

# Personal insurances

## Purpose

At the end of this unit, candidates should be able to demonstrate an understanding of market practices and the business environment for personal insurances. This excludes motor insurance.

## Assumed knowledge

It is assumed that the candidate already has knowledge of the fundamental principles of insurance as covered in IF1 Insurance, legal and regulatory or equivalent examinations.

Summary of learning outcomes	Number of questions in the examination *
1. Understand the general market practices of personal insurances.	8
2. Understand the policy coverage, underwriting and rating considerations of household insurances.	14
3. Understand the policy coverage, underwriting and rating considerations of other personal insurance products.	6
4. Understand the claims notification, investigation and settlement procedures for personal insurances, including relevant case law.	13
5. Understand the main aspects of the business environment of personal insurances.	9

\* 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:
 

Mixed assessment consisting of two components, both of which must be passed. One component is a coursework assignment and one is a multiple choice question (MCQ) examination. The details are:

  - an online coursework assignment using RevisionMate consisting of 10 questions which sequentially follow the learning outcomes. This must be successfully completed within 6 months of enrolment; and
  - an MCQ exam consisting of 50 MCQs. 1 hour is allowed for this exam. This exam must be successfully passed within 18 months of enrolment.
- This syllabus will be examined from 1 May 2023 until 30 April 2024.
- 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](mailto: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:
  - Visit [www.cii.co.uk/qualifications](https://www.cii.co.uk/qualifications)
  - Select the appropriate qualification
  - Select your unit from the list provided
  - Select qualification update on the right hand side of the page

**1. Understand the general market practices of personal insurances.**

- 1.1 Explain the operation of the insurance market and the types of products available.
- 1.2 Describe the risk assessment process.
- 1.3 Outline the processes of policy management.
- 1.4 Describe the ways in which the terms of cover may be modified.

**2. Understand the policy coverage, underwriting and rating considerations of household insurances.**

- 2.1 Describe the scope of cover for buildings under a household policy.
- 2.2 Explain the basis of rating and underwriting under a household buildings insurance policy.
- 2.3 Describe the scope of cover for contents under a household insurance policy.
- 2.4 Explain the basis of rating and underwriting for contents under a household insurance policy.
- 2.5 Describe the scope of cover and the basis of rating and underwriting under common extensions to a household insurance policy.

**3. Understand the policy coverage, underwriting and rating considerations of other personal insurance products.**

- 3.1 Describe policy cover, underwriting and rating considerations for domestic animals.
- 3.2 Explain policy cover, underwriting and rating considerations for travel insurance.
- 3.3 Explain policy cover, underwriting and rating considerations for personal accident and sickness insurance.
- 3.4 Explain policy cover, underwriting and rating considerations for special risks.

**4. Understand the claims notification, investigation and settlement procedures for personal insurances, including relevant case law.**

- 4.1 Explain the duties of parties to the insurance contract.
- 4.2 Explain the process of notifying and investigating a claim.
- 4.3 Explain claims settlement.
- 4.4 Explain the legal and regulatory processes for dispute resolution.

**5. Understand the main aspects of the business environment of personal insurances.**

- 5.1 Discuss the different distribution channels for personal insurances.
- 5.2 Discuss the different information technology and information systems used in personal insurance.
- 5.3 Examine the social and ethical considerations within the business environment of personal insurances.
- 5.4 Examine the regulatory considerations within the business environment of personal insurances.

## 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**

Personal insurances. London: CII. Study text M86

Insurance, legal and regulatory. London: CII. Study text IF1

### **Books (and ebooks)**

Bird's modern insurance law. 12<sup>th</sup> ed. John Birds. Sweet and Maxwell, 2022.

'Cover: causes of loss: Personal accident'. Chapter – The law of insurance contracts. 6<sup>th</sup> ed. Malcolm A Clarke et al. London: Informa, 2009.

Colinvaux's law of insurance. 13<sup>th</sup> ed. London: Sweet & Maxwell, 2022.

'Household buildings policies'. Chapter – The modern law of insurance. Andrew McGee. 3<sup>rd</sup> ed. London: LexisNexis, 2011.

'Household contents policies'. Chapter – The modern law of insurance. Andrew McGee. 3<sup>rd</sup> ed. London: LexisNexis, 2011.

'Housing disrepair claims'. Chapter – Claims handling law and practice: a practitioner's guide. Richard West et al et al. London: Witherby, 2008.

Insurance claims. 5<sup>th</sup> ed. Alison Padfield. Bloomsbury Professional, 2021.

Insurance law in the United Kingdom. 3<sup>rd</sup> ed. John Birds. The Netherlands: Kluwer Law International, 2015.

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

'Personal accident policies'. Chapter – MacGillivray on insurance law: relating to all risks other than marine. 13<sup>th</sup> ed. Sweet & Maxwell, 2015.

'Subsidence'. Chapter – Claims handling law and practice: a practitioner's guide. Richard West et al et al. London: Witherby, 2008.

The subsidence handbook. The Subsidence Forum. 4<sup>th</sup> ed. RSA, 2013.

'Travel insurance' Chapter – The modern law of insurance. 3<sup>rd</sup> ed. Andrew McGee. London: Informa, 2011.

### **Online resources**

Household insurance in the UK, key trends and opportunities. ©Timetric Forecast Report. Annual. Available for members at [www.cii.co.uk/forecastreports](http://www.cii.co.uk/forecastreports).

Personal accident and health insurance in the UK, key trends and opportunities. ©Timetric Forecast Reports. Annual. Available for members at [www.cii.co.uk/forecastreports](http://www.cii.co.uk/forecastreports).

Pet insurance in the UK, key trends and opportunities. ©Timetric Forecast Reports. Annual. Available for members at [www.cii.co.uk/forecastreports](http://www.cii.co.uk/forecastreports).

The fair treatment of customers. Financial Conduct Authority. Available online via [www.fca.org.uk/firms/fair-treatment-customers](http://www.fca.org.uk/firms/fair-treatment-customers).

### **Journals and magazines**

The Journal. London: CII. Six issues a year. Post magazine. London: Incisive Financial Publishing. Monthly. Contents searchable online at [www.postonline.co.uk](http://www.postonline.co.uk).

Access to further periodical publications is available from the Knowledge website at [www.cii.co.uk/journalmagazines](http://www.cii.co.uk/journalmagazines) (CII/PFS members only).

### **Reference materials**

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

Dictionary of insurance. C Bennett. 2<sup>nd</sup> ed. London: Pearson Education, 2004.

Insurance: Conduct of Business sourcebook (ICOBS). Available via [www.handbook.fca.org.uk/handbook/ICOBS](http://www.handbook.fca.org.uk/handbook/ICOBS).

### **Exemplars**

Exemplar papers are available for all mixed assessment units. Exemplars are available for both the coursework component and the MCQ exam component.

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

These are available on the CII website under the unit number before purchasing the unit. They are available under the following link [www.cii.co.uk/qualifications/diploma-in-insurance-qualification](http://www.cii.co.uk/qualifications/diploma-in-insurance-qualification).

These exemplar papers are also available on the RevisionMate website ([ciigroup.org/login](http://ciigroup.org/login)) after you have purchased the unit.

### **Exam technique/study skills**

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