

# Insurance Intermediaries Quality Assurance Scheme

## IIQAS Fact Sheet

### Main Features

- Requirement to pass the Insurance Intermediaries Qualifying Examination (“IIQE”) as a condition for registration or authorisation
- 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)* <b>[Enhanced version with effect from 1 March 2010]</b>	80*	2 Hours*
<b>Travel Insurance Agents Examination Paper (TIA Paper)</b>	80	2 Hours
<b>Independent Examination Paper -</b> Mandatory Provident Fund (“MPF”) Schemes <sup>◇</sup> (MPF Paper)	80	2 Hours

\* With effect from 1 March 2010, the enhanced version of the Investment-linked Long Term Insurance Examination has been introduced superseding the previous version. All insurance intermediaries wishing to engage in the sale of investment-linked long term insurance on or after 1 March 2010 are required to pass the enhanced version of IL Paper. Please also take note of the relevant exemption criteria (Page 3) and transitional arrangement (Pages 5-6).

◇ The MPF Paper under the IIQE is one of the examinations recognised by the Mandatory Provident Fund Schemes Authority for meeting the MPF intermediary examination requirement.

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## The IIQE System

- Format: Multiple choice questions in Chinese and English
- Passing Mark: 70%
- Examination Fees:
  - \* Pen-and-paper Mode
    - P&P, GI and LT Papers: HK\$100 each
    - IL, TIA and MPF Papers: HK\$200 each
  - \* Computer Screen Mode
    - P&P, GI and LT Papers: HK\$150 each
    - IL, TIA and MPF Papers: HK\$250 each

## Examination Body

- Vocational Training Council (“VTC”) – PEAK Examination Centre  
(Hotline: 2919 1467, 2919 1468 and 2919 1478; website: <http://www.vtc.edu.hk/cpdc>)

## Syllabus

- The syllabus for each of the examination papers can be downloaded from the website of the Office of the Commissioner of Insurance (“OCI”) at <http://www.oci.gov.hk>.

## Study Notes

- The Study Notes for IIQE (both Chinese and English versions) can be downloaded from the website of the OCI at <http://www.oci.gov.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 can 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; or
- Holders of an approved actuarial qualification:
  - Fellow of the Institute of Actuaries of England (FIA);
  - Fellow of the Faculty of Actuaries in Scotland (FFA);
  - 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 version or enhanced version of 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 of Actuaries of England (FIA);
- Fellow of the Faculty of Actuaries in Scotland (FFA);
- Fellow of the Institute of Actuaries of Australia (FIAA);
- Fellow of the Society of Actuaries of the United States of America (FSA);
- person who has passed the Foundation Programme Examination of the Hong Kong Securities Institute (FPE);
- person who has passed the Diploma Programme Examination of the Hong Kong Securities Institute (DPE);
- HKSI Practising Certificate of the Hong Kong Securities Institute;
- HKSI Specialist Certificate of the Hong Kong Securities Institute; or
- HKSI Professional Diploma in Financial Markets of the Hong Kong Securities 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. Insurance intermediaries (confined to those who were already practising in the long term insurance intermediary business in Hong Kong immediately before 1 January 2002) who have fulfilled all of the following are exempted from the previous version of IL Paper of the IIQE:
- have proven long term insurance experience in Hong Kong for a cumulative period of at least seven years within the eight-year period immediately before 1 January 2002; and
  - have proven experience in Hong Kong in selling at least four investment-linked long term policies per annum and 50 investment-linked long term policies in total within the five-year period immediately before 1 January 2002.
- F. Exemption from TIA Paper of the IIQE can be granted to those who have passed both P&P and GI Papers of the IIQE.
- G. No exemption is granted for the MPF Paper for those who would like to be engaged in MPF Schemes intermediary business.

**The respective self-regulatory organisations (“SROs”) 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)

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- 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)

**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).
- MPF Schemes business consisting of insurance element is classified under long term insurance business and hence only long term or composite insurance intermediaries are eligible to handle such MPF Schemes business. Insurance intermediaries qualified to conduct general insurance intermediary business only are not permitted to deal with MPF Schemes business consisting of insurance elements notwithstanding that they have passed the MPF Schemes examination. However, subject to the requirements of other regulatory bodies, they may deal with MPF Schemes business not consisting of insurance elements.

**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.

**Transitional Arrangements for Enhanced Investment-linked Long Term Insurance Examination (IL) Applicable to “Serving Practitioners”**

- 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 version of 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 (“serving practitioners”) could continue engaging in the sale of such products within a two-year transitional period

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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 a two-year transitional period (i.e. between 1 March 2010 and 29 February 2012).

- For the avoidance of doubt, serving practitioners who passed the enhanced IL Paper on or before 29 February 2012 are not subject to the additional CPD requirement of 20 extra IL CPD hours. If they cannot pass the enhanced IL Paper or complete the 20 extra IL CPD hours on or before 29 February 2012, they will only be eligible to sell investment-linked long term insurance policies up to 29 February 2012, even though they can continue selling long term insurance policies other than investment-linked products. Besides, exemption from the enhanced IL Paper is granted to holders of any of the recognised professional qualifications as listed in “section B” of page 3 and they are not subject to the additional CPD requirement of 20 extra IL CPD hours.
- For details on IL CPD requirement, please refer to the CPD Information Sheet.
- The two-year transitional period will expire on 29 February 2012.

### **Validity of Examination Result**

- Subject to the following paragraph, from 1 January 2000 onwards, 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 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 set out above, 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.
- Subject to the following paragraph, 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.
- 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 set out above, 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.

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- 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 set out above, 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.
  - However, holders of approved qualifications as listed above are exempted from the relevant examination requirements to which the approved qualifications relate.



**Office of the Commissioner of Insurance  
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*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.*

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