

# Motor insurance products

## Objective

To provide knowledge and understanding of the practices and procedures connected with private motor, motorcycle and commercial motor insurance, with reference to applicable legal and regulatory considerations and to develop in candidates an ability to apply product knowledge and understanding on straightforward cases where unaccompanied but supervised advice is given.

Summary of learning outcomes	Number of questions in the examination*
1. Understand the market place for motor insurance products	5
2. Apply the principles contained within motor insurance to a given set of circumstances	2
3. Understand the scope of cover provided by motor insurance products	6
4. Apply the principles contained within the scope of cover provided by motor insurance products to a given set of circumstances	3
5. Understand the legal and regulatory considerations for motor insurance	11
6. Apply the legal and regulatory principles for motor insurance to a given set of circumstances	5
7. Understand risk assessment, rating and underwriting for motor insurance	15
8. Apply the principles contained within risk assessment, rating and underwriting for motor insurance to a given set of circumstances	8
9. Understand claims procedures for motor insurance products	11
10. Apply the principles of claims procedures for motor insurance to a given set of circumstances	6
11. Understand information and communication technology as this relates to motor insurance	2
12. Apply the principles of information and communication technology as this relates to motor insurance to a given set of circumstances	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.

## 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 January 2020 until 31 December 2020.
- Candidates will be 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/learning/qualifications/unit-motor-insurance-products-if5/](http://www.cii.co.uk/learning/qualifications/unit-motor-insurance-products-if5/)
  2. Select qualification update on the right hand side of the page.

- 1. Understand the market place for motor insurance products**
  - 1.1 Explain the principal differences in the transaction of private motor, motorcycle, commercial motor and motor fleet insurance
  - 1.2 Explain the role and function of the Motor Insurers' Bureau, including the UK Information Centre, the Motor Insurance Database and the DVLA
- 2. Apply the principles contained within motor insurance to a given set of circumstances**
  - 2.1 Apply the principles contained within the transaction of private motor, motorcycle, commercial motor and motor fleet insurance to a given set of circumstances
  - 2.2 Apply the principles contained within the role and function of the Motor Insurers' Bureau to a given set of circumstances
- 3. Understand the scope of cover provided by motor insurance products**
  - 3.1 Describe the core cover provided in respect of accidental damage, third party, fire & theft, and legal expenses for private motor cars, motorcycles and commercial vehicles
  - 3.2 Describe the additional non-insurance benefits available under private and commercial motor insurance policies
- 4. Apply the principles contained within the scope of cover provided by motor insurance products to a given set of circumstances**
  - 4.1 Apply the principles contained within the scope of cover provided by motor insurance products to a given set of circumstances
- 5. Understand the legal and regulatory considerations for motor insurance**
  - 5.1 Describe the relevant parts of the Road Traffic Act 1988 as amended by the Road Traffic Act 1991
  - 5.2 Describe the provisions of the Road Traffic Act 1988 Part VI, relating to third party liabilities
  - 5.3 Describe the provisions of EU Directives applicable to motor insurance
  - 5.4 Explain the effect on motor insurance of the:
    - Road Traffic (New Drivers) Act 1995
    - Legal Aid Sentencing and Punishment of Offenders Act 2012 (LASPO)
    - Rehabilitation of Offenders Act 1974
    - Limitation Acts
    - Equality Act 2010
    - Contracts (Rights of Third Parties) Act 1999
    - Third Parties (Rights Against Insurers) Act 1930 and 2010
    - Road Safety Act 2006
    - Personal Injuries (NHS Charges) (Amounts) Regulations 2007
    - The Consumer Insurance (Disclosure and Representations Act) 2012
    - The Insurance Act 2015
  - 5.5 Describe the legal position of employees using their own and their employers' motor vehicles in the conduct of company business
  - 5.6 Describe the law relating to the use of vehicles outside the UK
  - 5.7 Describe which vehicles are exempt from compulsory insurance under the Road Traffic Act 1991 and in what circumstances
  - 5.8 Describe, in broad outline, the scope and general effect of the Insurance: Conduct of Business sourcebook (ICOBS) as it relates to the administration of motor insurance
- 6. Apply the legal and regulatory principles for motor insurance to a given set of circumstances**
  - 6.1 Apply the legal and regulatory principles for motor insurance to a given set of circumstances

## **7. Understand risk assessment, rating and underwriting for motor insurance**

- 7.1 Describe the content, use and legal significance of proposal forms and statements of facts in the transaction of motor insurance as they apply to both consumer insurance contracts and commercial insurance contracts
  - 7.2 Explain the general principles of rating and underwriting individual risks in motor insurance
  - 7.3 Describe the rating and underwriting considerations specific to:
    - private motor cars
    - motorcycles
    - commercial vehicles
    - motor fleet
  - 7.4 Describe the content of and legal requirements relating to the cover note and the certificate of motor insurance
  - 7.5 Explain the construction of private and commercial insurance policies with specific reference to:
    - common policy warranties and conditions, including territorial limits
    - general exclusions and exceptions
    - the policy schedule
  - 7.6 Explain the use of no-claims discount and the distinctions between standard, protected and guaranteed discounts
  - 7.7 Explain the operation of a typical renewal system for private and commercial motor insurance
  - 7.8 Describe the frequency of renewal and its significance to continuity of cover
  - 7.9 Describe the renewal documentation and renewal terms specific to motor insurance
- ## **8. Apply the principles contained within risk assessment, rating and underwriting for motor insurance to a given set of circumstances**
- 8.1 Apply the principles contained within risk assessment, rating and underwriting for motor insurance to a given set of circumstances

## **9. Understand claims procedures for motor insurance products**

- 9.1 Explain the ethical considerations in the transaction of motor insurance products
  - 9.2 Describe the principles of claims-handling applied to motor insurance
  - 9.3 Describe the claims-handling procedures specific to:
    - private motor insurance
    - motorcycles
    - commercial vehicles
  - 9.4 Explain the role of motor engineers
  - 9.5 Explain the use of recommended repairers
  - 9.6 Explain the role of MIAFTR2 and CUE
  - 9.7 Explain fraud prevention and detection measures and their operation
  - 9.8 Explain the role of the Financial Ombudsman Service and the Financial Services Compensation Scheme
- ## **10. Apply the principles of claims procedures for motor insurance to a given set of circumstances**
- 10.1 Apply the principles of claims procedures for motor insurance to a given set of circumstances
- ## **11. Understand information and communication technology as this relates to motor insurance**
- 11.1 Explain the implications of IT development for the motor insurance market including:
    - insurer/intermediary links
    - direct motor insurance business
    - access to information from non-insurance sources, e.g. DVLA
- ## **12. Apply the principles of information and communication technology as this relates to motor insurance to a given set of circumstances**
- 12.1 Apply the principles of information and communication technology as this relates to motor insurance to a given set of circumstances

## 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](mailto:knowledge@cii.co.uk).

### CII study texts

Motor insurance products. London: CII. Study text IF5.

### Books (and ebooks)

Bird's modern insurance law. 10th ed. John Birds. Sweet and Maxwell, 2016.

Guide to Motor Insurance Bureau claims. Donald Williams and Malcolm Johnson. The Law Society, 2012.

Colinvaux's law of insurance. 11th ed. London: Sweet & Maxwell, 2016.

Insurance law and the Financial Ombudsman Service. Judith P Summer. London: Informa, 2008.\*

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

Insurance law: an introduction. Robert Merkin. London: Routledge, 2014.\*

The law of motor insurance. Robert M Merkin, Jeremy Stuart-Smith. 2nd ed. London: Sweet and Maxwell, 2015.

### Periodicals

The Journal. London: CII. Six issues a year. Archive available online at <https://www.cii.co.uk/search-results?q=journal> (CII/PFS members only).

Post magazine. London: Incisive Financial Publishing. Monthly. Contents searchable online at [www.postonline.co.uk](http://www.postonline.co.uk).

## 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.

The insurance manual. Sadler, John. Stourbridge, Worcs: Insurance Publishing & Printing Co. Looseleaf updated annually.

Road Traffic Act 1988. Available online at [www.legislation.gov.uk](http://www.legislation.gov.uk).

The insurance manual. Stourbridge, West Midlands: Insurance Publishing & Printing Co. Looseleaf, updated.

\* Also available as an eBook through Discovery via [www.cii.co.uk/discovery](http://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](http://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.