

# Insurance Intermediaries Quality Assurance Scheme

## IIQAS Fact Sheet (Jun 2017)

### Main Features

- IIQE: Requirement to pass the Insurance Intermediaries Qualifying Examination (“IIQE”) as a condition for registration
- CPD: Requirement to comply with the Continuing Professional Development (“CPD”) Programme requirements thereafter (*Please refer to the CPD Information Sheet for details*)

### Target Persons

- Insurance agents and insurance brokers;
- Their chief executives/responsible officers (persons who are responsible for the overall conduct of the insurance intermediary business); and
- Their technical representatives (persons who provide advice on insurance matters to policy holders or potential policy holders for insurance intermediaries, or negotiate or arrange contracts of insurance in or from Hong Kong on behalf of insurance intermediaries)

Insurance agents and insurance brokers, their chief executives/responsible officers and technical representatives are collectively referred to as “*insurance intermediaries*” for the purposes of this Fact Sheet.

### Insurance Intermediaries Qualifying Examination

Examination Paper*	Number of Questions	Duration
<b>Basic Examination Paper -</b> Principles and Practice of Insurance (P&P Paper)	75	2 Hours
<b>Qualifying Examination Papers -</b> (a) General Insurance (GI Paper) (b) Long Term Insurance (LT Paper)	50 for each paper	1 Hour 15 Minutes for each paper
(c) Investment-linked Long Term Insurance (IL Paper)**	80	2 Hours
<b>Travel Insurance Agents Examination Paper (TIA Paper)</b>	80	2 Hours

\* With effect from 2 May 2013, the Mandatory Provident Fund (“MPF”) Schemes Examination ceased to be part of the IIQE. For details about the MPF intermediaries examination specified by the Mandatory Provident Fund Schemes Authority (“MPFA”), please refer to the information available on the MPFA’s website at [www.mpfa.org.hk](http://www.mpfa.org.hk).

\*\* The enhanced version of the Investment-linked Long Term Insurance Examination (“enhanced IL Paper”) was introduced on 1 March 2010 to supersede the previous version. All insurance intermediaries wishing to engage in investment-linked long term insurance intermediary business on or after 1 March 2010 are required to pass the enhanced version of IL Paper. Please see Pages 5-6 for details.

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## The IIQE System

- Format: Multiple choice questions in Chinese and English
- Passing Mark: 70%
- Examination Fees:

Examination Paper	Pen-and-paper Mode	Computer Screen Mode
P&P	HK\$150	HK\$200
GI	HK\$150	HK\$200
LT	HK\$150	HK\$200
IL	HK\$250	HK\$300
TIA	HK\$250	HK\$300

*Fees listed above are per person per examination session.*

## Examination Body

- Vocational Training Council (“VTC”) – PEAK Examination Centre:
  - \* Hotline: 2919 1467, 2919 1468 and 2919 1478
  - \* Website: [www.vtc.edu.hk/cpdc](http://www.vtc.edu.hk/cpdc)

## Syllabus

- The syllabus for each of the examination papers can be downloaded from the website of the Insurance Authority (“IA”) at [www.ia.org.hk](http://www.ia.org.hk).

## Study Notes

- The Study Notes for IIQE (both Chinese and English versions) can be downloaded from the website of the IA at [www.ia.org.hk](http://www.ia.org.hk).

## Examination Handbook

- Please refer to the examination handbooks published by the VTC for the details of the examination rules and regulations.

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## Exemption from the IIQE Requirement

A. Exemption from P&P, GI, LT and TIA Papers of the IIQE could be granted to:

- Holders of an approved insurance qualification:
  - Associate or Fellow of The Chartered Insurance Institute (ACII/FCII);
  - Senior Associate or Fellow of the Australian and New Zealand Institute of Insurance and Finance (ANZIIF (Snr Assoc)/ANZIIF (Fellow));
  - Fellow of the Life Management Institute (FLMI);
  - Chartered Life Underwriter (CLU);
  - Chartered Property Casualty Underwriter (CPCU);
  - Hong Kong Diploma in Insurance Studies of The Insurance Institute of Hong Kong/The Chartered Insurance Institute<sup>1</sup>; or
- Holders of an approved actuarial qualification:
  - Fellow of the Institute and Faculty of Actuaries of the United Kingdom (FIA/FFA)<sup>2</sup>
  - Fellow of the Institute of Actuaries of Australia (FIAA);
  - Fellow of the Society of Actuaries of the United States of America (FSA).

B. Exemption from the previous IL Paper or enhanced IL Paper of the IIQE could be granted to holders of any of the following recognised professional qualifications in insurance, investment or actuarial science:

- Chartered Life Underwriter (CLU) who has passed the elective paper: “HS 328 Investments” of the CLU qualifying examination;
- Chartered Financial Consultant (ChFC);
- Certified Financial Planner (CFP);
- Fellow of the Institute and Faculty of Actuaries of the United Kingdom (FIA/FFA)<sup>2</sup>
- Fellow of the Institute of Actuaries of Australia (FIAA);
- Fellow of the Society of Actuaries of the United States of America (FSA);
- any person who has passed the Foundation Programme Examination of the Hong Kong Securities and Investment Institute (FPE);
- any person who has passed the Diploma Programme Examination of the Hong Kong Securities and Investment Institute (DPE);
- HKSI Practising Certificate of the Hong Kong Securities and Investment Institute;
- HKSI Specialist Certificate of the Hong Kong Securities and Investment Institute;
- HKSI Professional Diploma in Financial Markets of the Hong Kong Securities and Investment Institute.

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- C. Insurance intermediaries (confined to those who were already practising in the insurance intermediary business in Hong Kong immediately before 1 January 2000) who are holders of the Certificate of Proficiency in General Insurance Studies issued by The Hong Kong Federation of Insurers are exempted from P&P, GI and TIA Papers of the IIQE.
- D. Insurance intermediaries (confined to those who were already practising in the insurance intermediary business in Hong Kong immediately before 1 January 2000) in possession of five years' proven experience in insurance business in Hong Kong within the six-year period immediately before 1 January 2000 are exempted from P&P Paper as well as GI, LT and TIA Papers, as appropriate (which relates to the specific experience they have obtained); exemption from all 4 papers, i.e. P&P, GI, LT and TIA Papers, is granted only if the insurance intermediaries possess the specified experience in both general and long term insurance business.
- E. Exemption from TIA Paper of the IIQE can be granted to those who have passed both P&P and GI Papers of the IIQE.

**The respective self-regulatory organisations (“SRO”), namely the Insurance Agents Registration Board, The Hong Kong Confederation of Insurance Brokers and the Professional Insurance Brokers Association, should be contacted for the application forms and application procedures for registration and exemption from the IIQE requirement.**

### **Lines of Business**

Insurance intermediaries are classified into six categories according to their lines of business:

- Travel insurance agency (for those who pass only the TIA Paper, or otherwise exempted, and are (i) travel agents licensed under the Travel Agents Ordinance or (ii) staff members of those travel agents)
- General insurance agency/broking (for those who pass only the P&P plus GI Papers, or otherwise exempted)
- Long term [excluding linked long term] insurance agency/broking (for those who pass only the P&P plus LT Papers, or otherwise exempted)
- Long term [including linked long term] insurance agency/broking (for those who pass both the P&P plus LT and IL Papers, or otherwise exempted)
- Composite [excluding linked long term] insurance agency/broking (for those who pass the P&P plus GI and LT Papers, or otherwise exempted)
- Composite [including linked long term] insurance agency/broking (for those who pass P&P plus GI, LT as well as IL Papers, or otherwise exempted)

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**Note :**

- The activities of insurance agents should still be confined to the authorised classes of insurance business of their Principal(s) notwithstanding that the agents may be eligible to be engaged in all lines of business including linked long term.
- An insurance broker company or agency (i.e. a non-individual broker or agent) is allowed to carry on the particular line(s) of business provided that its chief executive/responsible officer has passed the particular examination papers, unless otherwise exempted. Hence, a chief executive/responsible officer has to pass P&P, GI, LT and IL Papers for his/her company to be a composite (including linked long term) insurance broker/agency.
- The technical representatives' activities cannot exceed the eligible line(s) of business of the insurance agents or insurance brokers for which they represent.
- Travel insurance agents are only allowed to sell travel insurance tied to a tour, travel package, trip or other travel services which they are arranging for their clients. They are not allowed to sell annual travel insurance policies or stand-alone travel insurance policies (i.e. travel insurance policies for trips which the particular travel insurance agents are not arranging).

**Registration of the Chief Executives/Responsible Officers and Technical Representatives**

- All chief executives/responsible officers and technical representatives must be registered before they are allowed to conduct business.
- Sub-registers for the chief executives/responsible officers and technical representatives have been established under the respective registers of insurance agents and insurance brokers.

**Insurance Intermediaries who wish to engage in or continue to engage in Investment-linked Long Term Insurance Intermediary Business**

- The enhanced version of the Investment-linked Long Term Insurance Examination ("enhanced IL Paper") was introduced on 1 March 2010 to supersede the previous version. The two-year transitional period available for "serving practitioners"<sup>3</sup> expired on 29 February 2012.
- From 1 March 2012 onwards, all insurance intermediaries who wish to engage in or continue to engage in investment-linked long term insurance intermediary business are required, among others, to pass the enhanced IL Paper, unless they fall within any one of the following three categories of persons:
  1. A person who is exempted from the enhanced IL Paper according to Section B under "Exemption from the IIQE Requirement" of Page 3 of this Fact Sheet;
  2. A "serving practitioner"<sup>3</sup> who met the IL CPD requirement within the two-year transitional period, i.e. completed 20 extra CPD hours dedicated towards the additional modules of the enhanced IL Paper ("IL CPD hours"<sup>4</sup>) between 1 March 2010 and 29 February 2012, and has not since ceased to be engaged in insurance-related work in the insurance industry in Hong Kong for two consecutive years; or

3. A person who has passed the previous IL Paper with a valid examination result (see “Cessation of Insurance Practice and Validity of Examination Result” below):
  - (i) completed 20 extra IL CPD hours<sup>4</sup> within the transitional period (i.e. 1 March 2010 to 29 February 2012);
  - (ii) applied for (and subsequently succeeded in) registration for engaging in investment-linked long term insurance intermediary business within the transitional period (i.e. 1 March 2010 to 29 February 2012) (the date of application should be within the transitional period although the date of registration could be sometime after the transitional period); and
  - (iii) has not since the abovementioned date of registration ceased to be engaged in insurance-related work in the insurance industry in Hong Kong for two consecutive years.

### **Cessation of Insurance Practice and Validity of Examination Result**

- Any insurance intermediaries who have ceased to be engaged in insurance-related work in the insurance industry in Hong Kong for two consecutive years shall pass the relevant papers of the IIQE before he can be re-appointed.
- An individual, who has passed the IIQE for two consecutive years (counting from the date of the examination) during which he has not been engaged in insurance-related work in the insurance industry in Hong Kong, shall pass the relevant papers of the IIQE before he can be registered as an insurance intermediary.

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### **Insurance Authority**

**June 2017**

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<sup>1.</sup> The Chartered Insurance Institute has become the awarding body of the qualification after the merger between The Insurance Institute of Hong Kong and The Chartered Insurance Institute Hong Kong Limited completed on 27 November 2015.

<sup>2.</sup> FIA and FFA granted by The Institute of Actuaries of England and the Faculty of Actuaries in Scotland respectively before their merger to form the Institute and Faculty of Actuaries of the United Kingdom continue to be acceptable insurance qualifications.

<sup>3.</sup> “Serving practitioners” mean insurance intermediaries who were registered as engaging in investment-linked long term insurance intermediary business immediately before 1 March 2010.

<sup>4.</sup> For clarity purpose, CPD activities with IL CPD hours (“IL CPD activities”), assessed and approved by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (“HKCAAVQ”) for the purpose of fulfilling the IL CPD requirement, can be qualified CPD activities under the IIQAS CPD Programme provided that the said activities are still approved by the HKCAAVQ. However, anyone attending such CPD activities after 29 February 2012 is not entitled to any IL CPD hours (as the transitional period already expired on 29 February 2012) but is only entitled to CPD hours that can be counted towards the annual CPD requirement of 10 CPD hours applicable to all insurance intermediaries.

**The information contained in this Fact Sheet is for general guidance only. It is not a full and authoritative statement of the statutory requirements. Existing or aspiring insurance agents, their responsible officers and technical representatives should make reference to “The Code of Practice for the Administration of Insurance Agents”. Existing or aspiring insurance brokers, their chief executives and technical representatives should make reference to the “Minimum Requirements” specified for insurance brokers.**