



**Australian Government**

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

# **FNSISV404A Underwrite renewal business**

**Revision Number: 1**

## FNSISV404A Underwrite renewal business

### Modification History

Not applicable.

### Unit Descriptor

<b>Unit descriptor</b>	<p>This unit describes the performance outcomes, skills and knowledge required to underwrite renewal business, including determining the terms and conditions of risk acceptance evaluating the response of the customer, negotiating and finalising the cover.</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

<b>Application of the unit</b>	<p>This unit applies to underwriting job roles in a range of insurance sectors 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

<b>Prerequisite units</b>		

## Employability Skills Information

<b>Employability skills</b>	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. Determine terms and conditions of risk acceptability	1.1. <b>Risk acceptance information</b> is identified and reviewed 1.2. Risk acceptability is determined within authority limitations 1.3. <b>Terms and conditions of risk acceptability</b> are checked for changes since the last time it was reviewed for underwriting 1.4. Terms and conditions of risk acceptance are determined in accordance with risk acceptance criteria, including <b>client history</b> 1.5. If appropriate, alternative terms or adjusted benefits are proposed
2. Communicate result of risk assessment	2.1. Offer of renewal, if applicable, is made in accordance with legislative requirements 2.2. Provisional notice of expiry is issued to customer 2.3. <b>Renewal is declined</b> , if applicable, in accordance with legislative provisions
3. Evaluate client response	3.1. Client response is assessed to determine whether action to modify terms and conditions is required 3.2. Offer is modified, as necessary, and advice to client is prepared according to operating procedures 3.3. Offer complies with underwriting acceptance authorities and criteria, or an appropriate referral approval is sought
4. Negotiate agreement	4.1. Negotiation is undertaken on revised offer to reach mutually satisfactory agreement 4.2. The client is advised of acceptance or rejection of the risk according to operating procedures (including information on dispute resolution procedure if necessary)
5. Cancel/lapse or renew cover	5.1. <b>Revised documentation</b> is issued to client in organisation format and according to organisation operating procedures and <b>legislative requirements</b> 5.2. Reinsurance cover is confirmed as appropriate 5.3. Lapse notice is issued to client, if applicable, in accordance with organisation procedures 5.4. Documentation is filed and stored according to operating procedures

## 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, using questioning and active listening as required
  - relate effectively to customers
  - 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
- self-management skills for complying with ethical, legal and procedural requirements research and analysis skills for accessing and interpreting relevant information
- organisational skills, including the ability to plan and sequence work

#### Required knowledge

- industry market position relative to product/line of business
- industry sector compliance requirements such as the General Insurance Code of Practice
- organisation or industry sector policy wording
- organisation policy, procedures, underwriting guidelines and authorities (e.g. best underwriting guides (BUG) and loss control guides)
- organisation products
- reinsurance, treaty and facultative processes
- relative industry hazards
- relevant legislation, regulatory guidelines and industry sector compliance requirements, such as:
  - Insurance Contracts Act
  - Privacy Act
  - Trade Practices
  - Corporations Act
- risk prevention methods and application



## Evidence Guide

<b>EVIDENCE GUIDE</b>	
<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>	
<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>• interpret and comply with all legal obligations and organisation procedures in order to identify and thoroughly assess risks, and develop suitable products</li> <li>• maintain and apply sound understanding of relevant organisation products and services</li> <li>• correctly interpret and apply underwriting guidelines and procedures</li> <li>• identify and investigate risk as it relates to renewal business in accordance with underwriting and organisation guidelines</li> <li>• complete and file relevant documentation in accordance with organisation guidelines.</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 organisation 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> </ul>
<b>Guidance information for</b>	

**EVIDENCE GUIDE****assessment****Range Statement****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.

***Risk acceptance information*** may be sourced from:

- amendments
- assessor reports
- broker slips
- claims
- for NZ: the New Zealand Claims Register
- general knowledge
- legal cases
- pre-underwriting report
- previous insurers
- proposals
- publications (industry associations and trade journals)
- stock exchange
- surveys
- telephone contacts.

***Terms and conditions of risk acceptability*** may include:

- claims history
- endorsements
- excesses/deductibles
- internal and industry statistics
- pricing
- quality of risk
- reinsurance cover
- risk factors
- risk improvement requirements
- variations in policy wording.

***Client history*** may include:

- financial results
- insurance history



<b>RANGE STATEMENT</b>	
	<ul style="list-style-type: none"> <li>• number of type of policies</li> <li>• time insured.</li> </ul>
<i>Declining renewal</i> means:	<ul style="list-style-type: none"> <li>• advising client/broker/adviser of non-acceptance of risk and rationale for decision.</li> </ul>
<i>Revised documentation</i> includes:	<ul style="list-style-type: none"> <li>• endorsement or renewal certificate.</li> </ul>
<i>Legislative requirements</i> refers to:	<ul style="list-style-type: none"> <li>• all activities covered in this unit to be undertaken in line with the relevant current: <ul style="list-style-type: none"> <li>• legislation</li> <li>• regulations</li> <li>• organisation operating procedures and</li> <li>• codes of practice, where applicable.</li> </ul> </li> </ul>

### Unit Sector(s)

<b>Unit sector</b>	Insurance services
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### Competency field

<b>Competency field</b>	
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### Co-requisite units

<b>Co-requisite units</b>		