

Specification of Competency Standards of the Insurance Industry

Unit of Competency

Functional Area: Underwriting

Title	Establish risk exposure policies
Code	105612L6
Range	This unit of competency is applicable to those who are responsible for establishing risk exposure policies and guidelines for different business lines. It involves analyzing risk exposures of different business lines, identifying resources required to manage risks, developing respective policies and introducing the policies to relevant units.
Level	6
Credit	5 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Possess knowledge in establishing policies and guidelines for different business lines <ul style="list-style-type: none"> • Comprehend corporate development strategy • Comprehend features of company's products and target segments • Comprehend risk exposure of individual business lines • Familiar with regulatory requirements on risk exposures, reserve, liquidity and solvency • Familiar with potential correlations amongst different types of risks • Familiar with the financial management aspects of an insurance business • Use a range of skills to analyze the financial implications of underwriting policies 2(a). Establish risk exposure policies <ul style="list-style-type: none"> • Analyze potential risk exposures of different business lines • Identify capacity available for risks management activities in different business • Develop risk exposure policies for different business lines in accordance with regulatory requirements on reserve, liquidity and solvency • Introduce risk exposure policies to different business lines • Set up channels to obtain feedback from staff on risk exposure policies 2(b). Review and adjust risk exposure policies <ul style="list-style-type: none"> • Review risk exposure policies in light of staff feedback, changing regulatory requirements and operating environment • Adjust risk exposure policies based on review findings 3. Develop effective risk exposure policies <ul style="list-style-type: none"> • Develop risk exposure policies that provide clear guidelines for the implementation of risk management functions • Allocate appropriate resources to support risk management activities • Fine-tune risk exposure policies to accommodate staff' feedback and changing operating contexts.
Assessment Criteria	<p>The integral outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Able to identify risk vulnerable areas in the operations of different business lines • Able to establish risk exposure policies for different business lines • Able to introduce risk exposure policies in operation contexts • Able to review and adjust risk exposure policies in light of staffs' feedback, changing regulatory requirements and operating environment.
Remark	This unit of competency is also applicable to general insurers and life insurers.