Marketing insurance products and services

Purpose
This unit is about enhancing the understanding of the marketing function and its application to insurance business. This unit would be of benefit to those wishing to enhance their understanding of the development and implementation of an effective marketing strategy.

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 or equivalent examinations.

Summary of learning outcomes
1. Understand the role and operation of marketing in the insurance industry.
2. Understand marketing theory and concepts and their application to the insurance industry.
3. Analyse relevant information to develop a marketing strategy for insurance products and services.
4. Implement and deliver a marketing strategy.

Important notes
- Method of assessment: Part I 1 compulsory question (case study) (80 marks). Part II 2 questions selected from 3 (scenarios) (80 marks). Total of 160 marks. Three hours are allowed for this exam.
- The syllabus is examined on the basis of English law and practice unless otherwise stated.
- The general rule is that the exams are based on the English legislative position six months before the date of the exams.
- 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

Knowledge ratings
| General background awareness necessary. | 1 |
| Requires a knowledge of the major elements of procedures or concepts and their uses. | 2 |
| Requires the ability to evaluate concepts, issues, policies and procedures, together with an understanding of associated aspects of these items and their application to various situations. | 3 |
1. **Understand the role and operation of marketing in the insurance industry**
   - 1.1 The role of the customer in marketing
   - 1.2 The definition of marketing
   - 1.3 Marketing and other related business functions within the insurance industry
   - 1.4 Creating a marketing strategy for insurance products and services
   - 1.5 Impact of external and internal factors on the marketing strategy
     - 1.5.1 External considerations including:
       - 1.5.1.1 Social (cultural)
       - 1.5.1.2 Economic
       - 1.5.1.3 Competition
       - 1.5.1.4 Technological
       - 1.5.1.5 Ecological and meteorological
       - 1.5.1.6 Type and range of service providers
       - 1.5.1.7 Political, regulatory and legal, including ICOBS
       - 1.5.1.8 Consumer protection
     - 1.5.2 Internal considerations including:
       - 1.5.2.1 Structure
       - 1.5.2.2 Behaviour
       - 1.5.2.3 Values

2. **Understand marketing theory and concepts and their application to the insurance industry**
   - 2.1 Insurance customers and their buying patterns
   - 2.2 Supply and demand in the insurance industry (including insurance cycle)
   - 2.3 The marketing mix
   - 2.4 Segmentation of existing and prospective customers
   - 2.5 Competitive positioning
     - 2.5.1 Differentiation of the product or service
     - 2.5.2 Financial Value Chain analysis
   - 2.6 Portfolio management
   - 2.7 The life cycle of insurance products and services
   - 2.8 Analysing existing insurance customers
   - 2.9 Core competencies
     - 2.9.1 Internal auditing of marketing practices
     - 2.9.2 SWOT analysis

3. **Analyse relevant information to develop a marketing strategy for insurance products and services**
   - 3.1 Identifying segments in insurance customers
     - 3.1.1 Customer’s attributes and behaviours
     - 3.1.2 Using data from customer relationship management systems to feed into strategy
   - 3.2 Identifying competitors
     - 3.2.1 Competitor’s portfolio of offerings and position
   - 3.3 Developing a portfolio of opportunities
     - 3.3.1 Scenario testing
   - 3.4 Taking a position in the market
   - 3.5 Value and supply chain analysis
   - 3.6 Pricing
   - 3.7 Regulation
   - 3.8 Branding insurance products and services
     - 3.8.1 Establishing a brand
     - 3.8.2 The importance of branding
     - 3.8.3 Brand awareness
     - 3.8.4 Brand extension
     - 3.8.5 White labelling

4. **Implement and deliver a marketing strategy**
   - 4.1 Communicating the marketing message for insurance products and services
     - 4.1.1 The marketing communications portfolio
     - 4.1.2 The marketing message
     - 4.1.3 E-marketing
     - 4.1.4 Advertising
     - 4.1.5 Sales and account management
     - 4.1.6 Public relations
     - 4.1.7 Promotion
     - 4.1.8 Sponsorship
     - 4.1.9 Emergency communications plan
   - 4.2 Distributing insurance and financial products and services
     - 4.2.1 Different channels for distribution (including Call centres)
     - 4.2.2 Distribution options
       - 4.2.2.1 Financial advisers
       - 4.2.2.2 Intermediaries/brokers
       - 4.2.2.3 Direct selling
       - 4.2.2.4 Financial institutions, including bancassurance
       - 4.2.2.5 Aggregators
       - 4.2.2.6 Other organisations distributing insurance
   - 4.3 Risk assessment
   - 4.4 Service delivery
     - 4.4.1 Customer experience, including claims
     - 4.4.2 Managing the customer relationship
Reading list

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

These will help candidates keep up-to-date with developments and will provide a wider coverage of syllabus topics.

Note: The examination 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 examination.

CII/Personal Finance Society members can borrow most of the additional study materials below from Knowledge Services.

CII study texts can be consulted from within the library. For further information on the lending service, please go to www.cii.co.uk/knowledge.

CII study texts
Marketing insurance products and services. London: CII. Study text 945

Additional reading

Additional reading materials are available through the library or on the Knowledge Services website.

New materials are added frequently – for information about new books and articles in your area of interest, please visit www.cii.co.uk/knowledge or email knowledge@cii.co.uk.

Note: Although the exam will test the syllabus, 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.

Books (and ebooks)


Marketing strategy: the difference between marketing and markets. Paul Fifield. Elsevier/Butterworth-Heinemann, 2007. Also available as an ebook via www.cii.co.uk/knowledge (CII/Personal Finance society members only).


Journals and magazines

The Journal. London: CII. Six issues a year. Also available via www.cii.co.uk/knowledge (CII/Personal Finance society members only).

Reference materials


Examination guides

Guides are produced for each sitting of written answer examinations. These include the exam questions, examiners’ comments on candidates’ performance and key points for inclusion in answers.

You are strongly advised to study guides for the last two sittings. Please visit www.cii.co.uk to buy online or contact CII Customer Service for further information on +44 (0)20 8989 8464.

Older examination guides are available (for members only) via www.cii.co.uk/knowledge. Alternatively, if you have a current study text enrolment, the latest exam guides are available via www.revisionmate.com.

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/knowledge/IILrevision (CII/Personal Finance Society members only).