



Learning Outcome		Assessment Criteria		Indicative Content	
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1 17 Questions	Understand the key aspects of the regulatory and legal environment within which insurance brokers operate.	1.1	Describe how the law of agency applies to insurance brokers in respect of the various roles they could undertake.	1.1.1	The law of agency and understand who the client is.
				1.1.2	The duties of an agent including managing conflicts of interest.
				1.1.3	The duties of a principal.
		1.2	Describe the key statutory and contract law applicable to insurance brokers.	1.2.1	An insurance broker's duty of care to a client for example common law tort.
				1.2.2	An insurance broker's duty of care to an underwriter.
				1.2.3	The requirements of the Consumer Insurance (Disclosure and Representations) Act 2012 on an insured and insurance broker.
				1.2.4	What a misrepresentation is and when remedies may be applied by insurers.
				1.2.5	The effect of the Insurance Act 2015 and Enterprise Act 2016 on insureds, insurance brokers and insurers, and the duty of fair presentation or a risk.
				1.2.6	The action required by an insurance broker under the Third Parties (Rights Against Insurers) Act 2010.
				1.2.7	The effect of the Contracts (Rights of Third Parties) Act 1999 on insurance brokers.
				1.2.8	The requirements of the Data Protection Act 2018 and how it affects insurance brokers.
				1.2.9	What Money Laundering is and the action that should be taken to prevent it.
				1.2.10	What Bribery is and the action that should be taken to prevent it.
				1.2.11	How Contract Law influences Terms of Business Agreements with clients and insurers.
		1.3	Define the scope of the Financial Conduct Authority (FCA) and key relevant regulatory definitions.	1.3.1	The role of the Financial Conduct Authority (FCA) on the insurance industry.
				1.3.2	The FCA's key definitions for general insurance and payment protection policies.
		1.4		1.4.1	Principles for Businesses.



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			Explain how the FCA's objectives and principles translate into rules and guidance.	1.4.2	The FCA's training and competence requirements.
				1.4.3	The FCA's requirements regarding complaints and the operation of the Financial Ombudsman Service.
				1.4.4	The circumstances when compensation is payable under the Financial Services Compensation Scheme.
				1.4.5	The FCA's requirements regarding transparency.
				1.4.6	The requirements of the Insurance Distribution Directive.
		1.5	Explain the elements of the Insurance: Conduct of Business Sourcebook (ICOBS).	1.5.1	The different levels of protection that are required for consumer and commercial insurance policies and the types of contracts for which ICOBS do not apply.
				1.5.2	The difference between the various client classification.
				1.5.3	The FCA's requirements regarding communications to clients, inducements, record keeping, and the exclusion of liability and reliance on others.
				1.5.4	The FCA's requirements regarding distance communications.
				1.5.5	The FCA's requirements regarding information about an insurance broker, its services and remuneration.
				1.5.6	The FCA's requirements regarding identifying a client's needs and advising a client.
				1.5.7	The FCA's requirements regarding product information.
				1.5.8	The FCA's requirements regarding cancellation of an insurance policy.
				1.5.9	The FCA's requirements regarding claims handling.
		1.6	Explain the importance of Consumer Duty in achieving positive customer outcomes.	1.6.1	The FCA's requirements for Consumer Duty and how this should be provided by insurance brokers.
				1.6.2	Considering vulnerable customers.
				1.6.3	Providing positive customer experiences.



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2 6 Questions	Understand the role of the insurance broker in meeting client needs.	1.7	Describe the main approach to the regulation of intermediaries in countries outside of the UK.	1.7.1	How UK insurance broking activities are regulated outside the UK.
				1.7.2	How overseas insurance entities are regulated in the UK.
		2.1	Describe the approach to demands and needs and to suitability statements.	2.1.1	Demands and needs, what a statement contains, and the reasons why it must be produced.
				2.1.2	Suitability statements and how the terms and conditions of an insurance policy should be explained to clients.
		2.2	Describe the regulatory information and other details brokers disclose to clients.	2.2.1	The regulatory information that the FCA require to be provided to clients.
				2.2.2	What a Terms of Business Agreement is, the parties to an agreement, and its contents.
				2.2.3	Why a Service Level Agreement may be produced and its contents.
		2.3	Explain how complaints are handled and the impact on customer experience.	2.3.1	How a complaint may arise and how it may lead to an errors and omission claim.
				2.3.2	How to prevent complaints and potential error and omission claims.
				2.3.3	How an insurance broker should deal with a complaint and an error and omission claim.
3 10 Questions	Understand the role of the insurance broker in the negotiation and placing of insurance contracts.	3.1	Explain the broker's duty in the presentation of risk to insurers.	3.1.1	What a material circumstance is and an insurance broker's duty to make a fair presentation of a risk.
		3.2	Explain the principles and objectives of good submission drafting.	3.2.1	The information that should be included in an underwriting submission.
				3.2.2	When a Market Reform Contract is used, the content of the sections of the Market Reform Contract and the standard practices in preparation.
		3.3	Explain the duties of other parties when business is placed with a broker.	3.3.1	How and when introducer relationship may arise with an insurance broker and how they are remunerated.
				3.3.2	When a sub-broker may be used and the duty of care to the various parties in an insurance transaction.



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4 4 Questions		3.4	Describe good practice in the presentation of quotation and contract information to clients.	3.4.1	What good practice is in presenting and explaining insurance quotation terms to a client.
		3.5	Explain the delivery of contract certainty, key policy documentation and dealing with subjectivities.	3.5.1	How the FCA's requirements regarding contract certainty can be achieved.
				3.5.2	The purpose of proposal forms, insurers questionnaires, brokers questionnaires and survey reports.
				3.5.3	What subjectivity is, the reasons they are imposed, and the subjectivity requirements to meet contract certainty.
		3.6	Explain the legal duties of wholesale brokers.	3.6.1	The reasons why a wholesale insurance broker may be used to place a risk.
				3.6.2	The legal duties of an insurance broker to its client and the insurer.
	Understand the role of the insurance broker in selecting insurers.	4.1	Explain the main factors to be taken into account when selecting insurers.	4.1.1	The processes that an insurance broker may take to check that it may approach an insurer to underwrite a risk.
				4.1.2	How an insurance broker selects certain insurers with whom to approach for an insurance quotation.
		4.2	Explain the need for an insurer to be licensed to write a particular class of business in the UK.	4.2.1	The legal and regularity requirements applicable to an insurance broker relating to whom and for what class of business it may place.
				4.3.1	How an insurance broker can meet the FCA's scope of service requirements.
				4.3.2	How an insurance broker can achieve the FCA's requirement of a fair analysis of the market.
		4.3	Describe the FCA's scope of service.	4.3.3	How and why an insurance broker will assess the coverage, capacity and service provided by an insurer when selecting a panel of insurers.
				4.4.1	Why an insurance broker needs to monitor the financial security of insurers and how this is achieved.
		4.4	Explain the general approach to assessing the security of an insurer.		



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5 5 Questions	Understand the role of the insurance broker in the design and operation of insurance programmes.	5.1	Describe the general approach to the design and operation of insurance programmes.	5.1.1	The main aspects that an insurance broker will consider when designing an insured's insurance programme.
				5.1.2	The advantages and disadvantages of arranging package and commercial combined insurance policies.
				5.1.3	The reasons why an insurance broker may recommend a long-term agreement, a multi-year policy or an evergreen policy.
				5.1.4	Why an insured may require self-insurance or captive insurance programme, and the advantages and disadvantages of this method of insurance.
		5.2	Explain the detail behind complex programmes.	5.2.1	The advantages and disadvantages of arranging multi-line and cross-class insurance programmes.
				5.2.2	Why an insurance broker may use facultative reinsurance to increase the capacity of an insurance programme.
		5.3	Explain the use of global markets.	5.3.1	Why a global insurance programme may be arranged for an insured.
				5.3.2	What are admitted or non-admitted insurance policies.
				5.3.3	What the difference in conditions and difference in limits coverage are and why it may be required under a global insurance programme.
				5.3.4	The insurance market cycle and how it affects an insurance broker.
		5.4	Describe the operation of schemes, lineslips and delegated authorities.	5.4.1	Why an insurance broker may use a scheme, including delegated underwriting authorities, to place insurance.
				5.4.2	How a delegated underwriting authority operates.
				5.4.3	Why an insurance broker creates a lineslip and how a lineslip operates.
		5.5	Explain post placement activity and administration.	5.5.1	The post placement servicing activities that are undertaken by an insurance broker.
6	Understand the role of the insurance broker in the claims	6.1	Explain the duties of the broker in negotiating claims on behalf of clients and the impact of fraud.	6.1.1	An insurance broker's duties in negotiating claims on behalf of a client.
				6.1.2	Opportunistic and organised fraud and its impact on insurance.



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5 Questions	negotiation, collection and payment process.	6.2	Describe the different methods of dealing with claims.	6.2.1	Claims advocacy and handling methods for different types of claims.
		6.3	Explain the duties of the broker in handling claims records.	6.3.1	Maintaining claims records.
				6.3.2	The Employers' Liability Tracing Office and the role of an insurance broker in maintaining records.
				6.3.3	The benefit of claims analyses.
		6.4	Explain the duty of a broker to deal with a claim for a former client.	6.4.1	Why an insurance broker may have to handle an insurance claim when the insured is no longer a current client.
7 3 Questions	Understand the range of services that may be available from insurance brokers and their benefit to clients.	7.1	Explain risk transfer and the broker's role in the management process.	7.1.1	An insurance broker's role in risk management, including risk identification, control and elimination.
				7.1.2	The reasons why an insured may decide to retain or transfer a risk.
		7.2	Describe captive insurance company services and alternative risk transfer methods.	7.2.1	How captive insurance companies operate and the advantages and disadvantages to this method of insurance.
				7.2.2	The methods of alternative risk transfer.
		7.3	Describe specialist risk consultancy services.	7.3.1	The different types of risk consultancy services that may be provided by an insurance broker.