



Australian Government

Department of Education, Employment and Workplace Relations

FNSILF501A Assess extraordinary risks

Revision Number: 1

FNSILF501A Assess extraordinary risks

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to understand and apply underwriting risk concepts and practices when assessing extraordinary insurance risks.</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>
------------------------	---

Application of the Unit

Application of the unit	<p>This unit applies to job roles in generalist or specialist areas of insurance and may be applied within organisations of various sizes and across a range of customer bases.</p>
--------------------------------	---

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
-----------------------------	--

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.
---	--

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Determine risk acceptance criteria	1.1. Risk acceptance criteria are established to suit type and context of risk within relevant organisation policy 1.2. Availability of data on acceptance criteria is determined to ensure criteria are valid
2. Seek information	2.1. Accurate, reliable and up-to-date information is identified and collated in a form suitable for analysis
3. Negotiate reinsurance for extraordinary risks	3.1. Need for, and level of, reinsurance for the risk is identified 3.2. Terms of reinsurance are determined from available sources and in accordance with organisation policy 3.3. Reinsurance is negotiated which provides required protection for anticipated exposure
4. Determine and advise terms and conditions of acceptance	4.1. Terms of acceptance are established that meet market conditions and are within organisation accepted levels of exposure 4.2. Terms and conditions are clearly documented and meet the requirements of relevant underwriting guidelines and are determined within delegated authorities

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- highly developed communication skills to:
 - negotiate with 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
- well-developed literacy skills for policy interpretation and application and 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 and maintaining currency of industry products and services knowledge
- organisational skills, including the ability to plan and sequence work

Required knowledge

- nature of industry sector
- nature of liability
- relevant actuarial, financial and legislative requirements including the Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulation Authority (APRA)
- relevant medical techniques, diseases, injuries and terminology
- types 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 highly developed analytical skills • maintain and apply a thorough understanding of all aspects of risk assessment in the current industry sector market.
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>	
<p><i>Risk assessment criteria</i> refers to:</p>	<ul style="list-style-type: none"> • criteria against which a risk may be measured for acceptability.
<p><i>Risk</i> factors vary according to:</p>	<ul style="list-style-type: none"> • potential impact on the organisation • value and type of produce.
<p>Sources of <i>information</i> may include:</p>	<ul style="list-style-type: none"> • actuaries • brokers • clients • financiers • intermediaries • lawyers/solicitors • medical practitioners • product developers • reinsurers • underwriters.

Unit Sector(s)

Unit sector	Insurance life
--------------------	----------------

Competency field

Competency field	
-------------------------	--

Co-requisite units

Co-requisite units		