

# Personal insurances

## Purpose

At the end of this unit, candidates should be able to demonstrate an understanding of market practises and the business environment for personal insurances. This excludes motor insurance.

## Assumed knowledge

It is assumed that the candidate already has the knowledge gained from a study of the fundamental principles of insurance as covered in IF1 Insurance, legal and regulatory or equivalent examinations.

### Summary of learning outcomes

1. Understand the general market practices of personal insurances.
2. Understand the policy cover, underwriting and rating considerations of household insurances.
3. Understand the policy coverage, underwriting and rating considerations of other personal insurance products.
4. Understand the claims notification, investigation and settlement procedures for personal insurances, including relevant case law.
5. Understand the main aspects of the business environment of personal insurances.

## Important notes

- Method of assessment: 15 short answer questions. Total of 130 marks. Two hours are allowed for this exam.
- The syllabus is examined on the basis of English law and practice unless otherwise stated.
- The general rule is that the exams are based on the English legislative position six months before the date of the exams.
- 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 on the right hand side of the page

**1. Understand the general market practices of personal insurances**

- 1.1 Explain the types of products available.
- 1.2 Describe the risk assessment process.
- 1.3 Outline the formation, content and maintenance of the contract.
- 1.4 Describe common endorsements, conditions and exclusions.

**2. Understand the policy cover, underwriting and rating considerations of household insurances**

- 2.1 Describe the scope of cover for buildings under a household policy, including optional extensions.
- 2.2 Explain the basis of rating and underwriting for buildings for both standard and non standard risks, including the use of surveys.
- 2.3 Describe the scope of cover for contents under a household policy, including optional extensions.
- 2.4 Explain the basis of rating and underwriting for contents for both standard and non standard risks including the use of surveys.
- 2.5 Describe the scope of cover for personal possessions, money, credit cards, pedal cycles, legal expenses and home emergency.
- 2.6 Explain the basis of rating and underwriting for personal possessions, money, credit cards, pedal cycles, legal expenses and home emergency.

**3. Understand the policy coverage, underwriting and rating considerations of other personal insurance products**

- 3.1 Describe policy cover, underwriting and rating considerations for domestic animals, caravans, extended warranty, mobile phone, boat and small craft insurances.
- 3.2 Explain policy cover, underwriting and rating considerations for travel, personal accident and payment protection insurances.
- 3.3 Explain policy cover, underwriting and rating considerations for special risks – home working, holiday homes, high net worth homes and commercial cover for blocks of flats.

**4. Understand the claims notification, investigation and settlement procedures for personal insurances, including relevant case law**

- 4.1 Explain the implied and express duties of the insured and insurer.
- 4.2 Explain the process of notifying, investigating and settling a claim.
- 4.3 Describe the different bases for claims settlement, including market agreements.
- 4.4 Describe the legal procedures for handling liability claims – the Civil Procedures Rules.
- 4.5 Explain the legal and regulatory processes for dispute resolution.

**5. Understand the main aspects of the business environment of personal insurances**

- 5.1 Explain the use and benefits of different distribution channels for personal insurances.
- 5.2 Explain the use and benefits of information technology and information systems.
- 5.3 Examine the social and ethical considerations within the business environment of personal insurances.
- 5.4 Examine the regulatory considerations within the business environment of personal insurances.

## 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.**

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

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

CII/PFS members can borrow most of the additional study materials below from Knowledge Services. CII study texts can be consulted from within the library.

New materials are added frequently - for information about new releases and lending service, please go to [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) or email [knowledge@cii.co.uk](mailto:knowledge@cii.co.uk).

### CII study texts

Personal insurances. London: CII. Study text P86

Insurance law. London: CII. Study text Mo5/Po5.

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

### Books (and ebooks)

Bird's modern insurance law. 9th ed. John Birds. Sweet and Maxwell, 2013.

'Cover: causes of loss: Personal accident'. Chapter – The law of insurance contracts. 6th ed. Malcolm A Clarke et al. London: Informa, 2009.

Colinvaux's law of insurance. 10th ed. London: Sweet & Maxwell, 2014.

Handbook of insurance. Georges Dionne. New York: Springer, 2013.\*

'Household buildings policies'. Chapter – The modern law of insurance. Andrew McGee. 3rd ed. London: LexisNexis, 2011.

'Household contents policies'. Chapter – The modern law of insurance. Andrew McGee. 3rd ed. London: LexisNexis, 2011.

'Housing disrepair claims'. Chapter – Claims handling law and practice: a practitioner's guide. Richard West et al et al. London: Witherby, 2008.

Insurance claims. 3rd ed. Alison Padfield. Bloomsbury Professional, 2012.

Insurance law in the United Kingdom. 2nd. ed. John Birds. The Netherlands: Kluwer Law International, 2014.

Insurance theory and practice. Rob Thoys. Routledge, 2010.\*

'Personal accident'. Chapter – Insurance disputes. 2nd ed. Jonathan Mance, Iain Goldrein, Robert Merkin (eds). London: LLP, 2003.

'Personal accident policies'. Chapter – MacGillivray on insurance law: relating to all risks other than marine. 12th ed. Sweet & Maxwell, 2012.

'Subsidence'. Chapter – Claims handling law and practice: a practitioner's guide. Richard West et al et al. London: Witherby, 2008.

Subsidence, landslip and ground heave: with special reference to insurance. 2nd ed. G H Edwards. London: CILA, 1995.

The subsidence handbook. The Subsidence Forum. 4th ed. RSA, 2013.

'Takaful and insurance: central idea and general principles'. Chapter – Applied takaful and modern insurance. 3rd ed. MM Billah. London: Sweet & Maxwell, 2007.

'Travel insurance' Chapter – The modern law of insurance. 3rd ed. Andrew McGee. London: Informa, 2011.

### Online resources

Household insurance in the UK, key trends and opportunities. ©Timetric Forecast Report. Annual. Available for members at [www.cii.co.uk/forecastreports](http://www.cii.co.uk/forecastreports).

Personal accident and health insurance in the UK, key trends and opportunities. ©Timetric Forecast Reports. Annual. Available for members at [www.cii.co.uk/forecastreports](http://www.cii.co.uk/forecastreports).

Pet insurance in the UK, key trends and opportunities. ©Timetric Forecast Reports. Annual. Available for members at [www.cii.co.uk/forecastreports](http://www.cii.co.uk/forecastreports).

Treating customers fairly. Financial Conduct Authority. Available online via [www.fca.gov.uk](http://www.fca.gov.uk).

Further articles and technical bulletins are available at [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) (CII/PFS members only).

### Journals and magazines

The Journal. London: CII. Six issues a year. Also available online via [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) (CII/PFS members only).

Post magazine. London: Incisive Financial Publishing. Weekly. Also available online at [www.postonline.co.uk](http://www.postonline.co.uk).

Further periodical publications are available at [www.cii.co.uk/journalmagazines](http://www.cii.co.uk/journalmagazines) (CII/PFS members only).

### Reference materials

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

Dictionary of insurance. C Bennett. 2nd ed. London: Pearson Education, 2004.

Insurance: Conduct of Business sourcebook (ICOBS). Available via [www.fshandbook.info/FS/](http://www.fshandbook.info/FS/).

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

### Examination guides

Guides are produced for each sitting of written answer examinations. These include the exam questions, examiners' comments on candidates' performance and key points for inclusion in answers.

You are strongly advised to study guides from the last two sittings. Please visit [www.cii.co.uk](http://www.cii.co.uk) to buy online or contact CII Customer Service for further information on +44 (0)20 8989 8464.

Alternatively, if you have a current study text enrolment, the latest exam guides are available via [www.revisionmate.com](http://www.revisionmate.com).

Older guides are available via [www.cii.co.uk/pastexamguides](http://www.cii.co.uk/pastexamguides) (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.

The Insurance Institute of London (IIL) holds a lecture on revision techniques for CII written exams approximately three times a year. The slides from their most recent lectures can be found at [www.cii.co.uk/iilwrittenrevision](http://www.cii.co.uk/iilwrittenrevision) (CII/PFS members only).