

Specification of Competency Standards of the Insurance Industry

Unit of Competency

Functional Area: Underwriting

Title	Establish risk premium tables and policies for life insurance
Code	105686L6
Range	This unit of competency is applicable to those who are responsible for establishing corporate risk premium tables and policies for life insurance. It involves analyzing various factors affecting risk pricing, evaluating these factors against corporate profitability strategies, developing premium tables and policies for life insurance, as well as training relevant staff to apply the tables to support daily work.
Level	6
Credit	5 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Possess knowledge in life insurance underwriting <ul style="list-style-type: none"> • Comprehend corporate development strategies • Comprehend features of company's products and target segments • Comprehend factors that can affect pricing decisions • Comprehend corporate profitability strategies and cost structure • Able to classify different types of risks • Familiarize with potential correlations amongst different types of risks • Familiarize with the financial management aspects of an insurance business • Know about actuarial science • Use a range of skills to analyze the financial implications of underwriting policies • Master statistical methods on risk pricing 2(a). Develop risk premium tables and policies for life insurance <ul style="list-style-type: none"> • Analyze factors which can affect pricing of risks • Evaluate impact of changes in pricing factors on the company's profitability • Forecast possible impact of price changes on business volume • Establish premium policies for life insurance 2(b). Introduce premium tables and policies for life insurance <ul style="list-style-type: none"> • Introduce premium tables and policies to relevant units • Provide training to relevant staff on developing fee schedules and calculation of premiums using premium tables • Set up channels to collect feedbacks from staff on tables and policies • Review tables and policies in light of staff feedbacks and changing market environment. 3. Ensure risk premium tables and policies for life insurance support corporate profitability strategies <ul style="list-style-type: none"> • Produce premium tables and policies that provide clear guidelines on risk pricing for life insurance • Ensure relevant units are well informed about risk premium tables and policies • Adjust corporate risk pricing policies in light of changing operating contexts.
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Able to identify and analyze factors which affect risk pricing • Able to assess impact of differing risk pricing levels on business volumes • Able to develop risk premium tables and policies for life insurance • Able to introduce premium tables and policies to relevant units in operational contexts.
Remark	