

## AEC/DEC Damage Insurance CIP Qualifying Exam Competency Profile

The following table identifies the competency profile as it relates to the AEC/DEC Damage Insurance CIP Qualifying Exam.

<b>Functional Competencies</b>	
❖ Underwriting Risk	<ul style="list-style-type: none"> <li>▪ Demonstrates a general understanding of how risks are identified, assessed, and transferred</li> <li>▪ Applies COPE (construction, occupancy, protection, exposure) when assessing standard exposures (e.g., property risk for single-family dwellings and businesses)</li> <li>▪ Explains how the price for insurance products is set</li> <li>▪ Understands and uses the application process and other rating tools available to gather required information and set up the insurance policy</li> <li>▪ Explains key types of information commonly requested on insurance applications</li> <li>▪ Demonstrates an understanding of the agent's and broker's duties and responsibilities to clients and insurers in the application process</li> </ul>
❖ Managing Risk	<ul style="list-style-type: none"> <li>▪ Demonstrates an understanding of the role of the insured in loss mitigation and loss prevention</li> <li>▪ Demonstrates knowledge of risk management principles to address increasingly complex risks</li> <li>▪ <b>Demonstrates knowledge of key contract concepts, including identification of breaches</b></li> <li>▪ Demonstrates familiarity with risk mitigation tools, including reinsurance methods, risk sharing pools, and Facility Association</li> <li>▪ Demonstrates an understanding of underwriting and organizational strategies in managing the risk exposure of portfolios (e.g., authority limits, reserving policy, risk improvement)</li> <li>▪ Assists clients in managing straightforward hazard risks</li> </ul>
<b>Technical Competencies</b>	
❖ Insurance Principles and Practice	<ul style="list-style-type: none"> <li>▪ Demonstrates an understanding of insurance and its purpose and role in society (e.g., explains the concept of risk and how insurance is a mechanism to transfer risk and benefit society, recognizes the role of insurance as one of the financial pillars within the Canadian economy)</li> <li>▪ Demonstrates an understanding of the key principles of an insurance contract (e.g., utmost good faith, estoppel [in common law], insurable interest, indemnity, contribution, subrogation, and proximate cause) and recognizes there are different parties to the insurance contract (i.e., insured, insurer, third party)</li> <li>▪ Demonstrates an awareness of regulation of insurance in Canada, including regulation of policy wordings, licensing of insurance professionals, ethical and professional considerations, and the role of insurance industry organizations</li> <li>▪ Applies understanding of insurance distribution (e.g. channels, functions within a brokerage or agency) and lines of business (e.g., personal, commercial, financial, specialty)</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Demonstrates a sound understanding of how insurance functions as a whole (e.g., roles and processes of the functioning departments)</li> <li>▪ Explains the key insurance industry functions of selling and distributing insurance, underwriting insurance policies, adjusting losses, and reinsuring risk</li> </ul>
❖ Insurance Products and Services	<ul style="list-style-type: none"> <li>▪ Understands and explains standard and non-standard policy wordings, extensions, and limitations</li> <li>▪ Applies knowledge of available products within the scope of own role</li> <li>▪ Compares and contrasts various product and service offerings to fit the needs of the risk</li> <li>▪ <b>Assesses how to best meet client needs by understanding what coverages, limits, exclusions, and endorsements are applicable</b></li> <li>▪ Applies knowledge of regulatory requirements surrounding an insurance product</li> <li>▪ Understands available products and explains the added value of various coverages</li> </ul>
❖ Legal, Regulatory and Claims Knowledge	<ul style="list-style-type: none"> <li>▪ Recognizes that Canada has two legal systems (common law, Civil Code of Québec) and demonstrates knowledge and understanding of licensing laws pertinent to jurisdiction</li> <li>▪ Demonstrates an understanding of pertinent jurisdictional differences and the differences between the two Canadian legal systems and their impact on the application of the policy (e.g., wording)</li> <li>▪ Demonstrates knowledge and general understanding of common insurance-related legislation and provincial regulation, such as the <i>Insurance Act, Motor Vehicle Act, Insurance (Vehicle) Act, Insurance Corporation Act, Financial Institutions Act, Strata Property Act, and Employment Standards Act</i></li> <li>▪ Demonstrates knowledge and general understanding of tort and contract law</li> <li>▪ Continues to expand knowledge of tort and contract law applicable to a specific risk and is aware of important precedents.</li> <li>▪ Keeps abreast of changes to laws, regulations, and new precedents.</li> <li>▪ Demonstrates an understanding of legal requirements surrounding communication (e.g., agency law, employer–employee laws, PIPEDA)</li> <li>▪ Understands policy coverages, endorsements, extensions, and legal frameworks related to claims</li> <li>▪ Acquires knowledge of the role of various disciplines within the claims process</li> </ul>
<b>Enabling Competencies</b>	
❖ Professionalism and Business Acumen	<ul style="list-style-type: none"> <li>▪ Develops knowledge of the industry, organization, and stakeholders</li> <li>▪ Demonstrates a general understanding of how insurance fits into Canadian economic and social frameworks</li> <li>▪ Demonstrates respect for the different roles, divergent opinions, and professional approaches within the industry</li> <li>▪ Complies with fiduciary responsibilities and policies</li> </ul>