

Specification of Competency Standards of the Insurance Industry

Unit of Competency

Title	Comprehend fundamental principles and common practices of insurance
Code	105689L3
Range	This unit of competency is applicable to those who are required to work in the sales functions of the insurance industry. It requires understanding the concepts of risks and principles of insurance, familiarizing the structure of the insurance industry and respective regulatory framework in Hong Kong, and recognizing the professional and ethical requirements of insurance intermediaries.
Level	3
Credit	3 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Possess understanding in the requirements of insurance intermediaries <ul style="list-style-type: none"> • Be aware of the qualification requirements of individual insurance intermediaries 2. Be knowledgeable about the fundamental principles and common practices of insurance <ul style="list-style-type: none"> • Understand the concepts of risks • Explain the principles of insurance • Recognize the responsibilities and liabilities of insurance intermediaries • Explain core functions of an insurance company • Familiarize with the structure of insurance industry in Hong Kong • Familiarize with the regulatory framework of insurance industry • Recognize the implications of the regulatory requirements on insurance operations • Recognize the significance of upholding professional and ethical standards in insurance operations 3. Interpret principles and common practices of insurance in the operation contexts of insurance intermediaries <ul style="list-style-type: none"> • Explain the roles of insurance and insurance intermediaries • Recognize the professional, ethical, legal and regulatory requirements of insurance intermediaries operating in Hong Kong.
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Able to explain the principles of insurance • Able to explain the core functions of insurance company, the structure of insurance industry in Hong Kong • Able to recognize the implications of regulatory requirements on insurance operations • Able to recognize the significance of upholding professional and ethical standards in insurance operations.
Remark	The unit of competency is applicable to general insurance, life insurers and brokers.