



Australian Government

Department of Education, Employment and Workplace Relations

FNSILF502A Underwrite complex medical risks

Release: 1

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Modification History

Release	Comments
Release 1	This Unit of Competency first released with <i>FNS10 Financial Services Training Package version 3.0</i> .

Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to apply complex medical risk assessments to the underwriting of a life insurance application.

Application of the Unit

This unit applies to those engaged in the underwriting functions of companies within the life insurance sector.

Licensing/Regulatory Information

No licensing, legislative, regulatory or certification requirements apply to this unit at the time of publication.

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Element	Performance Criteria
<i>Elements describe the essential outcomes of a unit of competency.</i>	<i>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.</i>

Elements and Performance Criteria

1. Identify medical risks	1.1 Review applications and associated documentation to identify relevant <i>medical information</i> 1.2 Interpret medical information to identify <i>medical risk factors</i> 1.3 Recognise the need for additional medical information and collect as appropriate
2. Identify the underwriting significance	2.1 Identify potential <i>life risk</i> implications of supplied medical information 2.2 Recognise interrelationships between medical conditions and the implications for <i>medical risk factors</i> 2.3 Identify long-term risk implications of medical treatment and recovery processes 2.4 Select and apply appropriate <i>medical risks rating systems and risk handling techniques</i>
3. Determine risk acceptance criteria	3.1 Determine <i>risk acceptance criteria</i> to suit type and context of risk in accordance with <i>procedures</i> 3.2 Assess the adequacy of medical information against risk acceptance criteria in accordance with procedures
4. Prepare life insurance policy	4.1 Develop terms of acceptance in accordance with market conditions and accepted levels of exposure 4.2 Document the life insurance policy with terms and conditions in accordance with procedures and <i>regulatory requirements</i>

Required Skills and Knowledge

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

Required skills

- communication skills to:
 - gather and check information
 - liaise and share information with others
 - communicate appropriately with people from diverse backgrounds
- IT skills to:
 - use computer applications (word processing, spreadsheet, database, specific purpose computer systems)
 - access web-based information services
- organisational skills to efficiently plan and sequence work
- problem solving skills to address errors in life insurance documentation
- reading skills to:
 - read and understand relevant procedures
 - read and understand life insurance policies
 - read and interpret life insurance applications and supporting documentation
- research and analysis skills to:
 - identify and interpret relevant information
 - analyse information and data
 - maintain currency of products and services knowledge
- writing skills to:
 - accurately record information
 - prepare professional letters and emails.

Required knowledge

- the ability to apply and explain as relevant to the underwriting of complex medical risks:
 - integrated actuarial, underwriting and medical information
 - life insurance administrative requirements
 - life insurance policy terms and conditions
 - life insurance risk management practices
 - medical treatment and recovery processes relative to insurance underwriting
 - organisational procedures
 - product information
 - relevant medical techniques, diseases, injuries and terminology relative to insurance underwriting
 - relevant regulatory requirements
 - types of medical risk and probability of occurrence.

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: • apply analytical and administrative skills in relation to medical risk assessment • maintain and apply a thorough understanding of guidelines and administrative requirements • apply underwriting policies and procedures • perform tasks in accordance with relevant procedures and regulatory requirements.
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 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 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

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.

<i>Medical information</i> may include:	• advice from a senior underwriter and/or Chief Medical Officer • adviser reports • medical reports • previous insurance history • supplementary questionnaires • medical specialties and the titles of doctors working in specialist fields • illnesses • injuries • diseases • description of the onset and/or nature of condition • medical investigations and procedures • treatments • prognosis.
<i>Medical risk factors</i> may relate to:	• blood, spleen and lymphatic system • cardiovascular system • endocrine system • gastro-intestinal system • genitourinary system • inherited disorders and family history • mental disorders • musculoskeletal system • neurological system • physical dimensions • respiratory system • tumours.
<i>Life risk</i> is a potential change to health or wellbeing that would have an adverse effect on the financial sustainability of an individual, a family or a group, and may include:	• death • total and permanent disablement • temporary loss of income resulting from accident or sickness • traumatic sickness or injury.
<i>Medical risks rating systems</i> and	• cash extra loadings

risk handling techniques may include:	• class systems • exclusions • numerical systems.
Risk acceptance criteria may include:	• exclusions • loadings • other specific terms and conditions • standard cover conditions.
Procedures may include:	• organisational complaints handling processes • organisational customer service charter • organisational guidelines • organisational policy • organisational privacy and confidentiality guidelines • organisational procedures.
Regulatory requirements may include:	• insurance contracts legislation • life insurance legislation • corporations legislation • privacy legislation • Australian Securities and Investments Commission (ASIC) regulatory guides • Industry Codes of Practice.

Unit Sector(s)

Life insurance