

# Advanced insurance broking

## Purpose

To provide knowledge and understanding of the management and operation of insurance broking organisations.

## Assumed knowledge

It is assumed that the candidate already has the knowledge gained from a study of the relevant sections of IF1 Insurance, legal and regulatory, M05 Insurance law and M81 Insurance broking practice or equivalent examinations.

### Summary of learning outcomes

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|----|---|
| 1. | Analyse the competitive environment for insurance brokers   |
| 2. | Analyse the management, implementation and control of regulation, compliance and the law as they apply to insurance brokers |
| 3. | Analyse the strategic, management and operational challenges faced by insurance brokers                                     |

## Important notes

- Method of assessment: Coursework – 3 online assignments (80 marks). Each assignment must be individually passed.
- The syllabus is examined on the basis of English law and practice unless otherwise stated.
- 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](http://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

## **1. Analyse the competitive environment for insurance brokers**

- 1.1 Explain the non-life insurance market and the insurance market cycle.
- 1.2 Analyse the various types of insurance broker including their role and impact.
- 1.3 Explain how insurance brokers trade with insurers.
- 1.4 Examine the distribution landscape.
- 1.5 Examine the different methods used by insurance brokers to trade with clients.
- 1.6 Examine the new business process in insurance broking.
- 1.7 Analyse the significant disruptive factors within the competitive environment: political, economic, social, technological, legal and environmental.

## **2. Analyse the management, implementation and control of regulation, compliance and the law as they apply to insurance brokers**

- 2.1 Explain the regulatory environment and the approach to regulation and supervision.
- 2.2 Explain the implementation and control with respect to senior management systems and controls (SYSC) and ICOBs.
- 2.3 Explain the Senior Managers and Certification Regime (SM&CR) and the Insurance Distribution Directive (IDD).
- 2.4 Explain the disciplinary procedures to which insurance brokers are subject and their implications.
- 2.5 Examine avoiding and managing conflicts of interest.
- 2.6 Explain the importance of training and competence.
- 2.7 Examine the approach insurance brokers need to adopt to ensure positive customer outcomes and meeting the Financial Conduct Authority's (FCA) Consumer Duty requirements.
- 2.8 Examine the management of third parties, appointed representatives and introducers.
- 2.9 Explain the legal environment with reference to bribery, sanctions, whistleblowing, and competition legislation and regulation.

## **3. Analyse the strategic, management and operational challenges faced by insurance brokers**

- 3.1 Analyse the typical legal, management and organisational structures of insurance brokers.
- 3.2 Examine the challenge of international/global business.
- 3.3 Examine the importance of business strategy.
- 3.4 Examine the importance of management accounts, business controls, business and management information and IT.
- 3.5 Examine the importance of quality and reducing errors and omissions.
- 3.6 Examine the role of corporate risk management within insurance brokers.
- 3.7 Explain the process of insurer selection with specific reference to the analysis of the security of insurers and other insurance brokers.

- 3.8 Explain the role of Terms of Business Agreements with insurers and clients.
- 3.9 Explain the management of managing general agents and delegated underwriting authorities.
- 3.10 Examine the impact of public opinion on the wider insurance industry and the role of Chartered Broker status in raising professional standards.
- 3.11 Examine the implications of outsourcing and off-shoring.
- 3.12 Analyse how insurance brokers provide excellent client service, including the handling of complaints and the management of the annual renewal cycle.
- 3.13 Analyse the role of claims and different approaches to claims service.
- 3.14 Analyse the ways in which insurance brokers are remunerated.
- 3.15 Describe the provision of risk related services and solutions by insurance brokers.

## Reading list

The following list provides details of various publications which may assist you with your studies.

**Note: The examination will test the syllabus alone. However, it is important to read additional sources as 10% of the exam mark is allocated for evidence of further reading and/or the use of relevant examples.**

The reading list is provided for guidance only and is not in itself the subject of the examination.

The publications listed here provide a wider coverage of syllabus topics.

### CII study texts

Advanced insurance broking. London: CII.  
930 study text.

Insurance law. London: CII.  
M05 study text.

Insurance broking practice. London: CII.  
M81 study text.

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

### Books / eBooks

A practitioner's guide to Solvency II. Geoffrey et al. (eds.). London: Thomson Reuters, 2016.

Bowstead and Reynolds on agency. Peter Watts & FMB Reynolds. 22<sup>nd</sup> ed. London: Thomson Reuters, 2020.

'Claims against insurance brokers'. Chapter 16 in Insurance claims. 5<sup>th</sup> ed. Alison Padfield. Bloomsbury Professional, 2021.

Digital insurance: business innovation in the post-crisis era. Bernardo Nicoletti. Basingstoke: Palgrave Macmillan, 2016. \*

Financial services marketing: an international guide to principles and practice. 2nd ed. Christine Ennew and Nigel Waite. Oxford: Routledge, 2013. \*

Insurance brokers: an industry accounting and auditing guide. 5<sup>th</sup> ed. M Grice, S Ouarbya. London: CCH Wolters Kluwer, 2013.

The law of insurance broking. 3<sup>rd</sup> ed. Christopher Henley. London: Sweet & Maxwell, 2016.

The role of agents in insurance business. Chapter – MacGillivray on insurance law:

relating to all risks other than marine. 15<sup>th</sup> ed. Sweet & Maxwell, 2024.

### Ebooks

The following eBooks are available via [www.cii.co.uk/elibrary](http://www.cii.co.uk/elibrary) (CII/PFS members only):

Corporate performance: a ratio-based approach to country and industry analyses. Julia Koralum-Bereznicka. Springer, 2013. \*

Risk management and corporate governance in the 21st Century digital economy. Georgios Zekos. New York: Nova Scotia Pub. Inc, 2014. \*

Strategic management in the 21<sup>st</sup> Century. Vijay R. Kannan. Calif: Praeger, 2013.

Treatises on Solvency II. Meinrad Dreher. Heidelberg: Springer, 2015.

### Journals and magazines

Insurance age. Incisive media. Monthly. Contents searchable online at [www.insuranceage.co.uk](http://www.insuranceage.co.uk).

Insurance day. London: Informa. Daily except weekends. Articles searchable online at [www.insuranceday.com](http://www.insuranceday.com).

Insurance times. London: Newsquest Specialist Media. Weekly. Contents searchable online at [www.insurancetimes.co.uk](http://www.insurancetimes.co.uk).

Financial adviser. London: FT Business. Weekly. Available online at [www.ftadviser.com](http://www.ftadviser.com).

Money marketing. London: EMAP Publishing Limited. Weekly. Available online at [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk).

InsurancePOST. London: Incisive Financial Publishing. Monthly. Contents searchable online at [www.postonline.co.uk](http://www.postonline.co.uk).

### Reference materials

Concise encyclopedia of insurance terms. Laurence S. Silver, et al. New York: Routledge, 2010. \*

## Specimen guides

Specimen guides are available for all coursework units.

These are available on the CII website under the unit description / purchasing page. You will be able to access this page from the Qualifications section of the CII website: [www.cii.co.uk/qualifications](http://www.cii.co.uk/qualifications).

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\* Also available as an eBook through eLibrary via [www.cii.co.uk/elibrary](http://www.cii.co.uk/elibrary) (CII/PFS members only).

## **Exam technique/study skills**

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.