

WH1 Award in General Insurance (Hong Kong) 2025-2026



Learning Outcome		Assessment Criteria		Indicative Content	
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1 20 Questions	Understand the nature and main features of risk and insurance.	1.1	Explain the concept of risk and risk perception.	1.1.1	Definitions of risk.
				1.1.2	Alternative meanings of risk.
				1.1.3	Risk and uncertainty.
				1.1.4	Attitude to risk.
		1.2	Explain how different risks are categorised.	1.2.1	Financial and non-financial definitions.
				1.2.2	Pure and speculative.
				1.2.3	Particular and fundamental.
				1.2.4	Benefit policies.
				1.2.5	The basic purpose of reinsurance.
				1.2.6	Relationship between risks.
				1.2.7	The types of risk that can and cannot be insured.
		1.3	Explain the risk management function and process.	1.3.1	Stages – risk identification, analysis and control.
				1.3.2	Insurers’ role in loss prevention and control.
				1.3.3	Examples of risk management tools used by insurers.
				1.3.4	Professionals and industry bodies relevant to risk management.
		1.4	Explain the components of risk.	1.4.1	Level of risk.
				1.4.2	Frequency and severity.
				1.4.3	Peril and hazard.
		1.5	Apply the principles of risk to a given set of circumstances.	1.5.1	Apply to a given set of circumstances.
		1.6	Explain the need for insurance.	1.6.1	What is meant by risk transfer.
1.6.2	Law of large numbers and the pooling of risks.				
1.6.3	Equitable premiums.				
1.6.4	How insurance benefits policyholders and society.				
1.7	Explain what is meant by co-insurance, dual insurance and self-insurance.	1.7.1	The two different definitions of co-insurance.		
		1.7.2	Dual insurance and how it is different from coinsurance.		
		1.7.3	Self-insurance.		
		1.7.4	The difference between coinsurance, dual insurance and self-insurance.		

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2 11 Questions	Know the structure and main features of the Hong Kong insurance market.	1.8	Explain the main classes of insurance in outline.	1.8.1	The main classes, including, property insurance, pecuniary insurance, motor insurance, liability insurance, marine and aviation insurance, health and combined or package poli
		2.1	Explain the way in which the Hong Kong insurance market is structured and its role in the global insurance market.	2.1.1	Who purchases insurance.
				2.1.2	The role of insurers.
				2.1.3	The role of intermediaries.
				2.1.4	The role of comparison websites (aggregators).
				2.1.5	The role of reinsurers.
				2.1.6	Other participants of the insurance market.
		2.2	Explain the different types of insurers.	2.2.1	Proprietary companies.
				2.2.2	Mutual Companies.
				2.2.3	Captive Companies including protected cell companies.
				2.2.4	Composite companies.
				2.2.5	Specialist insurers.
		2.3	Explain the unique structure and main features of Lloyd's.	2.3.1	What is Lloyd's and how does it differ from the rest of the market.
				2.3.2	Role of the different stakeholders in Lloyd's including, syndicates, managing agents, members agent and the Council of Lloyd's.
				2.3.3	Access to the Lloyd's Market.
				2.3.4	Main focus of cover provided.
		2.4	Explain the different distribution channels used for the selling of insurance.	2.4.1	Direct insurance.
				2.4.2	Agents.
				2.4.3	Brokers.
				2.4.4	Lloyd's Brokers.
				2.4.5	Authorised persons and appointed representatives.
				2.4.6	Price comparison websites (aggregators).

Commented [CC1]: W01 has travel insurance, professional indemnity listed in this IC as well, both are in the WH1 ST

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3 11 Questions	Know the main functions of insurance professionals.	3.1	Explain the key roles within the insurance profession.	3.1.1	The main functions of underwriters.
				3.1.2	The main functions of claims personnel.
				3.1.3	The main functions of loss adjusters and loss assessors.
				3.1.4	The main functions of actuaries.
				3.1.5	The main functions of risk managers.
				3.1.6	The main functions of compliance officers.
4 42 Questions	Understand the main legal principles governing insurance contracts.	4.1	Explain the essentials of a valid contract of insurance.	4.1.1	Intention to create legal relations.
				4.1.2	Capacity to contract.
				4.1.3	Offer and acceptance, including conditional and unconditional acceptance.
				4.1.4	Consideration.
				4.1.5	Parties to a contract.
				4.1.6	Evidence of the contract.
		4.2	Explain how contracts of insurance can be terminated.	4.2.1	Cancellation by the insured.
				4.2.2	Cancellation by the insurer.
		4.3	Explain the creation of an agency and how it is binding.	4.3.1	Agency by consent.
				4.3.2	Agency by necessity.
				4.3.3	Agency by ratification.
				4.3.4	Actual authority (express and implied).
				4.3.5	Apparent authority.
		4.4	Describe the duties of an agent and the duties of a principal.	4.4.1	Duties of the agent including compliance with instructions, personal performance, due care and skill and accountability.
				4.4.2	Duties of the principal including remuneration and indemnity.
				4.4.3	Duties of both - good faith.
				4.4.4	The main content of a terms of business agreement.
		4.5	Explain the requirements for insurable interest in insurance contracts.	4.5.1	How and when insurable interest can arise.
				4.5.2	The subject matter and its relationship to the insured.
				4.5.3	Insurable interest and liability.

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		4.6 Explain how the principles of disclosure and representation apply to contracts of insurance.	4.6.1 The importance of disclosing relevant information.
			4.6.2 Information that should be disclosed.
			4.6.3 How disclosure and representation is modified by policy wordings.
			4.6.4 Factors that might limit and insurers entitlement to information.
			4.6.5 The consequences of non-disclosure or misrepresentation of relevant information.
		4.7 Explain the definition of proximate cause and how it is applied to non-complex claims.	4.7.1 Definition and application of proximate cause.
		4.8 Explain the principle of indemnity and how it is provided under most insurance contracts.	4.8.1 The definition and meaning of indemnity.
			4.8.2 Cash payment.
			4.8.3 Repair.
			4.8.4 Replacement.
			4.8.5 Reinstatement.
		4.9 Explain how the principle of indemnity can be modified by insurance contracts.	4.9.1 Agreed value policies.
			4.9.2 First loss policies.
			4.9.3 New for old cover.
			4.9.4 Benefit policies.
		4.10 Explain underinsurance and average.	4.10.1 What is underinsurance.
			4.10.2 What is average.
			4.10.3 How average is calculated.
		4.11 Explain the basic principle of contribution and how it applies to the sharing of claim payments in straightforward property cases.	4.11.1 Definition of contribution and how it arises.
			4.11.2 How contribution is calculated.
		4.12 Explain the principle of subrogation.	4.12.1 Definition of subrogation.
			4.12.2 How it is impacted by insurance contract wording.
			4.12.3 Why it may not be pursued.
			4.12.4 Where subrogation does not apply.

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Learning Outcome		Assessment Criteria		Indicative Content	
5 14 Questions	Understand the main regulatory and legal principles applicable to the transaction of insurance business in Hong Kong.	5.1	Explain the importance of the regulation of the Hong Kong insurance industry.	5.1.1	The purpose of regulation of the insurance industry.
				5.1.2	Different regulatory approaches.
				5.1.3	Consequences of non-compliance.
				5.1.4	Tools used by regulators to supervise the industry.
				5.1.5	The international standard setting body for the insurance industry, the IAIS.
		5.2	Understand the importance of establishing and maintaining capital adequacy.	5.2.1	The different approaches to capital adequacy.
				5.2.2	The relationship between capital adequacy and solvency controls levels.
		5.3	Understand the importance of combating financial crime.	5.3.1	The international standard setting body in relation to financial crime, the FATF.
				5.3.2	Definition of money laundering.
				5.3.3	Definition of anti-terrorist financing.
				5.3.4	The responsibility of the insurer to prevent financial crime.
		5.4	Explain fraud and how it impacts the insurance industry.	5.4.1	The different types of fraud faced by insurers.
				5.4.2	Fraud management by the insurer.
6 2 questions	Know key aspects of ethics, corporate governance and internal controls.	6.1	Explain the functions of the Chartered Insurance Institute (CII).	6.1.1	The role of the CII.
				6.1.2	The CII ethical code of practice.
		6.2	Explain the importance of the fair treatment of customers and positive customer outcomes.	6.2.1	The importance of the fair treatment of customers and positive customer outcomes.
		6.3	Understand the objectives of 'fit and proper' requirements and the risks of unsuitability.	6.3.1	The risk of unsuitability.
				6.3.2	General requirements.
				6.3.3	Integrity.
				6.3.4	Soundness of judgement.
				6.3.5	Knowledge and experience.
		6.4	Explain the importance of internal control systems.	6.4.1	Risk management frameworks outlined.
				6.4.2	The role of compliance and audit.
				6.4.3	Establishing a customer complaints procedure.
				6.4.4	The holding and use of customer data.