



Australian Government

FNSISV535 Determine risk rating for investment and insurance products

Release: 1

FNSISV535 Determine risk rating for investment and insurance products

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 6.0.

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.

The unit applies to those working in job roles involving specialist knowledge and functions such as underwriting 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. Users are advised to check with the relevant state and territory regulatory authorities to confirm those 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 and nature of the risk 1.2 Identify, monitor and collect information on product and risk factors
2. Analyse data collected	2.1 Review data for reliability and validity 2.2 Assess risk factors associated with product against known exposure factors 2.3 Analyse information collected on risk factors for product according to organisational policies and procedures 2.4 Identify additional information required to further evaluate risk

ELEMENT	PERFORMANCE CRITERIA
	as required
3. Establish and record risk rating for product	3.1 Determine acceptability of risk according to organisational policies and procedures, and underwriting guidelines 3.2 Establish risk rating that minimises risk liability according to organisational policies and procedures 3.3 Document basis for risk rating decision 3.4 Document risk rating information according to organisational policies and procedures
4. Communicate results to required stakeholders	4.1 Present results of research and analysis to required stakeholders 4.2 Review risk rating recommendations against existing products and organisational policies and procedures 4.3 Finalise risk rating recommendations and notify required stakeholders

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

SKILL	DESCRIPTION
Numeracy	Performs mathematical calculations to analyse financial information, costs and values to accurately determine risk
Oral communication	Uses collaborative and inclusive techniques, including active listening and questioning, to convey and clarify information and to confirm understanding
Reading	Critically analyses complex documentation from a variety of sources and consolidates information relating to specific criteria to determine requirements
Writing	- Prepares a range of textual information appropriate for audience and for informal and formal purposes - Records information, and prepares correspondence and documentation using clear language and organisational guidelines and protocols
Planning and organising	- Plans and sequences complex tasks and workload, negotiating key aspects with others and taking into account capabilities, efficiencies and effectiveness - Applies systematic and analytical decision-making processes for complex and non-routine situations
Problem solving	Responds to problems requiring immediate resolution, drawing on

SKILL	DESCRIPTION
	past experiences to focus on the cause of a problem rather than the symptom
Self-management	- Follows policies, procedures and legislative requirements, and identifies organisational implications of new legislation or regulation - Modifies or develops organisational policies and procedures to comply with legislative requirements and organisational goals
Teamwork	Implements strategies for a diverse range of stakeholders to build rapport and foster strong relationships
Technology	Uses digital technologies to access, enter and store information required to complete work tasks

Unit Mapping Information

Supersedes and is equivalent to FNSISV505 Determine risk rating for investment and insurance products.

Links

Companion Volume Implementation Guide is found on VETNet -

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

Assessment Requirements for FNSISV535 Determine risk rating for investment and insurance products

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Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- determine risk rating for at least three different investment or insurance products.

In the course of the above, the candidate must:

- comply with applicable legislative and regulatory requirements.

Knowledge Evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

- legislative and regulatory requirements and industry sector codes of practice applicable to determining risk ratings for investment and insurance products
- basic actuarial principles used to assess risk and return on investment
- organisational policies, procedures, underwriting guidelines and authorities, including:
 - best underwriting guides (BUG)
 - loss control guides
- key differences between treaty and facultative reinsurance relating to risk
- industry market positions relative to product or line of business required to determine risk rating
- insurance and investment products and associated risks
- key aspects of relationship between underwriting and rate making
- key methods of risk analysis and prevention and their application
- key types of risk and probability of occurrence
- techniques to analyse financial information, costs and values to determine risk.

Assessment Conditions

Skills in this unit must be demonstrated in a workplace or simulated environment where the conditions are typical of those in a working environment in this industry.

This includes access to:

- organisational records
- organisational policy, procedures, legislation and regulations relating to investment and insurance products
- organisational equipment, technology, software and consumables.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

Links

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