

Award in Bancassurance

At the end of this unit, candidates will be able to demonstrate knowledge and understanding of:

- the main elements of the financial services and insurance industry;
- the main insurance products;
- savings and investment products;
- retirement planning products;
- what constitutes good and ethical client practice.

Summary of learning outcomes	Number of questions in the examination*
1. Know the main elements of the financial services and insurance industry as it relates to the Bancassurance sector	3 MCQ
2. Understand the main insurance products	15 MCQ
3. Understand savings and investment products	15 MCQ
4. Understand retirement planning products	10 MCQ
5. Understand the importance of the client fact find and how to identify client needs	15 MCQ
6. Understand what constitutes good and ethical client practice	17 MCQ

*The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

Important notes

- **Method of assessment:** 75 multiple choice questions. 2 hours are allowed for this examination.
- This syllabus will be examined from 1 May 2014 to 30 April 2015.

1. Know the main elements of the financial services and insurance industry as it relates to the Bancassurance sector

On completion, candidates should

- 1.1 Describe the basic purpose of financial services and the role of the financial services industry in the economy
- 1.2 Describe the basic structure of the financial services/ insurance market and the main types of organisation
- 1.3 Describe the distribution channels used for financial and insurance services, including e-commerce
- 1.4 Describe the role of bancassurers and insurance companies and their respective responsibilities.

2. Understand the main insurance products

On completion, candidates should

- 2.1 Know the main personal and financial details that give rise to a client's protection requirements;
- 2.2 Know the main features and benefits of life assurance and health protection products which affect their suitability for a client;
- 2.3 Understand how the tax treatment of life assurance and health protection products affects their suitability for a client;
- 2.4 Know in outline the main features and benefits of personal accident and travel insurance.
- 2.5 Know in outline the main features of mortgages and debt protection policies;
- 2.6 Know in outline the main features of Household insurance;
- 2.7 Know in outline the main features of Motor insurance.

3. Understand savings and investment products

On completion, candidates should

- 3.1 Know the factors on which a client's savings and investment requirements depend (disposable income, assets, attitude to risk, potential future liabilities and ethical preferences);
- 3.2 Know the main features, risks and returns of the main asset classes (cash, bonds, equities, property);
- 3.3 Know the main features, risks and returns of savings and investment products which affect their suitability for a client;
- 3.4 Understand broadly how the tax treatment of savings and investment products affect their suitability for a client;
- 3.5 Know the relationship between a client's risk tolerance and the level of return and how different types of risk impact on savings and investment products;
- 3.6 Understand how inflation, deflation and other economic factors affects savings and investment products;
- 3.7 Understand how changes in interest rates affect the future performance of savings and investment products;
- 3.8 Understand the importance of an emergency fund and sensible debt management.

4. Understand retirement planning products

On completion, candidates should

- 4.1 Know the factors on which a client's retirement needs may depend (age, income, dependants, previous and current arrangements, state provision, non-pension assets);
- 4.2 Know the main features and benefits of pension products and annuities which affect their suitability for a client;
- 4.3 Know the circumstances in which there is a need for annuities and pension advice
- 4.4 Understand how inflation, deflation and other economic factors affect pension schemes and annuities;
- 4.5 Understand how changes in interest rates affect the future value of pension schemes and annuities.

5. Understand the importance of the client fact find and how to identify client needs

On completion, candidates should

- 5.1 Know the typical content of a fact find and how to use one;
- 5.2 Know how to make suitable recommendations based on the information collected
- 5.3 Know the seven typical life-stages of a client and understand the requirements and constraints at each of the life stages;
- 5.4 Understand how the following factors can affect the life stages for individuals; age, marital and employment status, state of health, ethical preferences, divorce, separation and bereavement;
- 5.5 Know the four main steps in identifying a client's real financial needs: the client's perceived and real needs, the client's current and future needs, quantifying the client's needs and prioritising the client's needs;
- 5.6 Be able to apply basic financial planning criteria to the information collected about a client in order to identify, quantify and prioritise a client's real financial needs;
- 5.7 Be able to apply features of different types of product to the client's needs and understand the role of the bancassurer in recommending suitable products by which the client can achieve his or her financial objectives.

6. Understand what constitutes good and ethical client practice

On completion, candidates should

- 6.1 Know that the adviser has a duty, at all stages of the sales process, to ensure that the client understands fully all the implications of accepting the recommendations, including any inherent risks;
- 6.2 Know what an adviser must do when he or she does not have a product that would properly meet the needs of the client;
- 6.3 Know what steps the adviser must take when the client rejects the adviser's recommendations;
- 6.4 Understand why it is unethical to advise a client to switch between the financial products of different providers, unless the switch is clearly in the best interests of the client;

- 6.5 Understand the importance of recommending the long term nature of a product to a client to avoid short term cancellations of policies;
- 6.6 Understand the key elements of handling customer complaints effectively and the need for an effective complaints procedure.
- 6.7 Describe a typical ethical code for financial advisers
- 6.8 Understand the outcomes that may result from behaving ethically and not behaving ethically

Reading list

The following list provides details of various publications which may assist with your studies. Periodicals and publications will be of value in ensuring candidates keep up to date with developments and in providing a wider coverage of syllabus topics. Any reference materials cited are authoritative, detailed works which should be used selectively as and when required.

Note: The examination will test the syllabus alone.

The reading list is provided for guidance only and is not in itself the subject of the examination.

CII/Personal Finance Society members can borrow most of the additional study materials below from Knowledge Services. CII study texts can be consulted from within the library. For further information on the lending service, please go to www.knowledge.cii.co.uk/library/services.

Award in Bancassurance. London: CII.
Study text. AWB

Reference materials

The Financial Times guide to investing: the definitive companion to investment and the financial markets. Glen Arnold. 2nd ed. Harlow [England]: Pearson Education, 2009.

Lamont's glossary: the definitive plain English money and investment dictionary for the finance professional and money-minded consumer. Barclay W Lamont. 9th ed. Surbiton, Surrey: Lamonts Glossary Ltd, 2004. Also available online via www.knowledge.cii.co.uk (CII/Personal Finance Society members only).

Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.