



Australian Government

Department of Education, Employment and Workplace Relations

FNSILF504A Manage complex life insurance claims

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 manage people, information systems and other resources needed to assess life insurance claims of a complex nature.

Application of the Unit

This unit applies to those involved in complex non-standard claims management 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. Confirm validity of the claim	1.1 Receive and acknowledge claim notification 1.2 Review details of the life insurance policy to ensure valid cover is in force 1.3 Establish that the claimant is authorised to deal with the policy 1.4 Compile necessary documentation 1.5 Check that documentation is correct and complete and address any gaps in accordance with procedures 1.6 Assess the organisational authority level required to process the claim and refer it to an appropriately authorised individual as necessary
2. Conduct complex claim assessment	2.1 Review and apply policy terms, conditions and definitions to identify payment criteria in accordance with procedures 2.2 Identify and review evidence against payment criteria in accordance with procedures 2.3 Review all information relevant to the circumstances of loss/damage/injury to establish a chain of events 2.4 Identify potential fraud indicators 2.5 Identify whether policy exclusions apply 2.6 Recognise the need for further information and collect as appropriate
3. Appoint specialists to assist in complex claims assessment as required	3.1 Identify the need to appoint specialists to undertake claims assessment 3.2 Engage and brief appointed specialists as required 3.3 Monitor specialists' activities to ensure adherence to timelines, procedures and ethical and regulatory requirements 3.4 Interpret and utilise specialists' reports
4. Assess and report on liability	4.1 Identify whether the terms and conditions of the policy have been verifiably met 4.2 Assess liability in accordance with the terms and conditions of the policy 4.3 Where the claim is not admitted, communicate the decision to appropriate stakeholders 4.4 Where the claim is admitted, calculate
5. Finalise claim	5.1 Advise client of the consequences of proceeding with the

payments	payment 5.2 Obtain <i>policy discharge</i>, as appropriate 5.3 Process payment in accordance with organisational authority levels, procedures and ethical and regulatory requirements 5.4 Update all appropriate records in accordance with procedures 5.5 Communicate settlement details to appropriate stakeholders in accordance with procedures and <i>regulatory requirements</i> 5.6 Initiate reinsurance recovery, if appropriate
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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 and update records electronically
 - access web-based information services
- numeracy skills to interpret numeric data and relevant statistics and make payment calculations
- 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 claims 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 management of complex life insurance claims:
 - dispute resolution policy and procedures
 - industry practice and ethical standards in claims risk management
 - life insurance administrative requirements
 - life insurance policy payment criteria
 - life insurance policy terms and conditions
 - organisational procedures
 - procedures for processing complex prudential claims
 - product information
 - relevant regulatory requirements.

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 highly developed analytical and administrative skills to complex claims assessment • maintain and apply a thorough understanding of all aspects of claims procedures and administrative requirements • 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>Life insurance policy</i> may include:	• disability income • endowment • term life (including terminal illness and Total and Permanent Disablement (TPD)) • trauma • whole of life.
<i>Valid</i> must include:	• policy exists • policy is current • claimant is legally authorised to act on the policy.
<i>Documentation</i> may include:	• claim forms • records of death • records of disablement • other medical records • statutory declarations and other such records.
<i>Complex claims</i> may be claims that involve:	• legal procedures, including those that involve working across international boundaries • long-term settlements • complex medical conditions • complex technical determinations • high monetary impact • an important client base.
<i>Procedures</i> may include:	• organisational complaints handling processes • organisational customer service charter • organisational guidelines • organisational policy • organisational privacy and confidentiality guidelines • organisational procedures.
<i>Payment criteria</i> may include:	• death (including terminal illness) • invalidity (permanent or temporary disability) • trauma.
<i>Policy exclusions</i> may include:	• pre-existing illnesses • medical conditions • high risk activities.

Further information may include:	• medical evidence • financial evidence • interview records • surveillance records.
Specialists may include:	• advisers • investigators • medical and related practitioners • solicitors • forensic accountants.
Ethical and regulatory requirements may include:	• corporations legislation • life insurance legislation • privacy legislation • Australian Securities and Investments Commission (ASIC) regulatory guides • industry Codes of Practice • professional Codes of Practice.
Appropriate stakeholders may include:	• internal parties: • administrators • investigation agencies • medical officers • trustees • client and associated parties: • assignees • beneficiaries • executors • lawyers • life insured • next of kin • policy owners.
Consequences may include:	• loss or reduction of future life insurance cover • termination of the present contract • inability to claim again for the same event under the present contract.
Policy discharge may include:	• acceptance by client of amount of settlement • acceptance by client of timing of settlement • acceptance by client of terms of settlement.

Unit Sector(s)

Life insurance