

Specification of Competency Standards of the Insurance Industry

Unit of Competency

Functional Area: Claims

Title	Formulate insurance claims policies
Code	105618L6
Range	This unit of competency is applicable to those who are responsible for formulating insurance claims policies. It involves analyzing company claims records and profitability, as well as formulating, evaluating and adjusting claims policies.
Level	6
Credit	6 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Possess knowledge in formulating company claims policy <ul style="list-style-type: none"> • Comprehend company business development strategy • Comprehend company's position in the insurance market • Comprehend trends of claims • Comprehend company profitability strategy • Comprehend regulatory requirements on reserve ratios • Familiar with the financial management aspects of an insurance business • Use a range of skills to analyze the financial implications of claims policy 2(a). Formulate company claims policy <ul style="list-style-type: none"> • Analyze products of different business lines • Analyze profitability of different business lines • Develop claims policies for different business lines • Present claims policies to relevant units 2(b). Review company claims policy <ul style="list-style-type: none"> • Evaluate effectiveness of company claims policy with respect to company risk exposure and profitability strategies • Adjust company claims policy in light of review findings and changing market environment 3. Ensure company claims policy supports company's risk exposure and profitability strategies and complies with relevant regulatory requirements <ul style="list-style-type: none"> • Ensure claims policy is in line with company's risk exposure and profitability strategies • Ensure claims policy complies with relevant regulatory requirements • Ensure relevant units are well informed about the claims policy.
Assessment Criteria	<p>The integral outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Able to formulate overall company claims policy and individual claims policies • Able to review and adjust claims policies for different business lines in light of changing market environment • Able to ensure claim policy supports company's risk exposure and profitability strategies and complies with relevant regulatory requirements.
Remark	This unit of competency is also applicable to general insurers and life insurers.