

# Long term care insurance

At the end of this unit, candidates should be able to understand the:

- definition, purpose and scope of long term care contracts and how they interact with State benefits and State-funded long term care;
- main features and functions of the different types of contract that can be used to fund long term care and how they can be arranged to meet an individual's needs;
- principal legal, taxation and regulatory issues that are relevant to advice on long term care insurance;
- importance of regular reviews to ensure that long term care insurance cover remains appropriate.

Summary of learning outcomes	Number of questions in the examination*
1. Understand the FCA definition of a long term care insurance contract and the background to long term care provision in the UK.	3
2. Understand the different types of long term care that are available.	3
3. Understand the responsibilities of a health authority in the provision of continuing care and any resulting funding implications for the individual.	4
4. Understand how current legislation affects the provision of advice on long term care insurance, particularly with reference to the responsibilities of a local authority in enabling access to long term care and procedures for care assessment.	4
5. Understand how local authorities make financial care needs assessments for those requiring long term care and the role of social services.	5
6. Understand the availability of alternative sources of assistance relevant in the provision of long term care and possible limitations on their use.	3
7. Understand the complexities and implications of the relationship between the adviser, the client and third parties when advising on long term care insurance.	6
8. Understand the taxation issues related to long term care insurance plans.	3
9. Understand the legal considerations that need to be taken into account when giving long term care advice to an individual or their representatives.	5
10. Understand eligibility to claim under a long term care insurance contract.	3
11. Understand the different costs associated with long term care provision and the factors that create variations in them.	4
12. Analyse the interaction between the eligibility for means-tested and non means-tested benefits in the provision of advice on long term care insurance.	4
13. Assess the suitability of arrangements available to fund and maintain an individual's long term care needs and whether the level of risk they present to the client is appropriate and acceptable.	2
14. Analyse situations that might indicate to an adviser that a client's long term care provision needs to be reviewed and identify the consequences of that review.	1

Plus 25 case study-related questions from learning outcomes 1 to 14

\*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 2016 to 31 August 2017.
- Candidates will be examined on the basis of English law and practice in the tax year 2016/2017 unless otherwise stated.
- It should be assumed that all individuals are domiciled and resident in the UK 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](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 FCA definition of a long term care insurance contract and the background to long term care provision in the UK.**
  - 1.1 Describe the FCA's definition of a long term care insurance contract.
  - 1.2 Describe the socio-economic background to long term care.
- 2. Understand the different types of long term care that are available.**
  - 2.1 Describe the different types of care and their associated levels of dependency.
- 3. Understand the responsibilities of a health authority in the provision of continuing care and any resulting funding implications for the individual.**
  - 3.1 Describe the responsibilities of local authority and local or regional health services in the provision of continuing care.
  - 3.2 Describe the funding implication for individuals as a result of a local authority and local or regional health services' provision of continuing care.
- 4. Understand how current legislation affects the provision of advice on long term care insurance, particularly with reference to the responsibilities of a local authority in enabling access to long term care and procedures for care assessment.**
  - 4.1 Describe how a local authority would assess an individual's need for long term care.
  - 4.2 Describe the relevant legislation and case law relating to the provision of long term care.
- 5. Understand how local authorities make financial care needs assessments for those requiring long term care and the role of social services.**
  - 5.1 Describe how local authorities make financial care needs assessments for those requiring long term care.
  - 5.2 Describe the role of social services in the assessment of long term care needs.
- 6. Understand the availability of alternative sources of assistance relevant in the provision of long term care and possible limitations on their use.**
  - 6.1 Describe the availability of alternative sources of assistance for the provision of long term care, and the possible limits on their use.
- 7. Understand the complexities and implications of the relationship between the adviser, the client and third parties when advising on long term care insurance.**
  - 7.1 Describe the complexities and implications of the relationship between the adviser, the client and third parties when advising on long term care insurance.
- 8. Understand the taxation issues related to long term care insurance plans.**
  - 8.1 Describe the taxation issues related to long term care insurance plans.
  - 8.2 Assess the tax position in relation to long term care and perform relevant tax calculations.
- 9. Understand the legal considerations that need to be taken into account when giving long term care advice to an individual or their representatives.**
  - 9.1 Describe the legal considerations which must be addressed when providing long term care advice to an individual or their representatives.
- 10. Understand eligibility to claim under a long term care insurance contract.**
  - 10.1 Describe the eligibility criteria to claim under a long term care insurance contract.
- 11. Understand the different costs associated with long term care provision and the factors that create variations in them.**
  - 11.1 Describe the different costs associated with long term care provision and the factors that create variations in them.
  - 11.2 Calculate different costs associated with long term care provision.
- 12. Analyse the interaction between the eligibility for means-tested and non means-tested benefits in the provision of advice on long term care insurance.**
  - 12.1 Analyse the interaction between the eligibility for means-tested and non means-tested benefits in the provision of advice on long term care insurance.

- 13. Assess the suitability of arrangements available to fund and maintain an individual's long term care needs and whether the level of risk they present to the client is appropriate and acceptable.**
- 13.1 Assess the suitability of arrangements available to fund and maintain an individual's long term care needs.**
- 13.2 Assess the level of risk of long term care arrangements and their appropriateness for the individual.**
- 14. Analyse situations that might indicate to an adviser that a client's long term care provision needs to be reviewed and identify the consequences of that review.**
- 14.1 Explain the most common events which will generate the need for a review of long term care provision and the required actions post-review.**

## 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

Long term care insurance. London: CII. Study text CF8.

## Books

Disability rights handbook. London: Disability Alliance. Annual.

## 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).

Long-term care insurance. Andy Couchman.

## Journals and magazines

Cover. London: Incisive Financial. Monthly. Also available at [www.covermagazine.co.uk](http://www.covermagazine.co.uk)

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

Financial solutions. London: CII. Six issues a year. Also available at [www.thepfs.org/knowledge](http://www.thepfs.org/knowledge) (CII/PFS members only).

Health insurance daily (previous Health insurance and protection). London: Informa. Available at [www.healthinsurancedaily.com](http://www.healthinsurancedaily.com)

## Reference materials

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

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

Harriman's financial dictionary: over 2,600 essential financial terms. Edited by Simon Briscoe and Jane Fuller. Petersfield: Harriman House, 2007.\*

Lamont's glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009. Also available online via [www.cii.co.uk/lamont](http://www.cii.co.uk/lamont) (CII/PFS members only).

\*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).