



**Australian Government**

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

# **FNSISV514A Review and update claim reserves in portfolio**

**Revision Number: 1**

## FNSISV514A Review and update claim reserves in portfolio

### Modification History

Not applicable.

### Unit Descriptor

<b>Unit descriptor</b>	<p>This unit describes the performance outcomes, skills and knowledge required to review and update insurance claims reserves in a portfolio to minimise losses. It encompasses identifying and analysing claims, reserves trends data, legislation and regulations, reports and related documents; monitoring funds, interpreting the results and reporting on the findings to minimise losses.</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 claims management 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

<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. Review claims reserves	1.1. <i>Claims reserves</i> are regularly reviewed to ensure they accurately reflect expectations 1.2. <i>Accurate data</i> is provided to assist underwriters to identify and charge appropriate policy premiums
2. Monitor funds	2.1. Funds are monitored to ensure adequate reserves exist to pay claims as they fall due for payment
3. Support claims staff in claims reserve activities	3.1. Claims coordination staff are supported, as required, to identify accurate initial claims reserves 3.2. Claims coordination staff are supported, as required, in allocation of claim to appropriate claims specialists
4. Authorise payments, settlements and changes to reserves	4.1. Payments, settlements and reserves changes are authorised as requested by claims specialists that are outside their delegated authority, as required
5. Identify required changes to portfolio, claims reserves policy or procedures	5.1. Identified information is communicated promptly to <i>decision makers</i> in the management structure according to organisation procedures 5.2. Changes to policy and procedures are instigated to minimise claims losses in similar circumstances

## 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:
  - interpret charts, graphs and statistical information
  - 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

- data analysis techniques
- industry trends in claims reserving policy and procedures
- information technology and communications systems
- organisation policy, procedures, underwriting guidelines and authorities
- policy coverage requirements and wording
- reinsurance processes
- relevant industry compliance requirements, legislation and industry codes of practice
- risk prevention and loss minimisation methods and application
- types and categories of insurance policies



## 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>• undertake high level data collection, analysis and monitoring skills</li> <li>• apply communication skills related to the review, update and reporting of claims reserves in an insurance claims portfolio</li> <li>• interpret and comply with relevant legislation and claims/reserves trends thorough understanding of the industry and organisation obligations and objectives.</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> <li>• setting and reviewing workplace projects and business simulations or scenarios.</li> </ul>
<b>Guidance information for assessment</b>	

## Range Statement

<b>RANGE STATEMENT</b>	
<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. <b>Italicised</b> 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>Claims reserves</i> data may be gathered from:</p>	<ul style="list-style-type: none"> <li>• claims frequency</li> <li>• claims reserving policies, trends, data</li> <li>• claims settlement costs</li> <li>• claims specialists and other relevant staff</li> <li>• loss ratios</li> <li>• portfolio reporting data and historical information</li> <li>• reports on claims</li> <li>• surveys.</li> </ul>
<p><i>Accurate data</i> may include:</p>	<ul style="list-style-type: none"> <li>• claim statistic reports</li> <li>• premium reports</li> <li>• surveys</li> <li>• other relevant materials.</li> </ul>
<p><i>Decision making</i> activities may include:</p>	<ul style="list-style-type: none"> <li>• consultation</li> <li>• fact finding</li> <li>• research.</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>		