



Australian Government

FNSISV504 Negotiate treaty reinsurance

Release: 1

FNSISV504 Negotiate treaty reinsurance

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 analyse, prepare and negotiate reinsurance in accordance with organisational guidelines and procedures.

It applies to individuals working in job roles involving specialist knowledge and functions in a range of insurance sectors and may be applied within 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. Prepare reinsurance tender	1.1 Review previous tender arrangements and documents, where they exist 1.2 Prepare and check information relating to treaty reinsurance tender 1.3 Check completeness of information 1.4 Confirm coverage of claim, or series of claims, under specific client, policy or treaty 1.5 Prepare tendering conditions in line with organisational procedures, guidelines and authorities, context, and treaty and facultative obligations

ELEMENT	PERFORMANCE CRITERIA
	1.6 Prepare and confirm criteria for supplier selection 1.7 Record accurately all tender information 1.8 Pass on tendering information to appropriate staff, where required
2. Select reinsurance supplier	2.1 Notify relevant reinsurers of tender conditions and details under relevant reinsurance tendering arrangements 2.2 Request tender response from reinsurer in line with organisational procedures, guidelines and authorities within accepted timeframes and guidelines 2.3 Review reinsurance supplier tenders and evaluate against set selection criteria 2.4 Record accurately all tender information
3. Manage transactions for treaty	3.1 Calculate recovery of whole claim, including reinstatements for policy terms and conditions, and from which treaty it is to be recovered 3.2 Manage transactions 3.3 Check and accurately record all information
4. Negotiate terms and conditions of agreement	4.1 Negotiate policy terms and conditions with selected reinsurers 4.2 Document and record accurately all information on system 4.3 Pass on reinsurer information to appropriate staff, where 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	1.1-1.4, 2.3, 3.1, 3.3	Analyses and consolidates information and data from a range of sources, against defined criteria and requirements, and checks for accuracy and completeness
Writing	1.2, 1.6-1.8, 2.1-2.4, 3.1, 3.3, 4.1-4.3	Accurately records information and prepares correspondence and documentation using clear language and organisational formats and protocols

Oral Communication	2.1, 2.2, 4.1, 4.3	Participates in verbal exchanges to convey complex information using vocabulary appropriate to audience
Numeracy	2.3, 3.1-3.3	Performs mathematical calculations to analyse financial data and statistics to effectively value insurance contacts
Navigate the world of work	1.5, 2.2	Follows policies, procedures and legislative requirements, and identifies organisational implications of new legislation or regulation
Interact with others	1.6, 1.8, 2.1, 2.2, 4.1, 4.3	Implements communication strategies to build rapport, foster strong relationships and negotiate positive outcomes with a diverse range of colleagues and clients
Get the work done	1.1-1.6, 3.1, 3.2, 4.1	- Plans and sequences complex tasks and workload, negotiating key aspects with others and taking into account capabilities, efficiencies and effectiveness - Responds intuitively to problems requiring immediate resolution, drawing on past experiences to focus on the cause of a problem rather than the symptom - Makes critical decisions quickly and intuitively in complex situations, taking into consideration a range of variables including the outcomes of previous decisions - 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
FNSISV504 Negotiate treaty reinsurance	FNSISV504A Negotiate treaty reinsurance	Updated to meet Standards for Training Packages	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 FNSISV504 Negotiate treaty reinsurance

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Performance Evidence

Evidence of the ability to:

- accurately compile a tender document, including collection of appropriate data and selection of appropriate methods of protection
- negotiate, prepare or verify a contract in a timely manner with different stakeholders
- calculate the whole claim including reinstatements for policy terms and conditions
- assess tenders against set selection criteria
- negotiate suitable outcomes with reinsurers.

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:

- explain different types of treaties
- identify and describe key features of relevant legislation, regulatory guidelines and industry sector codes of practice
- explain the importance of wording of insurance policies in keeping with the organisation or industry sector
- outline organisational policy, procedures, underwriting guidelines and authorities:
 - best underwriting guides (BUG)
 - loss control guides
- outline organisational information technology systems used in assessing reinsurance tender responses
- outline terms and conditions of reinsurance arrangements
- describe common principles and methods of filing documentation
- describe reinsurance terminology and concepts including:
 - any one risk

- any one event
- reinstatement premium
- identify and apply relevant legislation, regulatory guidelines and industry sector compliance requirements as they apply to:
 - insurance contracts
 - consumer protection
 - financial services
 - corporations.

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 contracts of insurance
- 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>