



Life and pensions principles and practices

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

- the role of the life and pensions sector;
- the sector's operational functions and activities and;
- the sector's regulatory and legislative environment, including individual professional responsibilities.

Summary of learning outcomes	Number of questions in the examination*
1. Understand the role and value of the financial services sector	5
2. Understand the importance of life and pensions products and services for society, the economy and individuals	9
3. Understand the structures and main activities of the life and pensions sector	10
4. Understand the key principles of risk, contracts and insurance law	11
5. Understand ethical, legal and regulatory duties and how these relate to organisational and individual responsibilities	15

*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). 90 minutes are allowed for this examination.
- This syllabus will be examined from 1 September 2019 to 31 August 2020.
- Candidates will be examined on the basis of English law and practice in the tax year 2019/2020 unless otherwise stated.
- 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/learning/qualifications/unit-life-and-pensions-principles-and-practices-lp3/
 2. Select qualification update on the right hand side of the page.

1. Understand the role and value of the financial services sector

- 1.1 Describe the functions of the financial services sector, including life and pensions
- 1.2 Describe the key institutions and organisations within financial services, including the UK government, and their roles

2. Understand the importance of life and pensions products and services for society, the economy and individuals

- 2.1 Explain the social value of insurance and how protection needs are met by state and private provision
- 2.2 Explain the importance of sufficient retirement income and how this is supported by state and private provision
- 2.3 Explain the role of investments in life and pensions products and services

3. Understand the structures and main activities of the life and pensions sector

- 3.1 Describe the main organisation types and operating models within the life and pensions sector
- 3.2 Describe the key functional areas within life and pensions organisations

4. Understand the key principles of risk, contracts and insurance law

- 4.1 Explain how risk is defined and addressed by consumers and providers
- 4.2 Explain the key principles of contracts and insurance law
- 4.3 Explain duties relating to clear information and disclosure and their importance

5. Understand ethical, legal and regulatory duties and how these relate to organisational and individual responsibilities

- 5.1 Explain the objectives and roles of financial regulators and the Ombudsman
- 5.2 Explain the features and importance of professional standards and ethical conduct
- 5.3 Explain conduct risk and the regulatory measures in place to ensure good conduct
- 5.4 Explain legislation and legislative duties relating to:
 - data protection
 - financial crime
 - equality
- 5.5 Describe the consequences of ethical and unethical 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/PFS members can access most of the additional study materials below via the Knowledge Services webpage at <https://www.cii.co.uk/knowledge-services>.

New resources are added frequently - for information about obtaining a copy of an article or book chapter, book loans, or help finding resources, please go to <https://www.cii.co.uk/knowledge-services> or email knowledge@cii.co.uk.

CII study texts

Life and pensions principles and practices.
London: CII. Study text LP3.

Books

A practitioner's guide to the UK financial services rulebooks. 6th. ed. Ruth Fox, Ben Kingsley (eds.). London: Sweet and Maxwell, 2013.

Consumer insurance law: disclosure, representations and basis of the contract clause. Peter Tyldesley. Haywards Heath: Bloomsbury Professional, 2013.

Drafting insurance contracts: certainty, clarity, law and practice. Christopher Henley. London: Leadenhall press, 2010.

Houseman's law of life assurance. 15th revised ed. Robert Surridge et al. Haywards Heath, Bloomsbury Professional, 2016.

Insuring life: value, security and risk. Luis Lobo-Guerrero. London: Routledge, 2016.

Principles of risk management and insurance. 12th ed. George E. Rejda, Michael J. McNamara. Pearson Education, 2014.

The law of insurance contracts. Malcolm A Clarke. 6th ed. London: Informa, 2009.

eBooks

The following ebooks are available through Discovery via www.cii.co.uk/discovery (CII/PFS members only):

Insurance law: an introduction. Robert Merkin. London: Informa, 2014.

Recreating sustainable retirement: resilience, solvency and tail risk. P. Brett Hammond, et al. Oxford: Oxford University Press, 2014.

Factfiles and other online resources

i-law: online database of insurance legal knowledge. Informa. Available online via <https://www.cii.co.uk/insurance-law-database-i-law/> (CII/PFS members only).

International encyclopedia for insurance law. Wolters Kluwer. Available online via www.cii.co.uk/lawdatabases (CII/PFS members only).

The EU single market. The European Commission. Updated as necessary. Available online at http://ec.europa.eu/internal_market

The pensions gap across Europe. Aviva, 2013. Available online at www.aviva.com.

Journals and magazines

Financial adviser. London: FT Business. Weekly. Available online at www.ftadviser.com.

Personal finance professional (previously Financial solutions). London: CII. Six issues a year. Available online at www.thepfs.org/financial-solutions-archive (CII/PFS members only).

Life insurance international. London: Timetric. Monthly.

Money management. London: FT Business. Monthly. Available online www.ftadviser.com/brand/money-management.

Money marketing. London: Centaur Communications. Weekly. Available online at www.moneymarketing.co.uk.

Pensions age. London: Perspective. Monthly. Available at www.pensionsage.com.

Pensions insight. Newsquest Specialist Media. Monthly. Available at www.pensions-insight.co.uk.

Retirement strategy. Supplement to Money marketing. London: Centaur Communications. Monthly. Also available at www.moneymarketing.co.uk.

Websites

International Longevity Centre UK - www.ilcuk.org.uk.

The Pensions Policy Institute (PPI) - www.pensionspolicyinstitute.org.uk.

Reference materials

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

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

Prudential Regulation Authority (PRA) Rulebook Online. Available at www.prarulebook.co.uk

* Also available as an ebook through Discovery via www.cii.co.uk/discovery (CII/PFS members only).

Examination guide

If you have a current study text enrolment, the current examination guide is included and is accessible via Revisionmate (www.revisionmate.com). 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.

The Insurance Institute of London holds a lecture on revision techniques for CII exams approximately three times a year. The slides from their most recent lectures can be found at www.cii.co.uk/iilrevision (CII/PFS members only).