

# Packaged commercial insurances

## Objective

To provide knowledge and understanding of the development and design of packaged commercial policies, scope of cover provided by the most common forms of packaged commercial policy; and arrangement and operation of packaged commercial insurance contracts.

Summary of learning outcomes	Number of questions in the examination*
1. Understand the development of packaged commercial insurances	5
2. Understand the basic features and scope of packaged commercial insurances and associated services	14
3. Know how packaged commercial insurances are arranged	11
4. Understand underwriting procedures and policy wordings for packaged commercial insurances	17
5. Understand mid-term policy amendments, renewals and cancellation for packaged commercial insurances	6
6. Understand claims procedures in relation to packaged commercial insurances	22

\*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: 75 multiple choice questions (MCQs). 2 hours are allowed for this examination.
- This syllabus will be examined from 1 May 2016 until 31 December 2017.
- 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
- *Wording in italics in the syllabus will only be tested from October 2016*

- 1. Understand the development of packaged commercial insurances**
  - 1.1 Describe the ways in which packaged policies have developed and the reasons for the continuing development of packaged policies
  - 1.2 Describe the current methods used to develop packaged policies both by insurers and intermediaries
  - 1.3 Explain the differences between packaged policies, combined policies and schemes
- 2. Understand the basic features and scope of packaged commercial insurances and associated services**
  - 2.1 Describe the features and scope of cover of the following packaged policies:
    - office insurance
    - shop insurance
    - insurances for hotels, guest houses, surgeries, salons and care homes
    - commercial liability (including contractors)
  - 2.2 Describe the basic features and scope of non-insurance services available, specifically:
    - helplines and advice
    - authorised repairers and suppliers
    - risk control/advice
- 3. Know how packaged commercial insurances are arranged**
  - 3.1 Describe how customers search the marketplace for cover and access packaged and scheme arrangements
  - 3.2 Describe the means by which packaged and scheme arrangements are promoted and sold by insurers and intermediaries
  - 3.3 Describe the content and legal significance of procedures relating to proposals
  - 3.4 Describe the alternative methods commonly used by underwriters to obtain material facts/*information*
  - 3.5 Describe the ways in which intermediaries carry out a 'demands and needs' analysis to establish the most appropriate cover and eligibility status for packaged arrangements
  - 3.6 Describe the legal and regulatory significance of quotation procedures
  - 3.7 Describe the scope and general effect of the Insurance: Conduct of Business sourcebook (ICOBS) as it relates to packaged commercial insurances
  - 3.8 Describe Treating Customers Fairly as it applies to packaged commercial insurances
- 4. Understand underwriting procedures and policy wordings for packaged commercial insurances**
  - 4.1 Describe the means by which rates for packaged policies are developed
  - 4.2 Describe the ways in which insurers measure discrimination factors for individual risks proposed for insurance
  - 4.3 Describe the circumstances in which different underwriting measures are used
  - 4.4 Explain the principles of premium calculation and their application
  - 4.5 Describe the structure, functions and contents of a policy form, including the policy schedule
  - 4.6 Explain the meaning and effect of common policy conditions and exclusions
  - 4.7 Explain the distinction between warranties, conditions, representations and exclusions
  - 4.8 Describe the legal significance of procedures relating to the issue of policies and certificates of insurance
  - 4.9 Describe delegated authority schemes
  - 4.10 Explain the benefits and limitations of scheme and packaged arrangements for the proposer, intermediary and insurer
- 5. Understand mid-term policy amendments, renewals and cancellation for packaged commercial insurances**
  - 5.1 Describe the reasons for amendments and those changes that require notification
  - 5.2 Describe the legal and regulatory significance of renewal procedures
  - 5.3 Explain how cancellation clauses operate

## 6. Understand claims procedures in relation to packaged commercial insurances

- 6.1 Describe the insurers' notification requirements
- 6.2 Describe the insured's duties following a loss
- 6.3 Describe the documentary evidence needed relating to claims
- 6.4 Describe the procedure followed by insurers when investigating a claim
- 6.5 Describe how the process of reserving operates in general terms
- 6.6 Describe the Financial Conduct Authority rules that apply to the claims process
- 6.7 Describe the reasons why a claim may be invalid or only partially met
- 6.8 Describe the ways in which claims can be settled
- 6.9 Describe the role salvage plays in claims settlement
- 6.10 Describe how alternative dispute resolution operates, including arbitration clauses
- 6.11 Describe the means of claims recovery open to insurers
- 6.12 Describe the action that insurers must take following a loss settlement
- 6.13 Describe the options available to insurers discovering fraud in connection with a claim
- 6.14 Describe the procedures commonly used to discourage and detect fraudulent claims

## 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

Packaged commercial insurances. London: CII. Study text IF8.

### Books (and ebooks)

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

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

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

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

### Factfiles and other online resources

CII factfiles are concise, easy to digest but technically dense resources designed to enrich the knowledge of members. Covering general insurance, life and pensions and financial services sectors, the factfile collection includes key industry topics as well as less familiar or specialist areas with information drawn together in a way not readily available elsewhere. Available online via [www.cii.co.uk/ciifactfiles](http://www.cii.co.uk/ciifactfiles) (CII/PFS members only).

- The regulation of general insurance business. Ian Youngman.
- The regulatory framework. Simon Collins.

### Periodicals

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).

### 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.

Kluwer's handbook of insurance. Kingston upon Thames, Surrey: Croner. CCH. Looseleaf updated.

The insurance manual. Stourbridge, West Midlands:  
Insurance Publishing & Printing Co. Looseleaf, updated.

\*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

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 of how to  
access Revisionmate are on the first page of your study  
text.

It is 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/iilrevision](http://www.cii.co.uk/iilrevision) (CII/PFS  
members only).