

Specification of Competency Standards of the Insurance Industry

**Unit of Competency**

**Functional Area: Underwriting**

Title	Decline life insurance applications involving non-standard risks
Code	105682L5
Range	This unit of competency is applicable to those who are responsible for carrying out insurance underwriting. It involves assessment of non-standard risks (i.e. complex risks) in insurance applications so as to decline particular insurance applications.
Level	5
Credit	3 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Possess knowledge in non-standard risk (i.e. complex risk) assessment for life insurance <ul style="list-style-type: none"> <li>• Comprehend company's policy on risk classification</li> <li>• Comprehend company's risk limit</li> <li>• Comprehend company's underwriting criteria on complex risks</li> <li>• Able to classify different types of risks</li> <li>• Be alert to potential correlations amongst different types of risks</li> <li>• Know how to source domain specialists</li> </ul> </li> <li>2(a). Assess non-standard risks for life insurance <ul style="list-style-type: none"> <li>• Apply company's underwriting philosophy on non-standard risk assessment</li> <li>• Determine if insured amount is within the company's acceptable risk level</li> <li>• Identify any misrepresentations or non-disclosure</li> <li>• Determine the scope of specialist information required</li> <li>• Seek specialists' advice on need basis</li> <li>• Clarify underlying reasons for rejection</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 are against approval of applications</li> <li>• Decline insurance applications</li> <li>• Notify relevant personnel of declined applications</li> </ul> </li> <li>3. Decline insurance applications based on risk assessment results <ul style="list-style-type: none"> <li>• Assess all non-standard risks, and potential correlations among the risks, involved in the applications</li> <li>• Decline 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 non-standard risks, as well as potential correlations amongst the risks, involved in insurance applications</li> <li>• Able to source for specialists' advice to reveal potential risk exposures</li> <li>• Able to decline insurance applications according to risk assessment results.</li> </ul>
Remark	