

Insurance corporate management

Purpose

To enable candidates to understand how an insurance operation is managed.

Assumed knowledge

It is assumed that the candidate already has the knowledge gained from a study of insurance organisations, finance and regulations as typically covered in IF1 Insurance, legal and regulatory or M92 Insurance business and finance or equivalent examinations.

Summary of learning outcomes

1. Evaluate the structures and management of insurance organisations
2. Evaluate the effects of chosen strategies of insurance operations
3. Evaluate financial management, including solvency capital in the management of insurance organisations
4. Evaluate the key regulatory matters affecting insurance organisations
5. Evaluate optimum governance, risk management and conduct strategies and frameworks
6. Evaluate the current and future challenges to the management of insurance organisations

Important notes

- Method of assessment: Coursework – 3 online assignments (80 marks). Each assignment must be individually passed.
- The syllabus is examined on the basis of English law and practice unless otherwise stated.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
 1. Visit www.cii.co.uk/qualifications
 2. Select the appropriate qualification
 3. Select your unit from the list provided
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1. Evaluate the structures and management of insurance organisations

- 1.1 Evaluate the types of ownership models including the importance and sources of capital.
- 1.2 Explain the principles of organisation and apply these to relevant insurance organisations.
- 1.3 Evaluate the types of organisational structures and their advantages and challenges within workplace scenarios.
- 1.4 Analyse the decision making process and drivers for establishing non-UK (or other non-home country) headquarters.
- 1.5 Analyse outsourcing/insourcing and its effect on insurance organisations.
- 1.6 Explain the principles of strategic and operational planning and apply these to workplace scenarios.

2. Evaluate the effects of chosen strategies of insurance operations

- 2.1 Analyse the use and purpose of artificial intelligence and automated underwriting and claims management (data analytics).
- 2.2 Evaluate the range of business distribution models and changing practices.
- 2.3 Analyse the effect of strategies on client experience (public trust) and the benefits of corporate chartered status.
- 2.4 Explain the drivers for mergers and acquisitions.

3. Evaluate financial management, including solvency capital in the management of insurance organisations

- 3.1 Explain the role of the finance function.
- 3.2 Explain the principles of financial reporting and apply these to workplace scenarios.
- 3.3 Analyse financial accounts of insurance organisations.
- 3.4 Evaluate and apply corporate finance concepts in insurance organisations including the raising of capital, project appraisal and business acquisition and disposal.
- 3.5 Explain the implications of International Financial Reporting Standards (IFRS).
- 3.6 Apply the principles of the budgeting process to workplace scenarios.
- 3.7 Apply the principles of performance monitoring to workplace scenarios.
- 3.8 Explain the role of external auditing.
- 3.9 Analyse investment management and asset/liability management in insurance organisations.
- 3.10 Explain the role of actuarial departments and functions and modelling.

4. Evaluate the key regulatory matters affecting insurance organisations

- 4.1 Explain the regulatory frameworks that insurance organisations need to work with.
- 4.2 Explain the Solvency II regulatory framework.
- 4.3 Evaluate conduct of business regulatory issues (including rules for consumer disclosure) and their

impact on the management of insurance organisations.

- 4.4 Explain the regulatory requirements of the senior manager and certification regime and its impact on recruitment and development.
- 4.5 Explain the process and objectives of international harmonisation of regulation.
- 4.6 Examine the impact of rules for data protection, anti money laundering and the prevention of bribery.
- 4.7 Explain the process of credit rating and its impact on insurance organisations.

5. Evaluate optimum governance, risk management and conduct strategies and frameworks

- 5.1 Explain the principles of good governance for insurance organisations.
- 5.2 Explain the role of the Board, directors and key management.
- 5.3 Explain the principles of risk management and the role of the risk function.
- 5.4 Explain the role of the compliance function.
- 5.5 Explain the role of the internal audit function.
- 5.6 Explain the importance of key stakeholders.

6. Evaluate the current and future challenges to the management of insurance organisations

- 6.1 Evaluate the threats and opportunities faced in managing insurance organisations.
- 6.2 Make recommendations to mitigate threats and exploit opportunities faced in managing insurance organisations.
- 6.3 Evaluate transformation and change strategies.
- 6.4 Analyse incorporate globalisation and changing environment and social issues (e.g., sustainability, carbon footprint, changing social mores and cryptocurrency).
- 6.5 Analyse the application of Artificial Intelligence (AI) and machine learning.
- 6.6 Evaluate the role and importance of Managing General Agents (MGAs).

Reading list

The following list provides details of various publications which may assist you with your studies.

Note: The examination will test the syllabus alone. However, it is important to read additional sources as 10% of the exam mark is allocated for evidence of further reading and/or the use of relevant examples.

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

The publications listed here provide a wider coverage of syllabus topics.

CII study texts

Insurance corporate management. London: CII.

Study text 990.

Insurance business & finance. London: CII. Study text M92.

Insurance, legal and regulatory. London: CII. Study text IF1.

Books / eBooks

A practical guide to corporate governance. 5th ed. Mark Cardale. London: Sweet and Maxwell, 2014.

A practitioner's guide to Solvency II. Geoffrey et al. (eds.). London: Thomson Reuters, 2016.

Accounting and finance for non-specialists. 12th ed. Peter Atrill and Eddie McLaney. Pearson Education Ltd, 2021.

Accounting for non-accountants. 11th ed. David Horner. London: Kogan Page, 2017.

Bowstead and Reynolds on agency. Peter Watts & FMB Reynolds. 22nd ed. London: Thomson Reuters, 2020.

Management: an introduction. David Boddy. 7th ed. Pearson Education, 2016.

Organisational behaviour: an introductory text. Andrzej Huczynski, David Buchanan. 8th ed. Financial Times/Prentice Hall, 2013.

Research handbook on money laundering. Daan van der Linde, Brigitte Unger. Cheltenham: Edward Elgar Publishing, 2013*

Risk culture and effective risk governance. Patricia Jackson, ed. London: Risk Books, 2014.

Risk management for insurers: risk control, economic capital, and Solvency II. Rene Doff. 3rd/2nd ed. London: Risk Books, 2015/2011.*

The role of agents in insurance business. Chapter – MacGillivray on insurance law: relating to all risks other than marine. 15th ed. Sweet & Maxwell, 2022.

eBooks

The following eBooks are available via www.cii.co.uk/elibrary (CII/PFS members only):

Basic financial accounting. 4th ed. Willen Bosua, Madri Schute. Claremont: Juta and Company Ltd., 2015.

Business risk management: models and analysis. E.J. Anderson. Hoboken: Wiley, 2014.

Evolutionary governance theory: an introduction. Kristof Van Assche, et al. Springer, 2014.

Fundamentals of enterprise risk management: how top companies assess risk, manage exposure and seize opportunity. John J. Hampton. New York: American Management Association, 2015.

Progressive corporate governance for the 21st Century. Lorraine Talbot. Oxon: Routledge, 2013.

Rethinking corporate governance. Alessio M. Paces. Oxon: Routledge, 2013.

Risk management and corporate governance in the 21st Century digital economy. Georgios Zekos. New York: Nova Scotia Pub. Inc, 2014.

Risk management at the top: a guide to risk and it's governance in financial institutions. Chichester, West Sussex: Wiley, 2014.

Strategic management in the 21st Century. Vijay R. Kannan. Calif: Praeger, 2013.

Understanding financial risk management. Angelo Corelli. London: Routledge, 2015.

Journals and magazines

The Journal. London: CII. Six issues a year.

Post magazine. London: Incisive Financial Publishing. Monthly. Contents searchable online at www.postonline.co.uk.

The Economist. London: Economist Newspaper. Weekly.

* Also available as an eBook through eLibrary via www.cii.co.uk/elibrary (CII/PFS members only).

Financial times. London: Financial Times.
Daily. Available online at www.ft.com.

Reference materials

Code of ethics. London: CII, 2017. Available
online at bit.ly/2UnNlgn.

Concise encyclopedia of insurance terms.
Laurence S. Silver, et al. New York:
Routledge, 2010.*

International Financial Reporting Standards.
IFRS Foundation. London: IFRS Foundation.
Annual.

Specimen guides

Specimen guides are available for all
coursework units.

These are available on the CII website under
the unit description / purchasing page. You
will be able to access this page from the
Qualifications section of the CII website:
www.cii.co.uk/qualifications.

Exam technique/study skills

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