



Australian Government

Assessment Requirements for FNSISV505 Determine risk rating for investment and insurance products

Release: 1

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Modification History

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

Performance Evidence

Evidence of the ability to:

- collect, analyse and interpret information relevant for assessing risk
- accurately determine acceptable risk rating for the organisation's products
- effectively document, communicate and monitor the risk ratings
- comply with organisational policy, procedures, legislation, regulations and industry codes of practice
- present research findings in a suitable format to enable assessment of liabilities.

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 basic actuarial principles used to assess risk and return on investment
- identify the key features of relevant legislation, regulatory guidelines and industry sector codes of practice
- explain industry market position relative to product or line of business
- outline organisational information technology systems required for determining risk
- describe organisational policy, procedures, underwriting guidelines and authorities covering:
 - best underwriting guides (BUG)
 - loss control guides
- identify and describe insurance and investment products and the risks associated with these products
- define the difference between treaty and facultative reinsurance as it applies to risk
- explain the relationship between underwriting and rate making

- identify and apply relevant legislation, regulatory guidelines and industry sector compliance requirements as they apply to:
 - insurance contracts
 - privacy
 - consumer protection
 - financial services
 - corporations
- describe risk analysis and prevention methods and their application
- explain types of risk and identify the probability of occurrence.

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

Companion Volume implementation guides are found in VETNet -

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