

# Life and pensions foundations

## Objective

At the end of this unit, candidates should be able to demonstrate knowledge and understanding of:

- the value of the Life and Pensions sector to society and the economy;
- key customer needs relating to pensions, protection, investments and savings;
- a range of potential solutions available to meet customer needs; and
- how individuals and organisations work as a profession to treat customers fairly and meet their needs effectively.

Summary of learning outcomes	Number of questions in the examination*
1. Understand the role and value of financial services, including the Life and Pensions sector	5
2. Understand typical customer financial needs and expectations	3
3. Understand financial protection products and their role in customer solutions	7
4. Understand savings and investment products and their role in customer solutions	7
5. Understand pensions and their role in customer solutions	7
6. Know the main retirement income options	3
7. Understand how Life and Pensions firms operate	4
8. Understand key principles of delivering good customer service	8
9. Understand ethical, legal and regulatory principles and duties in the context of life insurance and pensions	6

\* 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: 50 multiple choice questions (MCQs). 1 hour is allowed for this exam.
- This syllabus will be examined from 1 September 2023 until 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](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:
  1. Visit [www.cii.co.uk/qualifications](http://www.cii.co.uk/qualifications)
  2. Select the appropriate qualification
  3. Select your unit from the list provided
  4. Select qualification update on the right hand side of the page

## **1. Understand the role and value of financial services, including the Life and Pensions sector**

- 1.1 Identify the key features of the financial services sector and its role in the economy.
- 1.2 Outline key concepts of risk and the social value of insurance.
- 1.3 Outline the UK pensions system.

## **2. Understand typical customer financial needs and expectations**

- 2.1 Outline the stages of the typical customer lifecycle (the personal financial lifecycle) and associated financial needs.
- 2.2 Identify what key information is gathered from a customer to establish their financial needs.

## **3. Understand financial protection products and their role in customer solutions**

- 3.1 Outline the main types of life assurance and their uses.
- 3.2 Outline the main types of health and income protection products and their uses.

## **4. Understand savings and investment products and their role in customer solutions**

- 4.1 Identify the functions served by savings and investment products.
- 4.2 Outline the main types of savings and investment products and their tax treatment.
- 4.3 Identify fund types and uses.

## **5. Understand pensions and their role in customer solutions**

- 5.1 Outline the main types of pension and their benefits.

## **6. Know the main retirement income options**

- 6.1 Outline the main retirement income options.

## **7. Understand how Life and Pensions firms operate**

- 7.1 Identify definitions and features of different life and pensions distribution and advisory models.
- 7.2 Outline how Life and Pensions firms gain income and maintain financial stability.

## **8. Understand key principles of delivering good customer service**

- 8.1 Outline the main customer service functions and procedures.
- 8.2 Identify the main communications approaches and their key advantages.
- 8.3 Outline the main customer service techniques for – Eliciting information; Rapport and empathy; Clear communication; Recognising vulnerable customers; Dealing with challenging situations; Recognising and responding fairly to diversity of backgrounds, characteristics and levels of understanding.
- 8.4 Outline the role and stages of the complaints process.

## **9. Understand ethical, legal and regulatory principles and duties in the context of life insurance and pensions**

- 9.1 Identify key aspects of legislation – Insurance law; Data protection; Anti-money laundering; Equality Act.
- 9.2 Outline the UK regulators and their role in protecting customers and industry standards.
- 9.3 Identify the features of professional, ethical and inclusive conduct and the consequences of different standards of conduct.

## 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**

Life and pensions foundations. London: CII. Study text LF1.

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

Financial services marketing: an international guide to principles and practice. 3rd ed. Christine T Ennew, Nigel Waite. Oxford: Routledge, 2017. \*

Introduction to risk management and insurance. 10th ed. Mark S Dorfman, David A Cather. Upper Saddle River, New Jersey: Pearson Prentice Hall, 2013.

Investments: principles and concepts. 12th ed. Charles P Jones. Wiley, 2016.

Pensions law handbook. 15th ed. Haywards Heath, West Sussex: Bloomsbury Professional Ltd., 2021.

The Financial Times guide to investing. 4th edition. Glen Arnold. FT Prentice Hall, 2020.

Winning client trust : the retail distribution review and the UK financial services industry's battle for its clients' hearts and minds. Chris Davies. London: Ecademy Press, 2011. \*

### **Journals and magazines**

Financial adviser. London: FT Business. Weekly. Available online at [www.ftadviser.com](http://www.ftadviser.com).

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

Pensions age. London: Perspective. Monthly. Available at [www.pensionsage.com](http://www.pensionsage.com).

Pensions insight. Newsquest Specialist Media. Monthly. Available at [www.pensions-insight.co.uk](http://www.pensions-insight.co.uk).

Retirement strategy. Supplement to Money marketing. London: Centaur

Communications. Monthly. Also available at [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk).

### **Reference materials**

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

International dictionary of banking and finance. John Clark. Hoboken, New Jersey: Routledge, 2013. \*

Harriman's financial dictionary: over 2,600 essential financial terms. Edited by Simon Briscoe and Jane Fuller. Petersfield: Harriman House, 2007. \*

Lamont's financial glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009.

Financial Conduct Authority (FCA) Handbook. Available at [www.handbook.fca.org.uk/handbook](http://www.handbook.fca.org.uk/handbook).

## Examination guide

If you have a current study text enrolment, the current examination guide is included and is accessible via Revisionmate ([ciigroup.org/login](http://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.

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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).