



Australian Government

Department of Education, Employment and Workplace Relations

FNSILF407A Settle life insurance claims

Release: 1

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Modification History

Release	Comments
Release 1	This Unit of Competency first released with <i>FNS10 Financial Services Training Package version 3.0</i> .

Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to calculate benefits and settle claims made under risk-based life insurance policies.

Application of the Unit

This unit applies to those processing and settling claims against insurance policies covering life risks.

Licensing/Regulatory Information

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

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

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

Elements and Performance Criteria

1. Review claim settlement advice	<p>1.1 Receive settlement advice for a claim against <i>a risk-based life insurance policy</i></p> <p>1.2 Check that <i>documentation</i> is correct and complete in accordance with <i>procedures</i></p> <p>1.3 Confirm that organisational authority levels have been observed</p>
2. Calculate benefits	<p>2.1 Identify the extent of liability on the basis of collected <i>evidence</i> and the terms and conditions of the <i>life insurance policy</i></p> <p>2.2 Calculate and check benefits payable in accordance with procedures</p>
3. Finalise claim settlement	<p>3.1 Advise client of the consequences of proceeding with the payment in accordance with procedures</p> <p>3.2 Obtain policy discharge as appropriate</p> <p>3.3 Confirm method of payment with claimant</p> <p>3.4 Enter and confirm payment information on appropriate systems to make payment</p> <p>3.5 Communicate settlement details to appropriate stakeholders in accordance with procedures and regulatory requirements</p> <p>3.6 Update records and file documentation in accordance with procedures and regulatory requirements</p>

Required Skills and Knowledge

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

Required skills

- communication skills to:
 - gather and check information
 - liaise and share information with others
 - communicate appropriately with people from diverse backgrounds
- numeracy skills to:
 - interpret numeric data and relevant statistics
 - calculate life insurance payments
- IT skills to:
 - use computer applications (word processing, spreadsheet, database, specific purpose computer systems)
 - access and update records electronically
 - access web-based information services
- reading skills to:
 - read and understand relevant procedures
 - read and understand life insurance policies
 - read and interpret life insurance claims and supporting documentation
- organisational skills to efficiently plan and sequence work
- problem solving skills to address errors in life insurance documentation
- research and analysis skills to:
 - identify and interpret relevant information
 - analyse information and data
 - maintain currency of products and services knowledge
- writing skills to:
 - accurately record information
 - prepare professional letters and emails.

Required knowledge

- the ability to apply and explain as relevant to the settlement of life insurance claims:
 - life insurance administrative requirements
 - life insurance policy payment criteria
 - life insurance policy terms and conditions
 - organisational procedures
 - organisational systems for data entry and filing
 - product information
 - relevant regulatory requirements.

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.

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 analytical and administrative skills in the settlement of claims • maintain and apply a thorough and up-to-date understanding of life insurance terms and conditions and claims processing • maintain and apply a thorough and up-to-date understanding of life insurance administrative requirements • perform tasks in accordance with relevant procedures and regulatory 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 records • access to corporate privacy policy • 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 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	
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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.

<i>Risk-based life insurance policy</i> may include:	<ul style="list-style-type: none"> • disability income • term life (including terminal illness and Total and Permanent Disablement (TPD)) • trauma • whole of life.
<i>Documentation</i> may include:	<ul style="list-style-type: none"> • claim forms • records of death • records of disablement • other medical records • statutory declarations and other such records • claims assessment outcomes • claims department records.
<i>Procedures</i> may include:	<ul style="list-style-type: none"> • organisational complaints handling processes • organisational customer service charter • organisational guidelines • organisational policy • organisational privacy and confidentiality guidelines • organisational procedures.
<i>Evidence</i> may include:	<ul style="list-style-type: none"> • records of death • records of disablement • other medical records • statutory declarations and other such records • claims department records.
<i>Life insurance policy</i> may include	<ul style="list-style-type: none"> • disability income • term life (including terminal illness • Total and Permanent Disablement (TPD)) • trauma • whole of life.
<i>Consequences</i> may include:	<ul style="list-style-type: none"> • terms of settlement • discharge of the insurer's contractual obligation for the event claimed • changes to terms and conditions of ongoing insurance

	<ul style="list-style-type: none"> • reduced sum insured for ongoing insurance loss of insurance cover.
<i>Policy discharge</i> may include:	<ul style="list-style-type: none"> • acceptance by claimant of amount of settlement • acceptance by claimant of timing of settlement • acceptance by claimant of terms of settlement.
<i>Appropriate systems</i> may include:	<ul style="list-style-type: none"> • policy administration systems • document management systems.
<i>Appropriate stakeholders</i> may include:	<ul style="list-style-type: none"> • internal parties • administrators • trustees • underwriters • claimant and associated parties • assignees • beneficiaries • executors • lawyers • life insured • next of kin • policy owners.
<i>Regulatory requirements</i> may include:	<ul style="list-style-type: none"> • life insurance legislation • corporations legislation • privacy legislation • Australian Securities and Investments Commission (ASIC) regulatory guides • industry Codes of Practice.

Unit Sector(s)

Life insurance