

# Life and pensions foundations

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

- the value of the Life and Pensions sector to society and the economy;
- key customer needs relating to pensions, protection, investments and savings;
- a range of potential solutions available to meet customer needs; and
- how individuals and organisations work as a profession to treat customers fairly and meet their needs effectively.

Summary of learning outcomes	Number of questions in the examination*
1. Understand the role and value of financial services, including the Life and Pensions sector.	5
2. Understand typical customer financial needs and expectations.	3
3. Understand financial protection products and their role in customer solutions.	7
4. Understand savings and investment products and their role in customer solutions.	7
5. Understand pensions and their role in customer solutions.	7
6. Know the main retirement income options.	3
7. Understand how Life and Pensions firms operate.	4
8. Understand key principles of delivering good customer service.	8
9. Understand ethical, legal and regulatory principles and duties in the context of life insurance and pensions.	6

\*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:** 50 multiple choice questions (MCQs). 1 hour is allowed for this exam.
- **This syllabus will be examined from 1 September 2018 until 31 August 2019.**
- **Candidates will be examined on the basis of English law and practice in the tax year 2018/2019 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 on the right hand side of the page

- 1. Understand the role and value of financial services, including the Life and Pensions sector.**
  - 1.1 Identify the key features of the financial services sector and its role in the economy.
  - 1.2 Outline key concepts of risk and the social value of insurance.
  - 1.3 Outline the UK pensions system.
- 2. Understand typical customer financial needs and expectations.**
  - 2.1 Outline the stages of the typical customer lifecycle (the personal financial lifecycle) and associated financial needs.
  - 2.2 Identify what key information is gathered from a customer to establish their financial needs.
- 3. Understand financial protection products and their role in customer solutions.**
  - 3.1 Outline the main types of life assurance and their uses.
  - 3.2 Outline the main types of health and income protection products and their uses.
- 4. Understand savings and investment products and their role in customer solutions.**
  - 4.1 Identify the functions served by savings and investment products.
  - 4.2 Outline the main types of savings and investment products and their tax treatment.
  - 4.3 Identify fund types and uses.
- 5. Understand pensions and their role in customer solutions.**
  - 5.1 Outline the main types of pension and their benefits.
- 6. Know the main retirement income options.**
  - 6.1 Outline the main retirement income options.
- 7. Understand how Life and Pensions firms operate.**
  - 7.1 Identify definitions and features of different life and pensions distribution and advisory models.
  - 7.2 Outline how Life and Pensions firms gain income and maintain financial stability.
- 8. Understand key principles of delivering good customer service.**
  - 8.1 Outline the main customer service functions and procedures.
  - 8.2 Identify the main communications approaches and their key advantages.
  - 8.3 Outline the main customer service techniques for:
    - Eliciting information
    - Rapport and empathy
    - Clear communication
    - Recognising vulnerable customers
    - Dealing with challenging situations
    - Recognising and responding fairly to diversity of backgrounds, characteristics and levels of understanding
  - 8.4 Outline the role and stages of the complaints process.
- 9. Understand ethical, legal and regulatory principles and duties in the context of life insurance and pensions.**
  - 9.1 Identify key aspects of legislation:
    - Insurance law
    - Data protection
    - Anti-money laundering
    - Equality Act
  - 9.2 Outline the UK regulators and their role in protecting customers and industry standards.
  - 9.3 Identify the features of professional and unethical conduct and the consequences of different standards of conduct.

## Reading list

The following list provides details of additional resources 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 will help you keep up-to-date with developments and will 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 [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge).

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

### CII study texts

Life and pensions foundations. London: CII. Study text LF1.

### Books (and ebooks)

Financial services marketing: an international guide to principles and practice. 2nd ed. Christine T Ennew, Nigel Waite. Oxford: Routledge, 2013. Also available as an ebook via [www.cii.co.uk/discovery](http://www.cii.co.uk/discovery) (CII/PFS members only).

Introduction to risk management and insurance. 10th ed. Mark S Dorfman, David A Cather. Upper Saddle River, New Jersey: Pearson Prentice Hall, 2013.

Investments: principles and concepts. Charles P Jones. Wiley, 2014.

Pensions law handbook. 13th ed. Haywards Heath, West Sussex: Bloomsbury Professional Ltd., 2017.

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

Winning client trust. Chris Davies. London: Ecademy Press, 2011.

## Factfiles and other online resources

CII factfiles are concise, easy to digest but technically dense resources designed to enrich the knowledge of members. Covering general insurance, life and pensions and financial services sectors, the factfile collection includes key industry topics as well as less familiar or specialist areas with information drawn together in a way not readily available elsewhere. Available online via [www.cii.co.uk/ciifactfiles](http://www.cii.co.uk/ciifactfiles) (CII/PFS members only).

The regulatory framework. Simon Collins.

Long-term care insurance. Andy Couchman.

Recent developments in life assurance law. Robert Surridge.

Recent developments in life product design. Robert Surridge

Soft skill guide to customer service. Pansophix. Available online via [www.cii.co.uk/softskills](http://www.cii.co.uk/softskills) (CII/PFS members only).

Pensions in the UK, key trends and opportunities. Annual. ©Timetric. Available online at [www.cii.co.uk/forecastreports](http://www.cii.co.uk/forecastreports).

### Journals and magazines

Financial adviser. London: FT Business. Weekly. Available online at [www.ftadviser.com](http://www.ftadviser.com).

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).

Pensions age. London: Perspective. Monthly. Also available at [www.pensionsage.com](http://www.pensionsage.com).

Pensions insight. Newsquest Specialist Media. Monthly. Also available at [www.pensions-insight.co.uk](http://www.pensions-insight.co.uk).

Retirement strategy. Supplement to Money marketing. London: Centaur Communications. Monthly. Also available at [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk).

## Reference materials

Dictionary of insurance. C Bennett. 2nd ed. London: Pearson Education, 2004.

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.\*

"Life, pensions & protection". Chapter: The insurance manual. Stourbridge, West Midlands: Insurance Publishing & Printing Co. Looseleaf, updated.

"Life, pensions, health and medical insurance". Kluwer's handbook of insurance. Kingston upon Thames, Surrey: Croner. CCH. Looseleaf, updated.

Lamont's financial glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009.

Pensions pocket book. London: Economic and Financial Publishing Ltd in association with Aon Hewitt. Annual.

The Financial Conduct Handbook and Prudential Handbook, London: Financial Conduct Authority and Prudential Regulatory Authority respectively. Both available online at [www.fshandbook.info/FS](http://www.fshandbook.info/FS).

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

## 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).