

Specification of Competency Standards of the Insurance Industry

**Unit of Competency**

**Functional Area: Operational Support & Services**

Title	Conduct valuations of assets and liabilities
Code	105590L5
Range	This unit of competency is applicable to those who are responsible for conducting valuations of assets and liabilities. It involves consolidating insurance assets and liabilities, conducting solvency valuation, evaluating reinsurance structures and compiling report to advise risk limitations.
Level	5
Credit	3 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Possess knowledge in economics, statistics, and financial theory <ul style="list-style-type: none"> <li>• Familiar with insurance market</li> <li>• Comprehend company's product terms and features</li> <li>• Comprehend corporate profitability strategy</li> <li>• Fully aware of relevant regulatory requirements on risk exposure, reserve and liquidity</li> <li>• Able to use statistical software applications</li> </ul> </li> <li>2. Conduct valuations of assets and liabilities <ul style="list-style-type: none"> <li>• Consolidate insurance assets, e.g. premium rates, and liabilities accumulated over time</li> <li>• Conduct solvency valuation to ensure the company is able to meet all liabilities</li> <li>• Evaluate reinsurance structures from statistical perspective</li> <li>• Compile report to advise risk limitations</li> </ul> </li> <li>3. Review assets and liabilities on hand to ensure financial soundness <ul style="list-style-type: none"> <li>• Ensure insurance assets and liabilities are sufficient for payment of future benefits</li> <li>• Produce accurate report to highlight risk limitations.</li> </ul> </li> </ol>
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Able to value insurance assets, liabilities and reinsurance structures to ensure financial soundness</li> <li>• Able to compile report to advise risk limitations.</li> </ul>
Remark	This unit of competency is also applicable to general insurers and life insurers.