

# Life and pensions principles and practices

At the end of this unit, candidates should be able to demonstrate a knowledge and understanding of

- the role of the life and pensions sector;
- the sector's operational functions and activities and;
- the sector's regulatory and legislative environment, including individual professional responsibilities.

| Summary of learning outcomes  | Number of questions in the examination* |
|---|---|
| 1. Understand the role and value of the financial services sector   | 5                                       |
| 2. Understand the importance of life and pensions products and services for society, the economy and individuals          | 9                                       |
| 3. Understand the structures and main activities of the life and pensions sector  | 10                                      |
| 4. Understand the key principles of risk, contracts and insurance law   | 11                                      |
| 5. Understand ethical, legal and regulatory duties and how these relate to organisational and individual responsibilities | 15                                      |

\*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). 90 minutes are allowed for this examination.
- **This syllabus will be examined from 1 September 2017 to 31 August 2018.**
- **Candidates will be examined on the basis of English law and practice in the tax year 2017/2018 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 role and value of the financial services sector

- 1.1 Describe the functions of the financial services sector, including life and pensions
- 1.2 Describe the key institutions and organisations within financial services, including the UK government, and their roles

## 2. Understand the importance of life and pensions products and services for society, the economy and individuals

- 2.1 Explain the social value of insurance and how protection needs are met by state and private provision
- 2.2 Explain the importance of sufficient retirement income and how this is supported by state and private provision
- 2.3 Explain the role of investments in life and pensions products and services

## 3. Understand the structures and main activities of the life and pensions sector

- 3.1 Describe the main organisation types and operating models within the life and pensions sector
- 3.2 Describe the key functional areas within life and pensions organisations

## 4. Understand the key principles of risk, contracts and insurance law

- 4.1 Explain how risk is defined and addressed by consumers and providers
- 4.2 Explain the key principles of contracts and insurance law
- 4.3 Explain duties relating to clear information and disclosure and their importance

## 5. Understand ethical, legal and regulatory duties and how these relate to organisational and individual responsibilities

- 5.1 Explain the objectives and roles of financial regulators and the Ombudsman
- 5.2 Explain the features and importance of professional standards and ethical conduct
- 5.3 Explain conduct risk and the regulatory measures in place to ensure good conduct
- 5.4 Explain legislation and legislative duties relating to:
  - data protection
  - financial crime
  - equality
- 5.5 Describe the consequences of ethical and unethical conduct

## 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

Life and pensions principles and practices. London: CII. Study text LP3.

## Books

A practitioner's guide to the UK financial services rulebooks. 6th. ed. Ruth Fox, Ben Kingsley (eds.). London: Sweet and Maxwell, 2013.

Consumer insurance law: disclosure, representations and basis of the contract clause. Peter Tyldesley. Haywards Heath: Bloomsbury Professional, 2013.

Drafting insurance contracts: certainty, clarity, law and practice. Christopher Henley. London: Leadenhall press, 2010.

Financial services law. 3rd ed. Michael Blair, et al. Oxford: Oxford University Press, 2014.

Houseman's law of life assurance. 15th revised ed. Robert Surridge et al. Haywards Health, Bloomsbury Professional, 2016.

Insuring life: value, security and risk. Luis Lobo-Guerrero. London: Routledge, 2016.

Pensions law handbook. 13th ed. Pensions Department of Nabarro Nathanson. Tottel, 2017.

Principles of risk management and insurance. 12th ed. George E. Rejda, Michael J. McNamara. Pearson Education, 2014.

Risk management for insurers: risk control, economic capital, and Solvency II. Rene Doff. 3rd ed. London: Risk Books, 2015.

The law of insurance contracts. Malcolm A Clarke. 6th ed. London: Informa, 2009.

## eBooks

The following ebooks are available through Discovery via [www.cii.co.uk/discovery](http://www.cii.co.uk/discovery) (CII/PFS members only):

Insurance law: an introduction. Robert Merkin. London: Informa, 2014.

Recreating sustainable retirement: resilience, solvency and tail risk. P. Brett Hammond, et al. Oxford: Oxford University Press, 2014.

## 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).

- Recent developments in life assurance law. Robert Surridge.
- Recent developments in insurance contract law. Dr Ozlem Gurses.
- The regulation of retail investment business. Kevin Morris.
- The regulatory framework. Simon Collins.
- The role of insurance professionals in the risk management sector. Ian Searle.
- The current State Pension scheme. Paul Clarke.
- State Pension age. Paul Clarke.
- Single-tier State Pension. Paul Clarke.
- State Pension credit. Paul Clarke.
- The overseas pensioner. Paul Clarke.

i-law: online database of insurance legal knowledge. Informa. Available online via [www.cii.co.uk/lawdatabases](http://www.cii.co.uk/lawdatabases) (CII/PFS members only).

International encyclopedia for insurance law. Wolters Kluwer. Available online via [www.cii.co.uk/lawdatabases](http://www.cii.co.uk/lawdatabases) (CII/PFS members only).

The EU single market. The European Commission. Updated as necessary. Available online at [http://ec.europa.eu/internal\\_market](http://ec.europa.eu/internal_market)

The pensions gap across Europe. Aviva, 2013. Available online at [www.aviva.com](http://www.aviva.com).

The social value of insurance. CII Policy and Public Affairs. October 2015. Available online at [www.cii.co.uk/32307](http://www.cii.co.uk/32307).

Forecast reports on life assurance, critical illness insurance, income protection insurance, personal accident and health insurance. Timetric. Available via [www.cii.co.uk/forecastreports](http://www.cii.co.uk/forecastreports) (CII/PFS members only).

Additional articles and technical bulletins are available under the Life and Pensions section of the website at [www.cii.co.uk/knowledge/life-pensions](http://www.cii.co.uk/knowledge/life-pensions).

## Journals and magazines

Financial adviser. London: FT Business. Weekly. Also available online at [www.ftadviser.com](http://www.ftadviser.com).

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

Life insurance international. London: Timetric. Monthly.

Money management. London: FT Business. Monthly. Also available via [www.ftadviser.com](http://www.ftadviser.com).

Money marketing. London: Centaur Communications. Weekly. Also available online at [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk).

Pensions age. London: Perspective. Monthly. Also available at [www.pensionsage.com](http://www.pensionsage.com).

Pensions insight. Newsquest Specialist Media. Monthly. Also available at [www.pensions-insight.co.uk](http://www.pensions-insight.co.uk).

Retirement strategy. Supplement to Money marketing. London: Centaur Communications. Monthly. Also available at [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk).

## Websites

International Longevity Centre UK - [www.ilcuk.org.uk](http://www.ilcuk.org.uk).

The Pensions Policy Institute (PPI) - [www.pensionspolicyinstitute.org.uk](http://www.pensionspolicyinstitute.org.uk).

## Reference materials

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

Financial Conduct Authority (FCA) Handbook. Available at [www.handbook.fca.org.uk/handbook](http://www.handbook.fca.org.uk/handbook).

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).

Prudential Regulation Authority (PRA) Rulebook Online. Available at [www.prarulebook.co.uk](http://www.prarulebook.co.uk)

Pensions pocket book. London: Economic and Financial Publishing Ltd in association with Aon Hewitt. Annual.

The professional adviser's factfile. Taxbriefs. London: Taxbriefs. 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).