

Specification of Competency Standards of the Insurance Industry

Unit of Competency

Functional Area: Underwriting

Title	Develop underwriting manuals
Code	105559L5
Range	This unit of competency is applicable to those who are responsible for developing underwriting manuals for new business lines. It involves designing the flow of underwriting process, identifying the involvement of different positions in the flow, working with claims department to develop the manual contents and to distribute the new manual.
Level	5
Credit	5 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Possess knowledge in underwriting procedure <ul style="list-style-type: none"> • Comprehend corporate development strategy • Comprehend features of company's products and target segments • Comprehend risk appetite • Comprehend the roles of different positions in the underwriting process • Comprehend company's philosophy on risk acceptance and profitability strategy • Be aware of changes in insurance market structure • Comprehend relevant laws and regulations • Understand financial management of an insurance business 2(a). Establish an underwriting procedure manual <ul style="list-style-type: none"> • Design the flow of the underwriting process • Estimate manpower and roles required to support the underwriting process • Determine authority limits of different units • Work with claims and actuary departments to develop an underwriting procedure manual 2(b). Disseminate new underwriting procedure manual <ul style="list-style-type: none"> • Explain manual to relevant units • Provide guidance to the relevant staff on using the manual • Set up channels to obtain feedback on the manual 2(c). Maintain up-to-date underwriting procedure manual <ul style="list-style-type: none"> • Review existing underwriting process based on staff feedback, changing business environment, and new regulatory requirements • Identify and dispose outdated procedures • Update underwriting procedure manual accordingly. 3. Develop underwriting procedure manual to direct underwriting operations in systematic manner <ul style="list-style-type: none"> • Ensure each procedure manual covers all relevant underwriting operations in each business line • Ensure procedure manuals that lay out each step of underwriting procedures precisely • Update procedure manuals to cater the 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 organize underwriting operations in step-by-step procedures • Able to describe underwriting procedures precisely in writing • Able to develop underwriting procedure manuals • Able to train relevant staff members to use the manuals • Able to update underwriting procedure manual in light of changing operating contexts.
Remark	This unit of competency is also applicable to general insurers and life insurers.