

**Candidates are recommended to study the 2017 Edition of the Study Notes
(with Update (August 2018) & Update2 (August 2019))
for examinations to be held from 2 December 2019 onwards.**

Insurance Intermediaries Qualifying Examination – Paper III Syllabus for Long Term Insurance Examination

I. Introduction to Life Insurance

- i. Definition of Life Insurance
 - A. Needs for Life Insurance
- ii. Principles of Life Insurance
 - A. Insurable Interest
 - B. Duty of Disclosure
 - C. Other Insurance Principles
- iii. Calculation of Life Insurance Premium
 - A. Rating Factors
 - a. Mortality, Interest and Expenses
 - b. Other Factors
 - B. Pricing Systems
 - a. Natural Premium (Pricing) System
 - b. Level Premium (Pricing) System

II. Types of Life Insurance and Annuity

- i. Traditional Types of Life Insurance
 - A. Term Insurance
 - a. Level/Decreasing/Increasing Term Insurance
 - b. Renewable/Convertible Term Insurance
 - B. Endowment Insurance
 - C. Whole Life Insurance
- ii. Non-Traditional Types of Life Insurance
 - A. Universal Life Insurance
 - B. Unit-Linked Long Term Insurance
- iii. Annuities and Pensions
 - A. Annuities
 - a. HKMC Annuity Plan – a public immediate life annuity scheme

- b. Tax Deductions for Deferred Annuity Premiums
 - B. Pensions
 - iv. Group and Individual Insurance Plans

III. Benefit Riders and Other Products

- i. Disability Benefits
 - A. Disability Waiver of Premium
 - B. Disability Income
- ii. Accident Benefits
 - A. Accidental Death and Dismemberment
 - B. Other Accident Benefits
- iii. Accelerated Death Benefits
 - A. Critical Illness Benefit
 - B. Long-Term Care (LTC) Benefit
- iv. Medical Benefits
 - A. Voluntary Health Insurance Scheme
- v. Insurability Benefits
 - A. Guaranteed Insurability Option
- vi. Inflationary Adjustment
 - A. Cost of Living Adjustment (COLA) Benefit

IV. Explaining the Life Insurance Policy

- i. Entire Contract Provision
- ii. Incontestability Provision
- iii. Grace Period
- iv. Beneficiary Designation
- v. Nonforfeiture Benefits
- vi. Policy Loan
- vii. Reinstatement
- viii. Misstatement of Age or Sex
- ix. Assignment

- x. Dividend Options
- xi. Settlement Options
- xii. Suicide Exclusion

V. Life Insurance Procedures

- i. Company Operation
 - A. Typical Company Operational Structure
- ii. Application
 - A. Application Procedure
 - B. Receipts and Policy Effectiveness
 - C. Client Service - Policies and Standards
 - a. The Importance of Client Service
 - b. How to Achieve Quality Client Service
 - D. Cooling-Off Period
 - E. Policy Switching
 - F. Sales Illustrations for Linked and Non-Linked Policies
 - a. Linked Policy Illustration Document
 - b. Standard Illustration for Universal Life (Non-Linked) Policies
 - c. Standard Illustration for Participating Policies
 - G. Distributions of Policy Dividends
 - a. Basic Principles of Dividend Distributions
 - b. Methods of Dividend Distributions
 - c. Advantages of Participating Policies
 - d. Transparency of Life Insurers with regard to Dividends
 - H. Guideline on Underwriting Long Term Insurance Business (Other Than Class C Business) (GL16)
 - I. Initiative on Financial Needs Analysis
 - J. Important Facts Statement for Mainland Policyholder
 - K. Relevant Guidelines by Approved Bodies of Insurance Brokers
- iii. Underwriting
 - A. Underwriting Factors
 - B. Medical Reports
 - C. Sub-Standard Life and Underwriting Measures
- iv. Policy Issuance
 - A. Policy Delivery

- v. After Sales Service
 - A. Policy Changes
- vi. Claims
 - A. Maturity Claims
 - B. Death Claims
 - C. Surrenders
