



SAMPLE QUESTIONS

ASHK Certificate Examination

July 2025 Edition

CORE PAPER

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ACTUARIAL SOCIETY
of
HONG KONG
香港精算學會

No	Syllabus Section	Syllabus Topic	Question	Answer
1	3.1.4.1	Consumer complaints or disputes	<p>Which of the following does the policyholder can lodge complaints related to misleading explanation of product features by an insurance agent?</p> <p>a. Hong Kong Confederation of Insurance Brokers (HKCIB); Insurance Authority (IA) b. Small Claims Tribunal; Insurance Authority (IA) c. Insurance Agents Registration Board (IARB) of Hong Kong Federation of Insurers (HKFI); Consumer Council d. ICAC e. Insurance Authority (IA)</p>	e
2	3.1.4.1	Consumer complaints or disputes	<p>Which of the following(s) is/are the enforcement work(s) carried out by Mandatory Provident Fund Authority (MPFA)?</p> <p>a. Handles complaints against Trustees and MPF intermediaries by scheme participants. b. Imposes disciplinary decisions against MPF intermediaries for non-compliance with the performance requirements. c. Prosecutes an employer or its responsible director who fails to comply with Mandatory Provident Fund Schemes Ordinance (MPFSO). d. a and b only. e. a, b and c.</p>	d

3	3.1.4.2	Anti-money laundering (AML) & counter-terrorist financing (CTF)	<p>Which of the following is NOT the effective controls that insurers should cover in implementation of internal Anti-Money Laundering (AML) / Counter-Terrorist Financing (CTF) policies mentioned in the Guideline on Anti-Money Laundering and Counter-Terrorist Financing?</p> <p>a. Senior management oversight. b. Appointment of a Compliance Officer (CO) and a Money Laundering Reporting Officer (MLRO). c. Compliance and audit function that perform regular review on the effectiveness of AML/CTF systems. d. The use of independent third parties in assessing and signing off the insurers' internal policies. e. Staff screening and training in place such that the insurers are satisfied with the integrity of new employees.</p>	d
4	3.1.4.2	Anti-money laundering (AML) & counter-terrorist financing (CTF)	<p>Which of the following type of insurance contract(s) that is/are vulnerable as a vehicle for laundering money or financing terrorism by referencing to the Guideline on Anti-Money Laundering and Counter-Terrorist Financing?</p> <p>a. Endowment policies with cash surrender value. b. Variable annuities with minimum guaranteed death benefit. c. Reinsurance treaty that reinsure all the policyholder benefits on specified single premium whole life policies with cash value. d. a and b only. e. All of the above.</p>	e

5	3.1.4.3	Data protection	<p>In normal circumstances, an insurance agent or representative should not disclose customers' personal data to other companies for marketing their products. Nor should he use customers' data for purposes unrelated to the handling of the customers' accounts with the insurance institution. Insurance institutions should give proper guidance and training to their staff, representatives and agents, and enforce the rules with appropriate sanctions.</p> <p>Which of the following from the data protection principle does the said practical application of the principle relate to?</p> <p>a. Access to Personal Data b. Security of Personal Data c. Purpose and Manner of Collection of Personal Data d. Use of Personal Data e. Transfer of Personal Data</p>	d
6	3.1.2	Regulatory authorities	<p>Which of the following industry bodies is currently responsible for overseeing intermediaries in investment-related fields (e.g. brokers, fund managers etc.)?</p> <p>a. Hong Kong Monetary Authority (HKMA) b. Mandatory Provident Fund Authority (MPFA) c. Securities and Futures Commission (SFC) d. Actuarial Society of Hong Kong (ASHK) e. Hong Kong Exchange and Clearing Limited (HKEx)</p>	c

7	3.1.4.4	Outsourcing	<p>Which of the following examples when performed by a service provider are generally regarded as outsources for the purposes of Guideline 14?</p> <p>I – Application processing II – Policy administration III – Sale of insurance policies by agents or brokers IV – Ceding insurance business V – Investment management VI – Marketing and research VII – Independent audit Review</p> <p>a. I, II, III, IV and V b. I, II, V and VI c. I, II, III, V, VI and VII d. I, II, III, IV, V and VII e. All of the above</p>	b
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8	3.1.4.4	Outsourcing	<p>Please select the appropriate percentage for the following paragraph from Guideline 14.</p> <p>“based in Hong Kong”, in relation to an authorised insurer, means that the insurer is incorporated outside Hong Kong with % or more of its annual gross premium income for general business pertaining to Hong Kong insurance business: or % or more of its annual gross revenue premium income for long term business pertaining to Hong Kong long term insurance Business.</p> <p>a. 50% b. 70% c. 75% d. 85% e. 90%</p>	c
9	3.1.4.4	Outsourcing	<p>If an authorised insurer is planning to enter into a new material outsourcing arrangement or significantly vary an existing one, unless otherwise justifiable, the insurance should notify the Insurance Authority:</p> <p>a. Within a year of the effective date of the outsourcing arrangement. b. By the effective date of the outsourcing arrangement. c. In a timely manner. d. At least three months before the day on which the outsourcing arrangement is proposed to be entered into or varied significantly. e. At least one month before the day on which the outsourcing arrangement is proposed to be entered into or varied significantly.</p>	d

10	3.1.1	Regulatory authorities	<p>Which of the following are within reason for the Securities and Futures Commission (SFC) to carry out:</p> <ul style="list-style-type: none"> a. Sets standards for the authorisation and regulation of investment products. b. Reviews and authorises offering documents of retail investment products to be marketed to the public. c. Shares information of persons who are regulated under Insurance Authority and SFC's respective supervisory regimes. d. Oversees the Hong Kong Exchange and Clearing Limited. e. All of the above 	e
11	3.1.2	Regulatory authorities	<p>According to the Professional Conduct Code, a conflict of interest arises if a Members duty to act in the best interest of any principal(s) conflict with:</p> <ul style="list-style-type: none"> I – The Member's own interests II – The interests of other principal(s) III – The interests of other Members in the firm IV – The interests of the Member's firm <ul style="list-style-type: none"> a. I and IV b. I, II and III c. I, III and IV d. I, II and IV e. All of the above 	d

12	3.1.2	Regulatory authorities	<p>Which of the following is/are TRUE for the Hong Kong Exchange and Clearing Limited (HKEx)?</p> <p>I – It is a private entity. II – It provides real-time AND historic market data. III – It provides listing function. IV – It operates a securities market. V – It operates a derivatives market.</p> <p>a. III and IV b. IV and V c. III, IV and V d. II, III, IV and V e. All of the above</p>	e
13	3.1.1	IIA	<p>Which of the following is NOT a requirement for applying for authorisation to carry on insurance business in or from Hong Kong?</p> <p>a. The applicant should read carefully the Guideline for requirements for applying for Authorisation before they attempt to make an application for authorisation. b. The applicants must satisfy the requirements on minimum amounts of paid-up share capital and solvency margin, fitness and properness of directors and controllers and adequacy of reinsurance arrangements. c. The applicant will maintain an office in Hong Kong, with a locally- based chief executive to oversee its Hong Kong operation. d. The applicant has, and will continue to have, sufficient financial resources to pre-finance its operation.</p>	e

			e. The applicant must not be a non-Hong Kong company, even if it formed as under Part 16 of the Companies Ordinance (Cap 622).	
14	3.1.1	IIA	<p>Which of the following is/are the requirement(s) for an internal auditor?</p> <p>a. They should be independent of the day-to-day operations.</p> <p>b. They should have a status within the insurer to ensure that the Board and senior management are responsive to their recommendations and take timely actions thereon.</p> <p>c. They should have a direct reporting line and prepare internal audit report to the Audit Committee.</p> <p>d. a and b only.</p> <p>e. a, b and c.</p>	e
15	3.1.1	IIA	<p>Retirement scheme management business can be classified under which of the following categories of "Classes" of long-term business as defined by the Insurance Authority?</p> <p>a. Class D</p> <p>b. Class G</p> <p>c. Class G and H</p> <p>d. Class G, H and I</p> <p>e. None of the above</p>	d

16	3.1.1	IIA	<p>Which of the following is FALSE?</p> <p>a. Section 133 of the Insurance Ordinance empowers the Insurance Authority to publish statutory codes for matters in relation to any of the functions of the Insurance Authority or the operation of a provision of the Insurance Ordinance.</p> <p>b. The purpose of codes and guidelines is to provide the industry with practical guidance to facilitate compliance with the regulatory requirements.</p> <p>c. Failure to comply with the codes and guidelines issued by the Insurance Authority does not by itself render a person liable to any judicial or other proceedings. However the codes and guidelines are admissible in evidence in any proceedings under the Insurance Ordinance before a court.</p> <p>d. The Insurance Authority has regard to the codes and guidelines when exercising its powers, including taking disciplinary actions where applicable.</p> <p>e. None of the above - a to d are true.</p>	a
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17	3.1.4.1	Consumer complaints or disputes	<p>Which of the following consideration(s) should an actuary be aware of when providing expert advice in resolving consumer disputes?</p> <ul style="list-style-type: none">a. Adheres to policy contract terms strictly to determine the payment that an insurer should make to the consumer.b. Defend on behalf of the insurer in front of statutory bodies / court with the sole aim to minimise the financial compensation to customer.c. Provide fair estimation of compensation to consumer considering all pertinent facts and circumstances, beyond the contract terms if appropriate.d. Use only actuarial technical terms in explanation of the determination of financial compensation to customer.e. None of the above.	c
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18	3.1.4.2	Anti-money laundering (AML) & counter-terrorist financing (CTF)	<p>According to the International Standard of Combating Money Laundering and The Financing of Terrorism & Proliferation (Standard), which of the following is NOT a recommendation described in the Standard?</p> <p>a. When third-party service provider is involved in consumer due diligence (CDD), Financial institutions should take adequate steps to satisfy themselves that copies of identification data and other relevant documentation relating to the CDD requirements will be made available from the third party upon request without delay.</p> <p>b. Financial institutions should be required to maintain, for at least three years, all necessary records on transactions, both domestic and international, to enable them to comply swiftly with information requests from the competent authorities.</p> <p>c. Financial institutions should be required, in relation to foreign politically exposed persons (PEPs) (whether as customer or beneficial owner), in addition to performing normal customer due diligence measures, to obtain senior management approval for establishing (or continuing, for existing customers) such business relationships.</p> <p>d. Financial groups should be required to implement group- wide programmes against money laundering and terrorist financing, including policies and procedures for sharing within the group for anti-money laundering and counter-terrorist financing purposes.</p> <p>e. None of the above.</p>	b
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19	3.1.4.2	Anti-money laundering (AML) & counter-terrorist financing (CTF)	<p>According to the Guideline on Anti-Money Laundering and Counter-Terrorist Financing, a financial institution should take into account the following factors when considering how best to monitor customer transactions and activities under the risk-based approach in monitoring money-laundering / terrorist Financing risks, EXCEPT:</p> <ul style="list-style-type: none"> a. the size and complexity of its business and the nature of its systems and controls. b. its assessment of the money-laundering / terrorist Financing risks arising from its business. c. the monitoring procedures that already exist to satisfy other business needs. d. the nature of the products and services (which includes the means of delivery or communication). e. historical transactions and activities of customer who is identified as higher risk exposure regarding money-laundering / terrorist financing risks. 	e
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20	3.1.4.3	data protection	<p>According to the Guidance on the Proper Handling of Customers' Personal Data for the Insurance Industry, if third parties such as IT contractors and waste disposal contractors are entrusted with the handling of customers' personal data, insurance institutions should (select the most appropriate choice):</p> <p>a. have the contractor be checked from time to time to confirm that it is carrying out the required security measures and obligations in handling the personal data given to it, in addition to other measures.</p> <p>b. supply a sample of personal data for IT contractor to perform system testing in the insurance institution after the contractor promises the return of personal data after the test.</p> <p>c. release information on personal data as requested to third party contractor to perform the work as specified in service agreement after a non-disclosure agreement is signed by the contractor in ensuring the confidentiality of data.</p> <p>d. only need to request the third party contractor to declare that it has carried out appropriate checks on its staff who handle the personal data.</p> <p>e. a to d are not appropriate choices.</p>	a
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21	3.1.4.4	Outsourcing	<p>According to Guideline 14, an authorised insurer should consider contingency planning when outsourcing a service to service provider. Which of the following is NOT an issue for contingency planning?</p> <ul style="list-style-type: none">a. Back-up facilities or availability of alternative service provider or possibility of bringing the outsourced service back in-house.b. Procedures to terminate service contract unilaterally and unconditionally in timely manner when contingency incident arises.c. Procedures to be followed and the persons responsible for respective activities if business continuity problem arises.d. Procedures for regular reviews and testing of the contingency plan.e. None of the above.	b
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22	3.1.3.5	Statutory Reserved Roles	<p>Which of the following is FALSE under the Professional Standards 1 (PS1) regarding prospective appointees of Hong Kong Appointed Actuaries?</p> <p>I – Any actuary, before accepting appointment as a Hong Kong Appointed Actuary, must consider his/her previous experience and work whether acceptance would be in line with proper professional behaviour and standards.</p> <p>II – A potential Hong Kong Appointed Actuary who has not already worked in close touch with his/her immediate predecessor is not required to consult him/her, to discover reasons why he/she should not accept the appointment.</p> <p>III – A potential Hong Kong Appointed Actuary should make clear to his/her prospective principal and seek permission to hold consultations. If permissions are withheld, the prospective appointee should automatically decline the appointment.</p> <p>IV – A prospective appointee must ensure that he/she would have the right of direct access to the board of directors of the company. This must be explicit from the inception of his appointment.</p> <p>V – If temporarily a conflict of interest arises, or would seem to arise, the Hong Kong Appointed Actuary before making a report should first ask the company to obtain a report from an actuary who has no conflict of interest.</p> <p>a. II only b. II and III c. III and IV d. II, III and IV e. All of the above are true</p>	b
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23	3.1.1	IA	<p>Which policies are in scope for the levy applied on insurance premiums by the Insurance Authority (IA)?</p> <p>a. All life insurance policies, regardless of any condition. b. All new business policies only, beyond a specified date by the IA. c. All in force policies only, as per specified date by the IA. d. All new business and in force policies for general insurance business, except those exempted by law. e. All new business and in force policies for life and general insurance business, except those exempted by law.</p>	e
24	3.1.4.1	Consumer Complaints	<p>The Consumer Council is a body responsible for mediating consumer disputes, is an alternative for lodging complaints against insurance services. In which of the following cases can consumers submit complaints to the Consumer Council?</p> <p>a. Goods or services not corresponding to descriptions. b. Delay in delivery. c. Dissatisfaction over service. d. All of the above. e. b and c only.</p>	d

25	3.1.4.1	Consumer Complaints	<p>Once the Insurance Complaints Bureau (ICB) takes up a complaint and informs the insurer and requests written submissions / representations, what are the possible actions for the insurer?</p> <p>a. The insurer must change their decision and settle the complaint. b. The insurer needs to maintain their previous decision to reject the complaint and explain to ICB. c. The ICB may reject the complaint directly. d. a and b only are possible options. e. a, b, c are all possible.</p>	e
26	3.1.1	HKMA	<p>Which of the following statement(s) about the main functions of Hong Kong Monetary Authority is/are TRUE?</p> <p>a. The Exchange Fund is divided into portfolios, namely, the Backing Portfolio, the Investment Portfolio and the Strategic Portfolio. b. One of the investment objectives of the Exchange Fund is to ensure the entire Monetary Base is at all times fully backed by highly liquid US dollar - denominated securities. c. The Linked Exchange Rate system operates through a Currency Board mechanism, which requires the Monetary Base to be fully backed by foreign reserves and any change in the Monetary Base to be fully matched by a corresponding change in foreign reserves. d. a and c. e. a, b and c.</p>	e

27	3.1.1	MPFA	<p>To ensure that the interests of scheme members are adequately and properly protected, which of the following is relevant in the event of losses of accrued benefits that are attributable to misfeasance or illegal conduct committed by Mandatory Provident Fund (MPF) trustees:</p> <ul style="list-style-type: none"> a. requiring MPF schemes to be governed by the same applicable laws which MPF trustees must abide to. b. best practice for MPF trustees to take out adequate insurance to provide for indemnity in respect of prescribed risks that are attributable to the administration of the schemes by the trustees or their service providers. c. requirements on applicants of MPF approved trustees which they must meet capital adequacy requirement but may not need to have sufficient presence and control in Hong Kong. d. establishment of a Compensation Fund as Mandatory Provident Fund Schemes Ordinance requires. e. requires MPF approved trustees being companies incorporated in Hong Kong. 	d
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28	3.1.3.2	AGN9	<p>In setting the best estimate assumptions, which of the following sources can be used as reference / consideration?</p> <p>I – Company's own historical experience II – The future trend III – Market benchmark IV – Industry experience</p> <p>a. I only b. I and II c. I, II and III d. I, II and IV e. All of the above</p>	e
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29	3.1.5.1	GL17	<p>In considering the adequacy of an authorised insurer's reinsurance arrangements, the Insurance Authority will generally take into account, among other things, the following factors:</p> <ul style="list-style-type: none"> I – Reinsurance management framework of the insurer. II – Type of reinsurance arrangements. III – Maximum retention of the insurer. IV – Insurer's new business strategy. V – Spread of risks among reinsurers. VI – Security of reinsurers. <p> a. I, III and V b. I, II and III c. I, II, III and VI d. I, II, III, V and VI e. I, II, III and IV </p>	d
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30	3.1.1		<p>Based on GL32 "Guideline on Group Supervision", which of the following statement is not correct?</p> <p>a. An insurance holding company, whether incorporated in Hong Kong or not, may be designated by the IA.</p> <p>b. The shareholder controllers, chief executives, directors and key persons in control functions ("specified positions") of a designated insurance holding company should be and remain fit and proper persons.</p> <p>c. A designated insurance holding company should have sufficient sum of tier 1 and tier 2 capital to meet the group prescribed capital requirement of the supervised group</p> <p>d. A designated insurance holding company must not make or allow the making of a major acquisition by another member of its supervised group unless the major acquisition has been approved by the IA, or the major acquisition has been assessed, through an assessment framework approved by the IA</p> <p>e. The ERM framework for a supervised group should include risk management policies that set out how the results of the risk identification and risk quantification activities are monitored and reported to the Group Board, risk committee and senior management, together with clear reporting lines.</p>	a
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