



Australian Government

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.

Application

This unit describes skills and knowledge required to monitor and analyse risks, and determine the risk rating associated with an existing or new investment or insurance product.

It applies to individuals working in job roles involving specialist knowledge and functions such as underwriting 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. Monitor and collect information on risk factors	1.1 Identify product type so that nature of risk can be identified and handled accordingly 1.2 Identify, monitor and collect relevant information
2. Analyse data collected	2.1 Establish reliability and validity of data 2.2 Assess risk factors associated with product against known exposure factors 2.3 Analyse all information collected on risk factors for product using appropriate methods and documentation

ELEMENT	PERFORMANCE CRITERIA
	2.4 Identify need for additional information to further evaluate risk
3. Determine risk rating for product	3.1 Determine acceptability of risk using all available information in accordance with organisational policy and procedures, and underwriting guidelines 3.2 Establish risk rating that minimises risk liability within delegated authority 3.3 Document basis for risk rating decision 3.4 Consider compliance with relevant legislation and organisational policy 3.5 Document risk rating information in format that may be used to guide underwriting and product or policy amendment decisions
4. Communicate results to appropriate personnel	4.1 Present results of research and analysis to appropriate personnel in a clear, concise format 4.2 Review risk rating recommendations against existing products and organisational policy 4.3 Finalise risk rating recommendations and notify relevant personnel

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, 2.1-2.4, 3.1, 4.2	Critically analyses complex documentation from a variety of sources and consolidates information relating to specific criteria to determine requirements
Writing	2.3, 3.3, 3.5, 4.1, 4.3	- Prepares a range of textual information appropriate for audience and for informal and formal purposes - Accurately records information, and prepares correspondence and documentation using clear language and organisational formats and protocols
Oral Communication	4.1, 4.3	Uses collaborative and inclusive techniques, including active listening and questioning, to convey and clarify information and to confirm understanding
Numeracy	2.1, 2.2, 2.3, 3.1,	Performs mathematical calculations to analyse financial information, costs and values to accurately

	3.2, 4.2	determine risk
Navigate the world of work	3.1, 3.2, 3.4, 4.2	- Follows policies, procedures and legislative requirements, and identifies organisational implications of new legislation or regulation - Modifies or develops organisational policy and procedures to comply with legislative requirements and organisational goals
Interact with others	4.1, 4.3	Implements strategies for a diverse range of colleagues and clients to build rapport and foster strong relationships
Get the work done	1.1, 1.2, 2.1-2.4, 3.1, 3.2, 3.3, 3.4, 3.5, 4.2, 4.3	- 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 - Applies systematic and analytical decision-making processes for 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
FNSISV505 Determine risk rating for investment and insurance products	FNSISV505A Determine risk rating for investment and insurance products	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>