



Australian Government

Department of Education, Employment and Workplace Relations

FNSILF402A Settle policy payments and terminations

Revision Number: 1

FNSILF402A Settle policy payments and terminations

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to settle payments and terminations on life insurance policies. 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 job roles within the specialist area of life insurance and 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 validation criteria	1.1. Product type is identified so that payment criteria can be determined and the payment or termination processed accordingly 1.2. Payment criteria are established to ensure compliance with the terms and conditions of the contract
2. Compile necessary documentation	2.1. Requests are classified according to established payment criteria and required evidence is obtained from appropriate parties to confirm that the request complies with the terms and conditions of the policy 2.2. Required forms and documents are completed and distributed in accordance with legislation, organisation policies and procedures
3. Advise customer/client of the consequences of processing the settlement	3.1. Consequences relevant to policy type are identified 3.2. Information is communicated clearly and concisely to ensure customer/client understands the consequences 3.3. Result of communication is recorded and filed according to organisation procedures to ensure record is complete
4. Assign validity of request	4.1. Request is validated within limits of delegated authority 4.2. Decision to proceed with payment/termination of the contract is communicated to relevant parties
5. Review evidence available in support of payment request	5.1. Payment criteria is established to enable compliance to be determined within the terms and conditions of the policy, legislation and regulations 5.2. Available information on the payment request is reviewed against criteria to ensure compliance 5.3. Request is assessed to determine whether terms and conditions of the policy have been met 5.4. Additional opinion on the validity of the request is sought from relevant parties
6. Establish liability for payment under the policy	6.1. Liability is identified in accordance with the terms and conditions of the policy 6.2. Evidence is reviewed against the policy to determine the benefits payable 6.3. Benefits payable are accurately calculated and cross-checked according to organisation procedures 6.4. Register is updated to record payment liability and if

ELEMENT	PERFORMANCE CRITERIA
	appropriate, reinsurance recovery is made
7. Authorise payment where required and communicate decision	7.1. Decision on liability is promptly advised to all relevant parties 7.2. Level of payment authority is identified from organisation standards and procedures 7.3. Payment details are checked for compliance with legislative and organisation requirements within delegated authority 7.4. Authorisation is confirmed and discharge obtained as appropriate

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- well-developed communication skills to:
 - determine and confirm information, using questioning and active listening as required
 - 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
- literacy skills for policy interpretation and application and to read and interpret documentation from a variety of sources and record and consolidate relevant related information
- research and analysis skills for accessing and interpreting relevant information
- organisational skills, including the ability to plan and sequence work

Required knowledge

- relevant common law, legal systems and procedures
- organisation policy, procedures, guidelines and authorities
- industry sector compliance requirements including the Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulation Authority (APRA)
- industry sector product terms and conditions
- regulatory body requirements
- relevant medical terminology
- underwriting guidelines

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:

- maintain awareness of situations requiring more extensive underwriting or assessment
- apply clear understanding of superannuation beneficiary entitlements and conditions to be met and complied with.

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.

Product types may include:

- allocated pensions
- disability income
- endowment
- immediate/deferred annuities
- personal superannuation
- singular or regular premium investments
- term life
- trauma
- whole of life.

Payment criteria may include:

- cancellation
- death
- expiry
- invalidity
- lapse
- maturity
- past surrender
- pension
- roll over
- surrender
- Temporary and Permanent Disability (TPD)
- trauma
- withdrawal
- withdrawal annuities.

Terms and conditions of the contract may be determined by:

- legislation and/or policy provisions.

Appropriate parties may include:

- accountants
- administrators
- assignees
- Australian Securities and Investments Commission (ASIC)
- Australian Taxation Office (ATO)

RANGE STATEMENT	
	• chief medical officers • claims tribunals • courts • doctors • employers • executors • forensic scientists • investigation agencies • life insured • liquidators • next of kin • other life companies • personnel officers • police • policy owners • reinsurers • solicitors • trustees • underwriters.
Documentation may include:	• ASIC reports • cheques • final statement • group certificates • medical reports • payment statements • tax forms.
Consequences of processing the settlement may include:	• additional costs/charges if transferring to an alternative contract/policy • cessation of life cover in the event of a TPD claim • possible difficulty in obtaining optimal cover at a later date in the event of a deterioration in health • recommencement of the suicide clause.
Validation criteria means:	• criteria against which a claim/withdrawal may be measured for validity.
Termination may include:	• automatic cancellation because of non-payment of premium.
Benefits payable could be affected by:	• age at death • cause of death • contributions made to policy

RANGE STATEMENT	
	• date of death • length of policy • non-disclosure • policy maturity • preserved nature of the funds in the policy • previous withdrawals • reason for withdrawal • surrender conditions.
Payment methods may include:	• cheques • direct credit.

Unit Sector(s)

Unit sector	Insurance life
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		