

# Advanced insurance broking

## Purpose

To provide knowledge and understanding of the management and operation of insurance broking organisations.

## Assumed knowledge

It is assumed that the candidate already has the knowledge gained from a study of the relevant sections of IF1 Insurance, legal and regulatory, M05 Insurance law and M81 Insurance broking practice or equivalent examinations.

### Summary of learning outcomes

1. Analyse the competitive environment for insurance brokers
2. Analyse the management, implementation and control of regulation, compliance and the law as they apply to insurance brokers
3. Analyse the strategic, management and operational challenges faced by insurance brokers

## 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](http://www.cii.co.uk/qualifications)
  2. Select the appropriate qualification
  3. Select your unit from the list provided
  4. Select qualification update on the right hand side of the page

## **1. Analyse the competitive environment for insurance brokers**

- 1.1 Explain the non-life insurance market and the insurance market cycle.
- 1.2 Analyse the various types of insurance broker including their role and impact.
- 1.3 Explain how insurance brokers trade with insurers.
- 1.4 Examine the distribution landscape.
- 1.5 Examine the different methods used by insurance brokers to trade with clients.
- 1.6 Examine the new business process in insurance broking.
- 1.7 Analyse the significant disruptive factors within the competitive environment: political, economic, social, technological, legal and environmental.

## **2. Analyse the management, implementation and control of regulation, compliance and the law as they apply to insurance brokers**

- 2.1 Explain the regulatory environment and the approach to regulation and supervision.
- 2.2 Explain the implementation and control with respect to senior management systems and controls (SYSC) and ICOBs.
- 2.3 Explain the Senior Managers and Certification Regime (SM&CR) and the Insurance Distribution Directive (IDD).
- 2.4 Explain the disciplinary procedures to which insurance brokers are subject and their implications.
- 2.5 Examine avoiding and managing conflicts of interest.
- 2.6 Explain the importance of training and competence.
- 2.7 Examine the approach insurance brokers need to adopt to ensure positive customer outcomes and meeting the Financial Conduct Authority's (FCA) Consumer Duty requirements.
- 2.8 Examine the management of third parties, appointed representatives and introducers.
- 2.9 Explain the legal environment with reference to bribery, sanctions, whistleblowing, and competition legislation and regulation.

## **3. Analyse the strategic, management and operational challenges faced by insurance brokers**

- 3.1 Analyse the typical legal, management and organisational structures of insurance brokers.
- 3.2 Examine the challenge of international/global business.
- 3.3 Examine the importance of business strategy.
- 3.4 Examine the importance of management accounts, business controls, business and management information and IT.
- 3.5 Examine the importance of quality and reducing errors and omissions.
- 3.6 Examine the role of corporate risk management within insurance brokers.
- 3.7 Explain the process of insurer selection with specific reference to the analysis of the security of insurers and other insurance brokers.

- 3.8 Explain the role of Terms of Business Agreements with insurers and clients.
- 3.9 Explain the management of managing general agents and delegated underwriting authorities.
- 3.10 Examine the impact of public opinion on the wider insurance industry and the role of Chartered Broker status in raising professional standards.
- 3.11 Examine the implications of outsourcing and off-shoring.
- 3.12 Analyse how insurance brokers provide excellent client service, including the handling of complaints and the management of the annual renewal cycle.
- 3.13 Analyse the role of claims and different approaches to claims service.
- 3.14 Analyse the ways in which insurance brokers are remunerated.
- 3.15 Describe the provision of risk related services and solutions by insurance brokers.

## 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

Advanced insurance broking. London: CII. 930 study text.

Insurance law. London: CII. M05 study text.

Insurance broking practice. London: CII. M81 study text.

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

### Books / eBooks

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

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

'Claims against insurance brokers'. Chapter 16 in Insurance claims. 5<sup>th</sup> ed. Alison Padfield. Tottel, 2021.

Digital insurance: business innovation in the post-crisis era. Bernardo Nicoletti. Basingstoke: Palgrave Macmillan, 2016.\*

Financial services marketing: an international guide to principles and practice. 2<sup>nd</sup> ed. Christine Ennew and Nigel Waite. Oxford: Routledge, 2013.\*

Insurance brokers: an industry accounting and auditing guide. 5<sup>th</sup> ed. M Grice, S Ouarbya. London: CCH Wolters Kluwer, 2013.

The law of insurance broking. 3<sup>rd</sup> ed. Christopher Henley. London: Sweet & Maxwell, 2016.

The role of agents in insurance business. Chapter – MacGillivray on insurance law:

relating to all risks other than marine. 15<sup>th</sup> ed. Sweet & Maxwell, 2022.

### Ebooks

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

Corporate performance: a ratio-based approach to country and industry analyses. Julia Koralum-Bereznicka. Springer, 2013.\*

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

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

Treatises on Solvency II. Meinrad Dreher. Heidelberg: Springer, 2015.

### Journals and magazines

Insurance age. Incisive media. Monthly. Contents searchable online at [www.insuranceage.co.uk](http://www.insuranceage.co.uk).

Insurance day. London: Informa. Daily except weekends. Articles searchable online at [www.insuranceday.com](http://www.insuranceday.com).

Insurance times. London: Newsquest Specialist Media. Weekly. Contents searchable online at [www.insurancetimes.co.uk](http://www.insurancetimes.co.uk).

Financial adviser. London: FT Business. Weekly. Available online at [www.ftadviser.com](http://www.ftadviser.com).

Money marketing. London: EMAP Publishing Limited. Weekly. Available online at [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk).

Post magazine. London: Incisive Financial Publishing. Monthly. Contents searchable online at [www.postonline.co.uk](http://www.postonline.co.uk).

### Reference materials

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

### 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](http://www.cii.co.uk/qualifications).

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

## **Exam technique/study skills**

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