

General insurance business

Objective: To provide knowledge and understanding of basic insurance products and practice, including underwriting and policy wordings, claims, customer service and information and communication technology.

Summary of learning outcomes	Number of questions in the examination*
1. Insurance products and associated services	36
2. Underwriting and policy wordings	33
3. Claims	23
4. Information and communication technology, security, confidential information and data protection	5
5. Customer service	3

*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:** 100 multiple choice questions (MCQs). 2 hours are allowed for this examination.
- **This syllabus will be examined from 1 January 2010 until 31 December 2010.**
- **Candidates will be examined on the basis of English law and practice unless otherwise stated.**
- **Candidates should refer to the CII update website www.cii.co.uk/updates for the latest information on changes to law and practice and when they will be examined.**

1. Insurance products and associated services

Insurance products and associated services

On completion, candidates should:

- 1.1 *know* the basic features and outline of typical policy cover of:
 - motor: private car, motorcycle, commercial;
 - health: personal accident, sickness, medical expenses;
 - combined comprehensive or packaged policies: household, travel and commercial packages;
 - property: fire and special perils, all risks, theft, glass, money;
 - pecuniary: legal expenses, business interruption;
 - liability: employers', public, products, directors' and officers', professional indemnity, trustees' indemnity;
 - extended warranties.

Insurance and related services

On completion, candidates should:

- 1.2 *know* in outline the non-insurance services available, specifically:
 - helplines and advice;
 - authorised repairers and suppliers;
 - risk control/advice;
 - uninsured loss recovery services.

2. Underwriting and policy wordings

Material facts

On completion, candidates should:

- 2.1 *understand* why an underwriter wishes to be aware of material facts in assessing a risk;
- 2.2 *understand* the significance of moral and physical hazard for underwriters and how they are manifested;
- 2.3 *know* the methods used by underwriters to obtain material facts;
- 2.4 *know* the questions usually asked of proposers.

Underwriting procedures

On completion, candidates should:

- 2.5 *know* the legal and regulatory significance of procedures relating to quotations;
- 2.6 *know* the legal significance of procedures relating to proposals;
- 2.7 *be able to apply* principles of premium calculation;
- 2.8 *know* the legal significance of procedures relating to the issue of cover notes, policies and certificates of insurance.

Premium payment

On completion, candidates should:

- 2.9 *understand* the relevance of premium payment for valid cover;
- 2.10 *know* the methods used by insurers to collect premiums;
- 2.11 *know* the features of Insurance Premium Tax.

Policy wordings

On completion, candidates should:

- 2.12 *know* the structure, functions and contents of a policy form, including the policy schedule;
- 2.13 *understand* the meaning and use of common policy conditions and exclusions;
- 2.14 understand how excesses and franchises are used;
- 2.15 understand the distinction between warranties, conditions, representations and exclusions.

Renewals and cancellation

On completion, candidates should:

- 2.16 understand the legal and regulatory significance of procedures relating to renewals;
- 2.17 understand how cancellation clauses operate.

3. Claims

Valid claims

On completion, candidates should:

- 3.1 *know* the legal requirements for a valid claim;
- 3.2 *understand* why a claim may be invalid or only partially met;
- 3.3 *be able to apply* principles concerning the operation of policy conditions affecting claims;
- 3.4 *know* the insured's duties after a loss;
- 3.5 *know* the documentary evidence needed relating to claims.

Claims settlement

On completion, candidates should:

- 3.6 *understand* how alternative dispute resolutions operate, including arbitration clauses;
- 3.7 *understand* the ways in which claims can be settled:
 - cash payment to insured;
 - repair;
 - replacement;
 - reinstatement;
- 3.8 *know* the role of the Motor Insurers' Bureau in relation to claims;
- 3.9 *understand* in general terms how the process of reserving operates;
- 3.10 *understand* the role salvage plays in claims settlement;
- 3.11 *know* the means of claims recovery open to insurers.

Fraudulent claims

On completion, candidates should:

- 3.12 *know* the procedures commonly used to discourage and detect fraudulent claims;
- 3.13 *understand* the consequences of fraudulent claims on insurers, policyholders and fraudulent claimants.

4. Information and communication technology, security, confidential information and data protection

On completion, candidates should:

- 4.1 *understand* how computers and the internet are used in the insurance industry;
- 4.2 *know* the principles of data protection and the types of confidential information;
- 4.3 *understand* the principles of secure storage and disposal of documents;
- 4.4 *understand* the need for security and confidentiality of information;
- 4.5 *know* the regulations relating to the use of confidential information, its storage and disclosure.

5. Customer service

On completion, candidates should:

- 5.1 *know* what a customer service standard is and how service standards should be implemented;
- 5.2 *know* the legal and regulatory obligations of organisations in the insurance industry in relation to customer service.

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/PFS members can borrow most of the study materials from CII Knowledge Services and may be able to purchase some at a special discount. For further information on lending and discounts go to www.cii.co.uk/knowledge.

General insurance business. London: CII. Coursebook IF2.

The regulation of general insurance and protection business. Tony Wiltshire. London: CII Knowledge Services. Updated as necessary. Available online (CII/PFS members only) at www.cii.co.uk/knowledge/factfiles.

Reference works

Dictionary of insurance. C Bennett. 2nd ed. London: Pearson Education, 2004. Also available online (CII/PFS members only) at www.cii.co.uk/knowledge/dictionaries.

The insurance manual. Stourbridge, West Midlands: Insurance Publishing & Printing Co. Looseleaf, updated.

Kluwer's handbook of insurance. Kingston upon Thames, Surrey: Croner. CCH. Looseleaf, updated.

Insurance law handbook. Barlow Lyde & Gilbert. 4th ed. Haywards Heath, West Sussex: Tottel, 2008.

Periodicals

The Journal. London: CII. Six issues a year. Also available online (CII/PFS members only) at www.cii.co.uk/knowledge/journal.

Post Magazine. London: Incisive Financial Publishing. Weekly.

Examination guides

You are strongly advised to study these before the examination. Please visit www.cii.co.uk to buy online or contact CII Customer Service for further information on +44 (0)20 8989 8464.

Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements. You will also find advice at www.cii.co.uk/knowledge/careersupport (CII/PFS members only).

For a more interactive approach, you should consider: Winning the brain game. London: CII, 2006. CD-ROM.