

**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



- 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

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