

Specification of Competency Standards of the Insurance Industry

**Unit of Competency**

**Functional Area: Operational Support & Services**

Title	Formulate investment management strategies
Code	105648L7
Range	This unit of competency is applicable to those who are responsible for formulating investment management strategies. It involves assessing implications of regulatory requirements on company profitability, reserves and solvency policies, as well as integrating regulatory requirements to establish return objectives, asset-liability investment and investment implementation strategies.
Level	7
Credit	6 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Possess knowledge in formulating investment management strategies <ul style="list-style-type: none"> <li>• Well versed with regulatory requirements in respect of the insurance industry, including all of the relevant ordinances and statutory regulations; guidance notes and circulars issued by the regulators; industry standards, guidelines and codes of practice issued by industry bodies</li> <li>• Comprehend company profitability, reserve and solvency policy</li> <li>• Comprehend company current and expected future liabilities</li> <li>• Possess skills and knowledge in investment management</li> </ul> </li> <li>2. Formulate investment management strategies <ul style="list-style-type: none"> <li>• Assess implications of regulatory requirements on company profitability, reserve and solvency policy</li> <li>• Assess company current and future liabilities</li> <li>• Integrate regulatory requirements to develop corporate investment principles</li> <li>• Identify return objectives (e.g. absolute return, relative return, risk-adjusted return, etc)</li> <li>• Develop asset-liability management investment strategies</li> <li>• Develop investment implementation/trade execution strategies</li> <li>• Introduce investment strategies to investment managers</li> <li>• Review investment strategies against return objectives from time to time</li> <li>• Fine-tune investment strategies as needed</li> </ul> </li> <li>3. Formulate investment management strategies in accordance with regulatory requirements and aligns with company profitability policy <ul style="list-style-type: none"> <li>• Formulate investment management and implementation strategies based on evaluation of financial performances</li> <li>• Develop investment strategies in accordance with company profitability policy and risk objectives</li> <li>• Introduce investment strategies to investment managers</li> <li>• Evaluate and adjust investment strategies periodically.</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 develop investment management and implementation strategies in accordance with regulatory requirements and corporate policies</li> <li>• Able to introduce investment strategies to investment managers</li> <li>• Able to review and fine-tune investment strategies based on evaluation of investment strategies with return objectives.</li> </ul>
Remark	This unit of competency is also applicable to general insurers, life insurers and broker.