

Learning Outcome		Assessment Criteria		Indicative Content	
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 at online.exams@cii.co.uk to discuss your needs.					
1 5 questions	Understand the material circumstances relating to the insurance underwriting process.	1.1	Explain why an underwriter needs to be aware of material circumstances in assessing a risk.	1.1.1	The duty of good faith as it relates to insurance contracts.
		1.2	Explain the concept of the duty of fair presentation, to whom it applies and how the duty may be modified.	1.2.1	How the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA) and Insurance Act 2015 impacts the duty of disclosure for consumers and non-consumers.
				1.2.2	Duration of the duty of fair presentation.
				1.2.3	Extent of the duty of fair presentation and non-consumers.
				1.2.4	The duty not to make a misrepresentation for consumers.
				1.2.5	Consequences of non-disclosure and misrepresentation.
		1.3	Define the words peril and hazard as used in the insurance industry and the relationship between them.	1.3.1	Perils and hazards in insurance and how they relate to each other.
		1.4	Explain the significance of moral and physical hazard for underwriters and how they are manifested.	1.4.1	The impact of moral hazards when underwriting the risk.
		1.4		1.4.2	The impact of physical hazards when underwriting the risk.
		1.5	Describe the methods used by underwriters to obtain material information.	1.5.1	Brokers and delegated authority.
				1.5.2	Risk surveys.
				1.5.3	Supplementary questionnaires.
				1.5.4	Meeting with clients.
				1.5.5	Call centres.
				1.5.6	Internet and statement of fact.
				1.5.7	Proposal forms.

Learning Outcome		Assessment Criteria		Indicative Content
2 15 questions	Understand underwriting procedures relating to the insurance underwriting process.	2.1 Describe the general and specific questions asked of proposers.	2.1.1 The general questions asked of proposers when applying for insurance.	
			2.1.2 Examples of the specific questions asked of proposers when applying for insurance.	
		2.2 Describe the procedure relating to quotations.	2.2.1 The quotation process.	
		2.3 Explain the methods by which underwriters gather material information and their legal significance.	2.3.1 Methods by which underwriters gather information for consumers.	
			2.3.2 Methods by which underwriters gather information for non-consumers.	
		2.4 Describe the different ways in which premiums are calculated.	2.4.1 Different methods of premium calculation - adjustable premiums, flat premiums.	
		2.5 Explain the legal significance of procedures relating to the issue of cover notes, policies and certificates of insurance.	2.5.1 Features of a cover note.	
			2.5.2 Detailed requirements for cover notes as they relate to motor insurance and employers' liability.	
			2.5.3 Contract certainty requirements.	
			2.5.4 The issuing of policy documents and their features.	
		2.6 Describe the relevance of premium payment for valid cover.	2.6.1 The importance of paying the premium and how this validates the insurance contract.	
		2.7 Describe the methods used by insurers to collect premiums including instalment facilities.	2.7.1 The methods of collecting insurance premiums - single payment, credit, instalments.	
		2.8 Describe the features of Insurance Premium Tax.	2.8.1 The features of Insurance Premium Tax and what rate is charged according to the type of product.	

Learning Outcome		Assessment Criteria		Indicative Content	
3 10 questions	Understand insurance policies in relation to the insurance underwriting process.	<p>3.1 Describe the structure, functions and contents of a policy form.</p> <p>3.2 Explain the meaning and significance of common policy exclusions.</p> <p>3.3 Explain the meaning and significance of common policy conditions.</p> <p>3.4 Explain how excesses, deductibles and franchises are used.</p> <p>3.5 Explain the distinction between warranties, conditions and representations.</p>	<p>3.1.1 Heading.</p> <p>3.1.2 Preamble.</p> <p>3.1.3 Signature Clause.</p> <p>3.1.4 Operative Clause.</p> <p>3.1.5 Exclusions.</p> <p>3.1.6 Conditions.</p> <p>3.1.7 Policy Schedule.</p> <p>3.1.8 Information and Facilities.</p> <p>3.1.9 Endorsements.</p> <p>3.1.10 Declaration.</p> <p>3.2.1 General market and common exclusions, with specific reference to terrorism.</p> <p>3.3.1 Duties of the insured.</p> <p>3.3.2 Alteration.</p> <p>3.3.3 Action by the insured in the event of a claim.</p> <p>3.3.4 Fraud.</p> <p>3.3.5 Reasonable precautions.</p> <p>3.3.6 Contribution.</p> <p>3.3.7 Subrogation.</p> <p>3.3.8 Average.</p> <p>3.3.9 Arbitration.</p> <p>3.3.10 Cancellation.</p> <p>3.4.1 Impact of excesses, deductibles and franchises on the amount of claims payment and the differences between them.</p> <p>3.5.1 The impact of warranties.</p> <p>3.5.2 Conditions - in particular, conditions precedent to contract, subsequent to contract and precedent to liability.</p> <p>3.5.3 Representations.</p>		

IF3 Insurance underwriting process 2026

Learning Outcome		Assessment Criteria		Indicative Content	
4 3 questions	Understand renewals and cancellation in relation to the insurance underwriting process.	4.1	Describe the legal significance of procedures relating to renewals.	4.1.1	The renewal process.
				4.1.2	Duties of the insured in the renewal process.
		4.2		4.2.1	Recent regulatory and legal rules and how these impact the renewal process, with specific reference to Financial Conduct Authority transparency.
5 3 questions	Understand personal insurances in relation to the insurance underwriting process.	5.1	Explain how cancellation clauses operate.	5.1.1	Motor insurance including private motor, private motorcycle and commercial vehicle.
				5.1.2	Health, personal accident and income protection insurances.
				5.1.3	Household insurance.
				5.1.4	Travel insurance.
				5.1.5	Extended warranty insurance.
6 3 questions	Understand commercial insurances in relation to the insurance underwriting process.	6.1	Describe the basic features and typical policy cover of property insurance, pecuniary insurance, cyber insurance and liability insurance.	6.1.1	Property insurance including - fire & special perils, all risks insurance, theft, glass and money.
				6.1.2	Pecuniary insurance including - business interruption, legal expenses.
				6.1.3	Liability Insurance including - employer's liability, public liability, products liability, pollution liability, and professional indemnity, directors and officers and cyber insurance.
7 2 questions	Understand the main 'support' type insurance services available.	7.1	Describe the basic features of additional 'support' type insurance services available with specific reference to helplines, authorised repairers and suppliers, risk control/advice and uninsured loss recovery services.	7.1.1	Helplines and services they offer for different products and how these provide "added value" to the customer.
				7.1.2	Authorised repairers and suppliers particularly in relation to home and motor insurance.
				7.1.3	The 3 steps of managing risk - identification, analysis and control.
				7.1.4	Role of the risk surveyor in the support process.
				7.1.5	The role of uninsured loss recovery services particularly in relation to motor.

Learning Outcome		Assessment Criteria		Indicative Content	
8 13 questions	Understand underwriting considerations in relation to the insurance underwriting process.	8.1	Describe the key underwriting criteria for motor insurance, health insurance and personal insurances.	8.1.1	Basic underwriting approach and how it differs between personal and commercial.
				8.1.2	The Consumer Insurance (Disclosure and Representations Act) 2012 (CIDRA).
				8.1.3	Insurance Act 2015.
				8.1.4	The factors to consider for underwriting motor insurance.
				8.1.5	The factors to consider for underwriting health, personal accident and income protection insurances.
				8.1.6	The factors to consider for underwriting home insurance.
				8.1.7	The factors to consider for underwriting travel insurance.
		8.2	Describe the key underwriting criteria for commercial property insurance, including fire and special perils, theft insurance, glass insurance and money insurance.	8.2.1	The factors to consider for underwriting commercial property insurance - fire and special perils, theft insurance, glass insurance and money insurance.
		8.3	Describe the key underwriting criteria for pecuniary insurances, including legal expense insurance and business interruption insurance.	8.3.1	The factors to consider for underwriting pecuniary insurance - legal expenses and business interruption.
		8.4	Describe the key underwriting criteria for liability insurance, including employers' liability, public liability, pollution liability, professional indemnity, directors' and officers' liability and cyber insurance.	8.4.1	The factors to consider for underwriting liability insurance – employers' liability, public liability, products liability, pollution liability, professional indemnity, directors' and officers' liability and cyber insurance.
		8.5	Describe the key underwriting criteria for extended warranties.	8.5.1	The factors to consider for underwriting extended warranties insurance.
		8.5.2	Use of credit ratings in the underwriting process.		

Learning Outcome	Assessment Criteria	Indicative Content	
9 10 questions	Understand the principles and practices of pricing.	8.6	Describe the procedures commonly used to discourage individuals from making fraudulent claims.
		8.7	Describe the procedures commonly used to detect fraudulent claims.
		8.8	Explain the consequences of fraudulent claims for the insurer, their insureds and the fraudulent claimant.
		8.9	Explain the effect on insurance of Data Protection legislation.
		8.10	Explain the importance of Consumer Duty and positive customer outcomes.
		9.1	Describe the sources, availability and types of data essential to the underwriting process.
		9.2	Explain the importance of claims information on underwriting terms/ premium rates.
		9.3	Explain the nature of risk in terms of frequency and severity of claims.
		9.4	Explain the significance of the claims loss ratio on premiums/acceptance of risk.
		9.5	Explain the distinction between underwriting year, policy year, accounting year and calendar year.

Learning Outcome		Assessment Criteria		Indicative Content	
10 5 questions	Understand pricing factors within the context of the insurance underwriting process.	10.1	Define risk premium and its key features.	10.1.1	Definition of risk premium.
				10.1.2	Key features of risk premium.
		10.2	Describe the reporting factors of expenses, return on capital, investment income, tax and intermediary remuneration.	10.2.1	Types of expenses.
				10.2.2	Components of variable expenses.
				10.2.3	Return on capital employed.
				10.2.4	Investment income.
				10.2.5	Premium taxes.
		11.1	Describe the basic factors influencing the market cycle.	11.1.1	Factors affecting market cycle.
				11.2.1	Types of risk accumulation.
				11.3.1	Brief overview of what reinsurance is and why underwriters buy it.
		11.3	Describe the basic reinsurance considerations including the types of reinsurance.	11.3.2	Proportional reinsurance.
				11.3.3	Non-proportional reinsurance.