

Specification of Competency Standards of the Insurance Industry

Unit of Competency

Functional Area: Underwriting

Title	Establish profitability strategies for different business lines
Code	105641L7
Range	This unit of competency is applicable to those who are responsible for establishing profitability strategies for different business lines. It involves analyzing insurance market and profit potentials for different business lines, as well as developing strategies and introducing the strategies to relevant units.
Level	7
Credit	5 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Possess knowledge in establishing profitability strategies for different business lines <ul style="list-style-type: none"> • Comprehend corporate development strategy • Comprehend features of company's products and target segments • Comprehend operating contexts of different business lines • Identify trends of claims of different business lines • Comprehend the regulatory requirements on reserve and solvency • Familiar with potential correlations amongst different types of risks • Comprehend the financial management aspects of an insurance business • Use a range of skills to analyze the financial implications of underwriting policies 2(a). Establish profitability strategies <ul style="list-style-type: none"> • Analyze insurance market to determine opportunities and threats • Analyze profit potentials for different business lines • Evaluate company's financial strength • Develop profitability strategies for different business lines • Introduce profitability strategies to relevant units 2(b). Adjust profitability strategies <ul style="list-style-type: none"> • Review effectiveness of the profitability strategies with respect to company's operations • Adjust profitability strategies for different business lines in light of review findings, changing market environment and regulatory requirements 3. Ensure profitability strategies effectively guide underwriting operations <ul style="list-style-type: none"> • Develop profitability strategies that provide clear principles for the development of underwriting policies and operations • Ensure relevant units are well informed about the profitability strategies • Ensure implementation of profitability strategies by different units effectively achieve company's profit targets • Adjust profitability strategies 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 identify and analyze factors which affect the formulation of profitability strategies • Able to establish profitability strategies for different business lines • Able to introduce profitability strategies in operation contexts • Able to adjust profitability strategies for different business lines in light of changing market environment.
Remark	This unit of competency is also applicable to general insurers and life insurers.