

Specification of Competency Standards of the Insurance Industry

Unit of Competency

Functional Area: Underwriting

Title	Implement reinsurance policies
Code	105565L5
Range	This unit of competency is applicable to those who are responsible for implementing reinsurance policies. It involves carrying various reinsurance arrangements to support the reinsurance policies, and ensuring the arrangement complies with regulatory requirements.
Level	5
Credit	5 (for reference only)
Competency	<p>Performance Requirements</p> <p>1. Possess knowledge in reinsurance arrangement</p> <ul style="list-style-type: none"> • Identify needs for reinsurance • Comprehend types of reinsurance and their functions • Comprehend company's reinsurance policies • Comprehend features of company's products and target segments • Be alert to frequencies and severity of risks • Familiar with regulatory requirements on reinsurance and solvency • Be alert to potential correlations amongst different types of risks • Understand financial management of an insurance business <p>2(a). Implement reinsurance policies</p> <ul style="list-style-type: none"> • Determine types and amounts of treaty reinsurance • Determine types and amounts of facultative reinsurance • Negotiate with reinsurance partners • Monitor company's portfolios to ensure adequacy of reinsurance against regulatory requirements <p>2(b). Monitor reinsurance activities</p> <ul style="list-style-type: none"> • Collect data on reinsurance activities in individual business lines • Analyze reinsurance effectiveness in individual business lines • Identify breaching of reinsurance guidelines and follow up with remedial solutions • Produce reports on monitoring results
Assessment Criteria	<p>The integral outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Able to implement reinsurance policies effectively • Able to ensure reinsurance arrangement comply with company's policies and regulatory requirements.
Remark	This unit of competency is also applicable to general insurers and life insurers.