Unit of Competency

Functional Area: Underwriting

Title	Calculate general insurance premiums
Code	105510L4
Range	This unit of competency is applicable to those who are responsible for calculating general insurance premiums. It involves classifying the risks, determining the insurance premiums and providing insurance quotations.
Level	4
Credit	3 (for reference only)

Competency	Performance Requirements
	1. Possess knowledge in risk classification and premium calculation for general insurance
	    • Comprehend company's risk exposure philosophy
	    • Comprehend risk classification and acceptance criteria
	    • Comprehend methodologies on premium calculation for different classes of risk
	    • Comprehend company's premium calculation guidelines
	    • Comprehend features of company's products and target segments
	2(a). Classify risks and determine general insurance premium
	    • Calculate premium on standard risks
	    • Calculate amount of loading on non-standard (i.e. complex) risks
	    • Determine loading or discount to offer based on the insured's risk characteristics
	    • Determine amount of premium to be added or subtracted for amendments to existing policies
	2(b). Provide quotations
	    • Provide quotations for the risks to be insured within given authority
	    • Seek approval from higher authority when the risk exceeds given authority
	3. Compute proper general insurance premium
	    • Calculate premiums that properly reflect risks involved in an insurance application or an existing policy
	    • Provide quotations based on the calculated premiums.

Assessment Criteria	The integral outcome requirements of this unit of competency are:
	    • Able to identify all risks associated with an insurance application or existing policy
	    • Able to identify other factors that may affect premium calculation and adjust amount of premium accordingly
	    • Able to calculate insurance premiums for the identified risks
	    • Able to provide quotations based on the calculated premiums.

Remark	