

# Award in General Insurance (Hong Kong)

## Objective

At the end of this unit, candidates should be able to understand, in the context of the Hong Kong insurance market, the:

- basic principles of insurance;
- main legal principles related to insurance contracts;
- main regulatory principles related to insurance business;
- key elements of consumer protection.

Summary of learning outcomes	Number of questions in the examination*
1. Understand the nature and main features of risk and insurance.	20
2. Know the structure and main features of the Hong Kong insurance market.	11
3. Know the main functions of insurance professionals.	11
4. Understand the main legal principles governing insurance contracts.	42
5. Understand the main regulatory and legal principles applicable to the transaction of insurance business in Hong Kong.	14
6. Know key aspects of ethics, corporate governance and internal controls.	2

\* The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

## Important notes

- Method of assessment: 100 multiple choice questions (MCQs). 2 hours are allowed for this examination.
- This syllabus will be examined from 1 May 2024 to 30 April 2025.
- Candidates will be examined on the basis of Hong Kong law and practice unless otherwise stated.
- This PDF document has been designed to be accessible with screen reader technology. If for accessibility reasons you require this document in an alternative format, please contact us at [online.exams@cii.co.uk](mailto:online.exams@cii.co.uk) to discuss your needs.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
  1. Visit [www.cii.co.uk/qualifications](http://www.cii.co.uk/qualifications)
  2. Select the appropriate qualification
  3. Select your unit from the list provided
  4. Select qualification update on the right hand side of the page

**1. Understand the nature and main features of risk and insurance.**

- 1.1 Explain the concept of risk and risk perception.
- 1.2 Explain how different risks are categorised.
- 1.3 Explain the risk management function and process.
- 1.4 Explain the components of risk.
- 1.5 Apply the principles of risk to a given set of circumstances.
- 1.6 Explain the need for insurance.
- 1.7 Explain what is meant by co-insurance, dual insurance and self-insurance.
- 1.8 Explain the main classes of insurance in outline.

**2. Know the structure and main features of the Hong Kong insurance market.**

- 2.1 Explain the way in which the Hong Kong insurance market is structured and its role in the global insurance market.
- 2.2 Explain the different types of insurers.
- 2.3 Explain the unique structure and main features of Lloyd's.
- 2.4 Explain the different distribution channels used for the selling of insurance.

**3. Know the main functions of insurance professionals.**

- 3.1 Explain the key roles within the insurance profession.

**4. Understand the main legal principles governing insurance contracts.**

- 4.1 Explain the essentials of a valid contract of insurance.
- 4.2 Explain how contracts of insurance can be terminated.
- 4.3 Explain the creation of an agency and how it is binding.
- 4.4 Describe the duties of an agent and the duties of a principal.
- 4.5 Explain the requirements for insurable interest in insurance contracts.
- 4.6 Explain how the principles of disclosure and representation apply to contracts of insurance.
- 4.7 Explain the definition of proximate cause and how it is applied to non-complex claims.
- 4.8 Explain the principle of indemnity and how it is provided under most insurance contracts.
- 4.9 Explain how the principle of indemnity can be modified by insurance contracts.
- 4.10 Explain underinsurance and average.
- 4.11 Explain the basic principle of contribution and how it applies to the sharing of claim payments in straightforward property cases.
- 4.12 Explain the principle of subrogation.

**5. Understand the main regulatory and legal principles applicable to the transaction of insurance business in Hong Kong.**

- 5.1 Explain the importance of the regulation of the Hong Kong insurance industry.
- 5.2 Understand the importance of establishing and maintaining capital adequacy.
- 5.3 Understand the importance of combating financial crime.
- 5.4 Explain fraud and how it impacts the insurance industry.

**6. Know key aspects of ethics, corporate governance and internal controls.**

- 6.1 Explain the functions of the Chartered Insurance Institute (CII).
- 6.2 Explain the importance of the fair treatment of customers and positive customer outcomes.
- 6.3 Understand the objectives of 'fit and proper' requirements and the risks of unsuitability.
- 6.4 Explain the importance of internal control systems.

## Reading list

The following list provides details of further reading which may assist you with your studies.

### **Note: The examination will test the syllabus alone.**

The reading list is provided for guidance only and is not in itself the subject of the examination.

The resources listed here will help you keep up-to-date with developments and provide a wider coverage of syllabus topics.

### **CII study texts**

Award in General Insurance (Hong Kong). London: CII. Coursebook WH1.

### **Books (and eBooks)**

A beginner's guide to the insurance profession. Johnsie Gladney. New Delhi: World Technologies, 2012.\*

Insurance claims. 5<sup>th</sup> ed. Alison Padfield. Bloomsbury Professional, 2021.

Insurance law: an introduction. Robert Merkin. London: Routledge, 2007.\*

Insurance theory and practice. Rob Thoyts. Routledge, 2010.\*

Lloyd's: law and practice. 1st ed. Julian Burling. Oxon: Informa Law, 2013.\*

Research handbook on international insurance law and regulation. Julian Burling, Kevin Lazarus. London: Edward Elgar Publishing, 2011.\*

World insurance: the evolution of a global risk network. Peter Borscheid, Niels Viggo Haueter. Oxford: Oxford University Press, 2012.\*

### **Reports**

Governance, risk and compliance. The Hong Kong insurance industry. Timetric. Updated regularly. Available online via [www.cii.co.uk/forecastreports](http://www.cii.co.uk/forecastreports) (members only).

Non-life insurance industry in Hong Kong, key trends and opportunities. Timetric. Updated annually. Available online via [www.cii.co.uk/forecastreports](http://www.cii.co.uk/forecastreports) (members only).

Personal accident and health insurance in Hong Kong, key trends and opportunities. Timetric. Updated annually. Available online via [www.cii.co.uk/forecastreports](http://www.cii.co.uk/forecastreports) (members only).

### **Journals and magazines**

The Journal. London: CII. Six issues a year.

### **Reference materials**

Concise encyclopedia of insurance terms. Laurence S. Silver, et al. New York: Routledge, 2010.\*

Dictionary of insurance. C Bennett. 2nd ed. London: Pearson Education, 2004.

The insurance manual. Stourbridge, West Midlands: Insurance Publishing & Printing Co. Looseleaf, updated.

## Examination guide

If you have a current study text enrolment, the current examination guide is included and is accessible via Revisionmate ([ciigroup.org/login](http://ciigroup.org/login)). Details of how to access Revisionmate are on the first page of your study text. It is recommended that you only study from the most recent version of the examination guide.

## Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.

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\* Also available as an eBook through eLibrary via [www.cii.co.uk/elibrary](http://www.cii.co.uk/elibrary) (CII/PFS members only).