EXAMINATION SYLLABUS:

- Describe briefly the history of life insurance in the UK and USA and the development of the life insurance environment in Singapore.
- Understand the unique proposition of life insurance as a financial planning instrument.
- Explain how the life insurance buyer benefits from risk pooling.
- Explain how the law of large numbers allows insurers to provide life insurance.
- Describe the financial needs of an individual which can be met by life insurance, including.
- Describe one method of calculating the amount of life insurance required at any stage in life, allowing for the individual's financial commitments, for the time value of money and for inflation.
- Know some of the needs of businesses which can be met by life insurance, including the facilitation of buy-sell agreements among partners.
- Discuss the considerations in buying life insurance, including the constraints of insurability and cost.
- Describe the elements required for the completion of a life insurance contract.
- Analyse the importance of disclosure by the insurance buyer and the insurer when entering into a life insurance contract, being a contract of utmost good faith.
- Explain the value of the free-look and incontestability (or indisputability) clauses in a life insurance contract.
- Understand the concept of policy liabilities, capital requirements, capital resources and solvency.
- Understand the insurance fund concept.
- Understand how a reinsurance arrangement can help an insurer manage its claims volatility.
- Understand the role of the actuary in the management of an insurer.
- Describe the role of life insurance in meeting the financial needs of individuals, and how these needs can be identified.
- Explain why a life insurance company has to be alert to opportunities to sell life insurance which may arise.
- Discuss the importance of drawing up a product strategy.
- Describe the considerations in the design of life insurance products.
- Explain the considerations to be taken into account in the pricing of life insurance products, including the.
- Discuss the product development framework.
- Explain how a life insurance company establishes that there is a market for a product.
- Identify the sources of product ideas.
- Explain why products may have to be withdrawn or re-priced.
- Describe the principal features of a term insurance product.
- Explain the benefits which are usually available under a term insurance policy.
- Discuss the guarantees and options available under term insurance policies, and explain their value to the policy owners.
- Outline how term insurance policies may be purchased to meet financial needs which change over time.
- Describe the features of a mortgage decreasing term insurance policy and explain the financial protection that it provides to the individual's dependants.
- Explain the risk factors affecting the pricing of term insurance products, and name the usual parameters for determining the premium rate for a policy.
- Explain the rationale for offering discounted premium rates to "preferred lives".
- Describe term insurance products which are sold as riders to other insurance policies, and explain their value to policy owners.
- Explain the value of group yearly renewable term insurance policies to employers and employees.
- Outline the principal features of a whole life insurance product, including the.
- Describe the benefits which are usually available under a whole life insurance policy.
- Explain why a life insurance company can offer a surrender privilege under a whole life insurance policy, and explain the exchange made between the policy owner and the insurer on a surrender of a policy.
- Explain why the availability of a surrender cash value allows a life insurance company to offer the policy owner non-forfeiture and policy loan privileges and options.
- Explain why the guarantee of renewal is valuable to the policy owner.
- Discuss the financial needs which can be met by a whole life insurance policy, especially for the preservation of the individual's estate upon his death.
- Describe the risk factors affecting the pricing of whole life insurance products, and name the usual parameters for determining the premium rate for a policy.
- Explain how the underwriting of a proposal for a whole life insurance policy can differ from that of a proposal for a term insurance policy.
- Discuss briefly the development of participating life insurance policies.
- Describe the management of participating life insurance business.
- Discuss briefly the origin and growth of critical illness insurance policies.
- Describe the usual riders which may be attached to a whole life insurance policy, and explain their value to the policy owner.
- Explain why the minimum guaranteed survival benefit under an endowment insurance policy makes it a useful savings vehicle.
- Describe the principal features of an endowment insurance product.
- Discuss the privileges available under an endowment insurance policy on early termination of the policy.
- Describe the benefits which are usually available under an endowment insurance policy.
- Outline the non-forfeiture and policy loan privileges available under an endowment insurance policy.
- Explain why a life insurance company may offer a roll-over option to an owner of an endowment insurance policy which is about to mature.
- Explain that the benefits of a participating endowment insurance policy depends on the investment performance and claims and other experience of the participating fund.
- Discuss the financial needs which can be met by an endowment insurance policy.
- Analyse the risk factors affecting the pricing of endowment insurance products, and explain why the term of insurance is the most significant parameter for determining the premium rate for a policy.
- Describe briefly the with-profit investment-linked product, and explain the application of a market value adjustment to the surrender cash value.

 

- Explain why the major risks to which a life insurance company is exposed when it sells endowment insurance policies are the investment risks.
- Describe in simple terms asset-liability mismatch risks for a life insurance company.
- Explain the risk which an investment-linked life insurance policy owner retains.
- Describe the basic structure of an investment-linked insurance policy.
- Explain the differences between the main types of investment-linked life insurance policies prevalent today.
- Describe the principal features of an investment-linked insurance policy.
- Describe the relationship between the bid and offer prices of a unit in an investment-linked fund.
- Analyse why the underwriting and claims assessment requirements for an investment-linked policy are largely the same as for a whole life insurance policy.
- Describe some of the various types of investment-linked funds available.
- Explain investment objective, focus and approach to selection of individual investment instruments.
- Discuss the options available to a life insurance company on the management of investment-linked funds.
- Describe the communication to investment-linked life insurance policy owners of the performance of his policy and of investment-lined funds.
- Discuss the risks a life insurance company undertakes when it decides to sell investment-linked insurance products.
- Identify the variable life insurance product as the equivalent of the investment-linked insurance product in the USA.
- Describe briefly the basic structure of a universal life (UL) insurance policy.
- Outline the basic structure of a variable annuity policy.
- Describe the more common guarantees and options available under a variable annuity policy.
- Analyse the dilemma of longevity and the problem with the de-accumulation of assets.
- Explain the importance of annuity funds in the national economy in some countries.
- Describe the different types of annuities available and distinguish between.
- Discuss the uses of life annuities and their value to pension funds.
- Explain why only life insurance companies are allowed to offer life annuities.
- Describe the basic structure of an immediate annuity.
- Outline the variations in the pattern of annuity payments, and how some variations can be seen as partial hedges against inflation.
- Describe the guarantees which are available to protect the investment of annuity buyers.
- Discuss the basic structure of a deferred annuity.
- Discuss when it is useful to buy an annuity on more than one life, with annuity payment continuing for as long one of the lives is still alive.
- Describe the parameters which affect the price of an annuity.
- Explain how the risk of fraudulent claims for annuity payments can be managed.
- Outline the risks which a life insurance company must manage when it offers annuities.
- Describe the form of benefit which is appropriate to meeting the financial needs of an individual who is disabled, according to the degree of disability.
- Describe the basic structure of a disability income insurance policy.
- Explain how the term of insurance is determined.
- Explain why no surrender cash value is payable on the early termination of a long-term disability income insurance.
- Describe the common terms and conditions for benefit payment.
- Explain how some of these terms and conditions reduce the cost of insurance.
- Outline how the benefit amount payable upon disability is calculated and why it is related to the pre-disability income of the individual.
- Explain why the benefit amount payable may be lower than the insured amount.
- Explain why an insurer reserves the right to reduce the amount of benefit payable if benefits are also payable under other long-term disability income insurance policies.
- Describe the construction of the definition of "disability" which must be fulfilled before a benefit payment can be made.
- Outline the typical exclusions to a long-term disability income insurance policy.
- Discuss the rights reserved by the insurer if the policy owner fails to notify the insurer of any change in the occupation or residence of the life insured.
- Discuss the variations in the pattern of disability income benefit payment available.
- List the risk factors which affect pricing of disability income insurance products.
- Explain why premium rates are not guaranteed for the lifetime of the policy.
- Explain why it is possible for the cost of insurance to reduce with age after the individual has attained a certain age.
- Discuss how the required premium rate changes with.
- Explain why the underwriting of a proposal for a long-term disability income insurance has to be stringent.
- Explain why the admission of the initial claim for benefit payment is critical.
- Discuss the value of a group yearly renewable term disability income insurance policy to the employer and employees.
- Outline the insurance, operational and legal risks to which an insurer is exposed to when it decides to offer long-term disability income insurance.
- Analyse the need which is met by long-term care insurance.
- Describe briefly the basic structure of a long-term care insurance policy.
- Describe the trigger for benefit payment which is dependent upon the individual not being able to perform a certain number of activities of daily living (ADL).
- Explain why, in underwriting proposals for long-term care insurance, the insurer may accept lives with medical conditions.
- Explain the importance of adequate pricing to the risk management of a life insurance company.
- Describe the challenges in measuring the cost of the underlying insurance risk which is uncertain.
- Explain why it is important for senior management to be involved in the approval of products.
- Explain why the senior management has to be satisfied that risks of the product can be managed properly.
- Describe the role of the appointed actuary in determining the premium rates for a product.
- Analyse the different profit criteria which a life insurance company may adopt.
- Explain that shareholders require a rate of return on capital higher than can be earned on other investments to compensate for assuming risks in launching a new product.

 

- Discuss how the pricing of life insurance products is guided by the risk tolerance limit as set by the board of directors.
- Describe the product pricing process.
- Discuss the actuarial control cycle processes adopted to ensure that the premium rates are always adequate.
- Explain why life insurance relies on a sound contractual framework.
- Describe the parties to a life insurance contract.
- Discuss what is meant by a contract of utmost good faith.
- Describe the protection provided to the policy owner.
- Outline how the jurisdiction for the interpretation of a life insurance contract and the adjudication of disputes is established.
- Identify the standard provisions in a traditional life insurance contract.
- Explain the documents which constitute the whole of contract of life insurance.
- Describe the typical terms and conditions of a standard traditional life insurance policy.
- Explain why the insurer cannot terminate a life insurance policy unilaterally.
- Explain why the insurer cannot amend the terms and conditions of policy unilaterally.
- Describe notices given by one party to the other which will form part of the life insurance contract.
- Explain how an insurer ensures that there is no ambiguity as to whether a life insurance policy is participating or not.
- Describe the variations of terms and conditions of an investment-linked life insurance policy from those of a traditional life insurance policy.
- Explain why life insurance must be held to a high standard of sales and market conduct.
- Explain the responsibility of a insurer in the conduct of sales of its products.
- Describe key steps in the life insurance sales process.
- Describe the requirements which a person must fulfil to be licensed as a life insurance sales representative.
- Describe the requirements for a sale to be conducted through a direct response medium, and for a sale of a group insurance policy to an employer.
- Describe some poor sales practices, and the methods used to deter them.
- Explain the purpose of providing a client with product disclosure material when making a sale of a life insurance policy.
- Explain how an insurer controls the accuracy of product disclosure material used by sales intermediaries that it engages to sell its products.
- Describe the key elements of a life insurance product summary.
- Discuss the key risks which a client undertakes when he buys a life insurance policy, and which must be disclosed to the client.
- Describe the additional information which must be provided in a participating policy product summary.
- Explain the purpose of providing a client with a benefit illustration.
- Identify why benefit illustrations must be regulated.
- Explain why the benefit illustration for a participating policy or an investment-linked policy must show.
- Describe the information disclosed by an insurer for an investment-linked policy.
- Explain the objective of the fund summary.
- Explain the role of the sales representative in presenting the product summary (and fund summaries, if applicable) and benefit illustration to the client.
- Describe the reasons for conducting periodic review of a policy owner's financial needs.
- Explain the role of the sales representative in policy servicing.
- Outline the standards required of advertisements and marketing material.
- Describe the options available to a policy owner to resolve a dispute with the insurer or its distributor on the conduct of the sale of the life insurance policy.
- Explain the principal method with which a financial services regulator exercises control over the sales and market conduct of financial advisers and their representatives.
- Discuss why the regulator may delegate responsibility for compliance of regulations to financial advisers under its supervision.
- Explain why industry players may prefer industry self-regulation to government regulation.
- Explain why an insurer is not obliged to issue a life insurance policy to any person who proposes for a policy.
- Discuss the duty of an insurer in the design of the proposal form, which is the principal document of disclosure of material facts by the proposer for a policy.
- Know how the assessment of risks presented by a proposal for a life insurance policy.
- Describe the key factors in developing the underwriting philosophy for a particular life insurance product.
- Explain the consequence of not defining underwriting standards properly.
- Describe the elements of a sound underwriting framework.
- Discuss the primary objectives of underwriting.
- Describe the principal risk factors which an underwriter has to assess, and the methods used to assess them.
- Explain the concept of moral hazard.
- Describe the underwriting process.
- Describe the actions which an insurer can take if it detects any non-disclosure or misrepresentation of material facts in the proposal for a life insurance policy, after the policy has commenced.
- Explain the role of the underwriter in managing the risk of money laundering and financing of terrorism using life insurance policies.
- Explain why risks inherent in operational processes must be managed.
- Explain the objectives of claims assessment and settlement processes.
- Discuss the skills and knowledge that claims assessors should possess.
- Outline the structure of a typical claims department of an insurer.
- Describe the role of a claims committee in the assessment of major claims.
- Identify and describe the processes in the assessment / settlement of a claim for benefit.
- Discuss the steps which can be taken to manage the risks in the claims assessment and settlement processes.
- List the policy service transactions conducted on life insurance policies every day.
- Discuss the key risks to which an insurer is exposed in conducting these transactions.
- Define the primary functions required to support the provision of service to policy owners.
- Discuss the information technology risks which an insurer is exposed to.

 

- Describe the key IT risk management measures which an insurer can implement.
- Outline the key elements in enterprise-wide risk management.
- Outline the key steps to be taken in business continuity planning.
- Describe the due diligence which an insurer must exercise if it outsources functions to external parties.
- Explain the investment objectives of an insurer.
- Explain why an insurer invests in assets with economic substance.
- Understand the asset classes in which an insurer can invest.
- Describe the purpose of investing in each class of assets.
- Discuss the risks inherent in investing in each class.
- Explain the principal investment risks to which an insurer is exposed and has to manage.
- Discuss the investment risk management measures that an insurer can implement.
- Describe a typical investment management framework in an insurer.
- Analyse the duties of an insurer in the management of investment-linked funds.
- Explain the need for life insurance business to be regulated.
- Outline the financial services regulatory framework.
- Expand on the need for financial services regulation.
- Describe the constitution of the Monetary Authority of Singapore and its roles and functions.
- Identify the legislative instruments which the MAS promulgates or administers.
- Identify the other instruments issued by the MAS which does not have the force of law but on which the MAS can take supervisory action.
- List the key legislative instruments issued for prudential regulation and supervision of insurers.
- Discuss the framework for the supervision of the risk management of insurers by the MAS.
- Outline the key requirements of the Financial Advisers Act and Regulations, and supplementary Notices, Guidelines and Practice Notes, issued for regulating the market conduct of financial services sales intermediaries.
- Describe the areas of market conduct for which the Life Insurance Association (of Singapore) has issued standards for members to comply with.
- Discuss the functions and powers of the Financial Industry Dispute Resolution Centre Ltd (FIDReC) in dealing with complaints from clients of financial institutions.
- Describe some of the provisions of other legislation governing the operations of life insurance companies in Singapore.
- Explain the tax concessions granted on contributions to and withdrawals from Supplementary Retirement Scheme accounts.
- Explain the objectives of a government in providing or promoting national insurance schemes.
- Explain the advantages of national insurance schemes to.
- Describe briefly the structure of the Central Provident Fund (CPF) in Singapore.
- Discuss the operations of national insurance schemes managed by the CPF Board.
- Describe the features of national insurance schemes managed, administered or supervised, by the CPF Board.
- Describe the features of the CPF LIFE Scheme and the rules of the CPF Investment Schemes.

- Understand the concept of risk management.
- Know the different methods of treating risks and the risk management process.
- Understand the difference between non-insurance and insurance risk transfer.
- Understanding the different ways to measure risk.
- Know the importance of anti-money laundering as part of risk management.
- Recognise the different classes of insurance.
- Understand the concept of Law Of Large Numbers.
- Be familiar with different basic principles of insurance.
- Recognise the different characteristics of an insurance contract.
- Understand the different needs that can be met by Life Insurance.
- Recognise the different forms of Term Insurance and its applicability.
- Be aware of the different kinds of Whole Life Insurance and its suitability.
- Be able to describe the different types of Endowments Insurance and its appropriateness
- Know what Universal Life Insurance is.
- Know the similarities and differences of a Universal Life Insurance policy as compared to an Investment-linked Life Insurance policy and a traditional participating Whole Life Insurance policy.
- Understand how a Universal Life Insurance works.
- Understand the unique features of Universal Life Insurance.
- Explain the uses for Universal Life Insurance.
- Identify suitable investors for Universal Life Insurance.
- Recognise the different kinds of Riders that may be attached to a policy.
- Understand the regulations governing the sale of ILPs.
- Know the different types of ILPs on sale in the market.
- Be aware of the features of ILPs and describe them to your clients.
- Understand the type of charges levied.
- Recognise the structures and types of ILP Funds.
- Know how ILPs work and be familiar with their related calculations.
- Be able to describe the benefits and risks of ILPs, and when they are suitable for the clients.
- Be aware of its difference from Unit Trusts.
- Know what a structured ILP is.
- Know the risks associated with investing in structured ILPs.
- Understand the key risk factors for structured product.
- Identify the risks in each structured product.

- Explain the risks to clients and Identify suitable investors for ILPs and structured ILPs.
- Recognise the different kinds of Medical Expense Insurance and its key features.
- Be aware of Critical Illness Insurance and its key features.
- Be able to describe the benefits of Disability Income Insurance to your clients.
- Recognise the key features of Hospital Cash (Income) Insurance.
- Assess the suitability of Long-Term Care Insurance.
- Know the workings of a Managed Healthcare scheme.
- Recognise the different kinds of Personal Property Insurance.
- Understand how Personal Accident Insurance works.
- Be aware of what is Personal Liability Insurance.
- Differentiate between the different kinds of Private Motor Insurance.
- Learn about Travel Insurance.
- Understand how Foreign Domestic Worker Insurance works.
- Know what is Golfer's Insurance.
- Understand the need for a reasonable basis of recommendation.
- Be aware of the disclosure requirements while going through the fact-find process.
- Be familiar with the six steps of Insurance Financial Planning.
- Be familiar with the calculations when quantifying insurance needs.
- Understand the need to plan for retirement.
- Know what are the roadblocks when planning for retirement and how to overcome them
- Be familiar with common retirement objectives and needs.
- Understand the differences in retirement planning for business owners / partners, professionals and salaried workers.
- Learn about the CPF and its related schemes.
- Know how annuities work and its importance in retirement planning.
- Understand the different kinds of savings and investments.
- Recognise the help available to clients with inadequate retirement resources.
- Understand Risk-Return Considerations.
- Be familiar with the concepts of Modern Portfolio Theory and Asset Allocation.
- Recognise the three time periods of Life-Cycle Considerations.
- Understand the concept of Long-Term Accumulation Period and other investment related issues.
- Know what is the portfolio restructuring period.
- Recognise the preservation and current-income period.
- Recognise the qualitative and quantitative assumptions required of retirement planning.
- Understand how to conduct a full retirement planning process for your client.
- Learn how to calculate retirement shortfall amount via the Replacement Ratio and Expense methods.

- Describe and outline life insurance law during the pre-war and post-war period.
- Describe and summarize recent and further developments in life insurance law.
- Describe recent legislative changes relating to The Estate Duty (Abolition) Act 2008, The Civil Law (Amendment) Act 2009 and The Insurance (Amendment) Act 2009.
- List the amendments to the definition of "Singapore Policy".
- Describe and summarize the various sources of law including the Roman Law, the English Common Law, the English Equity, the Conflict and Fusion of Law & Equity, the Statute Law and the Case Law.
- Outline the legal system and the Civil Court, Criminal Court and Coroners Court.
- Understand the civil procedure and criminal procedure.
- Understand the definition of a life policy.
- Recognize how different forms of life policy are classified by way of statutory insurance fund, premium type, ownership and by product type.
- Describe and understand features of the different product types of life policy, including whole life policies, endowment life policies, term insurance policies, annuity policies, investment-linked policies and juvenile policies.
- Understand the purpose and the three statutory requirements at the stage of recommending a policy to the client.
- Know your client, needs Analysis, documentation and record keeping.
- Describe the purpose and requirements of Offer and Acceptance before a life insurance contract is formed.
- Understand the implication of premium payment on formation of a life insurance contract.
- Understand the different parties' capacity to contract, including minors, mentally disabled Persons and undischarged bankrupts.
- Explain the workings of free look provisions.
- Know and understand what amounts to insurance interest.
- Be aware of English common law principles applicable to insurable interest In Malaysia/Singapore before 1963/1966.
- Learn about the statutory provisions regarding insurable interest in life assurance enacted In1963/66.
- Learn about the present position in Australia/Malaysia/Singapore regarding Insurable Interest.
- Understand the amendments to insurable interest - Insurance (Amendment) Act, 2009.
- Understand and recognize the differences between Non-Disclosure and Misrepresentation.
- Explain what is Non-Disclosure and its provisions in Singapore, Malaysia and Australia
- Explain what is Misrepresentation and its relevant applications and provisions.
- Understand the Indisputability Clause or the Incontestability Clause and Misrepresentation and its application in United States, Singapore, Australia and Malaysia.
- Be aware of the case law on Non-Disclosure and Misrepresentation.
- Understand the Insurer's Duty regarding Non-Disclosure and Misrepresentation.
- Know the existence of Estoppel/Waiver by the Insurer and understand the connection between Estoppel, Waiver and Mistake.

 

- Understand and describe the concept of estoppel, the concept of waiver and the common law position with regards to waiver in life insurance law.
- Understand the concept of Illegality in the context of Life Insurance.
- Understand the general matters involving Illegality relating to insurable interest, indisputability or incontestability clause and contracting out statutory trusts.
- Recognize the deliberate acts resulting in death.
- Understand the relevant consideration relating to Suicide.
- Be familiar with the legislations relevant to Money Laundering and the Financing of Terrorism including FAA Notice No.6, MAS Notice 314 and other legislative provisions.
- Be aware of the terms and conditions commonly found in life policies.
- Understand the terms on the first page of the policy.
- Be familiar with the Applicable Law, Currency and Place Payable of the policy.
- Understand the relevant clauses in policy documents including terms and endorsements, contract clause, incontestability or indisputability clause, suicide clause. Mis-statement of age/sex clause and free look provisions (objections to life policy) clause.
- Know provisions such as grace period/non forfeiture provisions/reinstatement.
- Understand surrender value clause and paid up policy.
- Understand that a life policy may be assigned.
- Be able to interpret policy terms & conditions relating to general rules and the Contra-Preferentum Rule.
- Understand the concept of “Assignment”.
- Know the provisions under the Policies of Assurance Act.
- Summarize Section 4(8) of the Singapore Civil Law Act.
- Understand the different types of assignments including equitable assignments, assignments by way of gift and assignments for valuable consideration.
- Be familiar with the law of Priority of Assignments.
- Be familiar with the two main areas where assignments take place in law. Death and Bankruptcy.
- Know the rights available to Assignee.
- Know the working of Assignment by Minors.
- Understand the nature of a Trust.
- Understand and describe three types of Trusts. Express Trust, Implied or Resulting Trust and Constructive Trusts.
- Be aware of the history and scope of the Statutory Trusts of Life Policies.
- Understand the provision covered under S.73 (CLPA).
- Define and understand limited interest, vested and immediate contingent interests.
- Understand the definition of beneficiaries under S.73 CLPA.
- Understand if beneficiaries can be substituted.
- Be aware of the differences between explicit & implicit trust policies.
- Know what is estate duty and statutory trust.
- Understand if S.73 CLPA is applicable to Muslims.
- Understand statutory trust policies in matrimonial matters.
- Be aware of the reform of the law on statutory trusts.
- Know the provisions under the Trust or Irrevocable Nominations.
- Know the present positions of Statutory Trusts in Singapore.
- Be aware of the historical developments of agency in life insurance.
- Understand the definitions relating to life insurance brokers.
- Know the statutory provisions affecting life agents.
- Know the agency agreements and documents.
- Understand the authority of life agents and the process of ratification.
- Understand the stance on imputing knowledge of agent to insurer.
- Know the provisions covered under the Reform of the Law on imputed knowledge.
- Understand the legal problems between life agents and their company.
- Be aware of the liability of agents to third parties.
- Under the main provisions on termination of life agents.
- Understand the definition of Assessable Income and Chargeable Income under the Singapore Income Tax Act.
- Know the definition of income tax relief from life insurance policies.
- Know the provision for Tax on Annuity Income.
- Understand the definition of “Chose in Action”.
- Understand and describe the legal proceedings of declaratory judgment and interpleader proceedings.
- Recognize the rights of different group of beneficiaries such as bare nominees, statutory nominees under the Insurance Act and revocable statutory Nominees.
- Understand the present Singapore and Malaysian position on payment of policy moneys to non-nominees.
- Be aware of Financial Advisers Act.
- Know that a life company is in law “Exempt Financial Advisers”.
- Know that life brokers who had formed companies are in law “Licensed Financial Advisers”.
- Understand that life agents are representatives of Financial Advisers.
- Be able to describe the responsibilities and obligations of life companies, their employees and agents.
- Be aware of the powers of the MAS on issuance of written directions (Notices) and making of prohibition orders.
- List the offences under the FAA.
- List the miscellaneous matters of FAA which includes reprimands and power of Court to make certain orders.
- Be aware of the regulations under the FAA regarding penalties and procedure and introducing activities.
- Be aware of the applicable notices and guidelines under the FAA.

 

- Be aware about the background to the Statement of Life Insurance Practice.
- Be aware of the self-regulation for Singapore.
- Be familiar with the provisions relating to proposal forms and claims.
- Understand the guidelines for assessment of TPD claims.

- Describe the different structures of ownership of life insurance business enterprises.
- Explain why the shareholder-owned incorporated company is the most prevalent ownership model now.
- Describe risks which a life insurer is exposed to and which must be managed.
- Describe methods which a life insurer may adopt to manage risks.
- Describe the various functions of a life insurer, and the risks managed by each function.
- Describe risks which must be managed when developing, pricing and implementing new life insurance products.
- Explain the need for managing risks on an enterprise-wide risk basis.
- Describe in general terms the regulatory requirements which govern the activities of a life insurer which is a company incorporated in Singapore.
- Explain the roles of the board of directors and the senior management team of the insurer in managing risks.
- Describe some of the criteria which a person has to fulfil to be appointed as a director of a life insurer.
- Describe the limitations on the powers of the board of directors, and some of the restrictions and disclosure requirements imposed on directors.
- Explain what an executive director is, and why it is advisable that the majority of the directors on the board be non-executive directors.
- Describe the duty of the board of directors to the shareholders of the company.
- Describe the principles of good corporate governance of a company.
- Explain the value to a company of good corporate governance.
- Describe some of the guidance and regulatory requirements a life insurer has to observe, or comply with, with regards to corporate governance.
- Explain the role of the board of directors in the management of risks to which a company is exposed.
- Describe the content of a typical risk management policy.
- Describe some of the activities which a risk management framework assigns responsibility and accountability for.
- Explain how the board exercises oversight over the quality of risk management.
- Describe the fair dealing outcomes which a life insurer is expected to deliver to its customers.
- Describe some of the typical responsibilities of a company secretary of a life insurer.
- Describe the role and responsibilities of each executive officer of a life insurer, and the risks he manages.
- Explain why certain appointments have to be approved by the board of directors.
- Explain why MAS requires certain appointments to be approved by MAS prior to the taking up of the appointment.
- Describe how functions in a life insurer are usually organised into departments.
- Describe the role and responsibilities of the head of each department.
- Explain the importance of oversight functions to the board of directors in discharging its risk management responsibilities.
- Describe the key oversight functions in a life insurer.
- Explain the difference in objective between the internal audit function and the risk management function.
- Describe the principal oversight responsibilities of the appointed actuary.
- Explain the purpose of the underwriting function in a life insurer, and the risk which it manages.
- Explain the criterion for determining whether facts are material to the risk of the policy proposed for or not.
- Explain how MAS expects life insurers to manage the risks inherent in their underwriting functions.
- Give an overview of the process of underwriting a proposal for a life insurance policy.
- Describe the information a life insurer requires to make a decision on whether to accept a proposal for insurance or not.
- Explain how the information furnished by a proposer is interpreted to assess the risk which the insurer will undertake if it accepts the proposal.
- Describe in general terms how the medical underwriting requirements vary with the age of the life to be insured and with the sum at risk.
- Explain how fraud risks may arise and describe the process of financial underwriting.
- Describe the typical organisation of the underwriting function in a life insurer.
- Describe the support available to underwriters in the assessment of the risk of proposals.
- Describe the various steps in the underwriting process.
- Describe the different types of decisions which an underwriter may make on a proposal, and the rationale for making each type of decision.
- Describe how underwriting decisions are communicated to proposers for life insurance policies.
- Describe the key risks inherent in the underwriting function, and the controls and mitigating measures usually put in place to manage these risks.
- Explain the due diligence required to be conducted when a life insurer receives a proposal for a life insurance policy, to detect possible suspects of carrying out money laundering or financing of terrorism activities.
- Explain the principal considerations in the handling of claims for benefits under life insurance policies.
- Describe concerns MAS has on the claims handling process and the risk control and mitigating measures it expects life insurers to implement.
- Describe the principles adopted in organising the claims handling function to ensure consistency in claims decision-making and conformance with the intent of policies and riders issued by the life insurer.
- Explain the how different parties contribute value to the claims decision-making process.
- Describe the key stages in the claims handling process and the decisions which may be made at each stage.
- Describe steps which a life insurer takes to enable it to decide whether a claim submitted should be admitted or rejected.
- Describe documentary evidence required to support claims for different types of benefits.
- Describe the different grounds for rejecting a claim for benefit under a life policy.
- Explain what a life insurer may offer if there is ambiguity as to whether a claim is valid or not.
- Explain who the rightful claimant is to the benefit payable under the policy, for the different types of benefits and under different circumstances.
- Describe legal issues to be considered when communicating a claim decision to the claimant, and the beneficial owner of the policy.
- Describe risks inherent in the claims handling function and the risk control and mitigation measures usually implemented to manage the risks.
- Describe briefly the concept of reinsurance.
- Describe in general terms the types of reinsurance arrangements which a life insurer may enter into, to transfer risks in excess of its tolerance limits.

- Explain the differences between proportional and non-proportional reinsurance arrangements.
- Explain how reinsurance premiums are calculated for some common reinsurance arrangements.
- Describe the legal framework of reinsurance arrangements.
- Explain the purposes for which a life insurer enters into reinsurance arrangements.
- Explain the different sources of volatility in claims experience and which reinsurance arrangement mitigates the risk from each source.
- Explain the support which a reinsurer may provide to a direct insurer to enhance its insurance risk capabilities.
- Explain why MAS provides guidance on risk management which direct insurers are expected to observe.
- Describe briefly some of the guidance provided by MAS.
- Describe some of the issues which a life insurer considers when deciding on reinsurance arrangements to enter into, and when selecting reinsurers to work with.
- Describe the principal terms and conditions which are usually found in a reinsurance treaty.
- Explain how the terms and conditions facultative reinsurance cover for a policy is usually agreed upon.
- Describe the typical duties and responsibilities of the reinsurance function of a life insurer.
- Describe typical transactions administered by the new business function.
- Describe the due diligence which the new business function conducts before sending any proposal for insurance for underwriting.
- Explain why it is important that the new business function delivers the policy document as promptly as possible after the policy commences.
- Describe transactions administered by the policy servicing function and the conditions which must be satisfied before the transaction may be completed.
- Describe risks associated with these transactions and the controls and measures put in place to mitigate these risks.
- Describe the principal functions which support the new business and policy servicing functions.
- Describe notices which a life insurer issues to policy owners in the course of its business, and the purpose of each notice.
- Describe the legal actions which a policy owner may take to transfer the ownership of his policy to another party, and the rights of all parties after such an action has been taken.
- Describe the role of the policy servicing function in the preparation for the declaration of bonuses on participating policies, and the communication to policy owners of the impact of the declaration on the benefits under their policies.
- Explain the purpose of the MAS Internet Banking and Technology Risk.
- Management Guidelines, and describe some of the principles, objectives and recommended practices provided in the Guidelines.
- Explain why a life insurer should refer to these Guidelines in the management of its information technology function.
- Describe in general terms the various computer systems which a life insurer usually maintains, and the functions which these systems support.
- Describe in general terms as to how employees of a life insurer and other users can access the various systems maintained by the insurer.
- Describe risks a life insurer is exposed to when it maintains computer systems, to enable its various functions, and networks, to connect its employees and other stakeholders to these systems.
- Describe some of the measures which the life insurer can take to mitigate these risks.
- Explain why the management of changes to computer hardware and system software is a highly critical function.
- Describe the principal steps to be taken in managing these changes.
- Explain why it is important that a life insurer have effective back-up and disaster recovery strategies.
- Describe a disaster recovery plan and explain the importance of testing of the plan.
- Describe an overview of the structure of a typical IT function in a life insurer.
- Describe the peculiar risks which must be managed when managing and supervising IT function personnel.
- Describe the financial reporting requirements of a life insurer, as an incorporated entity, and as regulated financial services provider.
- Describe the standards the insurer must comply with in preparing its financial statements.
- Explain the value of segregating the assets of a life insurer into insurance funds, and a shareholders' fund.
- Describe the safeguards required in the management of insurance funds.
- Describe the principal financial statements prepared by a life insurer, and how they relate to each other.
- Describe the principal categories of assets, liabilities, income and outgo which a life insurer presents in its financial statements.
- Explain how the solvency of a life insurer on an accounting basis is determined.
- Explain the principles underlying the valuation of assets and liabilities as presented in the balance sheet of a life insurer.
- Describe the principles underlying, and the method adopted for, valuing policy liabilities.
- Explain the value of allocating expenses incurred by a life insurer to the various functions (departments) of the insurer as accurately as possible.
- Describe briefly the preparation of tax returns submitted to the relevant tax and customs authority.
- Describe some typical reports which the finance and accounting function prepares for senior management to assist it in making decisions.
- Explain the importance of the life insurer maintaining adequate but not excessive amounts of liquid assets at all times.
- Describe briefly the operations of a typical finance and accounting function of a life insurer.
- Describe the basic requirements of a life insurance accounting system.
- Describe risks which the operations of a finance and accounting function of a life insurer are exposed to, and the measures usually taken to mitigate these risks.
- Describe the role of the board of directors and senior management in determining fund solvency and capital adequacy requirements.
- Describe risks for which capital requirements can be calculated on a generally accepted basis.
- Describe risks for which specific capital amounts are not usually calculated to cover.
- Explain how capital or risk requirements for risks to which a life insurer is exposed to may be determined.
- Explain the characteristics of the assets which qualify as capital resources to meet capital requirements.
- Describe briefly methods used to measure fund solvency and capital adequacy of an insurer.
- Explain the principles underlying the factor method adopted in calculating capital requirements.
- Describe in general terms how capital requirements are calculated as prescribed in the Insurance (Valuation & Capital) Regulations 2004.
- Describe some of the criteria and methods which the board of directors and senior management may adopt to determine whether the capital resources of a life insurer is adequate to cover the risks it is exposed to.
- Describe briefly how a life insurer can employ its capital to generate higher returns for its shareholders.
- Describe some of the sources of capital available to a life insurer.

 

- Describe briefly the issues which the board of directors and senior management of a life insurer considers when managing its capital resources.
- Explain why the profit or loss shown in the profit and loss account of a life insurer is not a true measure of the profitability of the insurer in the year.
- Explain the principles underlying the valuation of life insurance business.
- Describe the calculation of the components of the embedded value of a life insurance business, i.e. the net asset value and the value of in-force business.
- Explain how the increases in the net asset value and the value of in-force business can be generated by management action.
- Describe some strategies which a life insurer may adopt to increase net asset value and value of in-force business.
- Explain why profitability is not the only criterion in the development of business strategies.
- Describe the legislation governing the appointment of an actuary by a life insurer, and the duties and responsibilities of the appointed actuary.
- Describe the principal duties and responsibilities of an actuary employed or engaged by a life insurer.
- Explain why the appointed actuary may not delegate certain responsibilities to another actuary, even if the other actuary is assigned the relevant function.
- Describe the due diligence which an actuary must exercise when pricing products, to ensure that the premium rates calculated are appropriate.
- Describe the due diligence which an actuary must exercise when conducting a valuation of the policy liabilities of a life insurer, and components of the capital requirements of insurance funds and of the insurer.
- Describe the role of the actuary in the construction of scenarios for stress testing.
- Describe the complexity of an actuarial financial projection system.
- Explain the due diligence an actuary must exercise to ensure that the estimates of parameters are selected result in cash flow projections which may be relied upon.
- Describe how estimates of the mortality and other benefit claim rates are derived, how estimates of the decrement or policy termination rates are derived, and how assumptions of these rates are made from these estimates for financial projection purposes.
- Describe how estimates of the expense loadings in premiums are derived, and how assumptions of these loadings are made from these estimates for financial projection purposes.
- Describe how estimates of the rates of return on the assets of funds are derived, and how assumptions of these rates are made from these estimates for financial projection purposes.
- Describe the actuarial control cycle.
- Describe the other parties on whom the actuary usually relies upon for estimates of certain parameters of the future experience of policies and assets.
- Describe the legislation governing the investment activities of an insurer.
- Explain the investment objectives of a life insurer for the non-participating and participating funds.
- Explain how policy owners' expectations are taken into account by the investment management function of a life insurer.
- Describe the principal classes of investment instruments which a life insurer invests in.
- Describe the purposes for which the insurer invests in each class.
- Describe some of the measures and actions which the investment management function usually takes in managing the specific investment risks which a life insurer is exposed to.
- Describe the general strategies which a life insurer can adopt in managing investment risks.
- Describe the role of the board of directors and the investment committee appointed by the board in supervising the investment activities of a life insurer.
- Describe the decisions which the investment committee usually makes on behalf of the board, and those which are usually made by the board.
- Explain how the tactical asset allocation of each fund is formulated.
- Describe the role of the custodian.
- Explain the value of appointing a custodian which is independent of the investment manager.
- Describe the structure and duties of the investment management function of a life insurer.
- Describe the role of the investment management function in the selection and oversight of investment-linked funds.
- Explain why a life insurer which issues participating policies must establish and maintain separate participating and non-participating funds.
- Describe some of the regulatory and other constraints on the declaration of bonuses and dividends and the transfer of profits on participating policies to shareholders.
- Describe some of the provisions required in a participating fund internal governance policy.
- Describe some of the pre and post-sales product information disclosure required for participating policies, and explain the purposes of the disclosure.
- Describe the role of the appointed actuary in the declaration of bonuses and dividends, and the transfer of profits to shareholders.
- Describe the considerations which a life insurer takes into account in the management of a participating fund.
- Describe the contents of a typical participating fund internal governance policy.
- Describe the responsibilities of the board of directors of a life insurer in the distribution of the surplus in the participating fund, and the maintenance of the solvency of the fund.
- Explain the importance of allocating expenses of the life insurer to the participating fund fairly.
- Describe the considerations taken into account in the management of the assets of the participating fund.
- Explain how the strategic asset allocation of a participating fund can vary with the proportion of assets required to support the life insurer's obligations to pay guaranteed benefits.
- Give an interpretation of the term "surplus" in the context of a participating fund of a life insurer.
- Explain how distributable surplus is calculated, and how it may be distributed to policy owners and shareholders.
- Describe how the distribution of the surplus of the participating fund affects the solvency of the fund.
- Describe the valuations and tests which an appointed actuary of a life insurer conducts before he recommends the rates of bonuses and dividends to be declared, and the amount of policy assets to be transferred to the surplus account of the participating fund.
- Explain the purpose of each of the valuations and tests conducted.
- Describe the value of corporate functions to a life insurance company.
- Describe some of the responsibilities usually assumed by the secretariat with regards to compliance with legislation and guidelines governing the operations of a life insurer.

- Describe some of the duties of the secretariat if a life insurer with regards to the custody of the titles to its assets.
- Describe some of the responsibilities the corporate legal function undertakes to mitigate the legal risks a life insurer is exposed to.
- Describe the role of the corporate communications function.
- Describe the various stakeholders of a life insurer and the matters which are communicated to them.
- Describe some of the various roles of the human resource management function, to achieve the adequacy of human resources in a life insurer.
- Explain the considerations which the function considers in carrying out each role.
- Describe some of the various responsibilities usually undertaken by the property and office services function.
- Describe some of the regulatory requirements and guidelines governing a life insurer's activities in developing products and marketing materials.
- Describe the key objectives of the marketing and sales promotion function.
- Describe some of the sources of information which the marketing function uses to develop new products or revise existing products.
- Explain the value and drawbacks of each source of information.
- Explain the value of engaging other financial advisers to sell an insurer's products even if the insurer has its own sales representatives.
- Describe some of the various ways in which advertising can be used to promote the sale of an insurer's products.
- Describe the steps usually taken by the marketing function to promote the sales of a new product to distributors, and to the public.
- Describe the minimum conditions required to be met for a person to be appointed as a representative of a financial adviser.
- Describe some of the regulatory requirements and guidelines governing the advisory and sales process for selling designated investment products.
- Describe some of the additional regulatory requirements and guidelines governing the advisory and sales process for selling life policies.
- Describe briefly the standards set by the Life Insurance Association which translates the regulatory requirements into specific actions required to be taken by members in the life insurance advisory and sales process.
- Describe the different distribution channels available to a life insurer.
- Discuss the advantages of a life insurer selling its products through its own representatives, and through another financial adviser.
- Explain the conflicts which may arise if a life insurer sells its products through multiple channels, and the principles usually adopted to resolve them.
- Describe the responsibilities of the agency management function of a life insurer which appoints its own representatives.
- Describe some of the key terms and conditions of a life insurance agency contract.
- Describe the risks the insurer is exposed to when it appoints its own representatives, and the steps usually taken to mitigate these risks.
- Explain why banks are interested in selling life insurance products.
- Explain why life insurers are interested in selling their product through banks.
- Describe some of the key terms and conditions in a life insurance distribution agreement.
- Explain how the responsibility for compliance of the life insurance advisory and sales process is divided between the insurer and the bank.
- Explain the additional due diligence a life insurer may conduct before engaging a financial adviser firm, other than a bank.
- Describe some of the legislation and guidelines governing the product development and pricing activities of a life insurer.
- Explain why the responsibility of ensuring that premium rates for life insurance policies is assigned to the appointed actuary.
- Explain why a product with features which are new to the insurer must be approved by MAS before launch.
- Describe the factors which MAS expects to be considered in the pricing of a life insurance product.
- Explain the purpose of MAS requiring investment-linked funds to be approved by it before launch.
- Describe the principal considerations in developing a product strategy.
- Explain why the chief executive officer often chairs the product approval committee.
- Describe the process of approving a product for implementation and launch.
- Explain the purpose of obtaining approval for a product concept before further product development and pricing work commences.
- Describe the key elements of a product concept and product proposal.
- Describe the considerations taken into account in designing a life insurance product.
- Explain the operational and contractual constraints on product design.
- Describe the various risks which may be introduced by a new product and how they may be mitigated, and how risk mitigation measures may affect pricing.
- Describe some of the information required for the pricing of a life insurance product.
- Describe the members of a typical product development team, and their contributions to the development of a product.
- Describe the phases of a product development project, and some of the ways different functions interact.
- Describe the concerns of the appointed actuary which must be addressed in the product proposal.
- Identify the phases of a project.
- Describe the activities which have to be conducted before a product can be implemented.
- Explain why the finalisation of the policy document and a new reinsurance treaty are regarded as key activities.
- Describe the key elements of contracts for which a life insurer should conduct due diligence.
- Describe the activities usually conducted in implementing changes to operational processes.
- Describe the key elements of a product marketing strategy.
- Describe the principles guiding the design of marketing materials.
- Describe the methods which may be used to measure the effectiveness of marketing efforts.
- Describe activities conducted to prepare the selected distribution channels for the sale of the product.
- Describe some factors used to monitor sales.
- Explain when a product implementation project is regarded as completed.
- Explain the roles of the compliance and risk management functions in a product implementation project.
- Describe the contents of a product manual which is signed off as documentation of the completion of a product implementation project.
- Describe MAS' expectations of the board of directors and senior management of a financial institution in the management of risks of the institution.
- Explain how MAS allocates resources for the supervision of financial institutions.
- Explain why MAS issues Guidelines rather than regulations for supervising the risk management practices of financial institutions.
- Describe the principles adopted by MAS for the supervision of financial institutions and describe some methods of supervision.
- Describe the basic steps in a risk management process.
- Describe the issues a life insurer has to consider when dealing with each risk the insurer is exposed to.
- Describe the various methods used to manage risks.

 

- Describe the role and responsibilities of the board of directors, senior management and function heads in risk management.
- Explain the roles of the different oversight functions, and the difference between the objective of an internal audit exercise and that of a risk management assessment exercise.
- Explain the value of risk governance documentation.
- Describe in general how operational risks are managed.
- Describe the due diligence which a life insurer has to conduct before entering into an outsourcing agreement with a service provider.
- Describe the key terms and conditions in an outsourcing agreement which should be included to protect the interest of the insurer.
- Describe the process for reporting and investigating any suspicion of fraud.
- Explain the role of the human resource management function in the management of fraud risks.
- Describe the seven principles MAS expects a life insurer to adopt in its business continuity management.
- Describe the process of implementing business continuity management.
- Explain the necessity for testing business continuity preparedness.
- Explain the value of managing risk on an enterprise-wide basis.
- Describe the role of a chief risk officer and explain how his independence from senior management is maintained.

- Understand what is financial planning.
- Understand the several definitions of financial planning such as Single-Purpose View, Multiple-Purpose View and Comprehensive View.
- Understand the purpose of financial planning through its objectives and what are the benefits of financial planning.
- Understand the components involved to build a comprehensive financial plan for clients.
- Identify and explain the six steps in the financial planning process.
- Understand the role of ethics in financial planning.
- Identify the codification of standards of conduct.
- Recognise the qualities and characteristics that a professional should entail.
- Identify the practice of ethical decision making as an individual, as well as in organisations.
- Identify the steps towards ethical decision making in organisations.
- Identify the ethical issues in financial services.
- Identify the Code of The American College consisting of the Pledge and the Eight Canons.
- Know the three types of structured communication.
- Understand the essential elements in financial counselling.
- Be familiar with the profile of an effective financial counsellor.
- Be aware of basic communication principles.
- Recognise the elements of non-verbal behaviours.
- Understand attending and listening skills.
- Know how to lead responses as a financial counsellor.
- Be familiar with different ways of asking question.
- Determine the concept of risk.
- Understand what are risk aversion, risk seeking and risk indifference.
- Understand what is loss aversion.
- Understand the concept of risk and analyse the different factors that contribute to and influence the attitude of risk acceptance and risk perception.
- Understand the difference between perceived risk and objective risk.
- Understand the lifestyle of a risk taker and distinguish the characteristics between a risk averter and a risk taker in their outlook on life.
- Understand the personality of a thrill seeker.
- Identify each demographic characteristic that is related to risk tolerance behaviour.
- Understand how to communicate probability statements effectively.
- Determine the purpose of assessing the client's risk tolerance and the different assessment methods.
- Identify the guidelines on assessment.
- Understand the basics of time value of money involving.
- Compute using both financial tables and financial calculator on the following.
- Evaluate cash flow structures involving single sums and annuities.
- Understand and calculate uneven cash flows pertaining to.
- Know how to use time value tables.
- Evaluate an investment through discounted cash flow analysis.
- Understand the discounted cash-flow techniques.
- Calculate net present value of simple and complex problems.
- Calculate internal rate of return (IRR).
- Understand the problems in decision making based on IRR.
- Understand the modified IRR (MIRR).
- Calculate the MIRR.
- Know about increasing the compounding, discounting or payment frequency.
- Explain the comparison between Nominal and Effective interest rates.
- Calculate the effective annual rate.
- Understand the impact of compounding frequency on future values.
- Understand the impact of discounting frequency on present values.
- Calculate future and present values.
- Interpret the results of the calculations.
- Understand and calculate annuity payments occurring other than annually.
- Understand the functions of a balance sheet and cash-flow statement.
- Identify the assets and liabilities and to determine the net worth.

 

- Identify and calculate the different personal financial ratios.
- Understand the concept of budgeting, emergency fund planning, debt management, bankruptcy and its related issues.
- Identify the 4-step process in risk management.
- Understand the features of risk identification, risk measurement, choice and use of methods to
- treat each identified risk and risk administration.
- Analyse the technique of insurance planning and the 6-step planning process.
- Understand the need for retirement planning.
- Identify the six steps of the retirement planning process.
- Understand the definition of investment and financial objectives that require investments.
- Analyse the different categories of investment risk and their management.
- Understand the importance of ethics.
- Understand the investment advisory process and planning.
- Know the various steps of an investment plan.
- Understand the importance of fact finding, risk profiling and asset allocation.
- Understand the concepts behind portfolio review and rebalancing.

- Identify the four financial objectives that typically apply to most people.
- Understand the importance in choosing the right investment instrument that provides the best returns.
- Identify how risk can influence investment choices.
- Identify the common mistakes to avoid when investing.
- Identify the two main investment assets (Real assets and Financial assets).
- Classify the major securities and identify their features.
- Identify the role of financial markets and the Singapore Exchange (SGX).
- Understand the features of the three types of stock indices.
- Identify the methods for buying and selling of securities.
- Identify the framework of regulatory bodies for securities trading.
- Derive the calculation of single-period investment return, multi-year investment return and real after-tax rate of return.
- Understand the reason for annualising single-period investment return.
- Explain how investment risk can be quantified.
- Understand how standard deviation is calculated.
- Explain the various sources of investment risk.
- Understand how risks are classified.
- Explain why diversification reduces risks.
- Identify the need to know how to diversify.
- Understand the need to measure risk-adjusted investment returns.
- Explain the three commonly used measures of risk-adjusted returns.
- Identify the three steps of fundamental analysis.
- Recognise how the government manages the economy.
- Identify the features of a business cycle, industry analysis and economic indicators.
- Understand the processes in an industry life cycle.
- Evaluate the attractiveness of an industry by examining its structure.
- Identify means of creating competitive advantages through generic strategies.
- Evaluate the features of rotational investing and how it is affected by business cycle implications.
- Define intrinsic value
- Identify the Dividend Discount Model and its features
- Derive the Price-Earnings Ratio and its features
- Identify the three other price ratios (Price-Sales, Price-Cash and Price-Book)
- Understand the relationship between the three major financial statements and their importance
- Interpret the financial statements
- Understand and use key financial ratios, and know their primary groupings
- Identify the features of technical analysis
- Understand the concepts on the Dow Theory
- Identify the features of the charts used to plot market data
- Evaluate chart patterns
- Identify the four popular technical indicators
- The Efficient Market Hypothesis and what is an efficient market
- Forms of market efficiency and its implications
- The anomalies of a market
- Identify the features of the different types of bonds
- Calculate the yield of bond and determine bond pricing
- Understand the features of bond price volatility, Malkiel's Theorems and the use of duration to determine bond price volatility
- Understand convexity, and the limitations of duration
- Understand how interest rates move
- Evaluate bond portfolio strategies (Passive Approach, Immunisation and Active Approach)
- Identify the features of corporate bonds
- Evaluate common bond provisions
- Understand the need for corporate bond credit ratings
- Identify the features of junk bonds, features of corporate bond trading, U.S. and Singapore government securities and government bond basics

 

- Understand the functioning of treasury auctions in U.S. and Singapore
- Identify the benefits and drawbacks of investing in Unit Trusts
- Identify the two main categories of Unit Trusts and how they are set up
- Explain how Unit Trusts are priced and the cost of owning one
- Explain how an Expense Ratio work
- Distinguish and explain the two forms of Unit Trust returns. dividend income and capital gains
- Explain how the Central Provident Fund (CPF) and CPF Investment Scheme (CPFIS) work
- Identify some common risks when investing in Unit Trusts
- Briefly explain about the CPFIS Risk Classification System and the CPFIG
- Identify the types of Unit Trusts available and distinguish their benefits and drawbacks.
- Explain the type of benchmark used.
- Explain what are Sector Funds, International Equity Funds, Capital Guaranteed Funds, Real Estate Investment Trusts (REITs), Hedge Funds and their benefits or drawbacks.
- Understand the information in a Prospectus.
- Understand the type of information and fund facts in a Market Summary.
- Read, explain and interpret a unit trust report.
- Create and manage an investment portfolio of unit trusts.
- Explain the reasons to index funding.
- Identify what is a convertible bond and how to valuate it.
- Understand the benefits of investing in Convertibles and the strategies behind it.
- Identify the reasons for companies to issue Convertibles.
- Understand the potential effect of dilution in Convertibles.
- Identify key features of a Warrant, how it works and valuate them.
- Identify the relationship between a warrant's price and its intrinsic value.
- Identify the factors that influence Warrant premiums.
- Understand the benefits of investing in Warrants and the reasons for companies to issue Warrants.
- Identify the effect of dilution in Warrants and the risks involved when investing in Warrants.
- Identify the two basic option types.
- Understand and explain the five important features of an options contract.
- Distinguish the advantages and disadvantages of buying options.
- Explain how basic option positions work.
- Understand how to interpret the determinants of an option's price by using The Black-Scholes Option Model.
- Identify how the six inputs (Determinants) affect an option's price.
- Identify the various stock index options and the basic strategies used to buy and sell them.
- Identify the future contracts basics.
- Identify the two main market participants.
- Understand the trading strategies.
- Identify the features of futures trading accounts.
- Evaluate stock index futures, interest rate futures and single stock futures.
- Estimate the risk and returns of individual assets and a portfolio of assets.
- Understand how diversification reduces portfolio risk.
- Evaluate random diversification and Markowitz diversification.
- Calculate portfolio risk.
- Identify the features of modern investment portfolio theory.
- Determine the importance of asset allocation.
- Evaluate the Capital Asset Pricing Model (CAPM) and identify the assumptions of CAPM.
- Determine the reliability of Beta values.
- Determine the relevancy of CAPM for practitioners.
- Explain and illustrate the Portfolio Management Process.
- Identify the objectives, constraints and preferences of Portfolio Management.
- Identify the three related steps to constructing a Portfolio.
- Explain Diversification and Asset Allocation.
- Describe how Portfolio Optimisation can be achieved in practice and its limitations.
- Understand recommendations and suitability.
- Identify typical changes in market conditions and what adjustments to be made.
- Distinguish the three types of measurement for non-risk adjusted Portfolio returns and risk-adjusted Portfolio returns using the Sharpe Ratio, Treynor Ratio and the Jenson Measure.

- Understand the direct and indirect impact of risks on individuals and businesses.
- Recognise the impact when critical illness strikes a business owner.
- Understand the role of financial consultants when they are planning for business owners.
- Understand the reasons for starting up businesses.
- Understand the different considerations for start-ups.
- Be aware of what is included in an investment agreement.
- Recognise the different types of business set-ups in Singapore.
- Know what a sole proprietorship is.
- Understand what a partnership is, the regulations, the different forms and its legal rights.
- Understand what a company is, the regulations and the different forms.

 

- Understand the duties and responsibilities of directors.
- Know when companies have to undergo audit and submit audited accounts.
- Understand the role of a company secretary.
- Understand the advantages of a private limited company.
- Compare the different types of businesses in Singapore.
- Recognise successful family-owned businesses in Singapore and around the world.
- Recognise the oldest family-owned businesses around the world.
- Know the attributes of successful family-owned businesses.
- Know how to carry out succession planning for family-owned businesses.
- Recognise the need to plan for children's education so the children can take over the family business.
- Recognise the need for credit protection insurance.
- Be aware of the common problems faced by all types of business set-ups.
- Understand the business problems faced by sole proprietors, partnerships and companies.
- Know how to manage a business in trouble.
- Be aware of the critical success factors for a successful business in Singapore.
- Understand how various factors can contribute to a successful business in Singapore.
- Know Sam Walton's 10 rules for building a successful business.
- Understand the different types of risk posed to a business.
- Be aware that the risks to a business should be managed.
- Understand how risks to a business should be analysed and classified.
- Understand the four different risk management techniques.
- Know the different types of business insurance.
- Know the consequences of not having a proper corporate risk management.
- Understand the benefits of having a proper corporate risk management system.
- Understand how to set up a proper corporate risk management system.
- Be aware of how the amount of budgeting for a proper corporate risk management system can impact the business when disaster strikes.
- Be aware that risks is part our daily lives.
- Understand the importance of a proper corporate risk management plan for a business.
- Know the different types of insurance covers that can mitigate the pure risks faced by business owners.
- Understand the methods a company can use to finance the risks that it faces.
- Be aware of the various types of risks that may affect a business.
- Explain the risk factors assessed on an individual buying insurance.
- Understand the importance of business succession planning.
- State the objectives of a business succession planning.
- Understand the impact on a business upon the death of a business owner.
- Know the steps involved in business succession planning.
- Know how to gather sufficient data from the client's business.
- Understand the different tools used, questions to consider, professionals involved and funding mechanisms in business succession planning.
- Understand how to carry out business succession planning for family-owned businesses.
- Understand the mechanisms, types and features of a buy-sell agreement.
- Know the effects on a company, business owners and families without a buy-sell agreement.
- Know the benefits of having a buy-sell agreement.
- Know the triggers events for a buy-sell agreement.
- Illustrate a buy-sell agreement.
- Calculate the number of policies for an insurance-funded buy-sell agreement.
- Understand the tax implications of a buy-sell agreement.
- Be familiar with the contents of a buy-sell agreement.
- Understand the mechanics of financial statements and the accounting concepts used.
- Be aware of the users of financial statements.
- Understand the shortcomings/limitations of financial statement analysis.
- Understand the formats used for financial statements.
- Interpret financial statements using qualitative and quantitative analysis.
- Understand what is business valuation and when it is needed.
- Know the items used and the methods of business valuation.
- Know when to discount a business value.
- Be aware of the points to consider in a business valuation.
- Know the points to consider during an external independent review of business value.
- Know what should be in the memorandum and articles of association.
- Know the features of a Keyman and who are the Keymen in a business.
- Know and illustrate the mechanics of Keyman protection.
- Understand the need and necessity of Keyman protection.
- Illustrate the timeline for Keyman protection.
- Be aware of the effects on a company without Keyman protection.
- Explain the benefits to a company with Keyman protection.
- Understand and apply the methods to value a Keyman.
- Be aware of the situations where tax deductions can be claimed for Keyman protection.
- Explain and illustrate the features of debtor insurance.
- Understand the need and necessity for debtor insurance.

- Illustrate the timeline for debtor insurance.
- Explain the effects on a company without debtor insurance.
- Understand the benefits to a company without debtor insurance.
- Understand the concept of factoring.
- Be aware of the controversy surrounding debtor insurance.
- Know other forms of debtor insurance.
- Know the sources of external funding.
- Understand the methods of raising finance/credit for businesses.
- Know the properties of a guarantor and who they are for each type of business.
- Know what happens when a guarantor dies or is disabled.
- Understand and illustrate the features of credit protection.
- Understand the need for credit protection.
- Illustrate the timeline for credit protection.
- State the effects on a company without credit protection.
- Understand the benefits to a company with credit protection.
- Know the features and applications of golden handcuffs in businesses.
- Understand the difference between golden handcuffs and contracts of employment.
- Know the different forms of golden handcuffs.
- Illustrate the mechanics of golden handcuffs
- Understand the need and necessity of golden handcuffs.
- State the effects on a company without golden handcuffs.
- Understand the benefits to a company with golden handcuffs.
- Explain the different types of golden handcuffs.
- Know how to carry out insurance planning for a sole proprietorship and business owners through an in-depth analysis of a case study.

- Describe the drawbacks of employer-funded employee benefit schemes.
- Explain the benefits of using insurance schemes for employee benefits.
- Describe the parties to a master policy contract.
- Understand various types of plans including voluntary or contributory insurance plans, flexi-benefit or cafeteria schemes and affinity group benefit plans.
- Understand the features and benefits of the various types of group benefit insurance products commonly offered by life insurance companies including group term life insurance, group critical illness insurance, group medical benefits insurance, group personal accident insurance, group long term disability income insurance.
- Define life, general and composite insurance companies and how they are different from one another when it comes to the offering of group employee benefits.
- Understand that there are different types of intermediaries that commonly sell group employee benefit plans including insurance agents, insurance broker, direct marketing, online purchase and financial advisers.
- State the group benefit insurance licensing requirements for intermediaries.
- Describe the requirements for insurance companies to hold insurance funds under the Insurance Act and its relevant regulations.
- Be aware of the legal definitions of a life policy, accident and health benefits, and a long term accident and health insurance policy.
- State the disclosure and advisory process requirements for accident and health products to be sold to corporate clients or other group insurance customers under the MAS Notice 120.
- Describe the applicability of Financial Advisers Act, Income Tax Act and Estate Duties Act to the group employee benefits market.
- Understand the general features of CPF accounts, contributions and the CPF Investment Scheme.
- Describe the features of Medisave, Medishield, PMIS and other CPF Insurance schemes.
- List the advantages of private personal insurance policies and how group insurance plans complement them.
- Understand the differences between public sector and private sector healthcare providers.
- List and briefly describe the various healthcare providers in the public and private sectors.
- State the objectives of the White Paper on Healthcare Financing 1993 and the significant outcomes of the White Paper.
- Understand what is Medifund.
- State the contract issue of Utmost Good Faith.
- Understand the purpose of the quotation slip and the common items included.
- List the usual documents that constitute a contract of insurance.
- Explain the role of broker and agent in the sale of group employee benefits insurance.
- Be aware of the special case of takeover terms.
- Understand and calculate experience refund.
- Understand and explain the common policy terms and conditions including eligibility and commencement of insurance, premium payment, termination of insurance, renewal of insurance contract and conditions for refund/dividend.
- State the miscellaneous legal provisions including Contracts (Rights of Third Parties) Act, arbitration and other policies that are governed by the laws of the Republic of Singapore.
- Understand the ways of determining the sum assured of an employee's group term life insurance policy may be determined.
- Describe the main insured events under a group term life insurance policy including death, Total and permanent disability, terminal illness.
- Describe the circumstances under which a group term life insurance policy would impose exclusions, waiting periods and presumption of death condition.
- Understand the two areas of assessment required during the underwriting of group term life insurance policies.
- State the critical information to be provided in the Group Insurance Fact-finding Form (GIFF).
- Understand the aspects of benefit design and financial status that insurers must take note of when underwriting group term life insurance policies.
- Define free cover limit (FCL) and why insurers introduced it and the factors that affect the size of the FCL.

 

- Explain why insurers underwrite occupational and other hazards under group term life insurance policies.
- State the usual takeover terms for group term life insurance policies.
- Understand the usual evidence required for claims under group term life insurance policies.
- Describe the renewal process for group term life insurance policies.
- Describe the two common types of premium rate for group term life insurance policies and the typical components of premium rates.
- Understand and calculate the different rate types.
- Understand the usual risk factors that warrant additional premiums.
- Distinguish between the two forms of critical illness riders.
- Understand the benefit structure of group critical illness insurance.
- List the implication on the occurrence of insured events including death, terminal illness and critical illness.
- State the principal terms and conditions including exclusions, waiting period, maximum sum insured and maximum benefit.
- Understand the relevant underwriting factors pertaining to the employer under group critical illness insurance.
- State the evidence required for group critical illness insurance claims.
- List the types and components of premium rates for group critical illness insurance.
- Be aware of the general policy regarding experience refunds for group critical illness insurance.
- State two principal reasons why companies choose to insure their medical benefits programme.
- State four essential components of the benefit provisions of a GHS insurance policy including definitions of eligible expenses arising out of an illness or injury, monetary limits on eligible expenses and benefits payable.
- Understand inpatient and outpatient expenses.
- Describe reasons for insurance companies to impose limits on benefits and the expenses that are eligible for reimbursement.
- State how the following terms are defined and their implications on the GHS insurance policy.
- Understand the usual categories of exclusions under a GHS insurance policy.
- State the critical information to be provided in the GIFF for assessment of hospital and surgical insurance risks.
- Describe the areas of concern regarding benefit design that an insurance company should look out for.
- State the evidence that is required for a GHS insurance claim.
- Be aware of the procedures for claims settlement regarding employees with CPF Medisave and Medishield insurance.
- Understand the courses of action that an insurance company would take if an insured employee or dependant is entitled to reimbursement of the eligible expenses from other sources.
- Understand what a letter of guarantee is and why it is provided under GHS insurance.
- Describe the renewal process of GHS insurance, premium rates and factors affecting premium rates.
- Calculate pricing based on underwriting experience.
- State what is involved in the experience rating of a GHS insurance policy.
- Understand and calculate using the insurance premium formula.
- Be aware of the situations under which individual or personal loadings may be applied.
- State the reasons for the extension of employers' medical benefits to be provided as riders.
- Understand the benefit design of a group outpatient specialist consultation extension.
- List the principal terms and conditions of a group outpatient specialist consultation extension.
- Understand the features of cashless visit plans of group outpatient GP consultation extension and how medical providers are compensated under such plans.
- Describe group dental and vision care extension, group major medical/catastrophe illness extension, group maternity extension and the purpose it serves, including purpose, benefit design and principal terms and conditions.
- Describe the primary objectives of managed healthcare arrangements.
- Understand the 3 components to every managed healthcare arrangement, as well as how insurance companies attempt to control the quality of healthcare provided by its contracted medical providers.
- Understand the parties in a managed healthcare arrangement and their roles including the financial risk manager, medical services provider manager and medical services providers themselves.
- State the relationship between the freedom of choice given to employees and the cost of managed healthcare arrangement.
- Describe the features of a managed healthcare arrangement in Singapore.
- Understand the benefit design of group personal accident insurance.
- Understand how benefit payments are dispensed under death and Total Permanent Disability (TPD) and temporary total and partial disability.
- Describe the limits applicable on benefit payments.
- Understand the benefit structure of group personal accident insurance.
- Define "accident" and "injury" under group personal accident insurance and their implications on coverage.
- Describe other principal terms and conditions of group personal accident insurance.
- List the usual categories of exclusions under group personal accident insurance.
- State the employer factors to consider when underwriting group personal accident insurance.
- State the information required in the GIFF for assessment of group personal accident insurance.
- Be aware of the benefit design that insurers should take note of when underwriting group personal accident insurance.
- Understand the claims evidence required under group personal accident insurance.
- Understand the renewal factors for group personal accident insurance.
- Calculate the premium rate using the short rate table.
- Understand the Premium rate types and components of group personal accident insurance.
- Suggest possible reasons for long term disability income (LTDI) insurance being not as popular in Singapore as compared to other countries.
- Understand benefit design, including definition of disability, benefit amount and entitlement, waiting period, elimination period, benefit period, partial disability benefit and benefit escalation.
- Explain the benefits clause and benefits limits applicable under LTDI insurance.
- State the terms usually defined in a LTDI insurance policy.
- Understand exclusions and geographical restrictions under LTDI insurance.

 

- Describe the information to be provided in the GIFF for assessment of LTDI insurance.
- Understand the benefit design that insurers should take note of when underwriting LTDI insurance.
- Explain how employees' health and financial status, occupational and other hazards are underwritten under LTDI insurance.
- State the claims evidence required under LTDI insurance.
- Understand the renewal process for LTDI insurance and factors affecting premium rates.
- List the features of long term care insurance.
- Explain the different types of benefits, principal terms and conditions, exclusions of a Group Travel Insurance policy.
- Understand and describe how underwriting and claims process are carried out for a Group Travel Insurance policy.
- Understand the conditions for renewal of policy.
- Describe the components in determining the premium rates.
- State the different factors for chartered flight ratings.
- State the reasons that insurance companies use the named basis method of administration.
- Understand what is involved in the named basis method of administration, including the data maintained, administration requirements and reasons why insurance companies to want to administer part or all of a large policy on a named basis.
- State the reasons that insurance companies use the headcount basis method of administration.
- Explain how premiums are applied under policies using the headcount basis method of administration.
- Understand how group employee benefit insurance policies are renewed in practice.
- Understand the requirements regarding changes in circumstances of the policyholder.
- Explain how premium rates are affected upon renewal.
- Describe the usual premium billing and payment process upon renewal.
- Understand how insurance companies arrange for medical information to be provided and the party that usually bears the cost of obtaining medical evidence.
- State the commencement of insurance for employee benefits policies and situation under which insurance companies would provide interim cover.
- Describe the common evidence of eligibility and insurance benefit entitlement that policyholders must provide under claims.
- Explain how insurance companies generally communicate with policyholders, employees and dependants.
- State how insurance companies communicate through intermediaries.
- Understand the Practices that insurance companies must institute if they were to accept risks in exchange for relatively small sums of money.
- State the risk management techniques that insurance companies use to manage the risk of accepting insurance.
- Understand the importance of underwriting for insurance.
- State the general terms and conditions included primarily for the purpose of managing insurance risks.
- Understand the important factors to consider when deriving premium rates.
- Understand and calculate possible maximum loss, quota share reinsurance arrangement and excess of loss reinsurance arrangement.
- Understand in detail what reinsurance is.
- Describe multi-national pooling network and how it works and the advantages that multi-national pooling networks provide.
- Understand the different parties of an insurance intermediary and for whom the intermediary represents and its contractual and licensing requirements.
- Describe the responsibilities of insurance brokers and the licensing requirements for arranging group employee benefits insurance.
- Contrast the role of the life insurance agent with that of an insurance broker.
- State the roles and responsibilities of life insurance general insurance agents.
- Understand what financial advisers (FAs) are and their role in arranging group employee benefits insurance.
- List the Usual items specified in a distribution agreement between life insurance companies and FAs.
- Describe the requirements for employees of insurance companies that are involved in direct insurance sales.
- Understand the differences in the roles and responsibilities of the various types of insurance intermediaries in terms of fact-finding, needs analysis and product recommendation.
- Describe the roles of insurance intermediaries in policy renewals, how commissions and fees are paid to insurance intermediaries, and regulations on disclosure of commissions by insurance intermediaries.
- Understand why lower risk premiums are charged for a group insurance policy than for a collection of individual insurance policies covering the same persons and for the same benefits insured.
- Describe how voluntary schemes work in terms of choice of benefits offered, parties to the contract, responsibility of disclosure, premium rates payments, rights of transfer and limits on benefits.
- Describe the reasons for a stricter approach to risk management and underwriting of voluntary schemes.
- Understand the features of voluntary insurance such as commencement of voluntary insurance, risk management rules for dependants, fact-finding, needs analysis and product disclosure requirements for voluntary schemes.
- Understand flexi-benefits or cafeteria schemes and state how flexi-benefits or cafeteria schemes are designed.
- Specify Risk management and non-insurance benefit issues and fact-finding, needs analysis and product disclosure requirements under flexi-benefits or cafeteria schemes.