

### Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to develop and implement policies and procedures and business practices in a broking organisation. It may be applied in combination with other broking management units to meet ASIC educational standards for responsible managers.

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).

### Application of the Unit

This unit applies to insurance broking roles and may be applied within organisations of various sizes and across a range of customer bases.

### Licensing/Regulatory Information

Not applicable.

### Pre-Requisites

FNSIBK503B Provide personal advice in general insurance broking products and services

## Employability Skills Information

This unit contains employability skills.

### Elements and Performance Criteria Pre-Content

<p><i>Elements describe the essential outcomes of a unit of competency.</i></p>	<p><i>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.</i></p>
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### Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Identify opportunities and constraints for the provision of broking services	1.1. Business operations are reviewed to ensure compliance with <b><i>relevant legislation</i></b> 1.2. Availability of suitable products/suppliers is identified market wide 1.3. <b><i>Resource limitations</i></b> are identified
2. Establish client risk assessment methodology	2.1. <b><i>Risk exposure review documentation</i></b> is developed to enable effective analysis of <b><i>client risks</i></b> 2.2. Notices/instructions are developed to ensure full <b><i>disclosures</i></b> are made in compliance with relevant legislation and underwriting requirements 2.3. Resource and expertise requirements are identified to ensure required additional or <b><i>specialist</i></b> support is obtained
3. Establish client contact criteria	3.1. <b><i>Measures</i></b> to determine levels of client <b><i>contact</i></b> are determined 3.2. Responses to deal with <b><i>contingent demand</i></b> requirements are determined
4. Determine procedures for documentation	4.1. Documented distribution procedures are established in compliance with relevant legislation and underwriter requirements 4.2. Appropriate types and levels of <b><i>documentation</i></b> for client service are determined

## 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, 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
- organisational skills, including the ability to plan and sequence work
- high level management and interpersonal skills
- sales and marketing skills

### Required knowledge

- exposures
- industry compliance requirements
- industry market position relative to product/line of business
- insurance markets
- IT and communications systems
- legislative and regulatory body requirements
- marketing principles and practice
- organisation or industry policy wording
- relevant common law, legal systems and procedures

## Evidence Guide

*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.*

<b>Overview of assessment</b>	
<b>Critical aspects for assessment and evidence required to demonstrate competency in this unit</b>	<p>Evidence of the ability to:</p> <ul style="list-style-type: none"> <li>• apply extensive industry knowledge of products, practices, global markets and exposure to determine business directions and suitable options</li> <li>• develop and coordinate a plan.</li> </ul>
<b>Context of and specific resources for assessment</b>	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• access to and the use of a range of common office equipment, technology, software and consumables</li> <li>• access to organisation records</li> <li>• access to organisational policies and procedures.</li> </ul>
<b>Method of assessment</b>	<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"> <li>• evaluating an integrated activity, which combines the elements of competency for the unit, or a cluster of related units of competency</li> <li>• observing processes and procedures in workplaces</li> <li>• verbal or written questioning on underpinning knowledge and skills</li> <li>• evaluating samples of work</li> <li>• accessing and validating third party reports</li> <li>• setting and reviewing workplace projects and business simulations or scenarios.</li> </ul>
<b>Guidance information for assessment</b>	

## Range Statement

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><b>Relevant legislation</b> includes:</p>	<ul style="list-style-type: none"> <li>• Agents and Brokers Act</li> <li>• Carriers Act</li> <li>• Compulsory Third Party Motor Vehicles Act</li> <li>• Credit Act</li> <li>• Insurance Act, as amended</li> <li>• Insurance Contracts Act</li> <li>• Local Government Act</li> <li>• Marine Insurance Act</li> <li>• Trade Practices Act</li> <li>• workers compensation Acts.</li> </ul>
<p><b>Resource limitations</b> may be:</p>	<ul style="list-style-type: none"> <li>• equipment and facilities</li> <li>• financial</li> <li>• geographical</li> <li>• technical expertise.</li> </ul>
<p><b>Risk exposure review documents</b> may include</p>	<ul style="list-style-type: none"> <li>• declarations</li> <li>• disclosure information</li> <li>• questionnaires</li> <li>• risk checklists.</li> </ul>
<p>Types of <b>client risks</b> may be all exposures applicable to relevant clients such as:</p>	<ul style="list-style-type: none"> <li>• casualty</li> <li>• consequential loss</li> <li>• employee benefits</li> <li>• intangible</li> <li>• liability</li> <li>• property</li> <li>• tangible.</li> </ul>
<p><b>Disclosure</b> requirements may relate to:</p>	<ul style="list-style-type: none"> <li>• any other material facts</li> <li>• business activity</li> <li>• convictions</li> <li>• insurance history.</li> </ul>
<p><b>Specialists</b> may include:</p>	<ul style="list-style-type: none"> <li>• accountants</li> <li>• consultants</li> <li>• engineers</li> <li>• insurance organisation representatives</li> <li>• legal professionals</li> </ul>

	<ul style="list-style-type: none"> <li>• risk managers</li> <li>• surveyors</li> <li>• valuers.</li> </ul>
<i>Measures</i> used to determine client contact levels include:	<ul style="list-style-type: none"> <li>• financial returns</li> <li>• location</li> <li>• market niche</li> <li>• size.</li> </ul>
<i>Contact</i> methods can include:	<ul style="list-style-type: none"> <li>• correspondence</li> <li>• direct mail</li> <li>• facsimile</li> <li>• newsletters</li> <li>• personal contact</li> <li>• telephone.</li> </ul>
<i>Contingent demands</i> may occur when:	<ul style="list-style-type: none"> <li>• business development occurs</li> <li>• claims are made</li> <li>• risk changes.</li> </ul>
<i>Documentation</i> can include:	<ul style="list-style-type: none"> <li>• billing</li> <li>• claim statistics</li> <li>• closings to underwriters</li> <li>• declarations</li> <li>• endorsements</li> <li>• new business reports</li> <li>• policies</li> <li>• proposals</li> <li>• remittance to underwriters</li> <li>• renewal certificates</li> <li>• renewal reports</li> <li>• risk reviews</li> <li>• service manuals.</li> </ul>

## Unit Sector(s)

Insurance broking

## Co-requisite units

FNSIBK602A Implement broking service support systems