



Learning Outcome

Assessment Criteria

Indicative Content

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Learning Outcome	Assessment Criteria	Indicative Content
1 5 Questions	1.1 Explain the different types of insurance structures.	1.1.1 Proprietary.
		1.1.2 Mutual.
		1.1.3 Captive.
		1.1.4 Takaful.
		1.1.5 Reinsurance.
		1.1.6 The state.
		1.1.7 Self-insurance.
	1.2 Describe the global perspective of the insurance market.	1.2.1 Multi-national.
		1.2.2 Global.
		1.2.3 Requirements for an international insurance market.
		1.2.4 The London Market.
		1.2.5 Lloyd's.
	1.3 Explain the different distribution channels for insurance business.	1.3.1 Direct.
		1.3.2 Price comparison websites and aggregators.
		1.3.3 Affinity groups including retailers, membership groups, travel agents and tour operators.
		1.3.4 Banks and building societies.
		1.3.5 Independent intermediaries and agents.
		1.3.6 New entrants.
	1.4 Describe the different types of stakeholder and their interests.	1.4.1 Customers as stakeholders - their expectations, customer focus, customer relationship management (CRM).
		1.4.2 The fair treatment of customers, considering vulnerable customers and achieving positive customer outcomes.
1.4.3 Other stakeholders - definitions and stakeholder management.		
1.5 Explain business and insurance ethics.	1.5.1 Business ethics.	
	1.5.2 Ethical standards in insurance.	
	1.5.3 CII code of ethics.	



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		1.6	Discuss the reasons for company growth, including mergers and acquisitions.	1.6.1	Company growth and trends.
				1.6.2	Organic growth-drivers, benefits and disadvantages.
				1.6.3	Non-organic growth-mergers and acquisitions, insurance mergers and acquisitions and disadvantages of mergers and acquisitions.
		1.7	Discuss outsourcing to external service providers.	1.7.1	External service providers.
				1.7.2	Outsourcing-features, advantages, disadvantages, selection.
				1.7.3	Regulatory requirements.
		1.8	Discuss change in the UK and global insurance industry.	1.8.1	Technological advances, changes in working practices.
				1.8.2	Product development.
				1.8.3	Development in contract wordings.
2 3 Questions	Understand the management of insurance businesses.	2.1	Describe the role and responsibilities of the board of directors and other senior executives.	2.1.1	The board of directors - composition, responsibilities, compliance with corporate governance requirements and other operating structures.
				2.1.2	Senior executives - CEO/managing director, finance director, company secretary, chief actuary, other senior positions.
		2.2	Describe the key roles and responsibilities of managers, supervisors and non-managerial staff.	2.2.1	Roles and responsibilities, actions, business components and internal communication.
				2.2.2	Management styles, culture.
		2.3	Explain the importance of business planning, performance monitoring, budgetary planning and control and decision making.	2.3.1	The planning process-setting strategic plans: implementing plans, control systems and models, management accounting.
				2.3.2	Budgetary planning and control-budgets: forecasts, process, guidelines, consultation, review, communication and monitoring.
				2.3.3	Types of budget, variance analysis.
				2.3.4	Decision-making: four main steps-understanding, prior consideration, taking decisions and review, the 5 c's and hierarchy.
				2.3.5	Management of change.
		2.4	Understand the use of management information and management reporting.	2.4.1	Management information.
				2.4.2	Management reporting and systems.
				2.4.3	Knowledge management.



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3 3 Questions	Understand the main aspects of corporate governance.	3.1 Describe the corporate governance framework and the incorporation of businesses.	3.1.1 Corporate governance framework - UK corporate governance code.		
		3.1.2 UK listing rules.			
		3.1.3 Incorporation of businesses.			
		3.1.4 Overseas corporate governance.			
		3.2 Describe the statutory reporting requirements.	3.2.1 Annual return, report and accounts, role of the company secretary, director's report, director's remuneration report, chairman's statement and submission of annual accounts.		
		3.3 Describe how risk can be managed within the corporate governance framework.	3.3.1 Risk management responsibilities, management controls, scope, key risk indicators, standards, risk appetite and strategy.		
			3.3.2 Audit and compliance.		
		3.4 Explain the importance of the management and protection of data, including accurate record keeping.	3.4.1 Accurate record keeping-importance, data quality.		
			3.4.2 Confidential data-confidentiality agreements, impact of insider dealing and remote working.		
			3.4.3 Principles of relevant data protection legislation, information commissioner's office.		
		4 1 Question	Understand the role of the various functions within insurance organisations.	4.1 Explain the role and significance of the main functions within insurance organisations.	4.1.1 Underwriting.
					4.1.2 Risk management.
4.1.3 Claims.					
4.1.4 Delegated authority.					
4.1.5 Compliance.					
4.1.6 Actuarial, solvency and capital modelling.					
4.1.7 Sales and marketing.					
4.1.8 Customer service.					
4.1.9 Investment management.					
4.1.10 Finance.					
4.1.11 Strategic planning.					
4.1.12 Internal audit.					
4.1.13 Legal and company secretarial.					
4.1.14 IT and data management.					
4.1.15 Facilities management.					
4.1.16 Human resources.					



Learning Outcome		Assessment Criteria		Indicative Content	
5 6 Questions	Understand accounting principles and practices and their application.	5.1	Explain the purpose and function of financial accounting.	5.1.1	Purpose and function.
				5.1.2	Legislation (in outline).
		5.2	Distinguish between financial and management accounting.	5.2.1	Financial accounting.
				5.2.2	Management accounting.
				5.2.3	How financial and management accounting differ.
		5.3	Describe the users of financial information and their information requirements.	5.3.1	Key accountancy terms.
				5.3.2	Owners, directors and managers, employees, public, tax authorities, analysts, creditors, competitors, brokers, customers and regulators.
				5.3.3	Types of information required.
		5.4	Describe and apply the basic financial concepts and the accounting equation.	5.4.1	Basic definitions.
				5.4.2	The accounting equation.
		5.5	Describe accounting for receipts and payments.	5.5.1	Recording systems, book-keeping, double-entry principle.
		5.6	Interpret companies' financial documents.	5.6.1	Balance sheet.
				5.6.2	Income statement (profit and loss account).
				5.6.3	Insurance broker accounts.
5.6.4	Insurance company accounts.				
5.6.5	Cash flow statements.				
5.7	Explain and interpret the principles of management accounting.	5.7.1	Principles, costing and budgets.		
		5.7.2	Impact on business lines.		
6 2 Questions	Understand accounting standards and insurance company accounts.	6.1	Outline the main accounting standards that affect insurance company accounts.	6.1.1	Accounting standards.
				6.1.2	Impact of accounting standards on insurance company accounts.
				6.1.3	Changes in standards and legislation.
		6.2	Explain insurance company reserving methods, Incurred But Not Reported (IBNR) and the importance of accurate claims reserving.	6.2.1	The importance of accurate claims reserving.
				6.2.2	IBNR and IBNER.
				6.2.3	Types of claims reserving.



Learning Outcome		Assessment Criteria		Indicative Content	
7 2 Questions	Analyse businesses using financial ratios.	7.1	Interpret general company accounts through the use of financial ratios.	7.1.1	Profitability ratios.
				7.1.2	Productivity ratios.
				7.1.3	Liquidity ratios.
				7.1.4	Activity ratios.
				7.1.5	Gearing ratios.
		7.2	Interpret insurance company accounts through the use of financial ratios.	7.2.1	Solvency ratios.
				7.2.2	Liquidity ratios.
				7.2.3	Profitability ratios, including the combined ratio.
				7.2.4	Claims ratio.
				7.2.5	Assessing an insurance company's financial data through ratios.
8 3 Questions	Understand the financial strength of insurance companies.	8.1	Explain the role of rating agencies and the rating process.	8.1.1	Role of rating agencies.
				8.1.2	Rating process; consequences of rating.
		8.2	Explain the regulatory solvency requirements and how the financial strength of insurers is analysed and the associated impact on them.	8.2.1	Risk appetite.
				8.2.2	Relevant legislation.
				8.2.3	Stress and scenario testing.
				8.2.4	Role of the actuary.
		Plus 25 case study-related questions from learning outcomes 1 to 8.			