

Specification of Competency Standards of the Insurance Industry

Unit of Competency

Functional Area: Underwriting

Title	Manage reinsurance activities
Code	105566L5
Range	This unit of competency is applicable to those who are responsible for monitoring reinsurance activities of individual business lines. It involves collecting records on company's reinsurance activities, evaluating reinsurance statuses and identifying non-compliance incidents.
Level	5
Credit	6 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Possess knowledge in monitoring reinsurance activities <ul style="list-style-type: none"> • Comprehend features of company's products and target segments • Comprehend company's reinsurance policies • Apply methods in monitoring reinsurance activities • Recognize the company's policies on risk exposure and profitability • 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 2. Manage reinsurance activities <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 • 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 3. Manage reinsurance activities effectively <ul style="list-style-type: none"> • Apply reinsurance policies to guide the arrangement of reinsurance activities • Provide accurate details on company's latest reinsurance activities • Ensure reinsurance arrangements are carried out in accordance with company's reinsurance policies and regulatory requirements.
Assessment Criteria	<p>The integral outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Able to identify indicators of compliance of reinsurance activities against reinsurance policies • Able to negotiate with reinsurance partners to derive competitive reinsurance arrangement • Able to monitor reinsurance activities effectively • Able to provide accurate details on reinsurance status of the company from time to time.
Remark	This unit of competency is also applicable to general insurers and life insurers.