Long-term insurance business

Purpose
To develop in the candidate a detailed knowledge and understanding of the long-term insurance market.

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

Summary of learning outcomes

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Understand the structure of the long-term business market.</td>
</tr>
<tr>
<td>2.</td>
<td>Understand long-term business contracts.</td>
</tr>
<tr>
<td>3.</td>
<td>Understand risk assessment and control.</td>
</tr>
<tr>
<td>4.</td>
<td>Understand claims administration.</td>
</tr>
<tr>
<td>5.</td>
<td>Understand reassurance.</td>
</tr>
<tr>
<td>6.</td>
<td>Understand consumer protection.</td>
</tr>
<tr>
<td>7.</td>
<td>Understand taxation considerations.</td>
</tr>
</tbody>
</table>

Important notes

- Method of assessment: Part I 14 compulsory questions (140 marks). Part II 2 questions selected from 3 (60 marks). Total of 200 marks. Three 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 structure of the long-term business market
   1.1 Outline the structure of the long-term business market.
   1.2 Describe the various types of insurance intermediary involved in the sale of long-term insurance products, and the differences between them.
   1.3 Outline the growth of direct to consumer marketing in long-term business insurance.

2. Understand long-term business contracts
   2.1 Describe the structure and use of long-term business contracts.
   2.2 Discuss the scope of cover provided in the event of death and disability, including critical illness and income protection.
   2.3 Explain the nature and use of additional benefits.
   2.4 Discuss the conversion, renewal and guaranteed insurability options available for life policies and their administration.
   2.5 Explain the benefits payable on death, disability, and maturity.
   2.6 Discuss the features and usage of single and joint life policies.
   2.7 Describe the types of term assurance policy and their uses.
   2.8 Discuss the types of whole of life assurance.
   2.9 Discuss the types of endowment assurance and their uses.
   2.10 Discuss the types of annuities.
   2.11 Discuss the options for investment choice, including unit-linked and with-profit policies.
   2.12 Discuss the principle of insurable interest as it applies to long-term business contracts.
   2.13 Discuss the issues raised by ownership of policies.
   2.14 Explain the principles of assignment and reassignment of life policies.
   2.15 Explain the effect of the Policies of Assurance Act 1867.
   2.16 Outline the nature and use of policy endorsements.
   2.17 Explain the treatment of paid-up policies.
   2.18 Explain the options available for the sale and surrender of life policies and the implications thereof.
   2.19 Explain the nature and types of trust and their use.
   2.20 Discuss the purpose and benefits of group life assurance, critical illness and income protection benefit policies.

3. Understand risk assessment and control
   3.1 Discuss the information required to assess insurance risks, the ways in which it may be obtained and evaluate its significance to rating.
   3.2 Explain the factors taken into account in the calculation of premiums.
   3.3 Discuss the principles of underwriting long-term business including group risk.
   3.4 Explain the options available to the underwriter when assessing risks, including substandard risk.
   3.5 Explain the implications of misrepresentation.
   3.6 Outline the principles of mortality and morbidity tables and their impact on long-term business.
   3.7 Explain access to medical reports as it applies to long-term business.
   3.8 Describe how policies can be reinstated.

4. Understand claims administration
   4.1 Discuss the types of claim, their characteristics and treatment.
   4.2 Discuss the means for establishing title to policies.
   4.3 Explain the content and use of letters of administration and grant of probate.
   4.4 Discuss the methods for dealing with and implications of instances of missing title documents.
   4.5 Discuss how long-term disability and critical illness claims are dealt with.
   4.6 Explain the resolution of disputes for long-term business.

5. Understand reassurance
   5.1 Explain the need for reassurance.
   5.2 Describe the types of reassurance arrangements and their application.

6. Understand consumer protection
   6.2 Discuss the scope and effect of regulation on the conduct of long-term business.
   6.3 Explain the implications of data protection for long-term business.
   6.4 Explain complaints and compensation procedures in relation to long-term business.

7. Understand taxation considerations
   7.1 Explain the implication of taxation for long-term business.
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.

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

CII study texts
Insurance law. London: CII Study text M05.

Books

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 (CII/PFS members only).

• Recent developments in life assurance law. Robert Surridge.
• Recent developments in life product design. Robert Surridge
• Critical illness insurance. Andy Couchman.
• Long-term care insurance. Andy Couchman.
• Payment protection insurance. Andy Couchman.

Annuities insurance in the UK, key trends and opportunities. ©Timetric Forecast Reports. Annual. Available for members at www.cii.co.uk/forecastreports.

Income protection and critical illness insurance in the UK, key trends and opportunities. ©Timetric Forecast Reports. Annual. Available for members at www.cii.co.uk/forecastreports.

Life insurance in the UK, key trends and opportunities. ©Timetric Forecast Reports. Annual. Available for members at www.cii.co.uk/forecastreports.

Term-life insurance in the UK, key trends and opportunities. ©Timetric Forecast Reports. Annual. Available for members at www.cii.co.uk/forecastreports.

Whole life insurance in the UK, key trends and opportunities. ©Timetric Forecast Reports. Annual. Available for members at www.cii.co.uk/forecastreports.

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

Reference materials


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


Further periodical publications are available at www.cii.co.uk/journalsmagazines (CII/PFS members only).

* Also available as an ebook through Discovery via 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 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.

Older guides are available via 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 (CII/PFS members only).