

Specification of Competency Standards of the Insurance Industry

**Unit of Competency**

**Functional Area: Underwriting**

Title	Develop premium tables for different business lines
Code	105555L5
Range	This unit of competency is applicable to those who are responsible for developing premium tables for different business lines. It involves analyzing company's competitive position, developing respective premium tables according to company's profitability strategy and risk pricing policies, as well as training relevant staff to apply the tables to support daily work.
Level	5
Credit	3 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Possess knowledge in premium schedules development <ul style="list-style-type: none"> <li>• Comprehend company's profitability strategy</li> <li>• Comprehend company's philosophy on risk exposure</li> <li>• Comprehend company's risk pricing policies</li> <li>• Comprehend marketing strategy</li> <li>• Comprehend features of company's products and target segments</li> <li>• Comprehend company's cost structure</li> <li>• Be alert to potential correlations amongst different types of risks</li> <li>• Understand financial management of an insurance business</li> </ul> </li> <li>2. Develop premium tables for different business lines <ul style="list-style-type: none"> <li>• Analyze company's competitive position in the market</li> <li>• Work with and collect information from claims and marketing departments</li> <li>• Develop premium tables for standard risks</li> <li>• Develop loading schedule for non-standard (i.e. complex) risks</li> <li>• Ensure premium tables follow company's profitability strategy and risk pricing policies</li> <li>• Provide training to staff on premium calculation using company's premium tables</li> </ul> </li> <li>3. Develop competitive risk pricing policies and premium tables <ul style="list-style-type: none"> <li>• Produce premium tables that balance competitiveness of premium pricing and company's profitability</li> <li>• Review company's risk pricing policies in light of changing market environment</li> <li>• Adjust premium tables based on review findings.</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 analyze relevant data to determine premium pricing strategy</li> <li>• Able to develop premium tables for different business lines</li> <li>• Able to adjust premium pricing policies in light of changing market environment.</li> </ul>
Remark	