

Specification of Competency Standards of the Insurance Industry

**Unit of Competency**

**Functional Area: Sales & Distribution Management**

Title	Manage responsible and ethical advisory activities
Code	105659L5
Range	This unit of competency is applicable to those who are responsible for managing advisory activities. It involves ensuring advisory-related operations carried out by individual brokers comply with company, regulatory, legal and ethical requirements.
Level	5
Credit	4 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Possess knowledge in responsible and ethical selling <ul style="list-style-type: none"> <li>• Knowledgeable about insurance market</li> <li>• Familiarize with insurers' products and target segments</li> <li>• Comprehend legal, regulatory, and ethical requirements pertaining to insurance sales and advisory activities</li> <li>• Familiarize with potential impact of social and ethical concerns towards insurance sales and advisory functions</li> </ul> </li> <li>2(a). Manage sales operations to comply with legal, regulatory, and ethical requirements <ul style="list-style-type: none"> <li>• Establish company's standard code of practice</li> <li>• Introduce code of practice to brokers</li> <li>• Coach brokers to follow the code of practice</li> <li>• Set up mechanism to monitor advisory activities to ensure compliance</li> </ul> </li> <li>2(b). Deal with non-compliance incidents <ul style="list-style-type: none"> <li>• Identify behaviors failing to comply with requirements</li> <li>• Apply corrective actions to rectify situation</li> <li>• Educate relevant staff the significance of compliance</li> <li>• Follow up to ensure non-compliance issues are dealt with</li> </ul> </li> <li>2(c). Propose recommendations to promote better compliance <ul style="list-style-type: none"> <li>• Review operations in light of changing legal, regulatory and ethical requirements</li> <li>• Propose recommendations to improve company procedures based on review findings</li> <li>• Propose recommendations to enhance brokers' sensitivity towards legal, regulatory and ethical requirements.</li> </ul> </li> <li>3. Set up guidelines on sales operation <ul style="list-style-type: none"> <li>• Establish precise standard code of practice that adheres to legal, regulatory, and ethical requirements</li> <li>• Monitor the implementation of the company guidelines on advisory operations</li> <li>• Respond to non-compliance through corrective measures, procedure revisions and increased awareness to legal, regulatory and ethical requirements.</li> </ul> </li> </ol>
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Able to identify areas of advisory operations that require governing mechanisms</li> <li>• Able to establish standard code of practice to induce staff compliance to regulatory requirements</li> <li>• Able to identify and rectify non-compliance incidents through education and operation revision</li> <li>• Able to propose recommendations to enhance company procedures and brokers' sensitivity towards legal, regulatory and ethical requirements.</li> </ul>
Remark	