

Specification of Competency Standards of the Insurance Industry

Unit of Competency

Functional Area: Underwriting

Title	Manage risk assessment activities
Code	105563L5
Range	This unit of competency is applicable to those who are responsible for managing risk assessment activities of individual business lines. It involves establishing monitoring procedures, collecting records to evaluate risk assessment activities, rectifying non-compliance situations and producing reports on company's risk assessment activities.
Level	5
Credit	5 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Possess knowledge in monitoring risk appraisal activities <ul style="list-style-type: none"> • Comprehend company's risk assessment guidelines • Comprehend company's philosophy on risk exposure • Comprehend features of company's products and target segments • Be alert to potential correlations amongst different types of risks • Understand financial management of an insurance business • Comprehend signs of insurance frauds 2(a). Monitor risk assessment activities <ul style="list-style-type: none"> • Establish procedures to monitor risk assessment activities • Collect data to review risk assessment activities • Identify breaching of risk assessment guidelines • Provide solutions to rectify non-compliance situations • Arrange risk assessment training on need basis • Provide reports on monitoring results 2(b). Provide recommendations company's risk assessment guidelines <ul style="list-style-type: none"> • Review effectiveness and efficiencies of risk assessment guidelines • Provide recommendations on risk assessment guidelines in light of review findings and changing operating environment. 3. Manage risk assessment activities effectively <ul style="list-style-type: none"> • Develop effective governing mechanisms to monitor all risk assessment activities in company • Ensure risk assessment activities adhere to company's risk assessment guidelines.
Assessment Criteria	<p>The integral outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Able to identify areas of operations related to risk assessment that require governing mechanisms • Able to identify indicators of risk assessment effectiveness from underwriting records • Able to manage risk assessment activities based upon company's risk assessment guidelines • Able to provide recommendations on risk assessment guidelines in light of changing operating environment.
Remark	This unit of competency is also applicable to general insurers and life insurers.