



Australian Government

Department of Education, Employment and Workplace Relations

FNSILF507A Manage group life insurance policy administration

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 effectively administer group life insurance policies.

Application of the Unit

The unit applies to those responsible for the management and administration of group life insurance policies.

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. Recognise and apply relevant policy guidelines	1.1 Identify relevant group policy ownership structure and associated rules of administration 1.2 Verify a party's authority to act in relation to a group life insurance policy 1.3 Use inter-organisational relationships to collect information and authorisations
2. Perform, or audit, the review of a group life insurance policy	2.1 Verify that a group meets the automatic acceptance eligibility criteria 2.2 Review member schedule and verify members' eligibility for the group 2.3 Review member changes that have occurred in the period under review and make necessary adjustments to premiums and/or sums insured 2.4 Reconcile details of the policy to calculate premiums 2.5 Calculate and remit stamp duty payable on benefits as required in each state/territory 2.6 Calculate and apply group life profit share as per the terms of the policy, as necessary
3. Manage ongoing policy administration	3.1 Identify requests that exceed automatic acceptance limits and refer for individual underwriting 3.2 Manage medical information collection as necessary 3.3 Make payments to maintain distribution and administration agreements and reinsurance treaties 3.4 Collect premiums in accordance with policy terms 3.5 Manage the cancellation of cover where necessary 3.6 Update and issue documentation and records in accordance with procedures and regulatory requirements 3.7 Work with relevant parties to maintain organisational compliance
4. Manage complaints and disputes	4.1 Advise clients of dispute resolution procedures 4.2 Use inter-organisational relationships to seek resolution of complaints and disputes 4.3 Refer clients to an appropriate external dispute resolution body as appropriate

Required Skills and Knowledge

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

Required skills

- communication skills to:
 - liaise and share information with others
 - gather and check information
 - communicate appropriately with people from diverse backgrounds
 - communicate professionally in a business environment
- 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
 - make payments
 - calculate premiums
- organisational skills to efficiently plan and sequence work
- problem solving skills to address errors in group life insurance documentation
- reading skills to:
 - read and understand relevant procedures
 - read and understand group life insurance policies
 - read and interpret group 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
 - appropriately reference source documents including policy definitions and submitted evidentiary documents.

Required knowledge

- with reference to the administration of group life insurance policies, it is necessary to be able to apply and explain:
 - dispute resolution processes
 - life insurance administrative requirements
 - life insurance policy payment criteria
 - life insurance policy terms and conditions
 - organisational guidelines relating to automatic acceptance under group life insurance policies

- organisational procedures
- procedural fairness
- product information
- administrative practice in managing group life insurance schemes
- 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 group life insurance policy management • maintain and apply a thorough understanding of all aspects of 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 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>Group policy ownership structure</i> may be a:	• employer/company • trustee for a lender • trustee of a master trust • trustee of an industry fund • trustee of a government fund • trustee of a corporate fund.
<i>Group life insurance policy</i> may include:	• death • Total & Permanent Disablement (TPD) • salary continuance (income protection) • trauma • consumer credit.
<i>Inter-organisational relationships</i> include relationships between:	• life insurers • brokers • employers • financial advisers • medical professionals • members • reinsurers • solicitors • state revenue office • superannuation funds • superannuation administrators • other administration companies • trustees • regulators.
<i>Automatic acceptance eligibility</i> criteria may include:	• that the insured group meets minimum requirements (e.g. quantity of members, level of premium) • that a significant proportion of group members take up cover under the group life policy.
<i>Members' eligibility</i> may be dependent upon:	• whether the member was defined as a member of the group on the date cover commenced • whether cover was taken up within an acceptable period after having been deemed an eligible

	member.
Member changes may include:	• changes in group membership • changes to members' salaries • changes in cover.
Details of the policy may include:	• relevant cover and policy wordings • limitations of cover set by the rules of the fund or by the group life policy • underwriting agreements • member schedule.
Payments may include	• commissions • administration fees • associated GST • stamp duty • reinsurance premiums.
Manage the cancellation of cover may include:	• assessing departing members' eligibility for a continuation option as per policy terms • issuing statements, forms and documentation • updating records.
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:	• corporations legislation • life insurance legislation • privacy legislation • superannuation legislation • Australian Securities and Investments Commission (ASIC) regulatory guides • Financial Services Council guidance notes and standards.
Maintain organisational compliance may include:	• compiling statistics • composing and/or sourcing reports • maintaining documentation.
External dispute resolution body may include:	• Financial Ombudsman Service • Superannuation Complaints Tribunal • other Australian Securities and Investments Commission (ASIC) approved dispute resolution services.

Unit Sector(s)

Life insurance