

# Healthcare insurance products

## Objective

To provide knowledge and understanding of the fundamental principles and practices relating to healthcare insurance.

| Summary of learning outcomes   | Number of questions in the examination* |
|--|---|
| 1. Understand the structure of the UK healthcare insurance market  | 10                                      |
| 2. Understand the key features of healthcare provision in the UK and overseas  | 5                                       |
| 3. Understand healthcare product types   | 20                                      |
| 4. Understand the different roles and responsibilities of intermediaries and providers   | 10                                      |
| 5. Understand risk assessment, rating and underwriting considerations  | 15                                      |
| 6. Know how to apply the principles of risk assessment, rating and underwriting considerations to a given set of circumstances | 5                                       |
| 7. Understand the claims function  | 16                                      |
| 8. Know how to apply the principles of the claims process to a given set of circumstances                                      | 4                                       |
| 9. Understanding legal and regulatory considerations   | 11                                      |
| 10. Know how to apply the principles contained within law and regulation 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: 100 multiple choice questions (MCQs). 2 hours are allowed for this examination.
- This syllabus will be examined from 1 January 2015 until 31 December 2015.
- 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/updates](http://www.cii.co.uk/updates)
  2. Select the appropriate qualification
  3. Select your unit on the right hand side of the page

- 1. Understand the structure of the UK healthcare insurance market**
  - 1.1 Describe the organisation and function of provident insurers, commercial insurers, third party administrators, other providers of healthcare insurance, health and dental cash funds, and reinsurers of healthcare products
  - 1.2 Describe the basic function and operation of employee healthcare trusts
  - 1.3 Describe the main distribution channels and marketing methods used in the healthcare insurance market
  - 1.4 Explain the organisation and advantages and disadvantages of direct sales methods and intermediated sales methods
- 2. Understand the key features of healthcare provision in the UK and overseas**
  - 2.1 Explain the key features and provisions of the National Health Service and Independent Healthcare Sector in the UK
  - 2.2 Describe the key features of healthcare insurance provision in Europe, USA, Australia, Asia and South Africa
- 3. Understand healthcare product types**
  - 3.1 Explain the main features of individual private medical insurance
  - 3.2 Explain the main features of small and medium enterprise private medical insurance
  - 3.3 Explain the main features of corporate medical schemes including insurance, trusts and flexible benefit schemes
  - 3.4 Describe the main features of health cash plans
  - 3.5 Describe the main features of dental insurance and capitation plans
  - 3.6 Describe the main features of international medical insurance
  - 3.7 Describe the main features of well-being and occupational health services
  - 3.8 Describe the medical benefits offered under travel insurance schemes
  - 3.9 Describe the main features of other healthcare insurance products and services
- 4. Understand the different roles and responsibilities of intermediaries and providers**
  - 4.1 Describe the role and responsibilities of the intermediary including fact-finding, health questioning, obtaining quotations, placing risk, transferring schemes and the on-going administration of cover
  - 4.2 Describe the role and responsibilities of the provider including assessing the risk, completing the quotation, accepting risk for the cover and the on-going administration of cover
  - 4.3 Explain the features and operation of policy renewals, customer loyalty mechanisms and switching for individual customers, small and medium enterprise customers and corporate customers
- 5. Understand risk assessment, rating and underwriting considerations**
  - 5.1 Describe the main risk considerations and general underwriting principles of private medical insurance with specific reference to general exclusions and exceptions, medical conditions and procedures, acute and chronic conditions, cancer, experimental treatments, hospital banding, postcode rating and restricted hospital networks; and excess and co-payments
  - 5.2 Explain the styles of underwriting including moratorium, full medical underwriting, continued personal medical exclusions (CPME), medical history disregarded (MHD) and premium ratings
  - 5.3 Explain the ratings and underwriting considerations for core healthcare products with specific reference to corporate schemes, small and medium enterprises schemes (SMEs), voluntary schemes and individual plans
- 6. Know how to apply the principles of risk assessment, rating and underwriting considerations to a given set of circumstances**
  - 6.1 Apply the principles of risk assessment, rating and underwriting considerations to a given set of circumstances
- 7. Understand the claims function**
  - 7.1 Explain the principles of claims assessment under core healthcare insurance products
  - 7.2 Describe the processes involved in a claim under private medical insurance policies and other core product policies
  - 7.3 Describe the elements of and the factors that contribute to healthcare claims costs
  - 7.4 Describe the main methods by which claims costs may be controlled

- 8. Know how to apply the principles of the claims process to a given set of circumstances**
  - 8.1 Apply the principles of the claims process to a given set of circumstances
- 9. Understand legal and regulatory considerations**
  - 9.1 Describe the main features of the Financial Conduct Authority regulations
  - 9.2 Explain 'Treating Customers Fairly'
  - 9.3 Explain dispute resolution relating to healthcare insurance
  - 9.4 Describe the main features of ABI Guidelines and Statements of Best Practice and non-statutory regulation relating to healthcare
  - 9.5 Explain the effect on healthcare insurance of the Access to Medical Reports Act 1988; Access to Health Records Act 1990; Equality Act 2010; Data Protection Act 1998 and the Mental Capacity Act 2005; Consumer Insurance (Disclosure and Representations) Act 2012
  - 9.6 Explain the personal taxation implications for holders of healthcare insurance.
  - 9.7 Explain the company taxation implications for corporate purchasers of healthcare insurance
- 10. Know how to apply the principles contained within law and regulation to a given set of circumstances**
  - 10.1 Apply the principles contained within law and regulation to a given set of circumstances

## Reading list

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

**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.

The publications will help candidates keep up-to-date with developments and will provide a wider coverage of syllabus topics.

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](http://www.cii.co.uk/knowledge).

### CII study texts

Healthcare insurance products. London: CII. Study text IF7.

### Additional reading

Additional reading materials are available through the library or on the Knowledge Services website.

New materials are added frequently – for information about new books and articles in your area of interest, please visit [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) or email [knowledge@cii.co.uk](mailto:knowledge@cii.co.uk).

### Books (and ebooks)

The modern law of insurance. Andrew McGee. LexisNexis, 2011.

### Factfiles and other online resources

CII factfiles are written by subject matter experts within the insurance and financial services industry. They are updated annually, and interim update bulletins are included where necessary to take into account any major changes during the year. All are available online via [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) (CII/Personal Finance Society members only).

Critical illness insurance. Andy Couchman.

Long-term care insurance. Andy Couchman.

Payment protection insurance. Andy Couchman.

### Reference materials

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

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](http://www.cii.co.uk/knowledge).

Post magazine. London: Incisive Financial Publishing. Weekly.

e-Protection review. Great Rissington: Bank House Communications. Monthly. Available at [www.protectionreview.co.uk](http://www.protectionreview.co.uk)

## Examination guides

An examination guide, which includes a specimen paper, is available to purchase via [www.cii.co.uk](http://www.cii.co.uk)

If you have a current study text enrolment, the current examination guide is included and is accessible via Revisionmate ([www.revisionmate.com](http://www.revisionmate.com)). Details on how to access Revisionmate are on the first page of your study text.

It is strongly recommended that you only study from the most recent versions of the examination guides.

## 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](http://www.cii.co.uk/knowledge/iilrevision) (CII/Personal Finance Society members only).