

Household insurance products

Objective

To provide knowledge and understanding of the practices and procedures of household insurances and associated forms of cover and to develop in candidates an ability to apply product knowledge and understanding on straightforward cases where unaccompanied but supervised advice is given.

Summary of learning outcomes	Number of questions in the examination*
1. Understand the scope of cover provided by household insurance products	12
2. Know how to apply knowledge of the cover provided by household insurance products to a given set of circumstances	6
3. Understand the legal and regulatory considerations for household insurance products	11
4. Know how to apply knowledge of legal and regulatory considerations for household insurance products to a given set of circumstances	6
5. Understand risk assessment, rating and underwriting of household insurance products	19
6. Know how to apply knowledge of risk assessment, rating and underwriting of household insurance products to a given set of circumstances	9
7. Understand claims procedures within the context of household insurance products	8
8. Know how to apply knowledge of claims procedures within the context of household insurance products to a given set of circumstances	4

*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:** 50 multiple choice questions (MCQs) and 5 case studies, each comprising 5 MCQs. 2 hours are allowed for this examination.
- This syllabus will be examined from 1 September 2013 until 31 December 2014.
- Candidates will be 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 on the right hand side of the page

1. Understand the scope of cover provided by household insurance products

- 1.1 Describe the core cover provided, including policy wordings, exclusions and extensions for; buildings, contents, all risks/personal possessions, caravans, travel, livestock and pets and personal liability (including owners' liability)
- 1.2 Describe the features of money and credit cards, legal expenses, pedal cycles, assistance services/emergency help lines, sports equipment and frozen foods
- 1.3 Explain the key issues relating to home working (including liability aspects), holiday homes in the UK and abroad, insurance for blocks of flats, sharing and renting of homes and high net worth households

2. Know how to apply knowledge of the cover provided by household insurance products to a given set of circumstances

- 2.1 Apply the cover provided by household insurance products to a given set of circumstances

3. Understand the legal and regulatory considerations for household insurance products

- 3.1 Explain in broad outline the scope and general effect of the Insurance: Conduct of Business sourcebook (ICOB5) as it relates to the administration of household insurance
- 3.2 Describe the causes of legal liability for individuals
- 3.3 Describe how torts can arise
- 3.4 Describe how liability for escape of fire arises
- 3.5 Explain how liability for animals can occur including liability under the Animals Act 1971 and the Dangerous Dogs Act 1991
- 3.6 Explain how parents' liability for children arises
- 3.7 Describe the key features of The Limitation Act 1980
- 3.8 Explain the principal issues of occupiers' liability including the Occupiers' Liability Acts of 1957 and 1984
- 3.9 Describe the main aspects of the Defective Premises Act 1972 and its effect on the law relating to landlord and tenant, the vendor or lessor of property and builders, developers, sub-contractors, architects and local authorities

4. Know how to apply knowledge of legal and regulatory considerations for household insurance products to a given set of circumstances

- 4.1 Apply legal and regulatory considerations for household insurance products to a given set of circumstances

5. Understand risk assessment, rating and underwriting of household insurance products

- 5.1 Explain the general principles of premium rating and underwriting individual risks in household insurance
- 5.2 Describe the rating and underwriting considerations specific to buildings, contents, all risks (personal possessions), caravans, travel, livestock and pets; and personal liability including owners' liability
- 5.3 Describe the rating and underwriting considerations of common extensions for money and credit cards, legal expenses, pedal cycles, assistance services/emergency help lines, sports equipment and frozen foods
- 5.4 Describe the key rating and underwriting issues relating to home working including liability aspects, holiday homes in the UK and abroad, insurance for blocks of flats, and sharing and renting of homes
- 5.5 Explain the use of surveys in household insurance including the importance of security measures
- 5.6 Describe how sums insured are calculated and the effect of index-linking
- 5.7 Describe the basis of cover for indemnity, reinstatement, new for old and index linked
- 5.8 Describe the renewal process specific to household insurance
- 5.9 Define property insured
- 5.10 Define an insured event
- 5.11 Explain the cover available for the insured's legal liability
- 5.12 Describe the key features of the Consumer Insurance (Disclosure and Representations) Act 2012 and its effect on the use of proposal forms

6. Know how to apply knowledge of risk assessment, rating and underwriting of household insurance products to a given set of circumstances

- 6.1 Apply risk assessment, rating and underwriting of household insurance products to a given set of circumstances

7. Understand claims procedures within the context of household insurance products

- 7.1 Describe the principles for establishing the validity of a claim
- 7.2 Describe the claims handling procedures specific to buildings, contents, all risks/personal possessions, caravans, travel, livestock and pets and personal liability (including owners' liability)
- 7.3 Explain fraud prevention and detection measures and their operation

- 7.4 Describe how Financial Conduct Authority rules apply to the claims process
- 7.5 Explain complaints-handling procedures and the role of the Financial Ombudsman Service
- 8. Know how to apply knowledge of claims procedures within the context of household insurance products to a given set of circumstances**
- 8.1 Apply claims handling procedures within the context of household insurance products to a given set of circumstances

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.cii.co.uk/knowledge.

CII study texts

Household insurance products. London: CII. Study text IF6.

Additional reading

Books (and ebooks)

The modern law of insurance. Andrew McGee. (London: LexisNexis, 2011).

Factfiles and other online resources

The regulation of general insurance and protection business. Tony Wiltshire, rewritten and updated by Ian Youngman. London: CII Knowledge Services. Updated as necessary. Available online (CII/Personal Finance Society members only) via www.cii.co.uk/knowledge.

Fraudulent claims. Ian Youngman. London: CII Knowledge Services. Updated as necessary. Available online via www.cii.co.uk/knowledge (CII/Personal Finance Society members only).

The Financial Ombudsman Service and general insurance. Peter Tyldesley, Saira Paruk. London: CII Knowledge Services. Updated as necessary. Available online via www.cii.co.uk/knowledge (CII/Personal Finance Society members only).

Recent developments in tort. Alan Peck. London: CII Knowledge Services. Updated as necessary. Available online via www.cii.co.uk/knowledge (CII/Personal Finance Society members only).

Reference materials

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

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.

Periodicals

The Journal. London: CII. Six issues a year. Also available online (CII/Personal Finance Society members only) via www.cii.co.uk/knowledge.

Post Magazine. London: Incisive Financial Publishing. Weekly.

Examination guide

An examination guide, which includes a specimen paper, is available to purchase via www.cii.co.uk.

If you have a current study text enrolment the specimen paper is included, as a mock test, via Revisionmate (www.revisionmate.com). Details on how to access this resource are on the first page of the study text.

Exam technique/study skills

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

The Insurance Institute of London holds a lecture on revision techniques for CII exams approximately three times a year. The slides from their most recent lectures can be found at www.cii.co.uk/knowledge/iilrevision (CII/Personal Finance Society members only).