

Specification of Competency Standards of the Insurance Industry

**Unit of Competency**

**Functional Area: Sales & Distribution Management**

Title	Manage responsible and ethical selling
Code	105524L5
Range	This unit of competency is applicable to those who are responsible for managing sales operations. It involves ensuring the sales operations carried out by agency team and insurance intermediaries comply with company, regulatory, legal and ethical requirements.
Level	5
Credit	4 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Possess knowledge in responsible and ethical selling <ul style="list-style-type: none"> <li>• Knowledgeable about insurance market</li> <li>• Comprehend company's products and target segments</li> <li>• Comprehend legal, regulatory, and ethical requirements pertaining to insurance sales</li> <li>• Familiar with potential impact of social and ethical concerns towards insurance sales function</li> </ul> </li> <li>2(a). Manage sales operations to comply with legal, regulatory, and ethical requirements <ul style="list-style-type: none"> <li>• Establish company's standard code of practice</li> <li>• Introduce code of practice to agents</li> <li>• Coach agents and insurance intermediaries to follow the code of practice</li> <li>• Set up mechanism to monitor sales operations to ensure compliance</li> </ul> </li> <li>2(b). Deal with non-compliance incidents <ul style="list-style-type: none"> <li>• Identify behaviors failing to comply with requirements</li> <li>• Apply corrective actions to rectify situation</li> <li>• Educate relevant staff the significance of compliance</li> <li>• Follow up to ensure non-compliance issues are dealt with</li> </ul> </li> <li>2(c). Propose recommendations to promote better compliance <ul style="list-style-type: none"> <li>• Review sales operations in light of changing legal, regulatory and ethical requirements</li> <li>• Propose recommendations to improve company's procedure based on review findings</li> <li>• Propose recommendations to enhance agents' and insurance intermediaries' sensitivity towards legal, regulatory and ethical requirements.</li> </ul> </li> <li>3. Set up guidelines on sales operation <ul style="list-style-type: none"> <li>• Establish precise standard code of practice that adheres to legal, regulatory, and ethical requirements</li> <li>• Monitor the implementation of the company guidelines on sales operations</li> <li>• Respond to non-compliance through corrective measures, procedure revisions and increased awareness to legal, regulatory and ethical requirements.</li> </ul> </li> </ol>
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Able to identify areas of sales operations that require governing mechanisms</li> <li>• Able to establish standard code of practice to induce staff compliance to regulatory requirements</li> <li>• Able to identify and rectify non-compliance incidents through education and operation revision</li> <li>• Able to propose recommendations to enhance company's procedure and staff's sensitivity towards legal, regulatory and ethical requirements.</li> </ul>
Remark	This unit of competency is also applicable to general insurers and life insurers.