



Australian Government

Department of Education, Employment and Workplace Relations

FNSISV503A Undertake post-loss risk management

Revision Number: 1

FNSISV503A Undertake post-loss risk management

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to review the effect of losses on the portfolio, identify problems and develop remedial risk management strategies.</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 involving specialist knowledge and functions in a range of insurance sectors, particularly underwriting 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		

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 unusual or unwanted trends in claims	<p>1.1. Unusual or unwanted trends in a cover or claims are <i>investigated</i> and reported</p> <p>1.2. <i>Relevant data</i> and <i>documentation</i> are accessed and analysed, including the impact of reinsurance</p>
2. Assess impact of claim and determine alternative strategies	<p>2.1. <i>Strategies</i> to minimise <i>potential negative impacts</i> to the portfolio are determined within requirements to meet policy obligations and legal requirements</p> <p>2.2. <i>Consumers' rights</i> are protected according to <i>compliance</i> requirements and codes of practice</p> <p>2.3. Information which impacts on the <i>portfolio/line of business</i> is communicated promptly to the underwriter</p> <p>2.4. Need for urgent action to protect organisation interests is determined and acted upon</p>

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:
 - 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
- well-developed numeracy and IT skills to:
 - undertake statistical analysis
 - 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
- learning skills to maintain knowledge of changes to compliance legislation and requirements
- problem solving skills to identify any issues that have the potential to impact on work outcomes and to develop options to resolve these issues when they arise
- 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

- consumers rights issues and requirements
- industry sector compliance requirements such as the General Insurance Code of Practice
- industry trends
- loss surveying principles
- organisation policy, procedures, underwriting guidelines and authorities:
 - best underwriting guides (BUG)
 - loss control guides
- relevant legislation, regulatory guidelines and industry sector compliance requirements, such as the Insurance Contracts Act, Privacy Act, Trade Practices and Corporations Act

REQUIRED SKILLS AND KNOWLEDGE

- research and analysis techniques
- risk management techniques and tools

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"> • identify and assess data relating to losses, analyse it and use the analysis as a basis for development of effective strategies.
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 organisation 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>Investigation</i> may include:</p>	<ul style="list-style-type: none"> • whether there are any significant claim trends • whether there are any significant changes to the premium pool • whether there are changes in the insurance industry to coverage of risk.
<p><i>Relevant data</i> may include:</p>	<ul style="list-style-type: none"> • claim statistic reports • premium reports • surveys • other relevant materials.
<p><i>Documentation</i> may include:</p>	<ul style="list-style-type: none"> • assessor comments • premium income • reports on claims • solicitor's advice • surveys.
<p><i>Strategies</i> may include:</p>	<ul style="list-style-type: none"> • case studies • changes in policy wording, list of risks, premium rates • training.
<p><i>Potential negative impacts</i> may be identified by:</p>	<ul style="list-style-type: none"> • accuracy of rates charged • additional security arrangements • analysing loss ratios • analysing relevant geographic, demographic data • types of risk written • underwriting guidelines.
<p><i>Consumers' rights</i> may include:</p>	<ul style="list-style-type: none"> • privacy and access to dispute resolution procedures.
<p>Types and categories of insurance <i>portfolios/line of business</i> may include:</p>	<ul style="list-style-type: none"> • accidental damage • additional benefits • burglary/theft • business interruption • business special risks • commercial • commercial motor

RANGE STATEMENT

	<ul style="list-style-type: none"> • construction risks • crop • defined events • directors and officers • domestic • electronic equipment • employee fraud • engineering plant • environment and pollution • fire and perils • general and products liability • glass • Industrial Special Risks (ISR) • livestock • machinery breakdown • money • multi-risk • other personal items • package contracts • personal accident and illness • professional indemnity • public liability • sprinkler leakage • transit • travel.
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Unit Sector(s)

Unit sector	Insurance services
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		