

Specification of Competency Standards of the Insurance Industry

**Unit of Competency**

**Functional Area: Underwriting**

Title	Establish risk premium tables and policies for general insurance
Code	105609L6
Range	This unit of competency is applicable to those who are responsible for establishing corporate risk premium tables and policies for general insurance. It involves analyzing various factors affecting risk pricing, evaluating these factors against corporate profitability strategies, developing premium tables and policies for different business lines, as well as training relevant staff to apply the tables to support daily work.
Level	6
Credit	5 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Possess knowledge in general insurance underwriting <ul style="list-style-type: none"> <li>• Comprehend corporate development strategy</li> <li>• Comprehend features of company's products and target segments</li> <li>• Comprehend factors that can affect pricing decision</li> <li>• Comprehend company's profitability strategy and cost structure</li> <li>• Able to classify different types of risks</li> <li>• Familiar with potential correlations amongst different types of risks</li> <li>• Familiar with the financial management aspects of an insurance business</li> <li>• Know about actuarial pricing tools</li> <li>• Use a range of skills to analyze the financial implications of underwriting policies</li> <li>• Master statistical methods on risk pricing</li> </ul> </li> <li>2(a). Develop risk premium tables and policies for general insurance <ul style="list-style-type: none"> <li>• Analyze factors which can affect pricing of risk</li> <li>• Evaluate impact of changes in pricing factors on the company's profitability</li> <li>• Forecast possible impact of price changes on business volume</li> <li>• Establish premium policies for different business lines</li> <li>• Develop premium tables for standard risks</li> <li>• Develop loading schedule for non-standard (i.e. complex) risks</li> </ul> </li> <li>2(b). Introduce premium tables and policies for general insurance <ul style="list-style-type: none"> <li>• Introduce premium tables and policies to relevant units</li> <li>• Provide training to relevant staff on developing fee schedule and calculation of premiums using premium tables</li> <li>• Set up channels to collect feedback from intermediaries and various channels on tables and policies</li> <li>• Review tables and policies in light of feedback from intermediaries and various channels and changing market environment.</li> </ul> </li> <li>3. Ensure risk premium tables and policies for general insurance support company's profitability strategy <ul style="list-style-type: none"> <li>• Produce premium tables and policies that provide clear guidelines on risk pricing for different products</li> <li>• Ensure relevant units are well informed about risk premium tables and policies</li> <li>• Adjust company's risk pricing policies in light of changing operating contexts.</li> </ul> </li> </ol>
Assessment Criteria	<p>The integral outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Able to identify and analyze factors which affect risk pricing</li> <li>• Able to assess impact of differing risk pricing levels on business volume</li> <li>• Able to develop risk premium tables and policies for different business lines</li> <li>• Able to introduce premium tables and policies to relevant units.</li> </ul>
Remark	