



## Learning Outcome

## Assessment Criteria

## Indicative Content

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|   |   |   |  |              |  |              |  |
|---|---|---|--|--------------|--|--------------|--|
| <b>1</b><br><b>12</b><br><b>questions</b> | <b>Understand the insurance broking market.</b>   | <b>1.1</b>                                | Explain the rationale for insurance brokers in the insurance market.   | <b>1.1.1</b> | The role of an insurance broker.   |              |  |
|   |   |   |  | <b>1.1.2</b> | The benefit of insurance brokers to clients.   |              |  |
|   |   |   |  | <b>1.1.3</b> | The benefit of insurance brokers to insurers.  |              |  |
|   |   | <b>1.2</b>                                | Describe and understand the role of different types of non-life insurance brokers in the insurance market.                   | <b>1.2.1</b> | Lloyd's insurance brokers.   | <b>1.2.1</b> | Lloyd's insurance brokers.   |
|   |   |   |  |              |  | <b>1.2.2</b> | Reinsurance brokers.   |
|   |   |   |  |              |  | <b>1.2.3</b> | Wholesale insurance brokers.   |
|   |   |   |  |              |  | <b>1.2.4</b> | Other types of insurance broker.   |
|   |   | <b>1.3</b>                                | Describe the services offered by insurance brokers and the different ways they are remunerated.                              | <b>1.3.1</b> | Traditional broking services.  | <b>1.3.1</b> | Traditional broking services.  |
|   |   |   |  |              |  | <b>1.3.2</b> | Types of remuneration.   |
|   |   | <b>1.4</b>                                | Explain the various roles within an insurance broking organisation.  | <b>1.4.1</b> | Roles within an insurance broker.  | <b>1.4.1</b> | Roles within an insurance broker.  |
|   |   |   |  |              |  |              |  |
|   |   | <b>2</b><br><b>20</b><br><b>questions</b> | <b>Understand the role and responsibilities of the insurance broker in the provision of insurance products and services.</b> | <b>2.1</b>   | Explain the role of the insurance broker in meeting client needs by providing insurance products and services. | <b>2.1.1</b> | Role of an insurance broker in meeting client needs.   |
| <b>2.1.2</b>                              | Sourcing appropriate insurance cover.   |   |  |              |  |              |  |
| <b>2.2</b>                                | Explain the role of the insurance broker in negotiating and placing insurance contracts.      |   |  | <b>2.2.1</b> | Material circumstances and an insurance broker's duty to make a fair presentation of the risk.                 | <b>2.2.1</b> | Material circumstances and an insurance broker's duty to make a fair presentation of the risk. |
|   |   |   |  |              |  | <b>2.2.2</b> | Non-disclosure and remedies.   |
|   |   |   |  |              |  | <b>2.2.3</b> | Risk presentation and negotiation.   |
|   |   |   |  |              |  | <b>2.2.4</b> | Contract Certainty.  |
| <b>2.3</b>                                | Explain the role of the insurance broker in selecting insurers.                               |   |  | <b>2.3.1</b> | Why an insurance broker selects certain insurers.  | <b>2.3.1</b> | Why an insurance broker selects certain insurers.  |
|   |   |   |  |              |  | <b>2.3.2</b> | Confirming terms to client.  |
| <b>2.4</b>                                | Explain the role of the insurance broker in the design and operation of insurance programmes. |   |  | <b>2.4.1</b> | Main considerations in programme design.   | <b>2.4.1</b> | Main considerations in programme design.   |
|   |   |   |  |              |  | <b>2.4.2</b> | Effect of insurance market cycle.  |
| <b>2.5</b>                                | Describe the role of the insurance broker in the claims process.                              |   |  | <b>2.5.1</b> | Claims methods.  | <b>2.5.1</b> | Claims methods.  |
|   |   |   |  |              |  | <b>2.5.2</b> | The role of an insurance broker in the mitigation of insurance fraud.                          |



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|                      |  | 2.6                 | Describe the role of the insurance broker in supplying additional services.   | 2.6.1              | The role of an insurance broker in assisting clients to manage risk.                      |
|                      |  |                     |   | 2.6.2              | The role of an insurance broker in supplying additional services.                         |
|                      |  | 2.7                 | Explain the role and responsibilities of the insurance broker in relation to delegated authority agreements.  | 2.7.1              | Operation of delegated authority agreements.  |
|                      |  |                     |   | 2.7.2              | Delegated activities.   |
| 3<br>6<br>questions  | Understand contract and agency in relation to insurance brokers and their clients. | 3.1                 | Describe the duties of an insurance broker as an agent.   | 3.1.1              | Duties of an insurance broker as an agent.  |
|                      |  |                     |   | 3.1.2              | Duties of a principal and relationship of agent to principal.                             |
|                      |  | 3.2                 | Explain how conflicts of interest could arise in relation to insurance broking business and how to deal with them.  | 3.2.1              | Situations where conflicts of interest can occur.   |
|                      |  |                     |   | 3.2.2              | Managing conflicts of interest.   |
|                      |  | 3.3                 | Describe the items that should be included in a Terms of Business Agreement (TOBA) between insurance brokers and insurers, and between insurance brokers and their clients. | 3.3.1              | An insurer's Terms of Business Agreement with a broker.                                   |
|                      |  |                     |   | 3.3.2              | An insurance broker's Terms of Business Agreement with a client.                          |
| 4<br>15<br>questions | Understand the key legal and regulatory issues affecting insurance brokers.        | 4.1                 | Describe the role of the Financial Conduct Authority in the regulation of insurance brokers.  | 4.1.1              | Authorisation, regulation and supervision of insurance broker activities.                 |
|                      |  | 4.2                 | Explain the importance of achieving positive customer outcomes and the fair treatment of customers.   | 4.2.1              | Achieving positive customer outcomes and fair treatment of customers.                     |
|                      |  | 4.3                 | Describe the purpose of the Insurance: Conduct of Business sourcebook (ICOBS) and the application to insurance brokers.   | 4.3.1              | Application of the Insurance: Conduct of Business sourcebook (ICOBS) and general matters. |
|                      |  |                     |   | 4.3.2              | Information about insurance brokers, its services and remuneration as required by ICOBS.  |
|                      |  |                     |   | 4.3.3              | ICOBS Cancellation requirements.  |
|                      |  | 4.4                 | Explain the importance of training and competence within insurance broking organisations.   | 4.4.1              | Training and competence of insurance brokers.   |



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|                      |  | 4.5                 | Explain the responsibilities of insurance brokers in relation to sanctions checking, money laundering, bribery, corruption and with regards to the Employers' Liability Tracing Office (ELTO). | 4.5.1              | Money Laundering.   |       |  |
|                      |  |                     |  | 4.5.2              | Bribery and corruption.   |       |  |
|                      |  |                     |  | 4.5.3              | Sanctions and client verification.  |       |  |
|                      |  |                     |  | 4.5.4              | Employers' Liability Tracing Office (ELTO).   |       |  |
|                      |  | 4.6                 | Explain the responsibilities of insurance brokers as required by data protection legislation.  | 4.6.1              | The main provisions and purpose and categories of data.                                     |       |  |
| 5<br>12<br>questions | Understand the key financial issues affecting insurance brokers.                     | 5.1                 | Explain the different monies held by an insurance broker.  | 5.1.1              | Broker funds.   |       |  |
|                      |  |                     |  | 5.1.2              | Client assets.  |       |  |
|                      |  |                     |  | 5.1.3              | Insurer funds.  |       |  |
|                      |  | 5.2                 | Explain the importance of the impact of the Insurance Distribution Directive 2018 in relation to handling money.   | 5.2.1              | The impact of the Insurance Distribution Directive 2018 in relation to handling money.      |       |  |
|                      |  |                     |  | 5.3                | Explain the importance of retaining clients and finding new business for insurance brokers. |       |  |
|                      |  |                     |  | 5.3.1              | The importance of client retention for insurance brokers.                                   |       |  |
|                      |  | 5.3.2               | The importance of finding new business.  |                    |   |       |  |
| 6<br>10<br>questions | Understand issues relating to the conduct and culture of insurance broking business. | 6.1                 | Explain the importance of good conduct in relation to dealing with insurers and clients.   | 6.1.1              | Good conduct and positive outcomes when dealing with clients.                               |       |  |
|                      |  |                     |  | 6.1.2              | Good conduct when dealing with insurers.  |       |  |
|                      |  | 6.2                 | Explain the impact of culture on the way that business is conducted by an insurance broking organisation.  | 6.2.1              | Culture and strategic objectives of an insurance broker.                                    |       |  |
|                      |  |                     |  | 6.3                | Describe how insurance brokers handle complaints.   | 6.3.1 | Definition of a complaint.                       |
|                      |  |                     |  |                    |   | 6.3.2 | Regulatory requirements for handling complaints. |
|                      |  |                     |  | 6.3.3              | Financial Ombudsman Service.  |       |  |
|                      |  | 6.4                 | Explain how errors and omissions occur and are reported and handled in insurance broking organisations.  | 6.4.1              | Knowing how error and omission claims arise.  |       |  |
|                      |  |                     |  | 6.4.2              | Prevention of error and omission claims.  |       |  |
|                      |  |                     |  | 6.4.3              | Dealing with an errors and omission claim.  |       |  |
|                      |  | 6.5                 | Explain the issues relating to mis-selling of insurance products.  | 6.5.1              | Know the situations that can lead to mis-selling occurring.                                 |       |  |