



Australian Government

FNSILF411 Undertake the life risk underwriting process

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 7.0. Supersedes and is equivalent to FNSILF401 Contribute to the life risk underwriting process. Minor changes to title, application, elements and foundation skills descriptions. Significant rewording of performance criteria. Performance evidence and knowledge evidence updated to clarify intent.

Application

This unit describes the skills and knowledge required to undertake risk assessments of applications for life insurance, including gathering and reviewing risk information and assessing it against risk-assessment criteria, in order to complete the underwriting process.

The unit applies to individuals in underwriting roles, who use specialised knowledge and systematic approaches to analyse and evaluate information and make judgements within limits of delegated authority.

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

Life insurance

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 risk factors and evaluate life insurance application	1.1 Identify application product type and benefit levels and determine nature of risk factors to be assessed according to organisational policies and procedures

ELEMENT	PERFORMANCE CRITERIA
	1.2 Assess and evaluate application against risk-assessment criteria according to organisational policies and procedures 1.3 Identify and document risk factors
2. Obtain further information	2.1 Identify need for additional information as required 2.2 Obtain further information within required timeframes to satisfy outstanding risk-assessment criteria 2.3 Manage privacy of parties according to legislative and regulatory requirements and codes of ethics and professional practice
3. Determine and advise terms and conditions of risk acceptability	3.1 Assess acceptability of risk against all available information according to legislative and regulatory requirements 3.2 Document assessment rationale according to organisational policies and procedures 3.3 Establish terms and conditions that minimise risk liability, within delegated authority 3.4 Advise required parties of acceptance or rejection of application and communicate next steps, according to legislative and regulatory 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	Uses mathematical problem-solving techniques to check data and financial information against criteria, planned timelines and work sequence
Oral communication	- Selects and uses communication conventions and protocols to liaise with others - Uses active listening and questioning techniques to confirm understanding of requirements - Provides information using language and tone required for audience and purpose
Reading	Gathers, analyses and interprets simple to complex information from a range of sources, and identifies relevant information to complete required tasks
Writing	Produces texts of varying complexity using appropriate language, grammar and logical sequencing to convey information

Skill	Description
Self-management	Follows legislative requirements; and protocols, policies and procedures
Technology	Uses key features and functions of information management systems and databases required for own role and work activities

Unit Mapping Information

Supersedes and is equivalent to FNSILF401 Contribute to the life risk underwriting process.

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 FNSILF411 Undertake the life risk underwriting process

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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:

- undertake the life risk underwriting process for at least two different applications.

In the course of the above, the candidate must:

- provide timely advice to required parties regarding application status.

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:

- organisational policies and procedures relating to life risk underwriting
- legislative and regulatory requirements relating to life insurance risk underwriting, and key regulatory bodies, including:
 - Australian Securities and Investments Commission (ASIC)
 - Australian Prudential Regulation Authority (APRA)
 - Life Insurance Act
 - Life Insurance Regulations
- basic life insurance underwriting principles
- key aspects of life insurance industry
- key medical terminology required for life insurance underwriting

- total industry sum insured and industry maximums
- key methods and rationales used in assessing acceptability of identified risks
- sources of further information used to enable comprehensive evaluation of an application
- key requirements of code of ethics and code of professional practice relating to assessment of life insurance claims
- types of:
 - risks that arise in life insurance products and probability of their occurrence
 - risk-assessment criteria
 - risk-mitigation methods
- key aspects of risk pooling.

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:

- office equipment, technology, software and consumables
- organisational records, 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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