

Specification of Competency Standards of the Insurance Industry

Unit of Competency

Functional Area: Claims

Title	Analyze claims data to forecast company liability and profitability
Code	105573L5
Range	This unit of competency is applicable to those who are responsible for analyzing insurance claims records. It involves retrieving claims records, analyzing records and forecasting company liabilities and profitability.
Level	5
Credit	4 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Possess knowledge in analyzing claims data <ul style="list-style-type: none"> • Comprehend claims data analysis techniques • Comprehend company profitability strategy • Comprehend company claims processing system • Comprehend relevant compliance and regulatory requirements in handling customer data • Understand financial management of an insurance business 2 (a). Analyze claims data <ul style="list-style-type: none"> • Retrieve data from claims processing system • Analyze trends of claims of different insurance products • Infer possible causes of the trend (or change of trend) 2 (b). Project company liability and profitability <ul style="list-style-type: none"> • Work closely with other departments such as underwriting department, actuarial department and/or industry consultants to: <ul style="list-style-type: none"> • forecast the trend of claims based on analysis results • forecast trend of company liability • forecast how company profitability may be affected 3. Analyze insurance claims data accurately to provide realistic forecast on company liability and profitability <ul style="list-style-type: none"> • Ensure analysis of claims trend are based upon valid data and reasonable assumptions • Produce forecasts on claims trends • Forecast company's liability and profitability • Suggest possible reasons for the forecasts.
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 claims trends from analyzing claims data • Able to recognize the impact of analyzing different combinations of claims data on forecasting results • Able to provide realistic forecast company liability and profitability based on analysis results • Able to suggest possible reasons for the forecast results.
Remark	This unit of competency is also applicable to general insurers and life insurers.