

**HKCIP Position Paper on ‘A Separate IIQAS Examination Paper for Travel Agents’**

**Background:**

The Commissioner of Insurance has openly made remarks currently regarding the captioned subject.

The HKCIP is a body of professionally qualified insurance professionals who are in a good position to comment on various issues within the insurance industry, especially those concerning professional practices.

We are invited by the office of the Honourable Bernard Chan to give our views regarding the subject.

**Our position:**

1. The HKCIP does not object to Travel Agents selling travel insurance provided they are licensed.
2. To address the matters of public interest, we agree that the public should have fair and easy access of obtaining travel insurance policies before they travel. At the same time, we cannot stress strongly enough that the public must have access to sound insurance advice by qualified agents and brokers.
3. For the past three decades, the Insurance Industry has been working hard to build up an image of professionalism. The Insurance Authority has played a key leadership role to implement IIQAS in the year 2000 to license all insurance agents and brokers. By the end of the transitional period in 2002, several thousands of registered agents were taken off the list of the IARB for not being able to meet with IIQA examination requirements. Subsequent Continued Professional Development (CPD) requirements were later put into place to strengthen the professionalism of insurance agents and brokers. These proactive regulatory actions by the insurance industry were highly conducive to the establishment of an increasingly positive image of the insurance profession in the eyes of the general public at large.
4. The HKCIP does not believe that currently the traveling public in Hong Kong has difficulty in obtaining travel insurance coverage. If one has been to any travel agency in Hong Kong, one will find that the travel insurance coverage is usually already included in the tour package.

5. The question remains is that, 'Are these people selling such travel coverage licensed to do so under IIQAS?' To answer this question is paramount as protection of the public interest is first and foremost in our minds.
6. The HKCIP also believes that there are no shortage of licensed insurance agents and brokers who can lawfully sell travel insurance policies in this compact city of Hong Kong.
7. Within our currently highly successful IIQAS, there are separate papers dealing with Principles and Practice of Insurance (I), General Insurance (II), Life Insurance (III), MPF (IV) and Unit Linked Insurance (V). A travel insurance policy today is a package of many coverages: namely, personal accident, medical, evacuation, repatriation, personal luggage, loss of money, flight delay, personal liability etc. The scope of cover is wide and varies. To be able to explain the package professionally, we are of the opinion that a sound knowledge of the existing paper I and II is a must. There is no easy way, however, to 'simplify' the many different types of coverages under a travel insurance policy.
8. Our conclusion, therefore, is that we must not lower the current IIQAS requirements and thereby compromise consumer protection and the image of professionalism of the Insurance Industry by establishing a separate travel insurance examination. and create a separate class of licensed insurance agents. The level playing field in the insurance industry will be destroyed.

Currently, there are already intermediaries in the market whose business is only focused on one particular field of insurance, such as motor insurance, medical and marine cargo, who are all required to pass paper I and II. One cannot help asking, if travel agents need a separate paper, what about motor insurance license for car dealers, domestic helper insurance license for domestic help agencies? The list goes on. The background of IIQAS in Hong Kong distinguishes itself from the needs of other jurisdictions and that examples of certain countries may not fit our regulatory model.

*The Hong Kong Society of Certified Insurance Practitioners was established in 1998 to enhance the status of qualified insurance practitioners by becoming a professional body, which is recognized both locally and internationally for the highest standards of professionalism, expertise and ethical behaviour of its members.*

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