

**Candidates are recommended to study the 2007 Edition of the Study Notes for examinations to be held before 19 September 2011.**

**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. Premium
    - a. Mortality, Interest & Expenses
    - b. Other Factors
  - B. Natural and Level Premium (Pricing) Systems
    - a. The Natural Premium (Pricing) System
    - b. The 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
  - B. Unit-Linked Long Term Policy
- iii. Annuities and Pensions
  - A. Annuities
  - B. Pensions
- iv. Group and Individual Insurance Plans

### **III. Benefit Riders and Other Products**

- i. Disability Benefits
  - A. Waiver of Premium
  - B. Disability Income Benefit
- ii. Accident Benefits
  - A. Accidental Death and Dismemberment
  - B. Other Accident Benefits
- iii. Accelerated Death Benefits
  - A. Critical/Terminal Illness (TI) Benefit
  - B. Dread Disease (DD) Benefit
  - C. Long-Term Care (LTC)
- iv. Medical Benefits
- v. Insurability Benefits
  - A. Guaranteed Insurability Option
- vi. Inflationary Adjustment
  - A. Cost of Living Adjustment (COLA)

### **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. Non-Linked Policy Sales Illustration
    - c. Universal Life (Non-Linked) Policy Sales Illustration
- iii. Underwriting
  - A. Factors Considered
  - 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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