



Australian Government

Department of Education, Employment and Workplace Relations

FNSIBK603A Manage contractual obligations for insurance and insurance broking products

Release: 1

FNSIBK603A Manage contractual obligations for insurance and insurance broking products

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to manage contractual requirements including legislative and code of practice obligations in relation to life or general insurance products offered by an insurance brokerage. This unit is applicable to individuals working within enterprises and job roles subject to licensing, legislative, regulatory or certification requirements including legislation administered by the Australian Securities and Investments Commission (ASIC).
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Application of the Unit

Application of the unit	This unit applies to the management of the specific requirements that arise from offering insurance contracts. It also has application in a general or life insurance organisation. The unit may be applied within organisations of various sizes and across a range of customer bases.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Determine rights and obligations appropriate to each contract or policy	1.1. Terms and conditions of all contracts, policies and retirement plans are examined and all legislative, contract and code of practice requirements are identified. 1.2. Identified rights, obligations and legislative requirements are documented so that appropriate procedures can be developed.
2. Develop procedures to enable rights, obligations and legislative requirements to be met	2.1. Identify and document appropriate system needs in order to meet rights and obligations and legislative and code of practice requirements within organisation objectives. 2.2. Contingency plans are developed and documented to ensure that contractual rights, obligations and legislative requirements are met in the event of unusual situations arising.
3. Implement procedures to meet rights, obligations and legislative requirements	3.1. Action plan is published so that all relevant areas are briefed concerning procedures to be implemented. 3.2. Procedure is implemented according to action plan.
4. Monitor compliance with rights, obligations and legislative requirements	4.1. Rights, obligations and legislation requirements are reviewed against terms and conditions of each contract of insurance regularly to ensure reliability and validity of interpretation. 4.2. Procedures and processes are altered in response to changes in interpretation.
5. Maintain premium currency of insurance policy	5.1. Premium records are accurately maintained in line with organisation procedures. 5.2. Premium billings are generated in accordance with organisation procedures and contractual obligations. 5.3. All monies received are accurately processed to policy records in accordance with organisation procedures. 5.4. Conservation procedures are undertaken within required timelines and organisation procedures.

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- highly-developed communication skills to:
 - determine and confirm information, using questioning and active listening techniques
 - write clear procedures
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- numeracy and IT skills to:
 - perform calculations related to achieving required outcomes
 - use computer applications (word processing, spreadsheet, database, specific purpose computer systems) to assist in achieving required outcomes
 - access and update records electronically
 - access web-based information services
- well-developed literacy skills to read and interpret documentation from a variety of sources and record and consolidate relevant related information and for policy interpretation and application
- research and analysis skills for accessing and interpreting relevant information
- interpersonal skills
- organisational skills, including the ability to plan and sequence work

Required knowledge

- industry sector compliance requirements
- organisation policy, procedures, underwriting guidelines and authorities
- reinsurance
- relevant common law, legal systems and procedures, codes of practice

Evidence Guide

EVIDENCE GUIDE	
The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.	
Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	Evidence of the ability to: interpret and manage compliance requirements relating to contracts of insurance.
Context of and specific resources for assessment	Assessment must ensure: - competency is demonstrated in the context of the work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment - access to and the use of a range of common office equipment, technology, software and consumables - access to organisation records - access to organisational policies and procedures.
Method of assessment	A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit: - evaluating an integrated activity, which combines the elements of competency for the unit, or a cluster of related units of competency - observing processes and procedures in workplaces - verbal or written questioning on underpinning knowledge and skills - evaluating samples of work - accessing and validating third party reports - setting and reviewing workplace projects and business simulations or scenarios.
Guidance information for assessment	

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

Contracts, policies and retirement plans may relate to:

- client
- organisation
- insured
- member
- policyholder
- trustee.

System needs may include:

- budgets
- cost-effective processes
- electronic systems
- manual systems
- quality.

Action plan may include:

- accounting
- authorised representatives
- branches
- customer service
- customers
- other financial institutions.

Legislation may include:

- Consumer Affairs Act
- contract law
- Financial Services Reform Act
- Insurance Contracts Act
- Life Insurance Act
- Privacy Act
- regulatory bodies including ASIC, Australian Taxation Office (ATO)
- Trade Practices Act
- trust law
- workers compensation Acts.

Reviewed will include pro-active and reactive steps taken to:

- deal with customer complaints
- comply with legislation
- assess market trends.

RANGE STATEMENT	
Billings can include:	• direct debit • group payments • notices.
Conservation procedures include:	• agent/office intervention • non-forfeiture provisions • reinstatement procedures.

Unit Sector(s)

Unit sector	Insurance broking
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		