

FSPITS06 - SQA Unit Code H68S 04

Negotiate and agree complex insurance cover on behalf of clients



Overview

This unit is about negotiating with relevant insurers towards optimising the insurance cover for clients, where the cover is complex. It includes reviewing insurance options with clients, and/or their agents, towards identifying the preferred insurer and then placing the cover with the insurer offering the most appropriate terms and conditions within target pricing. It also includes negotiating effectively, making sound decisions based upon the available information, your own experience and a consideration of the possible outcomes. Throughout, you will comply with, and ensure that others comply with, legal requirements, industry regulations, organisational policies and professional codes.

It is recognised that brokers may not necessarily be the main interface with the client, and the term 'relevant parties' is used within this unit to allow for such parties being the client and/or their agent.

Complex cover includes that which cannot be dealt with mechanistically, for example, where negotiation is involved or where it is technically demanding involving complex risk evaluation, legal or underwriting issues, or substantial financial implications.

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Performance criteria

- You must be able to:*
- P1 Identify clients' agreed requirements for insurance cover, including any particular terms, and the rationale for the cover sought
 - P2 Address any queries from underwriters accurately and in a timely manner
 - P3 Review and evaluate quotations for cover received from underwriters, including the associated terms and conditions, to determine their fit with the clients' requirements, and their comparative advantages and disadvantages
 - P4 Assess any aspects which might be negotiated towards optimising the insurance solutions for clients
 - P5 Consider possible strategies towards optimising the insurance solutions for clients where relevant, discussing and agreeing these with the relevant parties where necessary
 - P6 Identify opportunities for the cross-selling of insurance services, where these optimise solutions for clients
 - P7 Discuss and negotiate terms and conditions with relevant underwriters towards enhancing their proposals for clients
 - P8 Agree the preferred solution with relevant parties and arrange for the appropriate instructions to be made for placing the agreed insurance cover
 - P9 Ensure that the agreed insurance cover is progressed correctly
 - P10 Arrange for all appropriate client documentation to be prepared and issued correctly
 - P11 Refer all matters that are beyond your level of authority promptly to the relevant person, setting out clearly the circumstances and reason for the referral, making reasoned recommendations regarding future actions

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Knowledge and understanding

You need to know and understand:

Financial services specific knowledge and understanding

- K1 The structure of the insurance market and the roles and responsibilities of the various parties within it as they impact on your activities
- K2 The role and responsibilities of the intermediary at each stage of the client service cycle
- K3 The role of the intermediary in the risk management process
- K4 The issues to be considered when selecting product providers with whom to place business for complex risks
- K5 The potential conflicts of interest for different types of intermediary remuneration

Context specific knowledge and understanding

- K6 Your organisation's requirements relating to the application of codes, laws and regulatory requirements, including ethical standards and health and safety, as they impact on negotiating and agreeing insurance cover
- K7 The policy cover, terms and conditions relevant to your work including standard and non-standard extensions and/or limitations
- K8 The information that is required for the underwriting decision
- K9 How to interpret complex policy wording, extensions and/or limitations, and their significance for client solutions
- K10 The impact of different policy wordings, terms and conditions for clients' scope of cover and key considerations to be addressed in the negotiation and drafting of policy wording
- K11 Your organisation's policies and procedures for the placing of insurance cover to meet clients' requirements for covering complex risks
- K12 How to identify savings in premiums for clients through risk management options or through negotiations upon policy cover, terms and conditions
- K13 Factors to consider when evaluating and comparing the relative advantages and disadvantages of proposals for insurance cover
- K14 Your organisation's policy and procedures regarding communicating with clients and their agents
- K15 The limits of your authority and the action required where these limits are exceeded

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Additional Information

Behaviours

You must demonstrate that:

1. You work to develop an atmosphere of professionalism and mutual support
2. You show integrity and fairness in decision making

Links to other NOS

‘Signposting’ other relevant NOS

There is a close relationship between these NOS and the NOS for General Insurance, which have been developed separately by the Financial Skills Partnership (formerly Financial Services Skills Council). These can be accessed via www.financialskillspartnership.org.uk

In addition, the Sector Skills Body, Skills CFA, have developed NOS which include the competences required for leadership and management, as well as customer service. The website address for Skills CFA is www.cfa.uk.com

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