

Insurance law

Purpose

At the end of this unit, candidates should be able to:

- demonstrate a knowledge and understanding of the laws which form the background to the operation of insurance;
- demonstrate a knowledge and understanding of the system within which these laws operate and are administered;
- apply knowledge and skills to practical situations.

Assumed knowledge

It is assumed that the candidate 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 nature and sources of English law and the concept of natural legal persons.	5
2. Understand the principles of the law of torts and the characteristics of the main torts.	4
3. Understand the law of contract.	4
4. Understand the law of agency and its application to insurance.	4
5. Understand the main principles governing the formation of insurance contracts.	9
6. Understand the classification and interpretation of insurance contract terms, the effects of their breach and other vitiating factors.	8
7. Understand the main legal principles governing the making of an insurance claim.	6
8. Understand how losses are measured and how the principle of indemnity applies to insurance claims.	4
9. Understand how the principles of subrogation and contribution apply to insurance claims.	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:

Mixed assessment consisting of two components, both of which must be passed. One component is a coursework assignment and one is a multiple choice question (MCQ) 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. an MCQ exam consisting of 40 standard format and 10 multiple response questions. 1 hour is allowed for this exam. This exam must be successfully passed within 18 months of enrolment.
- This syllabus will be examined from 1 May 2026 to 30 April 2027.
- Candidates will be examined on the basis of English law and practice unless otherwise stated.
- This PDF document has been designed to be accessible with screen reader technology. If for accessibility reasons you require this document in an alternative format, please contact us on online.exams@cii.co.uk to discuss your needs.

1. Understand the nature and sources of English law and the concept of natural legal persons.

- 1.1 Describe the classifications and characteristics of English law.
- 1.2 Describe the sources of English law.
- 1.3 Describe the professions involved within English law.
- 1.4 Describe the structures and procedures of the courts.
- 1.5 Describe the status and capacity of natural legal persons and corporations.
- 1.6 Apply the nature and sources of English law and the concept of natural legal persons to practical situations.

2. Understand the principles of the law of torts and the characteristics of the main torts.

- 2.1 Describe the nature and classification of torts.
- 2.2 Explain the main torts.
- 2.3 Explain how the law of torts apply to employers' liability, products liability and occupiers' liability.
- 2.4 Explain the main defences, remedies and limitations of actions in tort.
- 2.5 Apply the law of tort to practical situations.

3. Understand the law of contract.

- 3.1 Explain the nature of contractual liability and classification of contracts.
- 3.2 Explain the formation of a contract.
- 3.3 Explain how contract terms are classified under the general law.
- 3.4 Explain defective contracts.
- 3.5 Explain the circumstances in which a contract may be discharged.
- 3.6 Explain the remedies for breach of contract.
- 3.7 Explain the doctrine of privity of contract.
- 3.8 Explain the assignment of contractual rights and duties and how it applies to insurance.
- 3.9 Apply the law of contract to practical situations.

4. Understand the law of agency and its application to insurance.

- 4.1 Explain the nature of agency and how an agency relationship can be created.
- 4.2 Explain the nature of an agent's rights, responsibilities, authority and duties.
- 4.3 Explain the termination of agency and its effects.
- 4.4 Explain how the principles of agency law apply to insurance and practical situations.

5. Understand the main principles governing the formation of insurance contracts.

- 5.1 Explain how the principles of contract law apply to the formation of insurance contracts.
- 5.2 Explain the concept and key elements of insurable interest.

- 5.3 Explain how the law of insurable interest applies to the main classes of insurance.
- 5.4 Explain the duty of fair presentation in non-consumer insurance and the effect of a breach.
- 5.5 Explain the duty to take reasonable care not to make a misrepresentation in consumer insurance and the effects of a breach.
- 5.6 Apply the main principles governing the formation of insurance contracts to practical situations.

6. Understand the classification and interpretation of insurance contract terms, the effects of their breach and other vitiating factors.

- 6.1 Explain the classification, formation and interpretation of insurance contract terms.
- 6.2 Explain the effect of breach of warranty or condition and how illegality arises in insurance contracts.
- 6.3 Apply the classification and interpretation of insurance contract terms to practical situations.

7. Understand the main legal principles governing the making of an insurance claim.

- 7.1 Describe the parties who can claim on or benefit from an insurance contract.
- 7.2 Explain the rules governing notice and proof of loss.
- 7.3 Explain the insured's contractual duty to mitigate or prevent an insured loss.
- 7.4 Explain the doctrine of proximate cause.
- 7.5 Explain the investigation of fraudulent claims and the remedies available to the insurer.
- 7.6 Apply the main legal principles governing the making of an insurance claim to practical situations.

8. Understand how losses are measured and how the principle of indemnity applies to insurance claims.

- 8.1 Explain the principle of indemnity.
- 8.2 Explain the measure of indemnity in various classes of insurance.
- 8.3 Explain the factors which limit, reduce, extend or modify the principle of indemnity.
- 8.4 Explain the methods of providing indemnity.
- 8.5 Explain the doctrine of salvage and abandonment.
- 8.6 Explain the effect of claim payments on policy cover.
- 8.7 Apply how losses are measured and the principle of indemnity to practical situations.

9. Understand how the principles of subrogation and contribution apply to insurance claims.

- 9.1 Explain the doctrine of subrogation in insurance.
- 9.2 Explain the source of subrogation rights and apply the law to practical situations.
- 9.3 Explain how subrogation rights may be modified or denied and apply the law to practical situations.
- 9.4 Explain the effect of market agreements on rights of contribution.

- 9.5 Explain the nature of double insurance and operation of contribution.
- 9.6 Apply the principle of contribution to the main lines of insurance and to practical situations.

Additional resources

The following resources may assist you with your studies.

Note: The examination will test the syllabus alone.

Supporting information for the syllabus can be found on the unit page via the CII website. The resources found here: www.cii.co.uk/learning will help you keep up-to-date with developments and provide a wider coverage of syllabus topics.

Additional reading material can also be found referenced in an appendix within the study text.

Learning support

Insurance law. London: CII. Study text M05.

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

Key Facts Booklet available at an additional cost (delivered via RevisionMate).

Assessment information

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 from the list provided
4. Select qualification update on the right hand side of the page

Examination guide

The examination guide is available on the unit page via the CII website.

If you have a current study text enrolment, the current examination guide is included and is accessible via **RevisionMate** (www.cii.co.uk/login). Details of how to access RevisionMate are on the first page of your study text.

It is recommended that you study from the most recent versions of the examination guide.

Exam preparation

Exam preparation guidance and supporting exam documentation are available via the CII website: <https://www.cii.co.uk/learning/qualifications/assessment-information>.