

Specification of Competency Standards of the Insurance Industry

Unit of Competency

Functional Area: Sales & Distribution Management

Title	Develop commissions policies
Code	105695L6
Range	This unit of competency is applicable to those who are responsible for developing commission policies. It involves identifying essential elements of effective commission policies, developing commission structures and mechanisms for different business lines, reviewing the competitiveness of the policies and adjusting accordingly.
Level	6
Credit	5 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Possess knowledge in technical representatives and human resources management <ul style="list-style-type: none"> • Familiar with insurance market and its manpower needs • Comprehend corporate development, profitability and human resources strategies • Fully aware of relevant regulatory requirements, e.g. employment ordinance • Familiar with insurance labour market • Alert to trends in the development of commission schemes 2. Develop commission policies <ul style="list-style-type: none"> • Research market trends in commission policies • Consolidate and analyze essential elements of effective commission policies • Develop commission structure and mechanisms to accommodate individual business lines, as well as their developmental and product strategies • Work with relevant units, e.g. human resources unit, to ensure commission policies comply with relevant regulatory and legal requirements • Review competitiveness of commission policies against market norms in attracting and retaining competent agents • Adjust policies as necessary 3. Develop commissions policies that effectively drive agents' sales performance <ul style="list-style-type: none"> • Develop policies that support implementation of business and/or produce strategies of individual business lines • Design structures and mechanisms that motivate agents in achieving insurance sales • Ensure commission policies remain competitive in the labour market.
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Able to develop commission policies with essential elements • Able to develop commission policies that support developmental and product strategies of individual business lines • Able to review competitiveness of commission policies against market norms.
Remark	This unit of competency is also applicable to general insurers and life insurers.