

# Award in Bancassurance

## Objective

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

- the main elements of the financial services and insurance industry;
- the main insurance products;
- savings and investment products;
- retirement planning products;
- what constitutes good and ethical client practice.

Summary of learning outcomes	Number of questions in the examination*
1. Know the main elements of the financial services and insurance industry as it relates to the bancassurance sector	3
2. Understand the main insurance products	15
3. Understand savings and investment products	15
4. Understand retirement planning products	10
5. Understand the importance of the client fact find and how to identify client needs	15
6. Understand what constitutes good and ethical client practice	17

\* 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: 75 multiple choice questions. 2 hours are allowed for this examination.
- This syllabus will be examined from 1 May 2020 to 30 April 2021.
- 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. Know the main elements of the financial services and insurance industry as it relates to the bancassurance sector**

- 1.1 Describe the basic purpose of financial services and the role of the financial services industry in the economy;
- 1.2 Describe the basic structure of the financial services/ insurance market and the main types of organisation;
- 1.3 Describe the distribution channels used for financial and insurance services, including e-commerce;
- 1.4 Describe the role of bancassurers and insurance companies and their respective responsibilities.

## **2. Understand the main insurance products**

- 2.1 Know the main personal and financial details that give rise to a client's protection requirements;
- 2.2 Know the main features and benefits of life assurance and health protection products which affect their suitability for a client;
- 2.3 Understand how the tax treatment of life assurance and health protection products affects their suitability for a client;
- 2.4 Know in outline the main features and benefits of personal accident and travel insurance.
- 2.5 Know in outline the main features of mortgages and debt protection policies;
- 2.6 Know in outline the main features of household insurance;
- 2.7 Know in outline the main features of motor insurance.

## **3. Understand savings and investment products**

- 3.1 Know the factors on which a client's savings and investment requirements depend (disposable income, assets, attitude to risk, potential future liabilities and ethical preferences);
- 3.2 Know the main features, risks and returns of the main asset classes (cash, bonds, equities, property);
- 3.3 Know the main features, risks and returns of savings and investment products which affect their suitability for a client;
- 3.4 Understand broadly how the tax treatment of savings and investment products affect their suitability for a client;
- 3.5 Know the relationship between a client's risk tolerance and the level of return and how different types of risk impact on savings and investment products;
- 3.6 Understand how inflation, deflation and other economic factors affects savings and investment products;
- 3.7 Understand how changes in interest rates affect the future performance of savings and investment products;
- 3.8 Understand the importance of an emergency fund and sensible debt management.

## **4. Understand retirement planning products**

- 4.1 Know the factors on which a client's retirement needs may depend (age, income, dependants, previous and current arrangements, state provision, non-pension assets);
- 4.2 Know the main features and benefits of pension products and annuities which affect their suitability for a client;
- 4.3 Know the circumstances in which there is a need for annuities and pension advice;
- 4.4 Understand how inflation, deflation and other economic factors affect pension schemes and annuities;
- 4.5 Understand how changes in interest rates affect the future value of pension schemes and annuities.

## **5. Understand the importance of the client fact find and how to identify client needs**

- 5.1 Know the typical content of a fact find and how to use one;
- 5.2 Know how to make suitable recommendations based on the information collected;
- 5.3 Know the seven typical life-stages of a client and understand the requirements and constraints at each of the life stages;
- 5.4 Understand how the following factors can affect the life stages for individuals; age, marital and employment status, state of health, ethical preferences, divorce, separation and bereavement;
- 5.5 Know the four main steps in identifying a client's real financial needs: the client's perceived and real needs, the client's current and future needs, quantifying the client's needs and prioritising the client's needs;
- 5.6 Be able to apply basic financial planning criteria to the information collected about a client in order to identify, quantify and prioritise a client's real financial needs;
- 5.7 Be able to apply features of different types of product to the client's needs and understand the role of the bancassurer in recommending suitable products by which the client can achieve his or her financial objectives.

## **6. Understand what constitutes good and ethical client practice**

- 6.1 Know that the adviser has a duty, at all stages of the sales process, to ensure that the client understands fully all the implications of accepting the recommendations, including any inherent risks and ethical considerations;
- 6.2 Know what an adviser must do when he or she does not have a product that would properly meet the needs of the client;
- 6.3 Know what steps the adviser must take when the client rejects the adviser's recommendations;
- 6.4 Understand why it is unethical to advise a client to switch between the financial products of different providers, unless the switch is clearly in the best interests of the client;

- 6.5 Understand the importance of recommending the long term nature of a product to a client to avoid short term cancellations of policies;
- 6.6 Understand the key elements of handling customer complaints effectively and the need for an effective complaints procedure;
- 6.7 Understand alternative methods of resolving disputes;
- 6.8 Describe a typical ethical code for financial advisers;
- 6.9 Understand the outcomes that may result from behaving ethically and not behaving ethically;
- 6.10 Understand the regulation and supervision of the bancassurance sector.

## 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

Award in Bancassurance. London: CII. Study text. AWB

### Books (and ebooks)

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

The basics of finance: an introduction to financial markets, business finance, and portfolio management. Frank Fabozzi. London, Wiley, 2010.\*

The Financial Times guide to investing. 3rd edition. Glen Arnold. FT Prentice Hall, 2014.

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

### Periodicals

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

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

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).

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

## Reference materials

Concise encyclopedia of insurance terms. Laurence S. Silver, et al. New York: Routledge, 2010.\*

International dictionary of banking and finance. John Clark. Hoboken, New Jersey: Routledge, 2005.\*

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.

## 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.

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).