



Australian Government

FNSIBK524 Manage complex risk portfolios for insurance broking clients

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 5.0.

Application

This unit describes the skills and knowledge required to manage clients with a complex insurance portfolio by identifying and assessing risks and negotiating insurance changes and renewals. It involves identifying additional exposures and advising on changes to the insurance program.

The unit applies to those who work with wholesale clients in a brokerage organisation to synthesise industry information and monitor clients' product needs.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Users are advised to check with the relevant state and territory regulatory authorities to confirm those requirements.

Unit Sector

Insurance broking

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Identify significant risk changes impacting client portfolio	1.1 Identify significant variations in client's insurance program by monitoring client requested changes 1.2 Identify major changes to level of risk exposure by monitoring and analysing external environment against client program 1.3 Undertake risk assessment in compliance with organisational policies and procedures 1.4 Seek specialist advice as required and according to organisational procedures 1.5 Identify precedents through analysis of similar situations

ELEMENT	PERFORMANCE CRITERIA
	1.6 Maintain records of risks assessed and actions taken
2. Advise client on changes to insurance program	2.1 Provide advice based on assessment of current insurance program that considers changes in risk context and external environment 2.2 Present alternative risk management strategies 2.3 Undertake a cost-benefit analysis of program options 2.4 Identify, record and verify client's preferred program options 2.5 Obtain client declarations, as required by insurers
3. Negotiate complex changes and renewals with insurers	3.1 Identify suitable market for client requirements and approach selected insurers according to organisational procedures 3.2 Obtain client instructions for negotiated outcomes with insurers 3.3 Negotiate options and alternative portfolio structures with insurers 3.4 Obtain negotiated outcomes that provide level of cover required by client
4. Obtain client instructions and arrange changes to insurance program	4.1 Advise client on outcomes of negotiation with insurers and provide client with opportunity to discuss and question alternatives 4.2 Explain benefits and disadvantages of available options to client and make recommendations 4.3 Clarify and document client instructions and communicate change instructions to insurers 4.4 Issue insurance documents within required timeframes and according to organisational requirements

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

SKILL	DESCRIPTION
Numeracy	Undertakes data analysis and performs accurate mathematical calculations to undertake risk assessment and cost-benefit analysis
Oral communication	- Participates in verbal exchanges using tone and language suitable to audience and purpose - Uses active listening and questioning techniques to confirm understanding
Reading	Organises, interprets and critiques material from a range of sources and identifies required and key information
Writing	Develops material for a specific audience using clear and detailed language to convey explicit information, requirements and

SKILL	DESCRIPTION
	recommendations
Planning and organising	• Accepts responsibility for planning and sequencing complex tasks and workload to meet service requirements • Systematically gathers and analyses required information and evaluates options to make recommendations
Self-management	• Takes responsibility for compliance of documentation and advice with legislative requirements and organisational procedures
Teamwork	• Selects and uses appropriate conventions and protocols when communicating with colleagues and others to seek or provide information • Uses collaboration techniques to negotiate agreed outcomes
Technology	• Uses digital technologies to access, enter and store information

Unit Mapping Information

Supersedes and is equivalent to FNSIBK514 Manage a complex risk portfolio for a broking client.

Links

Companion Volume Implementation Guide is found on VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSIBK524 Manage complex risk portfolios for insurance broking clients

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Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- manage a complex risk portfolio for at least two different insurance broking clients.

In the course of the above, the candidate must:

- synthesise and coordinate knowledge of the industry to monitor client's need for portfolio changes
- undertake client interviews, gather information and analyse options based on risk assessment methodologies, for presentation to the client
- review insurance benefits, credit stability assessments, claims history, and level of supplier service.

Knowledge Evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

- legislative and compliance requirements relating to client management procedures
- organisational policies, procedures and authorities in developing management plans for clients with complex portfolios and risks
- risk assessment methods and risk management strategies required to develop risk management plans for clients with complex risks
- techniques to interpret and analyse client's needs, including key trends and structure of client's industry and insurance market
- key marketing principles and practices applied when managing complex client portfolios
- range of insurance products on the market, including knowledge of complex products
- key aspects of cost-benefit analysis used in managing complex client risk portfolios and risk portfolios with high risk volatility
- insurance fundamentals and methods to interpret, comprehend and apply policy wording
- precedents and previous organisational results for changes in complex risk portfolios.

Assessment Conditions

Skills in this unit must be demonstrated in a workplace or simulated environment where the conditions are typical of those in a working environment in this industry.

This includes access to:

- organisational equipment, technology, software and consumables
- organisational records
- organisational policies and procedures.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

Links

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