

Specification of Competency Standards of the Insurance Industry

**Unit of Competency**

**Functional Area: Underwriting**

Title	Assess life insurance applications involving standard risks
Code	105680L5
Range	This unit of competency is applicable to those who are responsible for carrying out life insurance underwriting. It involves assessment of standard risks in insurance applications in order to assess a particular insurance application.
Level	5
Credit	3 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Possess knowledge in risk assessment for life insurance <ul style="list-style-type: none"> <li>• Understand basic product features, benefits and exclusions</li> <li>• Aware of process improvement methodology</li> <li>• Demonstrate awareness to the concept of risks and the types of risks affecting the underwriting profiles</li> <li>• Demonstrate competency in underwriting guidelines through familiarizing the underwriting guidelines, procedures and operating systems</li> <li>• Comprehend company's policy on risk classification</li> <li>• Comprehend company's risk limit</li> <li>• Comprehend company's underwriting criteria</li> <li>• Able to classify different types of risks</li> </ul> </li> <li>2(a). Assess the risk for life insurance applications <ul style="list-style-type: none"> <li>• Apply corporate underwriting guidelines and procedures</li> <li>• Distinguish between standard and non-standard (i.e. complex) risks</li> <li>• Determine if the insured amount is within the company's acceptable risk level</li> <li>• Identify any misrepresentations or non-disclosure</li> <li>• Determine if further information is needed for risk assessment</li> <li>• Arrange for further investigation/examination if needed</li> <li>• Determine if a particular risk is acceptable</li> </ul> </li> <li>2(b). Evaluate life insurance applications based on risk assessment results <ul style="list-style-type: none"> <li>• Verify that assessment results</li> <li>• Accept or decline insurance applications</li> <li>• Notify relevant personnel of assessment decisions</li> </ul> </li> <li>3. Assess life insurance applications based on risk assessment results <ul style="list-style-type: none"> <li>• Assess all standard risks involved in the applications</li> <li>• Assess insurance applications with supporting rationale</li> <li>• Produce prompt notification correspondences to relevant personnel.</li> </ul> </li> </ol>
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Able to identify and assess all risks involved in insurance applications</li> <li>• Able to assess insurance applications according to risk assessment results.</li> </ul>
Remark	