

Module Outline
ECF on Retail Wealth Management (RWM)
Module 4 “Insurance and Retirement Planning”

Benchmarked HKQF Level:	4
No. of Credits:	20
Total Notional Learning Hours:	200
a) Class contact hours:	15 hours (3-hour per session x 5)
b) Self-study hours:	182.5 hours
c) Assessment hours:	2.5 hours
Pre-requisite:	NA

Module Objective

The module aims to provide candidates with a good understanding of the general practice of insurance in Hong Kong and specialized knowledge of insurance products catered for retirement and protection planning.

Module Intended Outcomes (MIOs) and Units of Competencies (UoCs)

Upon completion of the Module 4, candidates should be able to:

MIOs	Intended Outcomes / Competence	*Unit of Competencies (UoCs)
MIO-1	Evaluate the principle and features of different insurance products in order to customize the financial plan and retirement plan according to the needs of customers.	107310L5 109172L5 107518L4 107519L4 107520L4
MIO-2	Demonstrate the essential skills for insurance and retirement planning.	

**Note: For the details of the UoCs, please refer to the Specification of Competency Standards (SCS) of [Retail Banking](#) and [Corporate & Commercial Banking](#) which were developed by HKCAAVQ.*

Assessment

Examination duration:	2.5 hours
Examination format:	Multiple Choice Questions (MCQ) with 80 questions
Pass mark:	70%

Syllabus

Chapter 1: Insurance and risk management	
1.1	Nature of Risk
1.1.1	- Meanings of 'Risk'
1.1.2	- Two aspects of uncertainty
1.1.3	- Potential losses
1.1.4	- Other meanings of 'risk'
1.1.5	- Classification of risks
1.1.6	- Classification by financial result
1.1.7	- Classification by cause and effect
1.2	Insurance and Risk Management
1.2.1	- Meanings of Risk Management
1.2.2	- Risk management as a Discipline
1.2.3	- Risk management as method of handling risks
Chapter 2: Functions and benefits of insurance	
2.1	Functions of insurance
2.1.1	- Primary functions
2.1.2	- Secondary functions
2.1.3	- Major functions of insurance
2.2	Benefits of insurance
2.2.1	- Dual benefits of life insurance
2.2.2	- Encourage savings
2.2.3	- Increase work efficiency by reducing worries
2.2.4	- Provide guaranteed income in annuity
2.2.5	- Wealth succession
2.2.6	- Tax benefits

Chapter 3: Principles of insurance	
3.1	Insurable Interest
3.1.1	- Definition of insurable interest
3.1.2	- Two aspects of insurable interest
3.1.3	- Importance of insurable interest
3.2	Utmost good faith
3.2.1	- Ordinary good faith
3.2.2	- Utmost good faith
3.2.3	- What is material fact?
3.2.4	- Types of breach of utmost good faith
3.2.5	- Remedies for breaches of utmost good faith
3.3	Indemnity
3.3.1	- Definition of indemnity
3.3.2	- Indemnity policy and benefit policy
3.3.3	- Methods of providing indemnity
3.3.4	- Salvage
3.3.5	- Abandonment
3.3.6	- Paying less than indemnity
3.3.7	- Paying more than indemnity
3.4	Proximate cause
3.4.1	- Definition of Proximate Cause
3.4.2	- Types of peril
3.4.3	- Application of the Principle of Proximate Cause
3.5	Subrogation
3.5.1	- Definition of subrogation
3.5.2	- How do subrogation rights arise?
3.5.3	- Application of the principle of subrogation
3.5.4	- Other considerations in subrogation rights
3.5.5	- Sharing subrogation proceeds
3.6	Contribution
3.6.1	- The principle of contribution

3.6.2	- Rateable proportions
3.6.3	- Criteria for contribution
3.6.4	- Contribution amended by policy provisions
3.6.5	- Rateable proportion clause (or contribution condition)
3.6.6	- Non-contribution clause

Chapter 4: Practice of insurance

4.1	Structure of an insurance company
4.1.1	- Underwriting
4.1.2	- Policy administration
4.1.3	- Claims
4.1.4	- Reinsurance
4.1.5	- Actuarial support
4.1.6	- Information technology
4.2	Structure of an insurance policy
4.2.1	- Policy application
4.2.2	- Integral parts of an insurance policy
4.3	The claims procedure
4.3.1	- When a claim arises
4.3.2	- Claims practice in Hong Kong

Chapter 5: Structure of the insurance market

5.1	Insurance market
5.1.1	- What is the 'insurance market'?
5.1.2	- Two meanings of 'insurance market'
5.1.3	- Some characteristics of an insurance market
5.1.4	- Types of insurance market
5.2	Elements of an insurance market
5.2.1	- Supply and demand in an insurance market
5.2.2	- Demand for insurance
5.2.3	- Factors affecting demand for insurance
5.2.4	- Factors affecting supply of insurance
5.3	Insurance market in Hong Kong

5.3.1	- Hong Kong insurance market
5.3.2	- Insurance premium income of the Hong Kong market
5.3.3	- New insurance business from mainlanders visiting Hong Kong
5.3.4	- Universal life policy and premium financing
5.4	Insurance market in China
5.4.1	- China Insurance Regulatory Commission
5.4.2	- Previous developments
5.4.3	- The legal framework has been improved
5.4.4	- Insurance is playing a bigger role in promoting economic development and social progress
5.4.5	- Tapping into China's growth potential
5.4.6	- Future outlook for the insurance market in China

Chapter 6: Types of insurance products

6.1	General insurance
6.1.1	- Property and pecuniary insurance
6.1.2	- Liability insurance
6.1.3	- Motor insurance
6.1.4	- Engineering insurance
6.1.5	- Marine insurance
6.1.6	- Accident and medical insurance (including VHIS plan)
6.1.7	- Package policies
6.2	Individual life insurance
6.2.1	- Application for life assurance
6.2.2	- Term life assurance
6.2.3	- Life assurance with cash value
6.2.4	- Endowment plan
6.2.5	- Universal life plan
6.2.6	- Supplemental benefits
6.2.7	- Annuities
6.3	Investment-linked long-term insurance
6.3.1	- Introduction
6.3.2	- Investment risk and return

6.3.3	- Characteristics and types of investment-linked policy
6.3.4	- Benefits and risks of investing in investment-linked policies
6.3.5	- Regulatory framework of investment-linked long-term insurance in Hong Kong

Chapter 7: Retirement plans and Mandatory Provident Fund (MPF)

7.1	Needs for retirement planning
7.1.1	- The Hong Kong elderly population
7.1.2	- Planning for retirement
7.1.3	- Retirement planning process
7.2	Features of the social safety net for retirement in Hong Kong
7.2.1	- The social security system in Hong Kong
7.2.2	- The Comprehensive Social Security Assistance (CSSA) Scheme
7.2.3	- The Social Security Allowance (SSA) Scheme
7.2.4	- Accident Compensation Schemes
7.2.5	- Social Security Appeal Board
7.2.6	- Four-pillar retirement protection system in Hong Kong
7.3	Combination of a MPF plans
7.3.1	- The Mandatory Provident Fund system
7.3.2	- Types of Mandatory Provident Fund (MPF) schemes
7.3.3	- Introduction of Default Investment Strategy ("DIS")
7.3.4	- Introduction to Tax-Deductible Voluntary Contributions ("TVC")
7.3.5	- eMPF Platform

Chapter 8: Insurance as protection planning solutions and personal risk management

8.1	Personal risk management
8.2	Protection against loss of income
8.2.1	- Life insurance
8.2.2	- Disability cover insurance
8.3	Protection of personal assets and liabilities
8.3.1	- Property and liability insurance
8.3.2	- Home insurance
8.3.3	- Private car insurance
8.3.4	- Travel insurance

8.3.5	- Protection for valuable items
8.3.6	- Third party liability insurance
8.3.7	- Domestic helper protection
8.4	Protection in health and retirement
8.4.1	- Healthcare Insurance
8.4.2	- Hospital Care Insurance
8.4.3	- Long Term Care Benefit ("LTC") Insurance
8.4.4	- Voluntary Health Insurance Scheme ("VHIS")
8.4.5	- Annuity

Recommended Readings

Essential Readings:

1. HKIB Study Guide of ECF-RWM: Module 4 Insurance and Retirement Planning. (2025).

Supplementary Readings

1. E-Learning on HKIB Website: Annuities
2. E-Learning on HKIB Website: Insurance-linked Securitization
3. E-Learning on HKIB Website: Regulations in Insurance Industry
4. E-Learning on HKIB Website: Reinsurance
5. Insurance Authority, <https://www.ia.org.hk/en/index.html>
6. Rejda, G. E. & McNamara, M. J. (2020). *Principles of Risk Management & Insurance* (14th Ed.). Pearson.

Further Readings

1. Chin, G. (2024, May 10). Seven-step retirement planning process. *Investor and Financial Education Council*. <https://www.ifec.org.hk/web/en/blog/2024/05/seven-step-retirement-planning-process.page>
2. HKMA Retirement Planning, <https://www.hkma.gov.hk/eng/smart-consumers/retirement-planning/>
3. Insurance Authority. (2024). *Insurance Intermediaries Quality Assurance Scheme Examination Paper 1 Study Notes*. https://www.ia.org.hk/en/supervision/reg_ins_intermediaries/files/sn-pp_eng_2021_final.pdf
4. The American College of Financial Services, Retirement Planning, <https://www.theamericancollege.edu/knowledge-hub/retirement-planning>