

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 cover, 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 (relevant to the M86 multiple choice question exam only) 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

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- **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 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. a multiple-choice question (MCQ) exam at one of the CII's online centres (paper based MCQs are available in April and October for those sitting outside the UK). The MCQ exam consists of 50 MCQs. 1 hour is allowed for this examination. This exam must be successfully passed within 18 months of enrolment.
- This syllabus will be examined from 1 May 2017 until 30 April 2018.
- 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/updates
 2. Select the appropriate qualification
 3. Select your unit on the right hand side of the page

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- **Method of assessment: 15 short answer questions. Total of 130 marks. Two 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

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 cover, 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 various publications 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 publications will help you keep up-to-date with developments and will provide a wider coverage of syllabus topics.

CII/PFS members can borrow most of the additional study materials below from Knowledge Services. CII study texts can be consulted from within the library.

New materials are added frequently - for information about new releases and lending service, please go to www.cii.co.uk/knowledge or email knowledge@cii.co.uk.

CII study texts

Personal insurances. London: CII. Study text M86/P86

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

Books (and ebooks)

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

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

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

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

'Household contents policies'. Chapter – The modern law of insurance. Andrew McGee. 3rd 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. 4th ed. Alison Padfield. Bloomsbury Professional, 2016.

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

Insurance theory and practice. Rob Thoyts. Routledge, 2010.*

'Personal accident'. Chapter – Insurance disputes. 3rd ed. Jonathan Mance, Iain Goldrein, Robert Merkin (eds). London: LLP, 2011.

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

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

Subsidence, landslip and ground heave: with special reference to insurance. 2nd ed. G H Edwards. London: CILA, 1995.

The subsidence handbook. The Subsidence Forum. 4th ed. RSA, 2013.

'Travel insurance' Chapter – The modern law of insurance. 3rd 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.

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.

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

Treating customers fairly. Financial Conduct Authority. Available online via www.fca.gov.uk.

Further articles and technical bulletins are available at www.cii.co.uk/knowledge (CII/PFS members only).

Journals and magazines

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

Post magazine. London: Incisive Financial Publishing. Monthly. Also available online at www.postonline.co.uk.

Further periodical publications are available at 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. 2nd ed. London: Pearson Education, 2004.

Insurance: Conduct of Business sourcebook (ICOB). Available via www.handbook.fca.org.uk/handbook/ICOB.

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

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Exemplars

Exemplar papers are available for all mixed assessment units. Exemplars are available for both the coursework component and the multiple-choice 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.

These exemplar papers are also available on the RevisionMate website www.revisionmate.com after you have purchased the unit.

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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 from 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.

Alternatively, if you have a current study text enrolment, the latest exam guides are available via www.revisionmate.com.

Older guides are available via www.cii.co.uk/pastexamguides (CII/PFS members only).

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 (IIL) holds a lecture on revision techniques for CII written exams approximately three times a year. The slides from their most recent lectures can be found at www.cii.co.uk/iilwrittenrevision (CII/PFS members only).