
CPD Information Sheet

Insurance Intermediaries Quality Assurance Scheme Continuing Professional Development Programme

The Programme

1. Insurance agents/brokers, their chief executives/responsible officers and technical representatives (collectively referred to as “insurance intermediaries”) are required to comply with the requirements of the Continuing Professional Development (“CPD”) Programme under the Insurance Intermediaries Quality Assurance Scheme (“IIQAS”).
2. The objective of implementing the CPD Programme is to ensure insurance intermediaries continue to possess professional competence and standard in providing advice and service to the policy holders and potential policy holders.

CPD Requirements

3. Except for travel insurance agents, their responsible officers and technical representatives (*requirements are specified in paragraph 4*), all insurance intermediaries are required to earn 10 CPD hours every year. Any excess CPD hours accumulated within a particular year cannot be carried forward to any other years. Insurance intermediaries registered for engaging in investment-linked long term insurance intermediary business immediately before 1 March 2010, who choose not to pass the enhanced Investment-linked Long Term Insurance Examination paper (“enhanced IL Paper”) under the Insurance Intermediary Qualifying Examination, are subject to an additional CPD requirement of 20 extra hours to be completed within a 2-year transitional period (*Please refer to the paragraphs 24-31 for details*).
4. From 1 August 2008 onwards, travel insurance agents, their responsible officers and technical representatives are required to earn 3 CPD hours every year. The first assessment date for compliance with the CPD requirements will be 31 July 2009. Any excess CPD hours accumulated within a particular year cannot be carried forward to any other years.

5. Failure to comply with the requirement may lead to application of disciplinary actions to or de-registration/de-authorisation of the insurance intermediary concerned. Concession can be given to those who have long term/prolonged illness which precludes them from attending CPD activities. The self-regulatory organisations (“SROs”), i.e. the Insurance Agents Registration Board, the Hong Kong Confederation of Insurance Brokers and the Professional Insurance Brokers Association can consider granting such concession on a case-by-case basis.
6. Insurance intermediaries should maintain appropriate records and retain the supporting evidence of all CPD activities that they have attended in the way prescribed by the respective SROs.

Assessment Dates and Procedures

7. Compliance with the CPD requirements is assessed annually. For the CPD assessment dates and the related assessment procedures, please contact the respective SROs.

Qualified CPD Activities

8. Unless otherwise stated in paragraphs 12 and 13, qualified CPD activities are structured activities (i.e. activities which require involvement with other people such as training courses and seminars) and must be related to local insurance (or related) legislation, regulatory aspects of insurance practice in Hong Kong, insurance, actuarial science, risk management, financial planning, or other disciplines which are directly related to the work of insurance intermediaries, such as investment, law and legal knowledge, finance, business, commerce, management, engineering or communication skills. Generally, one CPD hour can be earned for each hour’s participation in these activities.
9. CPD activities must be assessed by the assessment authority for the IIQAS CPD Programme except those specified in paragraphs 10 to 12 or approved by the Office of the Commissioner of Insurance.
10. SROs are allowed to organise qualified CPD activities themselves in accordance with the criteria specified in paragraph 8. They are not required to be assessed by the IIQAS CPD Programme assessment authority.

11. CPD courses organised or formally approved by the specified professional bodies (i.e. professional organisations established under an Ordinance of Hong Kong or those required to perform statutory duties under an Ordinance of Hong Kong, e.g. the Hong Kong Institute of Certified Public Accountants and the Law Society of Hong Kong) for their own CPD programmes (confined to structured activities) can also be recognised as qualified CPD activities for the IIQAS CPD Programme provided that they are within the scope specified in paragraph 8. These courses are not required to be assessed by the IIQAS CPD Programme assessment authority.
12. Studies for local or overseas university bachelor degrees or postgraduate degrees in any disciplines relating to the scope of qualified CPD activities stated in paragraph 8 can be granted 10 CPD hours for each year's studies, for 6 years at most in respect of each university degree programme. They are not required to be assessed by the IIQAS CPD Programme assessment authority. Evidence of examination results, coursework assessment or attendance should be submitted as required by the respective SROs.
13. Studies for attaining specified qualifications (paragraph 15) can be granted 10 CPD hours for each year's studies, for 6 years at most in respect of each qualification. Evidence of passing the examination of at least one subject in a particular year has to be submitted as required by the respective SROs in order to be granted the 10 CPD hours for that particular year.
14. Holders of the qualifications as specified in paragraph 15 are considered to have satisfied the 10 CPD hours requirement if (i) the institutes granting such qualifications have a specific CPD programme for holders of such qualifications; and (ii) they (as the holders of such qualifications) have satisfied the CPD requirements specified by the institutes granting such qualifications. Evidence of holding such qualifications/titles should be submitted by the concerned insurance intermediaries as required by the respective SROs. They should also be able to produce documentary proof that compliance with the institute's CPD programme is essential for the holding of such qualifications/titles.

15. List of specified qualifications for the purpose of paragraphs 13 and 14:
- 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))
 - Certified Financial Planner (CFP)
 - Chartered Financial Consultant (ChFC)
 - Chartered Life Underwriter (CLU)
 - Chartered Property Casualty Underwriter (CPCU)
 - Fellow, Chartered Financial Practitioner (FChFP) of the Life Underwriters Association of Hong Kong
 - Fellow of the Faculty of Actuaries in Scotland (FFA)
 - Fellow of the Institute of Actuaries of England (FIA)
 - Fellow of the Institute of Actuaries of Australia (FIAA)
 - Fellow of the Life Management Institute (FLMI)
 - Fellow of the Society of Actuaries of the United States of America (FSA)
 - Hong Kong Diploma in Insurance Studies of the Insurance Institute of Hong Kong
 - Hong Kong Insurance Professional Qualification Examination (HKIPQE) of the Hong Kong Society of Certified Insurance Practitioners
 - Fellow of the Life Underwriter Training Council (LUTCF)
 - Professional Diploma in Insurance Programme (PDI) of the Vocational Training Council
16. Application for assessment is required to be made to the IIQAS CPD Programme assessment authority by the institute granting the qualification for any new qualification to be added to the list of specified qualifications (paragraph 15).

Speakers of Qualified CPD Activities

17. Speakers in any of the qualified CPD activities can earn CPD hours based upon the actual length of time which the speakers have taken part in the activities at a rate of 1 hour equals to 3 CPD hours. For example, a speaker delivering a lecture in a 4-hour qualified CPD activity for 2 hours shall generally earn 6 CPD hours.

CPD Activity Organisers

18. Besides educational institutes such as universities or other training institutes, CPD activity organisers can also be insurance companies, insurance brokers, insurance agencies or insurance associations. Activity organisers are required to submit their CPD activities to the IIQAS CPD Programme assessment authority for assessment unless otherwise specified in paragraph 9.

Assessment of CPD Activities

19. The Hong Kong Council for Accreditation of Academic and Vocational Qualifications (“HKCAAVQ”) has been appointed as the assessment authority for the IIQAS CPD Programme. The HKCAAVQ is responsible for setting the assessment criteria and assessing relevant activities and qualifications for the IIQAS CPD Programme. It has published at its website (<http://www.hkcaavq.edu.hk>) a list of the approved activities and the respective CPD hours assigned to them. The list of approved activities is updated periodically.
20. The cost of assessment will be borne by the CPD activity organisers concerned or the institutes applying for their qualifications to be added to the list of specified qualifications (paragraph 15) according to the respective fee schedules promulgated by the HKCAAVQ.

Monitoring of Individual’s Compliance with the CPD Requirements

21. The principals (insurers) are responsible for monitoring the compliance of their respective appointed agents and the responsible officers of their appointed insurance agencies. The appointing insurance agents (agencies) are responsible for monitoring the compliance of their respective technical representatives.
22. The insurance brokers are responsible for monitoring the compliance of their respective chief executives and technical representatives.
23. The SROs are responsible for monitoring the compliance of the insurance intermediaries registered with them by auditing their CPD records and the supporting evidence under a random audit system. Please contact the respective SROs for details of the administrative procedures.

Additional CPD Requirements for Serving Investment-linked Long Term Insurance Intermediaries Registered immediately before 1 March 2010

24. All insurance intermediaries wishing to engage in the sale of investment-linked long term insurance products on or after 1 March 2010 are required, among others, to pass the enhanced IL Paper, unless otherwise exempted. However, insurance intermediaries who are registered as engaging in investment-linked long term insurance intermediary business immediately before 1 March 2010 (i.e. “serving practitioners”) could continue engaging in the sale of such products within a two-year transitional period provided that they could pass the enhanced IL Paper on or before 29 February 2012 in order to continue selling such products after 29 February 2012. As an alternative to passing the enhanced IL Paper, they should complete 20 extra CPD hours dedicated towards the additional modules of the enhanced IL Paper (“IL CPD”) within the transitional period (i.e. between 1 March 2010 and 29 February 2012). The two-year transitional period will expire on 29 February 2012.
25. In other words, serving practitioners who opt for the IL CPD route, should complete 20 extra IL CPD hours during the period from 1 March 2010 to 29 February 2012 and these IL CPD hours are in addition to the CPD requirement of 10 CPD hours per annum applicable to all insurance intermediaries.
26. An individual, who has passed the previous IL Paper, ceased to be engaged in insurance-related work in the insurance industry in Hong Kong for less than two consecutive years immediately before the date of his application for registration, and wishes to register for engaging in investment-linked long term insurance intermediary business on or after 1 March 2010, could take advantage of the transitional arrangements, by either passing the enhanced IL Paper or completing 20 IL CPD hours within the two-year transitional period (i.e. anytime during the two-year period from 1 March 2010 to 29 February 2012). If the date of his application for registration for engaging in investment-linked long term insurance intermediary business is after 29 February 2012, he will be required, among others, to pass the enhanced IL Paper before his application.
27. An individual, who has passed the previous IL Paper but is not engaged in insurance-related work in the insurance industry in Hong Kong, and wishes to register for engaging in investment-linked long term insurance intermediary business on or after 1 March 2010, could take advantage of the transitional arrangements, by either passing the enhanced IL Paper or

completing 20 IL CPD hours within the two-year transitional period (i.e. anytime during the two-year period from 1 March 2010 to 29 February 2012), provided that the time between the date of the examination (previous IL Paper) and his application for registration does not exceed two consecutive years. If the date of his application for registration for engaging in investment-linked long term insurance intermediary business is after 29 February 2012, he will be required, among others, to pass the enhanced IL Paper before his application.

28. An individual, who has passed the previous IL Paper and is engaged in insurance-related work in the insurance industry in Hong Kong but not registered for engaging in investment-linked long term insurance intermediary business, could take advantage of the transitional arrangements, by either passing the enhanced IL Paper or completing 20 IL CPD hours within the two-year transitional period (i.e. anytime during the two-year period from 1 March 2010 to 29 February 2012), if the date of his application for registration for engaging in investment-linked long term insurance intermediary business falls within the two-year transitional period from 1 March 2010 to 29 February 2012. If the date of his application for registration for engaging in investment-linked long term insurance intermediary business is after 29 February 2012, he will be required, among others, to pass the enhanced IL Paper before his application.
29. Compliance with this additional IL CPD requirement will be assessed by SROs. For details including the assessment date and procedures, please contact the respective SROs.
30. **Qualified CPD Activities:** All criteria specified in *paragraphs 8-10* above apply except that the scope of the IL CPD is confined to the additional modules of the enhanced IL Paper. For administrative convenience, the 20 IL CPD hours are divided into 8 distinct modules (see *Appendix*). Each insurance intermediary concerned should earn the extra 20 IL CPD hours by taking all 8 different modules during the 2-year transitional period. CPD activity organisers are requested to state clearly in the activity titles the module code(s) to which a particular CPD activity related. Insurance intermediaries may choose to complete all 20 IL CPD hours offered by one activity organiser or by different activity organisers. For quality assurance purpose and to demonstrate to the insuring public the professionalism and commitment of the serving practitioners, IL CPD providers are strongly encouraged to incorporate a post-module assessment in their IL CPD activities. Similarly, participants are encouraged to take the assessment. The assessment takes the form of 10 multiple-choice questions for each module.

31. If they cannot pass the enhanced IL Paper or complete the 20 extra IL CPD hours on or before 29 February 2012, they will not be eligible to sell investment-linked long term insurance policies from 1 March 2012 onwards, even though they can continue selling long term insurance policies other than investment-linked products.

Office of the Commissioner of Insurance
January 2011

[CPD Info Sheet English January 2011/an]

CPD Information Sheet (Appendix)

Scope of the 20 extra CPD hours dedicated towards
the additional modules of the enhanced version of
the Investment-linked Long Term Insurance Examination ("IL CPD hours")

The insurance intermediaries concerned should earn the extra 20 IL CPD hours by taking all the following 8 modules during the two-year transitional period (i.e. from 1 March 2010 to 29 February 2012). They are required to attend each module in full. No CPD hours will be counted for the partially completed module.

Module Code	Module Description	Exam Syllabus Reference	Hours
IL-CPD-01	<p><u>Financial Risk Management in Hong Kong:</u></p> <p>Study of the risk management systems and processes of different financial institutions and the regulatory frameworks</p> <ol style="list-style-type: none"> 1. The Risk Management Process 2. Risk Management Systems and Processes in Hong Kong 3. Risk Management Techniques 4. Past Experience 5. Looking Ahead 	2.1.5 - 2.1.6	3 hours
IL-CPD-02	<p><u>Investment Considerations I:</u></p> <p>Study of different investment knowledge and considerations that have to be taken into account before making investment choices</p> <ol style="list-style-type: none"> 1. Basic Economics : demand & supply, economic sectors, money & banking 2. The Global Economy: flow of funds, international capital and investment flows, global market 	2.2.1 - 2.2.2	2 hours

Module Code	Module Description	Exam Syllabus Reference	Hours
IL-CPD-03	<p><u>Investment Considerations II:</u></p> <ol style="list-style-type: none"> 1. Economic Factors affecting the Financial Markets <ol style="list-style-type: none"> a. Gross Domestic Product b. Economic Cycles c. Government Fiscal and Monetary Policy d. Interest Rate e. Exchange Rate f. Inflation g. Unemployment Rate h. Globalisation and Technology 2. Investment Advising 	2.2.3 & 2.2.6	3 hours
IL-CPD-04	<p><u>Investment Assets:</u></p> <p>Study of two most common investment assets</p> <ol style="list-style-type: none"> 1. Debt Securities <ol style="list-style-type: none"> a. Investing in Debt Securities b. Pricing of Bonds c. Price and Yield relationship d. Yield Curve 2. Equities <ol style="list-style-type: none"> a. Investing in Equities b. Methods of Raising Equity Finance c. Bonus Issue d. Dividend 	3.2.1, 3.2.6 – 3.2.8, 3.3.1 – 3.3.2 & 3.3.4 – 3.3.5	3 hours
IL-CPD-05	<p><u>Equities Market:</u></p> <p>Learning of the equities market enhances the understanding of the dynamics of the equities investment and the role played by different market players</p> <ol style="list-style-type: none"> 1. The Stock Exchange of Hong Kong 2. The International Markets 3. Market Indexes 	3.3.6 – 3.3.8	2 hours

Module Code	Module Description	Exam Syllabus Reference	Hours
IL-CPD-06	<p><u>Fundamental and Technical Analysis:</u></p> <p>Learning of how funds managers make their analysis on the value of the subject securities</p> <ol style="list-style-type: none"> 1. Fundamental Investment Analysis 2. Technical Analysis 	3.3.9 – 3.3.10	3 hours
IL-CPD-07	<p><u>Sales Practice:</u></p> <p>Study of the recent guidelines of the HKFI on sales practice of investment-linked insurance policies to ensure the policies are suitable for customers</p> <ol style="list-style-type: none"> 1. Financial Needs Analysis (FNA) 2. Risk Profile Questionnaire (RPQ) 3. Applicant's Declarations 4. Suitability Check 5. Post-sale Controls 6. Certification of Copies of FNA and RPQ 	4.13.1	2 hours
IL-CPD-08	<p><u>Other Updates:</u></p> <p>Learning of other updates in relations to compliance issues of sale of investment-linked insurance policies</p> <ol style="list-style-type: none"> 1. Cooling-off period 2. The Securities and Futures Commission, Securities Legislation and Code of Conduct 3. Code of Practice for the Administration of Insurance Agents 4. Prevention of Money Laundering and Terrorist Financing 5. Personal Data (Privacy) Ordinance 	4.13.4, 5.1.2, 5.2.2, 5.3 & 5.4	2 hours

Office of the Commissioner of Insurance

November 2009