



Australian Government

Department of Education, Employment and Workplace Relations

FNSISV504A Negotiate treaty reinsurance

Revision Number: 1

FNSISV504A Negotiate treaty reinsurance

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to negotiate treaty reinsurance in accordance with organisation guidelines and procedures. It encompasses analysing, preparing and negotiating treaty insurance with a supplier.</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 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. Prepare reinsurance tender	1.1. Previous tender arrangements and documents, where they exist, are reviewed 1.2. Information relating to <i>treaty reinsurance</i> tender is prepared and checked 1.3. Completeness of the information is checked 1.4. Coverage of a claim, or series of claims, under a specific client, policy, or treaty is confirmed 1.5. Tendering conditions are prepared in line with <i>organisation procedures</i> , guidelines and authorities, <i>context</i> and treaty and facultative obligations 1.6. <i>Criteria for supplier selection</i> is prepared and confirmed 1.7. All tender information is accurately recorded 1.8. Where required, tendering information is passed on to appropriate staff
2. Select reinsurance supplier	2.1. Relevant reinsurers notified of tender conditions and details under relevant reinsurance tendering arrangements 2.2. Tender response is requested from reinsurer in line with organisation procedures, guidelines and authorities within accepted timeframes and guidelines 2.3. Reinsurance supplier tenders are reviewed and evaluated against set selection criteria 2.4. All tender information is accurately recorded
3. Manage transactions for treaty	3.1. Recovery of the whole claim is calculated, including reinstatements for policy terms and conditions, and what treaty it is to be recovered from 3.2. Transactions are managed 3.3. All information is checked and accurately recorded
4. Negotiate terms and conditions of agreement	4.1. Policy terms and conditions are negotiated with selected reinsurers 4.2. All information is accurately documented and recorded on the <i>system</i> 4.3. Where required, reinsurer information is passed on to appropriate staff

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:
 - 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

- different types of treaties (e.g. stop loss)
- GPS 23 - 7 prudential standard for Reinsurance Arrangements and relevant guidance notes
- industry sector compliance requirements such as the General Insurance Code of Practice
- organisation and industry sector policy wording
- organisation policy, procedures, underwriting guidelines and authorities:
 - best underwriting guides (BUG)
 - loss control guides
- organisation IT and communications systems
- principles and methods of filing reinsurance terminology and concepts such as:
 - any one risk

REQUIRED SKILLS AND KNOWLEDGE

- any one event
- reinstatement premium
- relevant legislation, regulatory guidelines and industry sector compliance requirements, such as:
 - Insurance Contracts Act
 - Privacy Act
 - Trade Practices
 - Corporations Act

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"> • compile a tender document, including collection of appropriate data, and selection of appropriate methods of protection • fully comply with organisation operating procedures, legislative requirements and industry codes of practice, where applicable • prepare or verify a contract • negotiate a contract • comply with terms and conditions of organisation reinsurance arrangement.
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>	
Types of <i>treaty reinsurance</i> may include:	<ul style="list-style-type: none"> • catastrophe • excess of loss • quota share • stop loss.
<i>Organisation procedures</i> may include:	<ul style="list-style-type: none"> • authority levels • reinsurance tender preparation guidelines.
<i>Context</i> may include:	<ul style="list-style-type: none"> • accidental damage • additional benefits • burglary/theft • business interruption • business special risks • commercial • commercial motor • 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

RANGE STATEMENT	
	<ul style="list-style-type: none"> • package contracts • personal accident and illness • professional indemnity • public liability • sprinkler leakage • transit • travel.
<i>Criteria for supplier selection</i> may include:	<ul style="list-style-type: none"> • expertise in product • financial security.

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		