

Specification of Competency Standards of the Insurance Industry

Unit of Competency

Functional Area: Claims

Title	Establish insurance claims authority limits
Code	105616L6
Range	This unit of competency is applicable to those who are responsible for establishing claims authority limits. It involves determining proper claims and settlement authority limits required to support company claims services, setting up authority limits and introducing authority limits to relevant units.
Level	6
Credit	4 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Possess knowledge in establishing claims authority limits <ul style="list-style-type: none"> • Comprehend company claims policy and procedure • Comprehend coverage of company's products • Comprehend nature of risk for insurance • Familiar with potential correlations amongst different types of risks • Familiar with financial management aspects of an insurance business 2(a). Set up claims and settlement authority limits for insurance <ul style="list-style-type: none"> • Determine and establish claims authority limits for different claims positions • Structure claims unit so that the hierarchy and authority of positions link with technical capabilities and maintain proper balance of control and autonomy • Establish procedures and guidelines for obtaining higher level authorities • Implement authority limits in claims operations • Present claims and settlement authority limits to claims staff 2(b). Maintain effective claims and settlement authority limits <ul style="list-style-type: none"> • Review claims records to analyze the effectiveness of claims and settlement authority limits in light of changing operating environment • Adjust authority limits in light of review findings 3. Ensure claims authority limits align with company's risk exposure and insurance claims policies <ul style="list-style-type: none"> • Develop authority limits that effectively classify claims settlement to cater technical complexities and maintain a proper balance of control and autonomy • Ensure that relevant staff are well informed about claims and settlement authority limits • Ensure established claims and settlement authority limits are in line with company's risk exposure policies • Adjust authority limits to accommodate 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 derive criteria for setting up claims authority limits that cater technical complexities and maintain a proper balance of control and autonomy • Able to establish claims and settlement authority limits for different claims positions • Able to maintain effective claims and settlement authority limits • Able to ensure claims and settlement authority limits align with company's risk exposure and reserve policies.
Remark	This unit of competency is also applicable to general insurers and life insurers.