

Packaged commercial insurances

Objective

To provide knowledge and understanding of the development and design of packaged commercial policies, scope of cover provided by the most common forms of packaged commercial policy; and arrangement and operation of packaged commercial insurance contracts.

Summary of learning outcomes	Number of questions in the examination*
1. Understand the development of packaged commercial insurances.	5
2. Understand the basic features and scope of packaged commercial insurances and associated services.	14
3. Know how packaged commercial insurances are arranged.	11
4. Understand underwriting procedures and policy wordings for packaged commercial insurances.	17
5. Understand mid-term policy amendments, renewals and cancellation for packaged commercial insurances.	6
6. Understand claims procedures in relation to packaged commercial insurances.	22

* 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: 75 multiple choice questions (MCQs). 2 hours are allowed for this examination.
- This syllabus will be examined from 1 January 2023 until 31 December 2023.
- Candidates will be examined on the basis of English law and practice unless otherwise stated.
- This PDF document is accessible through screen reader attachments to your web browser and has been designed to be read via the speechify extension available on Chrome. Speechify is an extension that is available from <https://speechify.com/>. If for accessibility reasons you require this document in an alternative format, please contact us on online.exams@cii.co.uk to discuss your needs.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
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1. Understand the development of packaged commercial insurances.

- 1.1 Describe the ways in which packaged policies have developed and the reasons for the continuing development of packaged policies.
- 1.2 Describe the current methods used to develop and distribute packaged policies both by insurers and intermediaries.
- 1.3 Explain the differences between packaged policies, combined policies and schemes.

2. Understand the basic features and scope of packaged commercial insurances and associated services.

- 2.1 Describe the features and scope of cover for standard packaged policies.
- 2.2 Describe the basic features and scope of non-insurance services available.

3. Know how packaged commercial insurances are arranged.

- 3.1 Describe how customers search the marketplace for cover and access packaged and scheme arrangements.
- 3.2 Describe the means by which packaged and scheme arrangements are promoted, sold and distributed by insurers and intermediaries.
- 3.3 Describe the content and legal significance of procedures relating to proposals.
- 3.4 Describe the alternative methods commonly used by underwriters to obtain material information.
- 3.5 Describe the ways in which intermediaries carry out a 'demands and needs' analysis to establish the most appropriate cover and eligibility status for packaged arrangements.
- 3.6 Describe the legal and regulatory significance of quotation procedures.
- 3.7 Describe the scope and general effect of the Insurance: Conduct of Business sourcebook (ICOBS) as it relates to packaged commercial insurances.
- 3.8 Describe the fair treatment of customers including Consumer Duty for retail clients as it applies to packaged commercial insurances.

4. Understand underwriting procedures and policy wordings for packaged commercial insurances.

- 4.1 Describe the means by which rates for packaged policies are developed.
- 4.2 Describe the ways in which insurers measure discrimination factors for individual risks proposed for insurance.
- 4.3 Describe the circumstances in which different underwriting measures are used.
- 4.4 Explain the principles of premium calculation and their application.
- 4.5 Describe the structure, functions and contents of a policy form, including the policy schedule.
- 4.6 Explain the meaning and effect of common policy conditions and exclusions.

- 4.7 Explain the distinction between warranties, conditions, representations and exclusions.
- 4.8 Describe the legal significance of procedures relating to the issue of policies and certificates of insurance.
- 4.9 Describe delegated authority schemes, managing general agents and coverholders.
- 4.10 Explain the benefits and limitations of scheme and packaged arrangements for the proposer, intermediary and insurer.

5. Understand mid-term policy amendments, renewals and cancellation for packaged commercial insurances.

- 5.1 Describe the reasons for amendments and those changes that require notification.
- 5.2 Describe the legal and regulatory significance of renewal procedures.
- 5.3 Explain how cancellation clauses operate.

6. Understand claims procedures in relation to packaged commercial insurances.

- 6.1 Describe the insurers' notification requirements.
- 6.2 Describe the insured's duties following a loss and other investigation they may carry out.
- 6.3 Describe the documentary evidence needed relating to claims.
- 6.4 Describe the procedure followed by insurers when investigating a claim.
- 6.5 Describe how the process of reserving operates in general terms.
- 6.6 Describe the Financial Conduct Authority rules that apply to the claims process.
- 6.7 Describe the reasons why a claim may be invalid or only partially met.
- 6.8 Describe the ways in which claims can be settled.
- 6.9 Describe the role subrogation and salvage play in claims settlement.
- 6.10 Describe how complaints handling and alternative dispute resolution operates.
- 6.11 Describe the means of claims recovery open to insurers.
- 6.12 Describe the action that insurers must take following a loss settlement.
- 6.13 Describe the options available to insurers discovering fraud in connection with a claim.
- 6.14 Describe the procedures commonly used to discourage and detect fraudulent 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 study texts

Packaged commercial insurances. London: CII.
Study text IF8.

Books and eBooks

Bird's modern insurance law. 10th ed. John Birds. Sweet and Maxwell, 2016.

Insurance claims. 4th ed. Alison Padfield. Bloomsbury Professional, 2016.

Insurance theory and practice. Rob Thoyts. Routledge, 2010.*

Periodicals

The Journal. London: CII. Six issues a year.

Post magazine. London: Incisive Financial Publishing. Monthly. Contents searchable online at www.postonline.co.uk.

Reference materials

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

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

Examination guide

If you have a current study text enrolment, the current examination guide is included and is accessible via Revisionmate (ciigroup.org/login). 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 version of the examination guide.

Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.

* Also available as an eBook through eLibrary via www.cii.co.uk/elibrary (CII/PFS members only).