

930

Advanced Diploma in Insurance

Unit 930 – Advanced insurance broking

April 2015 examination

Instructions

- Three hours are allowed for this paper.
- **Do not begin writing until the invigilator instructs you to.**
- **Read the instructions on page 3 carefully before answering any questions.**
- Provide the information requested on the answer book and form B.
- You are allowed to write on the inside pages of this question paper, but you must **NOT** write your name, candidate number, PIN or any other identification anywhere on this question paper.
- The answer book and this question paper must **both be handed in personally by you** to the invigilator before you leave the examination room. **Failure to comply with this regulation will result in your paper not being marked and you may be prevented from entering this examination in the future.**

Unit 930 – Advanced insurance broking

Instructions to candidates

Read the instructions below before answering any questions

- **Three hours** are allowed for this paper which carries a total of 160 marks, as follows:

Part I	1 compulsory question (case study)	80 marks
Part II	2 questions selected from 3 (scenarios)	80 marks

- You should answer the question in Part I, and two out of the three questions in Part II.
- **You are advised to spend no more than 90 minutes on Part I and 45 minutes on each question selected in Part II.**
- **It is recommended that you spend 15 minutes reading and planning your answer to the case study and 75 minutes answering it, and that you spend 10 minutes reading and planning your answer to each scenario and 35 minutes answering it.**
- A case study tests extensively across syllabus learning outcomes, whilst a scenario will be more focused on specific learning outcomes.
- Read carefully all questions and information provided before starting to answer. Your answer will be marked strictly in accordance with the question set.
- You may find it helpful in some places to make rough notes in the answer booklet. If you do this, you should cross through these notes before you hand in the booklet.
- Answer each question on a new page. If a question has more than one part, leave six lines blank after each part.

PART I**Case study****This question is worth 80 marks**

To gain maximum marks you should include relevant examples and evidence of further reading in your answer

1. Case Study

You are a senior account manager in the Service Team of a large, UK based insurance broker. Ahead of your annual renewal meeting, the Head of Risk for your largest commercial client, AFQ plc (AFQ), a multi-national manufacturing business, has asked you to explain the current state of the insurance market.

You place the risks of AFQ on a global insurance programme which is centrally controlled. The Head of Risk has recently held talks with an insurer who suggested that AFQ should place some of their risks directly, and hinted that the competitive activity of insurance brokers actually undermines the overall market.

Question

Prepare a report for AFQ's Head of Risk which:

- describes both the UK and global insurance market;
- analyses the role of insurance brokers and their impact on the insurance market, addressing the specific concerns the Head of Risk has raised;
- explains the insurance market cycle and how it can be utilised for the benefit of AFQ plc on a multi-national basis.

(80)

Part II questions can be found on pages 6 and 7

PART II**Scenarios**

Answer TWO of the following THREE questions
Each question is worth 40 marks

To gain maximum marks you should include relevant examples and evidence of further reading in your answer

2. Scenario

As Head of Compliance for a UK headquartered insurance broker with offices in several countries. Following a number of fines imposed on your competitors, you need to brief the Board on the implications of the Bribery Act 2010 to the business, the scope of the Act and how the company might take steps to ensure full compliance with the Act, thereby avoiding the risk of being fined in the same way as your competitors.

Question

Prepare a briefing paper for the Board which:

- explains the scope of the Bribery Act 2010, the offences, their application and consequences for the business; and
- recommends ways in which the company could adopt best practice in line with the Financial Conduct Authority's suggestions to manage, mitigate and eliminate the risk of bribery in your company.

(40)**3. Scenario**

You are the Service Manager of a medium-sized, UK based insurance broker which specialises in transacting commercial business on a retail basis. Your company has a number of offices throughout the UK.

The company has enjoyed a period of recent rapid expansion. Although your client base is distributed widely across the UK and covers a wide range of businesses and trades of differing sizes and complexity, your service model is very similar for each client.

Question

Prepare a briefing paper for your management colleagues which:

- explains the different client service options available to your company including specialisation and segmentation;
- analyses the benefits and challenges of specialisation and segmentation for both your clients and your company.

(40)

4. Scenario

You are part of the senior management team of a UK based insurance broker which is concerned about increasing operating costs. The company provides personal lines and commercial business and also offers a range of specialist products.

Although at present, all the business functions are carried out in-house, you have also been in talks with a number of service providers, including an overseas based organisation. Your Chief Executive Officer is concerned that not all parts of the business would benefit from outsourcing and offshoring.

Question

Prepare a report which:

- explains the core and non-core competencies of your company;
- analyses the advantages and disadvantages of outsourcing and offshoring.

(40)

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