



Learning Outcome		Assessment Criteria		Indicative Content	
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1 8 questions	Understand how the insurance market operates	1.1	Describe the main features and roles within the insurance market.	1.1.1	How insurance benefits policyholders and society in general.
				1.1.2	The relationships between buyers, intermediaries and sellers and the different distribution channels.
				1.1.3	Structure of insurance companies in the market.
				1.1.4	Other types of insurers - mutual, reinsurance, Lloyd’s etc.
		1.2	Describe the types of intermediaries in the insurance market.	1.2.1	The main roles of insurance intermediaries.
		1.3	Describe the main functions and responsibilities of underwriters.	1.3.1	The main functions and responsibilities of underwriters.
		1.4	Describe the main functions and responsibilities of claims staff.	1.4.1	The main functions and responsibilities of claims handlers.
				1.4.2	The main functions and responsibilities of loss adjusters.
				1.4.3	The main functions and responsibilities of loss assessors.
		1.5	Describe the main functions and responsibilities of delegated authority arrangements.	1.5.1	The main functions and responsibilities of delegated authority arrangements, including underwriting and claims.
		1.6	Describe the additional services available to policyholders.	1.6.1	Helplines and advice.
				1.6.2	Authorised repairers and suppliers.
				1.6.3	Risk control/advice.
				1.6.4	Uninsured loss recovery services.
2 7 questions	Understand risk and insurance in the context of the insurance market	2.1	Describe what is meant by risk in relation to insurance.	2.1.1	Definition of risk, including risk management.
		2.2	Describe the categories and components of risk.	2.2.1	The types of risk that can and cannot be insured.
				2.2.2	The relationship between severity, frequency, risk and insurance.
		2.3	Describe how insurance operates as a risk transfer mechanism.	2.3.1	How insurance operates by risk transfer and the pooling of risk.
				2.3.2	Self-insurance.
				2.3.3	Coinurance.
				2.3.4	Dual insurance.
				2.3.5	Reinsurance.



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3 17 questions	Understand insurance legal principles	3.1	Describe the essentials of a legal contract of insurance.	3.1.1	Offer, acceptance and consideration.
				3.1.2	Validation of cover.
		3.2	Describe the methods of creating an agency.	3.2.1	The main relationships and the duties of each party.
		3.3	Describe the principle of insurable interest.	3.3.1	Why and when insurable interest needs to exist.
		3.4	Describe the concepts of good faith and the duty of fair presentation.	3.4.1	Definition of good faith and material circumstances.
				3.4.2	The duty of fair presentation.
				3.4.3	The consequences of a breach of duty of fair presentation.
				3.4.4	Cancellation of the policy.
		3.5	Describe the principle of indemnity and how it is modified.	3.5.1	Agreed value policies.
				3.5.2	New for old policies.
				3.5.3	First loss policies.
				3.5.4	Application of indemnity.
		3.6	Explain the application of clauses incorporated within insurance policies.	3.6.1	Contribution.
3.6.2	Subrogation.				
3.6.3	Average.				
4 10 questions	Understand insurance underwriting procedures and their legal significance	4.1	Describe the methods used to obtain information on material circumstances.	4.1.1	Proposal forms.
				4.1.2	Surveys.
				4.1.3	Supplementary questionnaires.
		4.2	Explain moral and physical hazard in relation to underwriting.	4.2.1	Moral hazard.
				4.2.2	Physical hazard.
		4.3	Describe the formation of an insurance policy.	4.3.1	Procedures relating to quotations.
				4.3.2	Procedures relating to proposal forms.
				4.3.3	Procedures relating to the issue of cover notes, policies and certificates of insurance.
		4.4	Explain the relevance of premium payment methods.	4.4.1	Methods of premium collection.
				4.4.2	Financial Conduct Authority consumer credit rules.
		4.5	Describe the application of Insurance Premium Tax.	4.5.1	Application of Insurance Premium Tax.



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5 8 questions	Understand policy wordings and procedures	5.1	Describe the components of a policy.	5.1.1	Policy structure, functions and content.
		5.2	Explain the use of typical policy conditions and exclusions and their application.	5.2.1	The operation of cancellation conditions.
				5.2.2	The differences between warranties, conditions and exclusions.
		5.3	Describe the procedures and requirements relating to renewals.	5.3.1	Insurers' requirements (transparency).
6 10 questions	Understand insurance procedures for claims	6.1	Describe the requirements for a claim to be valid.	6.1.1	Main requirements for a valid claim.
				6.1.2	How proximate cause operates.
		6.2	Explain why a claim may be partially met or invalid.	6.2.1	The process of excesses, deductibles and franchises and how they reduce settlement of claims.
				6.2.2	Underinsurance and the application of average.
		6.3	Describe the insured's duties after a loss.	6.3.1	Validation of claims and evidence required.
				6.3.2	Minimising the loss.
				6.3.3	Other duties including cooperation/notification with the authorities and the insurer.
		6.4	Describe the methods of claims settlement.	6.4.1	Methods used in settling claims.
		6.5	Explain the detection and impact of fraudulent claims.	6.5.1	Consequences of fraudulent claims for insurers and policyholders.
				6.5.2	Detecting and discouraging fraudulent claims.



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7 15 questions	Understand the conduct of insurance business and wider legal and regulatory requirements	7.1	Describe the main purpose of the financial services regulators, government bodies and other organisations.	7.1.1	Requirements and objectives of regulators, including the Prudential Regulation Authority and Financial Conduct Authority.
				7.1.2	Purpose and objectives of associations including the Association of British Insurers and British Insurance Brokers' Association.
				7.1.3	Purpose and objectives of the Motor Insurers' Bureau.
		7.2	Describe the requirements of the Financial Conduct Authority handbook.	7.2.1	Purpose of the Insurance: Conduct of Business sourcebook (ICOBS).
				7.2.2	Consumer Credit rules and application.
				7.2.3	Key provisions of the Insurance Distribution Directive (IDD) including the requirements concerning the Insurance Product Information Document (IPID).
				7.2.4	Requirements of the Principles of Businesses.
				7.2.5	The importance of Consumer Duty and positive customer outcomes.
				7.2.6	Senior Managers and Certification Regime (SMCR).
		7.3	Describe the main provisions of the General Insurance compensation arrangements under the Financial Services Compensation Scheme.	7.3.1	General Insurance compensation arrangements under the Financial Services Compensation Scheme.
		7.4	Describe the provisions of data protection legislation.	7.4.1	The importance of data security.
				7.4.2	Data protection principles.
				7.4.3	Classification of data.
		7.5	Describe the main regulatory requirements for financial services industry personnel.	7.5.1	The provisions of the current Money Laundering Regulations.
				7.5.2	The provisions of the Bribery Act.
				7.5.3	Managing conflicts of interest.
		7.6	Explain the need for effective complaints-handling procedures and dispute resolution.	7.6.1	The need for effective complaints handling.
				7.6.2	Mechanisms for dispute resolution available to insurers and policyholders.
				7.6.3	The role of the Financial Ombudsman Service.



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8 18 questions	Understand personal insurance	8.1	Describe the basic features and outline of personal lines insurance policy cover.	8.1.1	Home insurance including buildings and contents.
				8.1.2	Insurance for pets, caravans, boats and other property.
				8.1.3	Travel insurance.
				8.1.4	Private medical and dental insurance.
				8.1.5	Personal accident and sickness insurance.
				8.1.6	Extended warranty.
				8.1.7	Legal expenses insurance.
		8.2	Describe the types of personal insurance that are compulsory in the UK.	8.2.1	Motor insurance.
9 7 questions	Understand commercial insurance	9.1	Describe the basic features and outline of commercial insurance policy cover.	9.1.1	Products liability.
				9.1.2	Commercial property and pecuniary covers.
				9.1.3	Commercial vehicle and motor fleet covers.
				9.1.4	Cyber insurance.
		9.2	Describe the types of commercial insurance that are compulsory in the UK.	9.2.1	Employers' liability.
				9.2.2	Public liability.
				9.2.3	Professional indemnity.