

Advanced insurance broking

Purpose

To provide knowledge and understanding of the management and operation of insurance broking organisations.

Assumed knowledge

It is assumed that the candidate already has the knowledge gained from a study of the relevant sections of IF1 Insurance, legal and regulatory, Mo5 Insurance law and M81 Insurance broking practice or equivalent examinations.

Summary of learning outcomes

1. Analyse the competitive environment for insurance brokers.
 2. Analyse the management, implementation and control of regulation, compliance and the law as they apply to insurance brokers.
 3. Analyse the operational and management challenges faced by insurance brokers.
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Important notes

- Method of assessment: Coursework – 3 online assignments (80 marks). Each assignment must be individually passed.
- The syllabus is examined on the basis of English law and practice 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/qualifications
 2. Select the appropriate qualification
 3. Select your unit on the right hand side of the page

1. Analyse the competitive environment for insurance brokers

- 1.1 Explain the non-life insurance market and the insurance market cycle including its impact on insurance broking.
- 1.2 Analyse the role of brokers within the insurance market and their impact on it.
- 1.3 Examine the distribution models used by insurers and brokers, including transacting business with other brokers, and the new business process.
- 1.4 Examine the different methods of trading with clients.

2. Analyse the management, implementation and control of regulation, compliance and the law as they apply to insurance brokers

- 2.1 Explain the regulatory environment and the approach to regulation and supervision.
- 2.2 Explain the implementation and control with respect to senior management systems and controls (SYSC) and ICOBs.
- 2.3 Explain the Senior Managers and Certification Regime (SM&CR) and the Insurance Distribution Directive (IDD).
- 2.4 Explain the disciplinary procedures to which insurance brokers are subject and their implications.
- 2.5 Examine avoiding and managing conflicts of interest.
- 2.6 Explain the importance of training and competence.
- 2.7 Review the approach brokers need to adopt in the fair treatment of customers.
- 2.8 Explain the procedures for dealing with complaints.
- 2.9 Examine the management of third parties, appointed representatives and introducers.
- 2.10 Explain the legal environment with reference to bribery, sanctions and competition legislation and regulation.

3. Analyse the operational and management challenges faced by insurance brokers

- 3.1 Describe the various types of intermediary – by size, specialism and geographical scope.
- 3.2 Analyse typical management and organisational structures.
- 3.3 Examine the challenge of international/global business.
- 3.4 Examine the importance of strategic tools and internal operational, management, quality and financial controls.
- 3.5 Examine the role of corporate risk management within insurance brokers.
- 3.6 Explain the process of insurer selection with specific reference to the analysis of the security of insurers and other intermediaries.
- 3.7 Explain the role of Terms of Business Agreements with insurers and clients.
- 3.8 Explain the management of managing general agents and delegated underwriting authorities.
- 3.9 Examine the impact of public opinion on the wider insurance industry and the role of Chartered Broker status in raising professional standards.
- 3.10 Examine the implications of outsourcing and off-shoring.
- 3.11 Examine the importance of the business driving IT.
- 3.12 Analyse how brokers provide excellent client service, including the management of the annual renewal cycle.
- 3.13 Examine the role of specialisation and segmentation within brokers.
- 3.14 Analyse the role of claims and different approaches to claims service.
- 3.15 Analyse the ways in which brokers are remunerated.
- 3.16 Describe the provision of risk related services by brokers.

Reading list

The following list provides details of various publications which may assist you with your studies.

Note: The assessment will test the syllabus alone. However, it is important to read additional sources as 10% of the exam mark is allocated for evidence of further reading and the use of relevant examples.

The reading list is provided for guidance only and is not in itself the subject of the assessment.

The publications listed here 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 to the Knowledge Services collection - for information about obtaining a copy of an article or book chapter, book loans, or for help finding resources, please go to <https://www.cii.co.uk/knowledge-services> or email knowledge@cii.co.uk.

CII study texts

Advanced insurance broking. London: CII. 930 study text.

Insurance law. London: CII. Mo5 study text.

Insurance broking practice. London: CII. M81 study text.

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

Books / eBooks*

A practitioner's guide to Solvency II. Geoffrey et al. (eds.). London: Thomson Reuters, 2016.

Bowstead and Reynolds on agency. Peter Watts & FMB Reynolds. 21th ed. London: Thomson Reuters, 2017.

Business performance measurement. 2nd ed. Andy Neely. Cambridge: Cambridge University Press, 2011.

'Claims against insurance brokers'. Chapter 16 in Insurance claims. 4th ed. Alison Padfield. Tottel, 2016.

Corporate governance in the European insurance industry. Ornella Ricci. Basingstoke: Palgrave MacMillan, 2014.*

Corporate risk management: an organisational perspective. Tony Merna, Faisal F Al-Thani. 2nd ed. Chichester, West Sussex: John Wiley, 2008.*

Digital insurance: business innovation in the post-crisis era. Bernardo Nicoletti. Basingstoke: Palgrave Macmillan, 2016.*

Financial services marketing: an international guide to principles and practice. 3rd ed. Christine Ennew. Oxford: Routledge, 2018.*

'Intermediary responsibility'. Chapter: Insurance disputes. 3rd ed. Jonathan Mance et al. Informa, 2011.

Insurance brokers: an industry accounting and auditing guide. 5th ed. M Grice, S Ouarbya. London: CCH Wolters Kluwer, 2013.

Marketing concepts and strategies. Sally Dibb, et al. 6th ed. Boston: Cengage Learning, 2012.

Principles of direct, database and digital marketing. 5th ed. Alan Tapp et al. Harlow: Pearson Education, 2013.

Strategic management. Richard Lynch. 6th ed. Harlow: Pearson Education Ltd, 2012.

The balanced scorecard. Robert Kaplan and David Norton. Boston: Harvard Business School Press, 1996.

The law of insurance broking. 3rd ed. Christopher Henley. London: Sweet & Maxwell, 2016.

The role of agents in insurance business. Chapter – MacGillivray on insurance law: relating to all risks other than marine. 13th ed. Sweet & Maxwell, 2015.

eBooks

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

Connected CRM: implementing a data-driven, consumer-centric business strategy. David Williams. Hoboken: Wiley, 2014.

Corporate performance: a ratio-based approach to country and industry analyses. Julia Koralum-Bereznicka. Springer, 2013.

Risk management and corporate governance in the 21st Century digital economy. Georgios Zekos. New York: Nova Scotia Pub. Inc, 2014.

Strategic management in the 21st Century. Vijay R. Kannan. Calif: Praeger, 2013.

Treatises on Solvency II. Meinrad Dreher. Heidelberg: Springer, 2015.

Factfiles and other online resources

CII fact files are concise, easy to digest but technically dense resources designed to enrich the knowledge of members. Written by subject experts and practitioners, the fact files cover key industry topics as well as less familiar or specialist areas of general insurance, life, and pensions and financial services, with information drawn together in a way not readily available elsewhere. Available online via www.cii.co.uk/ciifactfiles (CII/PFS members only).

The Insurance Institute of London (IIL) podcast lecture series features leading industry figures and subject experts speaking on current issues and trends impacting insurance and financial services. Available online at <https://www.cii.co.uk/insurance-institute-of-london/> (CII/PFS members only).

- Insurance accounting (general business). Ian Hutchinson, updated by Alex Barnes.
- Recent developments to Solvency II. Brad Baker.
- The regulatory framework. Simon Collins.
- The professional liability of insurance brokers. Christopher Henley, updated by Simon Kemp and Michelle Radom.

Consumer Credit Act 1974. Available via www.legislation.gov.uk.

Consumer vulnerability. FCA Occasional Paper No. 8. February 2015. Available online via www.fca.org.uk.

Data Protection Act 1998. Available via www.legislation.gov.uk.

Insurance Act Hub: key information and materials on the Insurance Act 2015. London: CII, 2016. Available online via www.cii.co.uk/42581.

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

Further articles and technical bulletins are available at www.cii.co.uk/knowledge (CII/PFS members only).

Journals and magazines

Insurance age. Incisive media. Monthly. Contents searchable online at www.insuranceage.co.uk.

Insurance day. London: Informa. Daily except weekends. Articles searchable online at www.insuranceday.com.

Insurance times. London: Newsquest Specialist Media. Weekly. Contents searchable online at www.insurancetimes.co.uk.

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

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

Post magazine. London: Incisive Financial Publishing. Monthly. Contents searchable online at www.postonline.co.uk.

Access to further periodical publications is available from the Knowledge website at 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. 2nd ed. London: Pearson Education, 2004.

Insurance broking practice and the law. London: Informa, updated regularly by Cameron McKenna. Available via online via i-law.com (CII/PFS members only).

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

Specimen guides

Specimen guides are available for all coursework units.

These are available on the CII website under the unit description / purchasing page. You will be able to access this page from the Qualifications section of the CII website: www.cii.co.uk/qualifications.

These specimen guides are also available on the RevisionMate website www.revisionmate.com 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.