

Motor insurance

Purpose

At the end of this unit, candidates should be able to demonstrate an understanding of the different types of motor risk and the compulsory insurance requirements.

Assumed knowledge

It is assumed the candidate has knowledge of the fundamental principles of insurance as covered in IF1 Insurance, legal and regulatory or equivalent examinations.

Summary of learning outcomes	Number of questions in the examination*
1. Understand the nature of motor risk and the main impacting factors.	8
2. Understand the scope of cover provided by motor policies.	8
3. Understand the main practices of motor insurance.	6
4. Understand risk perception, evaluation and underwriting of motor insurance.	18
5. Understand the claims considerations and procedures of motor insurance.	10

* 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:

Mixed assessment consisting of two components, both of which must be passed. One component is a coursework assignment and one is a multiple choice question (MCQ) examination. The details are:

 1. an online coursework assignment using RevisionMate consisting of 10 questions which sequentially follow the learning outcomes. This must be successfully completed within 6 months of enrolment; and
 2. an MCQ exam consisting of 50 MCQs. 1 hour is allowed for this exam. This exam must be successfully passed within 18 months of enrolment.
- This syllabus will be examined from 1 May 2026 to 30 April 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.

1. Understand the nature of motor risk and the main impacting factors.

- 1.1 Explain the different types of motor risk and how they are assessed.
- 1.2 Outline the legislation which aims to control risk.
- 1.3 Explain Part VI of the Road Traffic Act focussing on the effects of compulsory insurance on the motorist and insurers.
- 1.4 Describe the role and functions of the Motor Insurers' Bureau (MIB) including the MIB agreements.
- 1.5 Describe the measures taken to combat uninsured drivers.

2. Understand the scope of cover provided by motor policies.

- 2.1 Explain indemnity and the main types of cover in relation to the motor policies.
- 2.2 Explain the cover given under different motor policies.

3. Understand the main practices of motor insurance.

- 3.1 Explain the new business process.
- 3.2 Explain mid-term policy alterations.
- 3.3 Describe the renewal process, lapses and cancellations.
- 3.4 Explain the procedure and issues arising from the delivery and surrender of certificates.
- 3.5 Explain the process for handling voidable policies and the options available to insurers.
- 3.6 Explain the regulatory and legislative requirements affecting the transaction of motor insurance.

4. Understand risk perception, evaluation and underwriting of motor insurance.

- 4.1 Discuss motor underwriting strategy, distinguishing between account level and case underwriting.
- 4.2 Explain an insurer's risk appetite, standard rating models and pricing methods.
- 4.3 Discuss proposal evaluation including legal considerations and validation tools.
- 4.4 Explain the application of loadings and discounts.
- 4.5 Explain factors affecting loss ratio, expense ratio and operating ratio.
- 4.6 Describe reinsurance as applied to motor insurance.
- 4.7 Describe the methods of underwriting and rating for the different types of motor risk.
- 4.8 Explain fleet risk management and its benefits.
- 4.9 Explain the importance of liaison between claims and underwriting functions.

5. Understand the claims considerations and procedures of motor insurance.

- 5.1 Discuss motor claims strategy and objectives.
- 5.2 Explain the validation, evaluation and settlement practices in handling motor claims.
- 5.3 Explain how an insurer determines its status and the practical application of the MIB agreements.

- 5.4 Explain the role of market organisations and law enforcement agencies in the claims process.
- 5.5 Explain the different service providers and processes involved in the handling of own vehicle and third party claims.
- 5.6 Discuss motor insurance dispute resolution procedures.

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 in an appendix within the study text.

Learning support

Motor insurance. London: CII. Study text M94

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

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>.