

# Personal insurances

## Purpose

At the end of this unit, candidates should be able to demonstrate an understanding of market practises and the business environment for personal insurances. This excludes motor insurance.

## Assumed knowledge

It is assumed that the candidate already has knowledge of the fundamental principles of insurance as covered in IF1 Insurance, legal and regulatory or equivalent examinations.

Summary of learning outcomes	Number of questions in the examination *
1. Understand the general market practices of personal insurances	8
2. Understand the policy coverage, underwriting and rating considerations of household insurances	14
3. Understand the policy coverage, underwriting and rating considerations of other personal insurance products	6
4. Understand the claims notification, investigation and settlement procedures for personal insurances, including relevant case law	13
5. Understand the main aspects of the business environment of personal insurances	9

\* 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:
 

Mixed assessment consisting of two components, both of which must be passed. One component is a coursework assignment and one is a multiple choice question (MCQ) examination. The details are:

  1. an online coursework assignment using RevisionMate consisting of 10 questions which sequentially follow the learning outcomes. This must be successfully completed within 6 months of enrolment; and
  2. an MCQ exam consisting of 50 MCQs. 1 hour is allowed for this exam. This exam must be successfully passed within 18 months of enrolment.
- This syllabus will be examined from 1 May 2020 until 30 April 2021.
- 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/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 general market practices of personal insurances**

- 1.1 Explain the types of products available.
- 1.2 Describe the risk assessment process.
- 1.3 Outline the formation, content and maintenance of the contract.
- 1.4 Describe common endorsements, conditions and exclusions.

**2. Understand the policy coverage, underwriting and rating considerations of household insurances**

- 2.1 Describe the scope of cover for buildings under a household policy, including optional extensions.
- 2.2 Explain the basis of rating and underwriting for buildings for both standard and non-standard risks, including the use of surveys.
- 2.3 Describe the scope of cover for contents under a household policy, including optional extensions.
- 2.4 Explain the basis of rating and underwriting for contents for both standard and non-standard risks, including the use of surveys.
- 2.5 Describe the scope of cover for personal possessions, money, credit cards, pedal cycles, legal expenses and home emergency.
- 2.6 Explain the basis of rating and underwriting for personal possessions, money, credit cards, pedal cycles, legal expenses and home emergency.

**3. Understand the policy coverage, underwriting and rating considerations of other personal insurance products**

- 3.1 Describe policy cover, underwriting and rating considerations for domestic animals, caravans, extended warranty, mobile phone, boat and small craft insurances.
- 3.2 Explain policy cover, underwriting and rating considerations for travel, personal accident and payment protection insurances.
- 3.3 Explain policy cover, underwriting and rating considerations for special risks – home working, holiday homes, high net worth homes and commercial cover for blocks of flats.

**4. Understand the claims notification, investigation and settlement procedures for personal insurances, including relevant case law**

- 4.1 Explain the implied and express duties of the insured and insurer.
- 4.2 Explain the process of notifying, investigating and settling a claim.
- 4.3 Describe the different bases for claims settlement, including market agreements.
- 4.4 Describe the legal procedures for handling liability claims – the Civil Procedures Rules.
- 4.5 Explain the legal and regulatory processes for dispute resolution.

**5. Understand the main aspects of the business environment of personal insurances**

- 5.1 Explain the use and benefits of different distribution channels for personal insurances.
- 5.2 Explain the use and benefits of information technology and information systems.
- 5.3 Examine the social and ethical considerations within the business environment of personal insurances.
- 5.4 Examine the regulatory considerations within the business environment of personal insurances.

## 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**

Personal insurances. London: CII. Study text M86

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

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

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

'Cover: causes of loss: Personal accident'. Chapter – The law of insurance contracts. 6<sup>th</sup> ed. Malcolm A Clarke et al. London: Informa, 2009.

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

'Household buildings policies'. Chapter – The modern law of insurance. Andrew McGee. 3<sup>rd</sup> ed. London: LexisNexis, 2011.

'Household contents policies'. Chapter – The modern law of insurance. Andrew McGee. 3<sup>rd</sup> ed. London: LexisNexis, 2011.

'Housing disrepair claims'. Chapter – Claims handling law and practice: a practitioner's guide. Richard West et al et al. London: Witherby, 2008.

Insurance claims. 4<sup>th</sup> ed. Alison Padfield. Bloomsbury Professional, 2016.

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

Insurance theory and practice. Rob Thoys. Routledge, 2010.\*

'Personal accident policies'. Chapter – MacGillivray on insurance law: relating to all risks other than marine. 13<sup>th</sup> ed. Sweet & Maxwell, 2015.

'Subsidence'. Chapter – Claims handling law and practice: a practitioner's guide. Richard West et al et al. London: Witherby, 2008.

The subsidence handbook. The Subsidence Forum. 4<sup>th</sup> ed. RSA, 2013.

'Travel insurance' Chapter – The modern law of insurance. 3<sup>rd</sup> ed. Andrew McGee. London: Informa, 2011.

### **Online resources**

Household insurance in the UK, key trends and opportunities. ©Timetric Forecast Report. Annual. Available for members at [www.cii.co.uk/forecastreports](https://www.cii.co.uk/forecastreports).

Personal accident and health insurance in the UK, key trends and opportunities. ©Timetric Forecast Reports. Annual. Available for members at [www.cii.co.uk/forecastreports](https://www.cii.co.uk/forecastreports).

Pet insurance in the UK, key trends and opportunities. ©Timetric Forecast Reports. Annual. Available for members at [www.cii.co.uk/forecastreports](https://www.cii.co.uk/forecastreports).

The fair treatment of customers. Financial Conduct Authority. Available online via <https://www.fca.org.uk/firms/fair-treatment-customers>.

### **Journals and magazines**

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

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

Access to further periodical publications is available from the Knowledge website at [www.cii.co.uk/journalmagazines](https://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. 2<sup>nd</sup> ed. London: Pearson Education, 2004.

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

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

## Exemplars

Exemplar papers are available for all mixed assessment units. Exemplars are available for both the coursework component and the MCQ exam component.

These are available on the CII website under the unit number before purchasing the unit. They are available under the following link [www.cii.co.uk/qualifications/diploma-in-insurance-qualification](http://www.cii.co.uk/qualifications/diploma-in-insurance-qualification).

These exemplar papers are also available on the RevisionMate website ([www.revisionmate.com](http://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.

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](http://www.cii.co.uk/iilrevision) (CII/PFS members only).