

Specification of Competency Standards of the Insurance Industry

**Unit of Competency**

**Functional Area: Underwriting**

Title	Assess general insurance applications involving standard risks
Code	105552L5
Range	This unit of competency is applicable to those who are responsible for carrying out general insurance underwriting. It involves assessment of standard risks in insurance applications in order to decline a particular insurance application.
Level	5
Credit	3 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Possess knowledge in risk assessment for general insurance <ul style="list-style-type: none"> <li>• Comprehend company's policy on risk classification</li> <li>• Comprehend company's risk limit</li> <li>• Comprehend company's underwriting criteria</li> <li>• Able to classify different types of risks</li> <li>• Demonstrate awareness to the concept of risk and the type of risk affecting the underwriting profile</li> <li>• Demonstrate competency in underwriting guidelines through familiarity of the underwriting guidelines, procedures and operating system</li> <li>• Understand regulatory requirements in relation to risk discrimination</li> </ul> </li> <li>2 (a). Assess the risk for general insurance <ul style="list-style-type: none"> <li>• Apply company's underwriting principles</li> <li>• Distinguish between standard and non-standard (i.e. complex) risks</li> <li>• Determine if the insured amount is within the company's acceptable risk level</li> <li>• Identify any misrepresentations or non-disclosure</li> <li>• Determine if further information is needed for risk assessment</li> <li>• Arrange for further investigation/examination if needed</li> <li>• Determine if a particular risk is acceptable</li> <li>• Determine if excesses or exclusions should be imposed</li> </ul> </li> <li>2(b). Evaluate general insurance applications based on risk assessment results <ul style="list-style-type: none"> <li>• Verify assessment results</li> <li>• Accept or decline insurance applications</li> <li>• Notify relevant personnel of assessment decisions</li> </ul> </li> <li>3. Assess general insurance applications based on risk assessment results <ul style="list-style-type: none"> <li>• Assess all standard risks involved in the application</li> <li>• Decline insurance applications with supporting rationale</li> <li>• Produce prompt notification correspondences to relevant personnel.</li> </ul> </li> </ol>
Assessment Criteria	<p>The integral outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Able to identify and assess all risks involved in insurance applications</li> <li>• Able to assess insurance applications according to risk assessment results.</li> </ul>
Remark	