



Learning Outcome	Assessment Criteria	Indicative Content												
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<b>1 6 questions</b>	<b>Understand basic terminology used within the general insurance market.</b>	<b>1.1</b> Explain the principle of good faith and fair presentation. <table border="1" data-bbox="1151 363 2132 549"> <tr> <td><b>1.1.1</b></td> <td>The principle of good faith in pre-contract negotiations.</td> </tr> <tr> <td><b>1.1.2</b></td> <td>The differences in legal position between a consumer and a non-consumer.</td> </tr> <tr> <td><b>1.1.3</b></td> <td>Define what circumstances are material.</td> </tr> <tr> <td><b>1.1.4</b></td> <td>Remedies for a breach of fair presentation.</td> </tr> </table>	<b>1.1.1</b>	The principle of good faith in pre-contract negotiations.	<b>1.1.2</b>	The differences in legal position between a consumer and a non-consumer.	<b>1.1.3</b>	Define what circumstances are material.	<b>1.1.4</b>	Remedies for a breach of fair presentation.				
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		<b>1.2</b> Explain the meaning and application of proximate cause. <table border="1" data-bbox="1151 549 2132 660"> <tr> <td><b>1.2.1</b></td> <td>Define the meaning of the proximate cause of a loss.</td> </tr> <tr> <td><b>1.2.2</b></td> <td>Applying the proximate cause to determine if a loss is covered by the insurance.</td> </tr> </table>	<b>1.2.1</b>	Define the meaning of the proximate cause of a loss.	<b>1.2.2</b>	Applying the proximate cause to determine if a loss is covered by the insurance.								
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		<b>1.3</b> Describe the principle of indemnity and how it is modified. <table border="1" data-bbox="1151 660 2132 922"> <tr> <td><b>1.3.1</b></td> <td>The principle of indemnity.</td> </tr> <tr> <td><b>1.3.2</b></td> <td>Types of insurance policy that provide indemnity and types of policy that do not.</td> </tr> <tr> <td><b>1.3.3</b></td> <td>Methods used by insurers to provide indemnity to policyholders.</td> </tr> <tr> <td><b>1.3.4</b></td> <td>How indemnity is measured.</td> </tr> <tr> <td><b>1.3.5</b></td> <td>How the principle of indemnity can be modified.</td> </tr> <tr> <td><b>1.3.6</b></td> <td>Limiting factors to indemnity.</td> </tr> </table>	<b>1.3.1</b>	The principle of indemnity.	<b>1.3.2</b>	Types of insurance policy that provide indemnity and types of policy that do not.	<b>1.3.3</b>	Methods used by insurers to provide indemnity to policyholders.	<b>1.3.4</b>	How indemnity is measured.	<b>1.3.5</b>	How the principle of indemnity can be modified.	<b>1.3.6</b>	Limiting factors to indemnity.
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<b>2 10 questions</b>	<b>Understand the fundamental principles of insurance.</b>	<b>2.1</b> Describe the concept of risk. <table border="1" data-bbox="1151 1145 2132 1331"> <tr> <td><b>2.1.1</b></td> <td>Different uses of the term risk.</td> </tr> <tr> <td><b>2.1.2</b></td> <td>Risk perception and attitude to risk.</td> </tr> <tr> <td><b>2.1.3</b></td> <td>Risk transfer.</td> </tr> <tr> <td><b>2.1.4</b></td> <td>Risk management - identification, analysis and control.</td> </tr> <tr> <td><b>2.1.5</b></td> <td>Frequency and severity of risk.</td> </tr> </table>	<b>2.1.1</b>	Different uses of the term risk.	<b>2.1.2</b>	Risk perception and attitude to risk.	<b>2.1.3</b>	Risk transfer.	<b>2.1.4</b>	Risk management - identification, analysis and control.	<b>2.1.5</b>	Frequency and severity of risk.		
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		<b>2.3</b>	Explain the principle of the pooling of risks.	<b>2.3.1</b>	The concept of pooling of risk.
				<b>2.3.2</b>	Law of large numbers.
				<b>2.3.3</b>	Equitable insurance premiums.
		<b>2.4</b>	Explain the difference between a peril and a hazard as this relates to insurance.	<b>2.4.1</b>	Peril.
				<b>2.4.2</b>	Hazard.
		<b>2.5</b>	Explain what moral and physical hazard is and identify good and poor examples of each.	<b>2.5.1</b>	Physical hazard with examples.
				<b>2.5.2</b>	Moral hazard with examples.
		<b>2.6</b>	List the types of insurable and uninsurable risks.	<b>2.6.1</b>	Risks that can be insured.
				<b>2.6.2</b>	Risks that cannot be insured.
				<b>2.6.3</b>	Exceptions to uninsurable risks.
		<b>2.7</b>	Explain the basic purpose of insurance.	<b>2.7.1</b>	Insurance as a risk transfer mechanism.
		<b>2.8</b>	Explain the primary and secondary functions of insurance.	<b>2.8.1</b>	Primary function of insurance.
<b>2.8.2</b>	Secondary function of insurance.				
<b>2.8.3</b>	Reasons for compulsory insurance.				
<b>2.9</b>	Explain the importance of the claims handling process.	<b>2.9.1</b>	Claims handling as an insurance service.		
<b>3 4 questions</b>	<b>Understand the main classes of insurance written in the London Market.</b>	<b>3.1</b>	Describe the main classes of insurance written in the London Market and their main features.	<b>3.1.1</b>	Marine insurance.
				<b>3.1.2</b>	Non-marine insurance.
				<b>3.1.3</b>	Aviation insurance.
<b>4 1 question</b>	<b>Understand the insurance cycle.</b>	<b>4.1</b>	Outline and explain the insurance cycle.	<b>4.1.1</b>	Understand supply and demand and its influence on the insurance cycle.
				<b>4.1.2</b>	External factors that may influence the insurance cycle.



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5 3 questions	Understand reinsurance within the insurance market.	5.1	Explain the purpose of reinsurance.	5.1.1	Reinsurance and its purpose defined.		
				5.1.2	The benefits of purchasing and selling reinsurance.		
		5.1.3	The buyers and sellers of reinsurance.				
		5.2	Describe the main terminology used in connection with reinsurance transactions and know their meaning.	5.2.1	Basic reinsurance terminology for example facultative, treaty, non proportional and proportional.		
6 5 questions	Understand the structure of the London Market.	6.1	Describe the main participants in the London Market and the implications of their participation.	6.1.1	Lloyd's market including syndicates, managing agents, members and members' agents.		
				6.1.2	Company market.		
				6.1.3	Brokers - wholesale and retail.		
				6.1.4	Managing general agents.		
				6.1.5	International organisations operating in London Market.		
				6.1.6	Mutual insurers.		
				6.2	Explain the importance of the London Market and why clients may decide to place their business within this market.	6.2.1	Main incentives for choosing the London Market.
		6.3	Explain the role of the London Market associations.	6.3.1	Lloyd's Market Association.		
				6.3.2	The International Underwriting Association of London.		
				6.3.3	The Association of British Insurers.		
				6.3.4	The British Insurance Brokers' Association.		
				6.3.5	The London Market Regional Committee.		
				6.3.6	The London and International Insurance Brokers' Association.		
				6.3.7	Managing General Agents' Association.		
		6.4	Explain the way that business is transacted in the London Market.	6.4.1	Placing a risk in the London Market.		
				6.4.2	Presenting a claim, including the impact of the Enterprise Act 2016.		
6.4.3	The subscription market.						



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<b>7 10 questions</b>	<b>Understand the London Market regulatory and legal environment.</b>	<b>7.1</b>	Describe the role, aims, approach to regulation; and principles for business of the industry regulator.	<b>7.1.1</b>	The role and operation of the Financial Conduct Authority.
				<b>7.1.2</b>	The role and operation of the Prudential Regulation Authority.
				<b>7.1.3</b>	Principles for Business.
				<b>7.1.4</b>	The fair treatment of customers, including Consumer Duty.
				<b>7.1.5</b>	Senior Managers & Certification Regime.
				<b>7.1.6</b>	Public Interest Disclosure Act 1998.
		<b>7.2</b>	Describe the role of major international regulators, including licensing.	<b>7.2.1</b>	Mechanisms which allow insurers in London Market to write risks overseas.
				<b>7.2.2</b>	Writing Lloyd's business overseas.
				<b>7.2.3</b>	Satisfying overseas regulators.
		<b>7.3</b>	Explain the governance of the Lloyd's Market.	<b>7.3.1</b>	Lloyd's governance structure.
				<b>7.3.2</b>	The role of the Council of Lloyd's.
				<b>7.3.3</b>	Rules for operating within Lloyd's.
				<b>7.4.1</b>	The role of the Financial Ombudsman Service.
		<b>7.4</b>	Examine and explain the role of the Financial Ombudsman Service and the Financial Services Compensation Scheme.	<b>7.4.2</b>	The role of the Financial Services Compensation Scheme.
				<b>7.5.1</b>	Authorisation of new insurers.
		<b>7.5</b>	Explain the basic powers of the industry regulator for the authorisation, supervision and regulation of insurers.	<b>7.5.2</b>	Ongoing monitoring and supervision.
				<b>7.5.3</b>	Consequences of non-compliance with the regulations including winding up.
				<b>7.6.1</b>	Requirement for Authorised Persons and firms.
		<b>7.6</b>	Explain the basic powers of the industry regulator for the authorisation, supervision and regulation of insurance intermediaries.	<b>7.6.2</b>	Appointed Representatives status.
				<b>7.6.3</b>	Lloyd's insurance brokers status.
				<b>7.6.4</b>	Regulation of intermediaries by the regulator.
				<b>7.6.5</b>	Consequences for non-compliance.
		<b>7.7</b>	Describe the essentials of a valid contract of insurance.	<b>7.7.1</b>	Offer, acceptance and exchange of consideration.
				<b>7.7.2</b>	Insurable interest.
				<b>7.7.3</b>	Cancellation of insurance contracts.
				<b>7.7.4</b>	Contract of insurance and the parties involved.



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8 2 questions	Understand the importance of appropriate systems and controls.	8.1	Explain the purpose of sanctions.	8.1.1	Purpose of sanctions and sanctioned countries and entities.
				8.1.2	Issues with sanctions.
				8.1.3	Export controls.
		8.2	Examine and describe the basic systems and controls to ensure adherence to EU, US and UK legislation.	8.2.1	Obtaining information of EU, US and UK legislation.
				8.2.2	Demonstration of compliance with local legislation.
				8.2.3	Bribery Act 2010.
8.2.4		8.2.4	Solvency II.		
9 2 questions	Understand data protection and money laundering legislation and requirements.	9.1	Explain the principles, rights and restrictions of data protection legislation and its impact on transacting business.	9.1.1	Data protection legislation.
				9.2	Explain the various requirements to ensure money laundering compliance when dealing with clients.
10 4 questions	Understand the broker's role in the way that business is conducted in the London Market.	10.1	Explain the role and responsibilities of brokers.	10.1.1	Principal and agent relationship.
				10.1.2	Methods of creating an agent/principal relationship.
				10.1.3	Duties of the agent.
				10.1.4	Duties of the principal.
				10.1.5	Termination of agency.
		10.2	Explain the business process of broking and the parties involved.	10.2.1	Services provided by broker to client.
				10.2.2	Services provided by broker to insurer.
				10.2.3	Schemes and delegated authorities.
				10.2.4	Placing the risk with insurers.
				10.2.5	Providing documentation to client.
				10.2.6	Managing changes to risk.
		10.2.7		10.2.7	Contract certainty.
		10.3	Explain the broker's role in the handling of premiums.	10.3.1	Central recording of the risk and payment of the premium.
10.4	Explain the broker's role in claims notification, investigation and settlement.	10.4.1	First notification of loss.		
		10.4.2	Negotiating claims settlement.		
		10.4.3	Providing claims data.		
		10.4.4	Arranging claims payment with insurers.		



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11  3 questions	Understand the underwriter's role in the way that business is conducted in the London Market.	11.1	Explain the role and responsibilities of underwriters.	11.1.1	Main underwriting functions.
		11.2	Explain the role and responsibilities of the lead and following underwriters within the London Market.	11.2.1	Role of lead underwriter.
				11.2.2	Role of follow underwriter.
				11.2.3	Managing changes to risk and the General Underwriters' Agreement.