Insurance broking fundamentals

Objective

To provide knowledge and understanding of the roles and responsibilities of insurance broking organisations, including:

- their interaction with insurers;
- their interaction with clients;
- regulatory and financial issues affecting them; and
- conduct issues.

Summary of learning outcomes		Number of questions in the examination*
1.	Understand the insurance broking market	12
2.	Understand the role and responsibilities of the insurance broker in the provision of insurance products and services	20
3.	Understand contract and agency in relation to insurance brokers and their client	6
4.	Understand the key legal and regulatory issues affecting insurance brokers	15
5.	Understand the key financial issues affecting insurance brokers	12
6.	Understand issues relating to the conduct and culture of insurance broking business	10 case study related questions

* 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: 65 multiple choice questions (MCQs) and 2 case studies, each comprising 5 MCQs. 2 hours are allowed for this exam.
- This syllabus will be examined from 1 January 2027 to 31 December 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.

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1. Understand the insurance broking market

1.1 Explain the rationale for insurance brokers in the insurance market.

1.2 Describe and understand the role of different types of non-life insurance brokers in the insurance market.

1.3 Describe the services offered by insurance brokers and the different ways they are remunerated.

1.4 Explain the various roles within an insurance broking organisation.

2. Understand the role and responsibilities of the insurance broker in the provision of insurance products and services

2.1 Explain the role of the insurance broker in meeting client needs by providing insurance products and services.

2.2 Explain the role of the insurance broker in negotiating and placing insurance contracts.

2.3 Explain the role of the insurance broker in selecting insurers.

2.4 Explain the role of the insurance broker in the design and operation of insurance programmes.

2.5 Describe the role of the insurance broker in the claims process.

2.6 Describe the role of the insurance broker in supplying additional services.

2.7 Explain the role and responsibilities of the insurance broker in relation to delegated authority agreements.

3. Understand contract and agency in relation to insurance brokers and their client

3.1 Describe the duties of an insurance broker as an agent.

3.2 Explain how conflicts of interest could arise in relation to insurance broking business and how to deal with them.

3.3 Describe the items that should be included in a Terms of Business Agreement (TOBA) between insurance brokers and insurers, and between insurance brokers and their clients.

4. Understand the key legal and regulatory issues affecting insurance brokers

4.1 Describe the role of the Financial Conduct Authority in the regulation of insurance brokers.

4.2 Explain the importance of Consumer Duty and achieving positive customer outcomes.

4.3 Describe the purpose of the Insurance: Conduct of Business sourcebook (ICOBS) and the application to insurance brokers.

4.4 Explain the importance of training and competence within insurance broking organisations.

4.5 Explain the responsibilities of insurance brokers in relation to sanctions checking, money laundering, bribery, corruption and with regards to the Employers' Liability Tracing Office (ELTO).

4.6 Explain the responsibilities of insurance brokers as required by data protection legislation.

5. Understand the key financial issues affecting insurance brokers

5.1 Explain the different monies held by an insurance brokers.

5.2 Explain the importance of the impact of the Insurance Distribution Directive in relation to handling money.

5.3 Explain the importance of retaining clients and finding new business for insurance brokers.

6. Understand issues relating to the conduct and culture of insurance broking business

6.1 Explain the importance of good conduct in relation to dealing with insurers and clients.

6.2 Explain the impact of culture on the way that business is conducted by an insurance broking organisation.

6.3 Describe how insurance brokers handle complaints.

6.4 Explain how errors and omissions occur and are reported and handled in insurance broking organisations.

6.5 Explain the issues relating to mis-selling of insurance products.

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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 within the study text.

Learning support

Insurance broking fundamentals. London: CII. Study text I10.

Key Facts Booklet and Knowledge Checker 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*.

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