



Australian Government

FNSILF501 Assess extraordinary risks

Release: 1

FNSILF501 Assess extraordinary risks

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 1.0.

Application

This unit describes the skills and knowledge required to understand and apply underwriting risk concepts and practices when assessing extraordinary insurance risks.

It applies to job roles in generalist or specialist areas of insurance and may be applied within organisations of various sizes and across a range of customer bases.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Refer to the FNS Implementation Guide Companion Volume or the relevant regulator for specific guidance on 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. Determine risk acceptance criteria	1.1 Establish risk acceptance criteria suitable to type and context of risk within relevant organisational policy 1.2 Use available data to validate risk acceptance criteria
2. Seek information	2.1 Identify and collate accurate, reliable and up-to-date information in format suitable for analysis
3. Negotiate reinsurance for extraordinary risks	3.1 Identify need for, and level of, reinsurance appropriate to risk 3.2 Determine terms of reinsurance from available sources of information and in accordance with organisational policy 3.3 Negotiate reinsurance appropriate to anticipated exposure

ELEMENT	PERFORMANCE CRITERIA
4. Determine and advise terms and conditions of acceptance	4.1 Establish terms of acceptance that meet market conditions and organisation's accepted levels of exposure 4.2 Determine and document terms and conditions, within delegated authority, to meet requirements of relevant underwriting guidelines

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Reading	1.1, 1.2, 2.1, 3.1, 3.2, 4.1	Critically analyses complex documentation from a variety of sources and consolidates information relating to specific criteria to determine requirements
Writing	2.1, 4.1, 4.2	- Produces, edits and proofreads documents to ensure clarity of meaning, and accuracy and consistency of information - Accurately records and completes organisational documents using clear language and correct spelling, grammar and terminology
Oral Communication	2.1, 3.1-3.3, 4.1	- Uses techniques including active listening, use of open-ended questioning and paraphrasing when gathering information - Uses appropriate language and style to present complex technical information and ideas to the audience
Numeracy	3.3	Uses mathematical equations to perform calculations to achieve desired outcomes
Navigate the world of work	1.1, 3.2, 4.2	Recognises and follows legislative and ethical requirements, explicit and implicit protocols, policies and procedures
Interact with others	3.2, 3.3	- Selects and uses appropriate communication conventions and protocols to liaise with others - Uses collaborative techniques to liaise with others, negotiate outcomes and elicit and share information
Get the work done	2.1, 3.1-3.3, 4.1, 4.2	- Accepts responsibility for planning and sequencing complex tasks and workload - Applies systematic and analytical decision-making

		processes in complex or non-routine situations to assess risk levels • Uses the main features and functions of digital tools to complete work tasks
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Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSILF501 Assess extraordinary risks	FNSILF501A Assess extraordinary risks	Updated to meet Standards for Training Packages. Minor rewording to clarify intent of performance criteria.	Equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

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

Assessment Requirements for FNSILF501 Assess extraordinary risks

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Performance Evidence

Evidence of the ability to:

- establish criteria and undertake risk assessment for extraordinary risks
- negotiate reinsurance and establish and document appropriate terms and conditions.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- describe the types of extraordinary risks within the life insurance sector
- define relevant medical terminology, and identify diseases and injuries that lead to extraordinary risks
- describe the nature of liability arising out of extraordinary risks
- list the relevant information required to assist with negotiating reinsurance
- outline the relevant actuarial, financial and legislative requirements including the Australian Securities and Investments Commission (ASIC), Australian Prudential Regulation Authority (APRA) and the Life Insurance Act
- describe the methods used to mitigate risk through reinsurance
- describe the key players in the reinsurance industry and their involvement in reinsurance.

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the life insurance field of work and include access to:

- office equipment, technology, software and consumables
- organisational records, policy and procedures.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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