

保險業監理處

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9 October 2009

來函檔號 Your ref.

電話 Tel. 2867 3542

To Chief Executives of all authorised insurers
carrying on long term and composite business

Dear Sirs,

**Insurance Intermediaries Quality Assurance Scheme (“IIQAS”)
Professional Upgrade of
Investment-linked Long Term Insurance Examination**

At present, all insurance intermediaries must pass three papers under the Insurance Intermediaries Qualifying Examination (“IIQE”), viz Principles and Practice of Insurance, Long Term Insurance, and Investment-linked Long Term Insurance (“IL Paper”), before selling investment-linked long term insurance (“IL”) products, unless otherwise exempted. The IL Paper was introduced on 1 January 2002 to ensure that insurance intermediaries possess adequate knowledge of the design and characteristics of products available in the marketplace, particularly those with an embedded element of fund investment.

The last few years saw a substantial growth of new business propelled by IL products. This has led to a surge in the number and complexity of underlying funds available for selection, and has given rise to the need for further enhancement in the professional knowledge of insurance intermediaries. The global financial crisis has also caused a significant shift of consumer preference from return maximisation to capital preservation. Customers are increasingly keen to ascertain their risk exposures and assess the suitability of products. Competence and expertise of insurance intermediaries therefore have an increasing role to play in instilling confidence amongst clients and enhancing consumer protection.

In view of these developments, the Steering Committee of the IIQAS has resolved that the syllabus of the IL Paper should be enhanced to meet evolving market needs and public expectations. The syllabus and Study Notes are being revised to raise this industry benchmark. With effect from 1 March 2010, all new insurance intermediaries wishing to engage in the sale of IL products will be required to pass, among others, the enhanced version of IL Paper, unless otherwise exempted.

For insurance intermediaries who are registered as engaging in IL intermediary business immediately before 1 March 2010, they can retain their registration if they pass the enhanced IL Paper or complete 20 extra CPD hours dedicated towards the additional modules of the enhanced IL Paper (“IL CPD hours”) within two years (i.e. from 1 March 2010 to 29 February 2012). In other words, by 1 March 2012, insurance intermediaries who have neither passed the enhanced IL Paper nor completed the 20 extra IL CPD hours will not qualify for registration.

----- For details, please refer to the updated IIQAS Fact Sheet and CPD Information Sheet (attached). They are also available at OCI’s website (<http://www.oci.gov.hk>). These may be reviewed and updated as and when necessary. The revised syllabus and Study Notes will soon be published to assist candidates sitting for the enhanced IL Paper. Interested parties will be able to download them from OCI’s website in due course.

The Vocational Training Council (“VTC”), being the examination body of the IIQE, will start accepting applications for the enhanced IL Paper in early February 2010. Separately, academic institutions and industry bodies will provide preparatory courses for the enhanced examination and CPD courses on the additional modules. The latest information on examination enrolment and approved CPD courses will be posted on the website of VTC (<http://www.vtc.edu.hk/cpdc>) and the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (<http://www.hkcaavq.edu.hk>) nearer the time.

I will write to you again when the revised syllabus and Study Notes are available and keep you posted of the latest developments. In the meantime, I should be obliged if you could draw the attention of all relevant parties at your end to the above, including all registered IL intermediaries as well as those aspiring to be registered as such.

Yours faithfully,

(Ms Annie Choi)
Commissioner of Insurance

Encls.

c.c. The Hong Kong Federation of Insurers
Vocational Training Council
Hong Kong Council for Accreditation of Academic and Vocational
Qualifications