

Specification of Competency Standards of the Insurance Industry

Unit of Competency

Functional Area: Underwriting

Title	Decline general insurance applications involving non-standard risks
Code	105554L5
Range	This unit of competency is applicable to those who are responsible for carrying out general insurance underwriting. It involves assessment of non-standard risks (i.e. complex risks) in insurance applications so as to decline a particular insurance application.
Level	5
Credit	3 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Possess knowledge in non-standard risk (i.e. complex risk) assessment for general insurance <ul style="list-style-type: none"> • Comprehend company's policy on risk classification • Comprehend company's risk limit • Comprehend company's underwriting criteria on complex risks • Able to classify different types of risks • Be alert to potential correlations amongst different types of risks • Know how to source domain specialists • Understand regulatory requirements in relation to risk discrimination 2 (a). Assess non-standard risks for general insurance <ul style="list-style-type: none"> • Apply company's underwriting philosophy on non-standard risk assessment • Determine if insured amount is within the company's acceptable risk level • Identify any misrepresentations or non-disclosure • Determine the scope of specialist information required • Seek specialists' advice on need basis 2(b). Evaluate general insurance applications based on risk assessment results <ul style="list-style-type: none"> • Verify that assessment results are against approval of applications • Decline insurance applications • Notify relevant personnel of declined applications 3. Decline insurance applications based on risk assessment results <ul style="list-style-type: none"> • Assess all non-standard risks, and potential correlations among the risks, involved in the application • Decline insurance applications with supporting rationale • Produce prompt notification correspondences to relevant personnel.
Assessment Criteria	<p>The integral outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Able to identify and assess all non-standard risks, as well as potential correlations amongst the risks, involved in insurance applications • Able to source for specialists' advice to reveal potential risk exposures • Able to decline insurance applications according to risk assessment results.
Remark	