



## Learning Outcome

## Assessment Criteria

## Indicative Content

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|                              |   |            |  |               |  |
|------------------------------|---|------------|--|---------------|--|
| <b>1<br/>3<br/>Questions</b> | <b>Know the main elements of the financial services and insurance industry as it relates to the bancassurance sector.</b> | <b>1.1</b> | <b>Describe the basic purpose of financial services and its role in the bancassurance industry.</b>                | <b>1.1.1</b>  | Function of financial services in the bancassurance industry.                            |
|                              |   |            |  | <b>1.1.2</b>  | Savings and investment.  |
|                              |   |            |  | <b>1.1.3</b>  | Longer term investments and capital markets.   |
|                              |   |            |  | <b>1.1.4</b>  | Payment systems.   |
|                              |   |            |  | <b>1.1.5</b>  | Insurance and risk management.   |
|                              |   | <b>1.2</b> | <b>Describe the basic structure of the financial services market and the main types of relevant organisations.</b> | <b>1.2.1</b>  | Financial infrastructure.  |
|                              |   |            |  | <b>1.2.2</b>  | Financial markets.   |
|                              |   |            |  | <b>1.2.3</b>  | Financial services, insurance and bancassurance providers.                               |
|                              |   |            |  | <b>1.2.4</b>  | Financial authorities, central banks and regulators.                                     |
|                              |   | <b>1.3</b> | <b>Describe the distribution channels used for financial and insurance services.</b>                               | <b>1.3.1</b>  | Individual and corporate agents.   |
|                              |   |            |  | <b>1.3.2</b>  | Independent advisers and bancassurers.   |
|                              |   |            |  | <b>1.3.3</b>  | Direct and indirect marketing methods.   |
|                              |   |            |  | <b>1.3.4</b>  | Role of e-commerce, internet and social media.   |
|                              |   |            |  | <b>1.3.5</b>  | Role of aggregators (price comparison websites).   |
|                              |   |            |  | <b>1.3.6</b>  | Pure distributors, referral and corporate agency.  |
|                              |   |            |  | <b>1.3.7</b>  | Strategic alliance.  |
|                              |   |            |  | <b>1.3.8</b>  | Joint venture.   |
|                              |   |            |  | <b>1.3.9</b>  | Wholly owned insurance subsidiary.   |
|                              |   |            |  | <b>1.3.10</b> | The different agreements in bancassurance and the roles of banks and providers involved. |
|                              |   | <b>1.4</b> | <b>Describe the role of bancassurers and insurance companies and their respective responsibilities.</b>            | <b>1.4.1</b>  | Product development, sales and marketing, customer services, claims, customer retention. |
|                              |   |            |  | <b>1.4.2</b>  | Impact of financial loss due to death, disability and financial loss.                    |



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| 2<br><br>15<br>Questions | Understand the main insurance products.     | 2.1                 | Describe the client's main personal and financial details which impacts their protection needs and product suitability. | 2.1.1              | Factors including age, gender, location, health, capability, dependants, income; and assets and liabilities. |
|                          |   | 2.2                 | Describe the main features and benefits of life assurance and health protection products.                               | 2.2.1              | Life assurance, whole of life and term assurance.  |
|                          |   |                     |   | 2.2.2              | With-profits and unit-linked policies.   |
|                          |   |                     |   | 2.2.3              | Other forms of life assurance.   |
|                          |   |                     |   | 2.2.4              | Income protection.   |
|                          |   |                     |   | 2.2.5              | Medical insurance.   |
|                          |   |                     |   | 2.2.6              | Long-term care insurance.  |
|                          |   | 2.3                 | Describe the main features and benefits of personal accident and travel insurance.                                      | 2.3.1              | Personal accident and sickness.  |
|                          |   |                     |   | 2.3.2              | Travel insurance.  |
|                          |   | 2.4                 | Describe the main features of mortgages and debt protection policies.   | 2.4.1              | Home loan and debt protection policies.  |
|                          |   | 2.5                 | Describe the main features of household insurance.  | 2.5.1              | Buildings and contents insurance.  |
|                          |   |                     |   | 2.5.2              | Optional extensions.   |
|                          |   |                     |   | 2.5.3              | Limitations and no claims discount.  |
|                          |   | 2.6                 | Describe the main features of motor insurance.  | 2.6.1              | Private motor.   |
|                          |   |                     |   | 2.6.2              | Motorcycle.  |
|                          |   | 2.7                 | Describe the main features of <i>Takaful</i> insurance.   | 2.7.1              | Sharia compliance, risk sharing, range of products.  |
| 3<br><br>15<br>Questions | Understand savings and investment products. | 3.1                 | Describe the main types of savings, investments and products.   | 3.1.1              | Deposits.  |
|                          |   |                     |   | 3.1.2              | Fixed-interest investments, including government and corporate bonds.  |
|                          |   |                     |   | 3.1.3              | Shares.  |
|                          |   |                     |   | 3.1.4              | Endowments.  |
|                          |   |                     |   | 3.1.5              | Annuities.   |
|                          |   |                     |   | 3.1.6              | Investment trusts.   |
|                          |   |                     |   | 3.1.7              | Unit trusts and Open-Ended Investment Companies (OEICs).   |
|                          |   |                     |   | 3.1.8              | Investment bonds.  |
|                          |   |                     |   | 3.1.9              | Structured products.   |
|                          |   |                     |   | 3.1.10             | Property.  |



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|                  |  | 3.2                 | Describe the main features of the main asset classes.  | 3.2.1              | Benefits, affordability, risks and returns for cash bonds, equities, fixed-interest securities and property.                               |
|                  |  | 3.3                 | Describe the main features of savings and investment products which affect their suitability for a client. | 3.3.1              | Tax treatment of contributions, investment funds, collective investments (REITs), product benefits and risks and returns.                  |
|                  |  | 3.4                 | Explain how the tax treatment of savings and investment products affect their suitability for a client.    | 3.4.1              | Taxation treatment.  |
|                  |  |                     |  | 3.4.2              | Impact of taxation on the client.  |
|                  |  | 3.5                 | Describe the suitability factors on which a client's savings and investment needs depend.                  | 3.5.1              | Income and capital growth prospects.   |
|                  |  |                     |  | 3.5.2              | Impact of guarantees.  |
|                  |  |                     |  | 3.5.3              | Accessibility / penalties / liquidity.   |
|                  |  |                     |  | 3.5.4              | Contribution limits.   |
|                  |  |                     |  | 3.5.5              | Impact of risk.  |
|                  |  |                     |  | 3.5.6              | Charges.   |
|                  |  |                     |  | 3.5.7              | Commissions and fees.  |
|                  |  |                     |  | 3.5.8              | Past performance.  |
|                  |  |                     |  | 3.5.9              | Flexibility.   |
|                  |  |                     |  | 3.5.10             | Buying and selling mechanisms.   |
|                  |  | 3.6                 | Describe the impact of risk on a client's choice of savings and investment products.                       | 3.6.1              | The relationship between risk tolerance and the level of return and how different types of risk impact on savings and investment products. |
|                  |  | 3.7                 | Explain how economic factors affect savings and investment products.                                       | 3.7.1              | Inflation.   |
|                  |  |                     |  | 3.7.2              | Deflation.   |
|                  |  |                     |  | 3.7.3              | Interest rates.  |
|                  |  |                     |  | 3.7.4              | Fiscal policy.   |
|                  |  |                     |  | 3.7.5              | Other factors.   |
|                  |  | 3.8                 | Explain how changes in interest rates affect the future performance of savings and investment products.    | 3.8.1              | Impact of interest rate fluctuations.  |
|                  |  | 3.9                 | Explain the importance of an emergency fund and sensible debt management.                                  | 3.9.1              | Unexpected expenditure, liquidity.   |



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| 4<br>10<br>Questions | Understand retirement planning products. | 4.1                 | Describe the relevant factors on which a client's retirement needs may depend.   | 4.1.1              | Age.  |
|                      |  |                     |  | 4.1.2              | Income and expenditure.   |
|                      |  |                     |  | 4.1.3              | Dependents.   |
|                      |  |                     |  | 4.1.4              | Non-pension assets and liabilities.   |
|                      |  |                     |  | 4.1.5              | Previous and current pension provision.   |
|                      |  |                     |  | 4.1.6              | State or national pension provision/shortfall.  |
|                      |  | 4.2                 | Describe the main features and benefits of pension products and annuities which affect their suitability for a client. | 4.2.1              | Funded and unfunded pension schemes.  |
|                      |  |                     |  | 4.2.2              | Occupational Pension schemes, defined benefit and defined contribution schemes.                             |
|                      |  |                     |  | 4.2.3              | Personal pensions and Group Personal Pensions.  |
|                      |  |                     |  | 4.2.4              | With profits and unit linked.   |
|                      |  |                     |  | 4.2.5              | Income drawdown and annuities.  |
|                      |  |                     |  | 4.2.6              | Mandatory saving schemes.   |
|                      |  |                     |  | 4.2.7              | Suitability factors and the selection of pension products.  |
|                      |  |                     |  | 4.2.8              | Transferability, withdrawal facility. Portability.  |
|                      |  |                     |  | 4.2.9              | Current and future life cycle planning needs.   |
|                      |  | 4.3                 | Describe the circumstances for retirement planning.  | 4.3.1              | Timing of retirement planning.  |
|                      |  |                     |  | 4.3.2              | Income requirements.  |
|                      |  |                     |  | 4.3.3              | Capital requirements.   |
|                      |  |                     |  | 4.3.4              | Provision for dependents.   |
|                      |  |                     |  | 4.3.5              | Taxation considerations.  |
|                      |  | 4.4                 | Explain how economic factors affect retirement planning.   | 4.4.1              | Inflation.  |
|                      |  |                     |  | 4.4.2              | Deflation.  |
|                      |  |                     |  | 4.4.3              | Interest rates.   |
|                      |  |                     |  | 4.4.4              | Other economic factors.   |
|                      |  | 4.5                 | Explain how interest rates affect retirement planning.   | 4.5.1              | The relationship between variable interest rates and annuity rate conversion when applied to pension funds. |



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| 5<br><br>15<br>Questions | Understand the importance of the client fact-find and how to identify client needs. | 5.1                 | Describe the typical content of a fact-find and how to use one.  | 5.1.1              | Identification of client needs and objectives / affordability of contributions.  |
|                          |   |                     |  | 5.1.2              | Fact finding methods and interview structure: in person and remotely, questionnaires, open / closed questions.   |
|                          |   |                     |  | 5.1.3              | Personal and family details.   |
|                          |   |                     |  | 5.1.4              | Employment details.  |
|                          |   |                     |  | 5.1.5              | Financial details, including income, assets and liabilities.   |
|                          |   |                     |  | 5.1.6              | Existing protection and savings plans.   |
|                          |   |                     |  | 5.1.7              | Pension arrangements.  |
|                          |   |                     |  | 5.1.8              | Ethical preferences.   |
|                          |   |                     |  | 5.1.9              | Financial plan objectives and affordability considerations.  |
|                          |   |                     |  | 5.1.10             | Other sources of advice.   |
|                          |   |                     |  | 5.1.11             | Future changes.  |
|                          |   |                     |  | 5.1.12             | Housing situation.   |
|                          |   | 5.2                 | Describe how to make suitable financial planning recommendations.  | 5.2.1              | Recording and evaluating fact-find information.  |
|                          |   |                     |  | 5.2.2              | Preparing and presenting recommendations.  |
|                          |   |                     |  | 5.2.3              | Checking understanding.  |
|                          |   |                     |  | 5.2.4              | Implication of risks.  |
|                          |   | 5.3                 | Describe the seven typical life-stages of a client and understand the requirements and constraints at each of the life stages. | 5.3.1              | Lifecycle model and limitations.   |
|                          |   |                     |  | 5.3.2              | Young single.  |
|                          |   |                     |  | 5.3.3              | Young partnered.   |
|                          |   |                     |  | 5.3.4              | Starting a family.   |
|                          |   |                     |  | 5.3.5              | Family with older children.  |
|                          |   |                     |  | 5.3.6              | Post family, pre-retirement.   |
|                          |   |                     |  | 5.3.7              | Retirement.  |
|                          |   | 5.4                 | Explain how factors can affect life stages for individuals.  | 5.4.1              | Age, gender, marital and employment status, state of health, balance between assets and liabilities, ethical preferences, divorce, separation and bereavement. |
|                          |   | 5.5                 | Describe and apply the main steps in identifying a client's financial needs.   | 5.5.1              | Current and future needs.  |
|                          |   |                     |  | 5.5.2              | Perceived and real needs.  |
|                          |   |                     |  | 5.5.3              | Quantifying and prioritising the client's needs and shortfall.   |



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| 6<br>17<br>Questions | Understand what constitutes good and ethical client practice. |                     |  | 5.5.4              | Differences between tangible and intangible benefits.  |
|                      |   | 5.6                 | Explain the role of the bancassurer in recommending suitable products to achieve the client's financial objectives.    | 5.6.1              | Assessing fact finding outcomes and preparing recommendations.   |
|                      |   | 6.1                 | Explain the need to achieve a positive outcome for the client.   | 6.1.1              | Presenting recommendations to clients, dealing with objections, re-affirming advice and outlining risks. |
|                      |   |                     |  | 6.1.2              | Ensuring client understanding of the recommendations.  |
|                      |   |                     |  | 6.1.3              | Acceptance or rejection of the recommendations.  |
|                      |   |                     |  | 6.1.4              | Referral to independent adviser where relevant.  |
|                      |   |                     |  | 6.1.5              | Execution-only transactions.   |
|                      |   |                     |  | 6.1.6              | Professionalism, ethics, codes of conduct, certification and competency.                                 |
|                      |   | 6.2                 | Explain the ethical implications of advising a client to switch between the financial products of different providers. | 6.2.1              | Ethical considerations.  |
|                      |   |                     |  | 6.2.2              | Financial considerations.  |
|                      |   |                     |  | 6.2.3              | Churning, and client detriment.  |
|                      |   | 6.3                 | Explain the implications of cancellation provisions.   | 6.3.1              | Cancellation notice.   |
|                      |   |                     |  | 6.3.2              | Loss on cancellation.  |
|                      |   |                     |  | 6.3.3              | Reasons for cancellation.  |
|                      |   | 6.4                 | Explain effective complaints handling.   | 6.4.1              | Need for complaints procedure.   |
|                      |   |                     |  | 6.4.2              | Complaints handling processes and protocols.   |
|                      |   | 6.5                 | Explain alternative methods of resolving disputes.   | 6.5.1              | Dispute resolution, The Ombudsman and Arbitration.   |
|                      |   |                     |  | 6.5.2              | Alternative Dispute Resolution, mediation, conciliation, litigation and expert determination.            |
|                      |   | 6.6                 | Explain the outcomes of ethical and unethical conduct.   | 6.6.1              | Retention and enhancement professional status and business.  |
|                      |   |                     |  | 6.6.2              | Loss of business and professional status.  |
|                      |   | 6.7                 | Explain the objectives of regulation and supervision of the bancassurance sector.                                      | 6.7.1              | Approaches to and functions of regulation.   |
|                      |   |                     |  | 6.7.2              | Key features of a compliance system.   |
|                      |   |                     |  | 6.7.3              | Operation of a compliance framework.   |
|                      |   |                     |  | 6.7.4              | Supervision of compliance risk.  |
|                      |   |                     |  | 6.7.5              | The implications of non-compliance to the bancassurer.   |



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|                  |  |  |                     | 6.7.6 | Corporate governance, the governance of risk and 3 lines of defence model. |
|                  |  |  |                     | 6.7.7 | Risk mapping.  |
|                  |  |  |                     | 6.7.8 | Anti-money laundering controls and standards.                              |
|                  |  |  |                     | 6.7.9 | Data protection.   |