

Long term care insurance

Objective

At the end of this unit, candidates should be able to understand the:

- definition, purpose and scope of long term care contracts and how they interact with State benefits and State-funded long term care;
- main features and functions of the different types of contract that can be used to fund long term care and how they can be arranged to meet an individual's needs;
- principal legal, taxation and regulatory issues that are relevant to advice on long term care insurance;
- importance of regular reviews to ensure that long term care insurance cover remains appropriate.

Summary of learning outcomes	Number of questions in the examination † *
1. Understand the FCA definition of a long term care insurance contract and the background to long term care provision in the UK	3
2. Understand the different types of long term care that are available	3
3. Understand the responsibilities of a health authority in the provision of continuing care and any resulting funding implications for the individual	4
4. Understand how current legislation affects the provision of advice on long term care insurance, particularly with reference to the responsibilities of a local authority in enabling access to long term care and procedures for care assessment	4
5. Understand how local authorities make financial care needs assessments for those requiring long term care and the role of social services	5
6. Understand the availability of alternative sources of assistance relevant in the provision of long term care and possible limitations on their use	3
7. Understand the complexities and implications of the relationship between the adviser, the client and third parties when advising on long term care insurance	6
8. Understand the taxation issues related to long term care insurance plans	3
9. Understand the legal considerations that need to be taken into account when giving long term care advice to an individual or their representatives	5
10. Understand eligibility to claim under a long term care insurance contract	3
11. Understand the different costs associated with long term care provision and the factors that create variations in them.	4
12. Analyse the interaction between the eligibility for means-tested and non means-tested benefits in the provision of advice on long term care insurance.	4
13. Assess the suitability of arrangements available to fund and maintain an individual's long term care needs and whether the level of risk they present to the client is appropriate and acceptable	2
14. Analyse situations that might indicate to an adviser that a client's long term care provision needs to be reviewed and identify the consequences of that review	1

* 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.

† Plus 25 case study-related questions from learning outcomes 1 to 14

Important notes

- Method of assessment: 50 multiple choice questions (MCQs) and 5 case studies, each comprising 5 MCQs. 2 hours are allowed for this examination.
- This syllabus will be examined from 1 September 2023 to 31 August 2024.
- Candidates will be examined on the basis of English law and practice in the tax year 2023/2024 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 FCA definition of a long term care insurance contract and the background to long term care provision in the UK**
 - 1.1 Describe the FCA's definition of a long term care insurance contract and how it fits with existing contracts.
 - 1.2 Describe the socio-economic background to long term care.
- 2. Understand the different types of long term care that are available**
 - 2.1 Describe the single assessment process.
 - 2.2 Describe the different types of care and their associated levels of dependency.
- 3. Understand the responsibilities of a health authority in the provision of continuing care and any resulting funding implications for the individual**
 - 3.1 Describe the responsibilities of local or regional health services and the local authority in the provision of continuing care.
 - 3.2 Describe the funding implication for individuals as a result of a local authority and local or regional health services' provision of continuing care.
- 4. Understand how current legislation affects the provision of advice on long term care insurance, particularly with reference to the responsibilities of a local authority in enabling access to long term care and procedures for care assessment**
 - 4.1 Describe how a local authority would assess an individual's need for long term care.
 - 4.2 Describe the relevant legislation and case law relating to the provision of long term care.
- 5. Understand how local authorities make financial care needs assessments for those requiring long term care and the role of social services**
 - 5.1 Describe how local authorities make financial care needs assessments for those requiring long term care.
- 6. Understand the availability of alternative sources of assistance relevant in the provision of long term care and possible limitations on their use**
 - 6.1 Describe the availability of alternative sources of assistance for the provision of long term care, and the possible limits on their use.
- 7. Understand the complexities and implications of the relationship between the adviser, the client and third parties when advising on long term care insurance**
 - 7.1 Describe the complexities and implications of the relationship between the adviser, the client and third parties when advising on long term care insurance.
- 8. Understand the taxation issues related to long term care insurance plans**
 - 8.1 Describe the taxation issues related to long term care insurance plans.
 - 8.2 Assess the tax position in relation to long term care and perform relevant tax calculations.
- 9. Understand the legal considerations that need to be taken into account when giving long term care advice to an individual or their representatives**
 - 9.1 Describe the legal considerations which must be addressed when providing long term care advice to an individual or their representatives.
- 10. Understand eligibility to claim under a long term care insurance contract**
 - 10.1 Describe the eligibility criteria to claim under a long term care insurance contract
- 11. Understand the different costs associated with long term care provision and the factors that create variations in them.**
 - 11.1 Describe the different costs associated with long term care provision and the factors that create variations in them
 - 11.2 Calculate different costs associated with long term care provision.
- 12. Analyse the interaction between the eligibility for means-tested and non means-tested benefits in the provision of advice on long term care insurance**
 - 12.1 Analyse the interaction between the eligibility for means-tested and non means-tested benefits in the provision of advice on long term care insurance.
- 13. Assess the suitability of arrangements available to fund and maintain an individual's long term care needs and whether the level of risk they present to the client is appropriate and acceptable**
 - 13.1 Assess the suitability of arrangements available to fund and maintain an individual's long term care needs.
 - 13.2 Assess the level of risk of long term care arrangements and their appropriateness for the individual.
- 14. Analyse situations that might indicate to an adviser that a client's long term care**

provision needs to be reviewed and identify the consequences of that review

- 14.1 Explain the most common events which will generate the need for a review of long term care provision and the required actions post-review.

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

Long term care insurance. London: CII. Study text CF8.

Books

Disability rights handbook. London: Disability Rights UK. Annual.

Journals and magazines

Cover. London: Incisive Financial. Monthly. Available for free online at www.covermagazine.co.uk.

Protection review (previous e-Protection review). Great Rissington: Bank House Communications. Quarterly. Available at protectionreview.co.uk

Personal finance professional (previously Financial solutions). London: CII. Six issues a year.

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.*

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.

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

Exam technique/study skills

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