



Australian Government

FNSILF503 Underwrite complex non-medical risks

Release: 1

FNSILF503 Underwrite complex non-medical 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 apply complex non-medical risk assessment to the underwriting of a life insurance application.

It applies to those engaged in underwriting functions of companies within the life insurance sector.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

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 non-medical risks	1.1 Review applications and associated documentation to identify relevant financial and lifestyle information 1.2 Interpret financial and lifestyle information to identify non-medical risk factors 1.3 Review need for additional financial and lifestyle information and collect as appropriate
2. Identify underwriting significance	2.1 Identify potential life risk implications of supplied lifestyle information 2.2 Identify and address potential moral risk factors 2.3 Consult with relevant personnel within organisation where clarification is sought on adequacy of information provided

ELEMENT	PERFORMANCE CRITERIA
	2.4 Select and apply appropriate risks rating systems according to organisational procedures
. Determine risk acceptance criteria	3.1 Determine risk acceptance criteria to suit type and context of risk in accordance with procedures 3.2 Assess adequacy of financial and lifestyle information against risk acceptance criteria in accordance with procedures
4. Prepare life insurance policy	4.1 Develop terms of acceptance in accordance with market conditions and accepted levels of exposure 4.2 Document life insurance policy with terms and conditions in accordance with procedures and regulatory requirements

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	1.1-1.3, 2.1-2.4, 3.1, 3.2	Gathers, analyses and interprets simple to complex information from a range of sources to identify and consolidate information relevant to requirements
Writing	1.3, 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	1.3, 2.3	- Uses appropriate language and style to collect complex technical information - Uses techniques including active listening, use of open-ended questioning and paraphrasing to confirm understanding
Numeracy	2.4, 4.1	Interprets numeric data and relevant statistics relative to financial information being assessed
Navigate the world of work	3.1, 3.2, 4.1, 4.2	- Recognises and follows legislative requirements, and explicit and implicit protocols, policies and procedures - Maintains knowledge of market trends and regulations necessary to perform own role

Interact with others	1.3, 2.3	• Uses appropriate communication protocols and practices to liaise with others to elicit and share information
Get the work done	1.1-1.3, 2.1-2.4, 3.1, 3.2, 4.1, 4.2	• Takes responsibility for planning, sequencing and prioritising tasks and own workload for efficiency and effectiveness • Applies systematic and analytical processes in complex or non-routine situations to make decisions about non-medical risk levels • Uses the main features and functions of digital tools to complete work tasks

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSILF503 Underwrite complex non-medical risks	FNSILF503A Underwrite complex non-medical risks	Updated to meet Standards for Training Packages. Minor edits 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 FNSILF503 Underwrite complex non-medical risks

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Performance Evidence

Evidence of the ability to:

- prepare and document life insurance policy that involves complex non-medical covering:
 - identification of financial and lifestyle risk factors, and application of appropriate risks rating criteria and systems for underwriting the risk
 - terms and conditions relevant to underwriting complex non-medical risks.

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:

- identify relevant actuarial and underwriting information associated with non-medical risk
- explain key features of policy guidelines, administrative requirements and organisational procedures in the underwriting industry
- explain life insurance policy terms and conditions
- explain life insurance risk management practices
- describe the various types of non-medical risks and their implications for life insurance underwriting
- identify relevant regulatory requirements
- outline sources of relevant financial and lifestyle information
- describe types of financial and lifestyle risk and actuarial considerations
- distinguish between medical and non-medical risks in the context of life insurance underwriting
- outline moral risk factors and their implications to underwriting non-medical risks.

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