



Australian Government

Department of Education, Employment and Workplace Relations

FNSILF401A Contribute to the life risk underwriting process

Revision Number: 1

FNSILF401A Contribute to the life risk underwriting process

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to undertake risk assessments of applications for life insurance including gathering the risk information, and reviewing and assessing it against appropriate risk criteria.</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 job roles within the specialist area of life insurance and 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	

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. Identify risk	1.1. Product type is determined so that nature of the risk can be identified and handled accordingly
2. Evaluate proposal against risk assessment criteria	2.1. Proposal is assessed against <i>risk assessment criteria</i> to clearly identify risk factors 2.2. Need for <i>additional information</i> is identified in order to further evaluate the proposal
3. Obtain further information	3.1. Appropriate sources of further information are identified to enable comprehensive evaluation of proposal 3.2. Confidentiality of the parties involved from which further information is obtained and protected 3.3. All further information to satisfy outstanding risk assessment criteria is obtained within specified timeframes 3.4. Advice on proposal assessment status is provided to <i>concerned parties</i> on an ongoing basis
4. Determine and advise terms and conditions of risk acceptability	4.1. Acceptability of the risk is assessed against all available information in accordance with appropriate underwriting guidelines 4.2. Terms and conditions that minimise risk liability are established within delegated authority 4.3. Decisions are promptly advised to all relevant parties on acceptance or rejection of proposal

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:
 - describe terms and conditions of insurance to clients
 - determine and confirm information, using questioning and active listening as required
 - 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
- literacy skills to read and interpret documentation from a variety of sources and record and consolidate relevant related information including policy interpretation and application
- well-developed research and analysis for accessing and interpreting relevant information and risk identification and assessment
- organisational skills, including the ability to plan and sequence work

Required knowledge

- basic actuarial principles
- nature of liability
- nature of the industry sector
- reinsurance process
- financial legislative and compliance requirements including the Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulation Authority (APRA)
- relevant medical terminology
- risk prevention methods and application
- type of risk and probability of likely occurrence

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 sound analytical skills when undertaking a life insurance risk assessment • comprehensively understand relevant aspects of risk assessment in the industry sector market • adhere to and comply with all relevant legislative and compliance requirements.
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.
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>	
<p><i>Risk assessment criteria</i> means:</p>	<ul style="list-style-type: none"> • criteria against which a risk may be measured for acceptability.
<p><i>Additional information</i> or opinions may be obtained from:</p>	<ul style="list-style-type: none"> • actuaries • financiers • lawyers/solicitors • medical practitioners • product developers • reinsurers • underwriters.
<p><i>Concerned parties</i> may include:</p>	<ul style="list-style-type: none"> • accountants • agents • brokers • financial planners • life insured • policy owners • solicitors.

Unit Sector(s)

Unit sector	Insurance life
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		