



Australian Government

FNSISV401 Evaluate risk for new business

Release: 1

FNSISV401 Evaluate risk for new business

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 evaluate risk for new business, including gathering the risk information, and reviewing and assessing it against appropriate risk criteria.

It applies to individuals performing underwriting roles in a range of insurance sectors in organisations of various sizes and across a range of client 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

Insurance services

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 and obtain risk information	1.1 Identify, record and gather all sources of risk information and rectify deficiencies 1.2 Review information to determine its relevance and reliability, and the integrity of its source 1.3 Format data for easy access 1.4 Adhere to legislative and compliance requirements in all cases
2. Assess information against established risk acceptance criteria	2.1 Assess all relevant risk information to determine if it is comprehensive and pertinent to nature of the risk 2.2 Review and commission surveys and/or reports, if applicable

ELEMENT	PERFORMANCE CRITERIA
	to risk 2.3 Interpret data on risk exposure from survey report 2.4 Compare risk information against risk acceptance criteria and organisational capacity to assess and accept risk according to terms and conditions of risk assessment 2.5 Liaise with other internal departments to assess impact on business, if applicable 2.6 Review and compare proposed amendments to organisational wording and compare to acceptance criteria 2.7 Document risk assessment data according to organisational policy and procedures
3. Issue quotation	3.1 Prepare quote based on all risk assessment data 3.2 Communicate information regarding quote to relevant personnel if required

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, 2.2, 2.3, 2.4, 2.6	Analyses complex documentation from a variety of sources and consolidates information relating to specific criteria to determine requirements
Writing	1.1, 1.3, 2.2, 2.5, 2.7, 3.1, 3.2	Accurately records and completes organisational documents and correspondence using clear language and correct spelling, grammar and terminology
Oral Communication	2.5, 3.1, 3.2	Participates in verbal exchanges to gather or share information using questioning and listening techniques to ascertain other opinions
Numeracy	1.2, 2.2, 2.3, 2.4, 3.1	Performs mathematical calculations to analyse financial data and statistics to accurately evaluate risk
Navigate the world of work	1.4, 2.4, 2.6, 2.7	- Takes personal responsibility for following explicit and implicit policies, procedures and legislative requirements - Identifies and acts on issues that contravene relevant policies, procedures and legal requirements

Interact with others	2.5, 3.1	• Selects and uses appropriate conventions and protocols when communicating with clients and co-workers in a range of work contexts
Get the work done	1.1, 1.3, 2.2, 2.3, 2.4, 2.6	• Takes responsibility for planning, sequencing and prioritising tasks and own workload for efficiency and effective outcomes • Makes routine decisions and implements standard procedures for routine tasks, using formal decision-making processes for more complex and non-routine situations • Uses digital technologies to access, enter and store information required to complete work tasks

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSISV401 Evaluate risk for new business	FNSISV401A Evaluate risk for new business	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 FNSISV401 Evaluate risk for new business

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Performance Evidence

Evidence of the ability to:

- interpret and comply with all relevant legal obligations and organisational procedures
- identify and thoroughly assess risks to develop a suitable insurance quote for a new business
- prepare a quote accurately, applying relevant underwriting guidelines
- identify and investigate risk as it relates to new business in accordance with underwriting and organisational guidelines
- accurately document risk assessment data in accordance with organisational guidelines
- identify and apply risk acceptance criteria for insurance products.

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 key features of relevant legislative requirements and industry regulations in the context of insurance risk
- describe the potential market share for the product or line of business
- explain the importance of wording of insurance policies in line with industry norms
- identify key features of organisational policy, procedures, underwriting guidelines and authorities
- describe insurance risks associated with organisational products
- define the difference between treaty and facultative reinsurance
- outline relative industry hazards associated with insurance products
- explain the application of relevant common law, legal systems and procedures relating to:
 - insurance contracts
 - insurance agents and brokers

- competition and consumer practices
- describe 'interim cover' as it relates to expiry and cancellations of contracts
- describe risk prevention methods and application.

Assessment Conditions

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

- organisational records
- organisational policy, procedures, legislation and regulations as they relate to insurance risk
- a range of common technology and software.

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>