

# Life office administration

## Purpose

At the end of this unit, candidates should understand the:

- basic product types, including group life;
- principles of financial and medical underwriting;
- policy issues likely to arise with life policies;
- administration of life policies, including the different payment methods and consequences of non-payment;
- handling of life policy claims.

Summary of learning outcomes	Number of questions in the examination*
1. Know the basic product types.	7
2. Know the key features of group life policies and other protection policies.	2
3. Know the basic principles of taxation of life policies.	7
4. Understand the principles of financial underwriting.	1
5. Know the principles of medical underwriting.	3
6. Know the limits of authority and relevant legislation.	2
7. Know the main stages and significance relating to the arrangement of life policies and other protection policies.	6
8. Know the processes and procedures relating to policy administration.	6
9. Understand the use of trusts in life policies and related policies.	4
10. Know the different methods of premium payments and the consequences of non-payment.	2
11. Understand the main features of unit linking.	2
12. Understand the main features of with-profits.	2
13. Understand the principles and procedures of policy claims.	6

\* 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). 1 hour is allowed for this examination.
- This syllabus will be examined from 1 September 2020 until 31 August 2021.
- Candidates will be examined on the basis of English law and practice in the tax year 2020/2021 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 from the list provided
  4. Select qualification update on the right hand side of the page

- 1. Know the basic product types.**
  - 1.1 Describe the main functions and structure of life policies and other protection policies.
  - 1.2 Describe the types of life policies and other protection policies.
- 2. Know the key features of group life policies and other protection policies.**
  - 2.1 Describe the key features of group life policies and other protection policies, including the advantages and disadvantages of group policies compared with individual policies.
- 3. Know the basic principles of taxation of life policies.**
  - 3.1 Describe the distinction between qualifying and non-qualifying policies.
  - 3.2 Describe the respective tax treatment of premiums and benefits and calculate tax liabilities where appropriate.
  - 3.3 Describe the nature and tax treatment of the funds underlying the policies.
- 4. Understand the principles of financial underwriting.**
  - 4.1 Describe the main principles of financial underwriting including insurable interest.
- 5. Know the principles of medical underwriting.**
  - 5.1 Describe disclosure requirements and consequences of non-disclosure.
  - 5.2 Describe the treatment of non-standard risks.
  - 5.3 Describe the underwriting information required and the relevant acts applicable to medical records.
- 6. Know the limits of authority and relevant legislation.**
  - 6.1 Describe the limits of authority and the consequences of acting outside them.
  - 6.2 Describe the nature and consequences of advised and non-advised customer services.
- 7. Know the main stages and significance relating to the arrangement of life policies and other protection policies.**
  - 7.1 Describe the key stages in the arrangement of policies for customers and the relevant legal, residence and documentation issues that arise in arranging life policies and other protection policies.
  - 7.2 Describe the key terms and conditions used in life policies and other protection policies.
- 8. Know the processes and procedures relating to policy administration.**
  - 8.1 Describe the key processes and procedures relating to the administration of life policies and other protection policies.
- 9. Understand the use of trusts in life policies and related policies.**
  - 9.1 Describe how trusts are used in life policies and other protection policies and the consequences of their use.
- 10. Know the different methods of premium payments and the consequences of non-payment.**
  - 10.1 Describe the different methods of payment and the relevant anti-money laundering requirements.
  - 10.2 Describe the consequences of non-payment.
- 11. Understand the main features of unit linking.**
  - 11.1 Describe the main features of unit-linked life policies and other protection policies.
- 12. Understand the main features of with-profits.**
  - 12.1 Describe the main features of with-profits life policies.
- 13. Understand the principles and procedures of policy claims.**
  - 13.1 Describe how key principles and procedures apply in the payment of a life policy claim and other protection claims.

## Reading list

The following list provides details of further reading 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 resources listed here will help you keep up-to-date with developments and provide a wider coverage of syllabus topics.

CII/PFS members can access most of the additional study materials below via the Knowledge Services webpage at <https://www.cii.co.uk/knowledge-services/>.

New resources are added frequently - for information about obtaining a copy of an article or book chapter, book loans, or help finding resources, please go to <https://www.cii.co.uk/knowledge-services/> or email [knowledge@cii.co.uk](mailto:knowledge@cii.co.uk).

### **CII study texts**

Life office administration. London: CII. Study text FA1.

### **Journals and magazines**

Financial adviser. London: FT Business.

Weekly. Available online at

[www.ftadviser.com](http://www.ftadviser.com).

Personal finance professional (previously Financial solutions). London: CII. Six issues a year. Available online at [www.thepfs.org/financial-solutions-archive](http://www.thepfs.org/financial-solutions-archive) (CII/PFS members only).

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

### **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.\*