

Specification of Competency Standards of the Insurance Industry

Unit of Competency

Functional Area: Legal & Compliance

Title	Monitor and evaluate compliance risks
Code	105583L5
Range	This unit of competency is applicable to those who are responsible for monitoring and evaluating existing and potential compliance risks. It involves identifying potential compliance risks in different business units, providing recommendations and solutions to resolve compliance risks.
Level	5
Credit	5 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Possess knowledge in monitoring and evaluating compliance risk <ul style="list-style-type: none"> • Fully aware of 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 • Alert to global trends on compliance and governance • Comprehend corporate compliance and risk management policies • Familiar with operations of business units • Possess sound knowledge in risk management 2. Monitor and evaluate compliance risk <ul style="list-style-type: none"> • Liaise with different company units to analyze daily operations from compliance conformance perspective • Identify potential non-compliance that may arise in the day-to-day operations of different units • Analyze likelihood and severity of damages from non-compliance activities • Work with relevant risk management units to establish risk management mechanism • Work with different units to avoid non-compliance in daily operations and minimize compliance risks • Provide recommendations and solutions to resolve compliance risks 3. Ensure effective monitoring and evaluation of compliance risks <ul style="list-style-type: none"> • Identify potential non-compliance activities through regular communications with different units • Determine possibility and impacts of non-compliance activities • Collaborate with relevant units to establish risk management mechanism and minimize compliance risk.
Assessment Criteria	<p>The integral outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Able to liaise with different units to monitor compliance conformation in operations • Able to identify potential non-compliance situations in operations • Able to evaluate the relevant consequences from non-compliance activities • Able to coordinate with relevant units to reduce compliance risks.
Remark	This unit of competency is also applicable to general insurers, life insurers and broker.