

Specification of Competency Standards of the Insurance Industry

**Unit of Competency**

**Functional Area: Legal & Compliance**

Title	Carry out compliance inspection on sales and marketing activities
Code	105493L3
Range	This unit of competency is applicable to those who are responsible for implementing compliance inspections on sales and marketing activities. It involves examining sales process, checking records of documents, identifying non-compliance and reporting suspicious activities.
Level	3
Credit	4 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Possess knowledge in compliance inspection <ul style="list-style-type: none"> <li>• Understand 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</li> <li>• Understand corporate compliance policy and guidelines</li> <li>• Familiar with sales and distribution operations</li> <li>• Understand code of conduct in insurance industry</li> </ul> </li> <li>2. Implement compliance inspection on sales and marketing activities <ul style="list-style-type: none"> <li>• Collect up-to-date sales data</li> <li>• Identify sales activities to inspect according to compliance monitoring system</li> <li>• Check if all relevant documents are in place before and after insurance policies are issued</li> <li>• Verify validity of insurance sales and relevant marketing personnel registrations</li> <li>• Inspect sales process, e.g. sales records, of sales and marketing personnel</li> <li>• Identify signs of breaches of compliance regulations (e.g. misrepresentation or illegal life policy replacement, etc)</li> <li>• Track related operational data to extract all relevant details</li> <li>• Report suspected non-conformance activities according to monitoring procedure</li> </ul> </li> <li>3. Carry out compliance inspection in accordance with corporate compliance guidelines and regulatory requirements <ul style="list-style-type: none"> <li>• Inspect data and documents relevant to sales activities and marketing personnel</li> <li>• Determine signs of infringement of compliance regulations</li> <li>• Report suspicious non-compliance activities in accordance to monitoring procedures in timely manner.</li> </ul> </li> </ol>
Assessment Criteria	<p>The integral outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Able to perform compliance inspection on sales and marketing activities in accordance with compliance guidelines and regulatory requirements</li> <li>• Able to locate potential breaches of compliance regulations</li> <li>• Able to report potential non-conformance activities with relevant supporting data.</li> </ul>
Remark	This unit of competency is also applicable to general insurers, life insurers and broker.