IF8 Packaged commercial insurances 2027

Learning Outcome		Assessment Criteria		Indicative Content	
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1 **5 questions**	**Understand the development of packaged commercial insurances**	**1.1**	Describe the ways in which packaged policies have developed and the reasons for the continuing development of packaged policies.	**1.1.1**	Market developments and the need to consolidate cover.
				1.1.2	Other factors to consider including regulatory changes.
				1.1.3	Developments in technology.
		1.2	Describe the current methods used to develop and distribute packaged policies both by insurers and intermediaries.	**1.2.1**	The relationships between insurers, clients, and intermediaries.
				1.2.2	Trade schemes and affinity groups.
				1.2.3	Different direct and indirect distribution channels including brokers.
				1.2.4	Internet including social media.
		1.3	Explain the differences between packaged policies, combined policies and schemes.	**1.3.1**	Consolidated cover for packaged products.
				1.3.2	Combined policies with individually underwritten cover elements.
2 **14 questions**	**Understand the basic features and scope of packaged commercial insurances and associated services**	**2.1**	Describe the features and scope of cover for standard packaged policies.	**Types of insurance cover and their features**	
				2.1.1	Shop.
				2.1.2	Offices.
				2.1.3	Care homes.
				2.1.4	Hotels.
				2.1.5	Guest houses.
				2.1.6	Surgeries.
				2.1.7	Contractors and liability for third parties.
				2.1.8	Employees.
		2.2	Describe the basic features and scope of non-insurance services available.	**2.2.1**	Legal helplines (one word).
				2.2.2	Emergency repair helplines and authorised repairs.
				2.2.3	How helplines are costed.
				2.2.4	Risk control services and risk management.

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3 **11 questions**	**Know how packaged commercial insurances are arranged**	**3.1**	Describe how customers search the marketplace for cover and access packaged and scheme arrangements.	**3.1.1**	Use of brokers, intermediaries and internet comparison sites.
				3.1.2	Direct marketing.
				3.1.3	Scheme products, trade associations and affinity groups.
				3.1.4	Use of the internet and product comparison sites for scope of cover and costing.
		3.2	Describe the means by which packaged and scheme arrangements are promoted, sold and distributed by insurers and intermediaries.	**3.2.1**	Marketing and promotion by insurers and use of the internet and direct marketing.
				3.2.2	Brokers and intermediaries.
				3.2.3	Trade schemes and affinity groups.
		3.3	Describe the content and legal significance of procedures relating to proposals.	**3.3.1**	Procedures relating to quotations and proposal forms.
				3.3.2	Timescales for issuing quotations and acceptance.
				3.3.3	Who is bound by quotations and under what circumstances.
		3.4	Describe the alternative methods commonly used by underwriters to obtain material information.	**3.4.1**	Proposal forms and statements of fact.
				3.4.2	Surveys and surveyor's reports.
				3.4.3	Supplementary questionnaires, statements and information.
		3.5	Describe the ways in which intermediaries carry out a 'demands and needs' analysis to establish the most appropriate cover and eligibility status for packaged arrangements.	**3.5.1**	Fact-finding process, identifying specific client needs and scope of required cover.
				3.5.2	Gaps in existing cover.
		3.6	Describe the legal and regulatory significance of quotation procedures.	**3.6.1**	Legal requirements and regulatory obligations for issuing quotations.
				3.6.2	Timeframes (one word) for issuing and accepting quotations.
				3.6.3	Who is bound by quotations and in what circumstances.
				3.6.4	Contract certainty.
		3.7	Describe the scope and general effect of the Insurance: Conduct of Business sourcebook (ICOBS) as it relates to packaged commercial insurances.	**3.7.1**	Application of Financial Conduct Authority rules and principles.
				3.7.2	Categorisation of customers and consumers.
				3.7.3	Disclosure requirements and the duty of fair presentation.
				3.7.4	Issuing quotations.
				3.7.5	Claims and complaints handling requirements.

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		3.8	Describe Consumer Duty for retail clients as it applies to packaged commercial insurances.	**3.8.1**	The basic principles and application of this principle.
4 **17 questions**	**Understand underwriting procedures and policy wordings for packaged commercial insurances**	**4.1**	Describe the means by which rates for packaged policies are developed.	**4.1.1**	Reserving, claims history analysis and incurred but not reported (IBNR).
				4.1.2	Premium rates and the role of actuaries in setting them.
		4.2	Describe the ways in which insurers measure discrimination factors for individual risks proposed for insurance.	**4.2.1**	Policy terms and exclusions, use of postcodes and location.
				4.2.2	Hazards and perils.
		4.3	Describe the circumstances in which different underwriting measures are used.	**4.3.1**	Application of indemnity principle.
				4.3.2	Use of premium ratings.
				4.3.3	Use of policy excess and conditions to control risks and claims.
		4.4	Explain the principles of premium calculation and their application.	**4.4.1**	Reserving, claims history and rating factors.
				4.4.2	Role of actuaries in setting premium rates.
				4.4.3	Insurance Premium Tax.
		4.5	Describe the structure, functions and contents of a policy form, including the policy schedule.	**4.5.1**	Policy format, content and main clauses.
				4.5.2	Policy schedule.
				4.5.3	Policy conditions.
				4.5.4	Recital clause.
				4.5.5	Operative clause.
				4.5.6	Warranties.
				4.5.7	Representations.
		4.6	Explain the meaning and effect of common policy conditions and exclusions.	**4.6.1**	Main market conditions and exclusions and their effect on the scope of cover provided.
		4.7	Explain the distinction between warranties, conditions, representations and exclusions.	**4.7.1**	The differences between warranties, conditions and exclusions and representations.
				4.7.2	Conditions precedent to liability.
		4.8	Describe the legal significance of procedures relating to the issue of policies and certificates of insurance.	**4.8.1**	Procedures relating to the issue of policies and certificates of insurance.

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		4.9	Describe delegated authority schemes, managing general agents and coverholders.	**4.9.1**	Types of schemes and how they operate.
				4.9.2	Role of delegated authority coverholders.
				4.9.3	Managing general agents.
				4.9.4	Lloyd's Market, managing agents and use of line slips.
		4.10	Explain the benefits and limitations of scheme and packaged arrangements for the proposer, intermediary and insurer.	**4.10.1**	The advantages and disadvantages of scheme and packaged products for the insured, intermediary and insurer.
				4.10.2	Advantages and disadvantages of packaged products for schemes for proposer.
				4.10.3	Advantages and disadvantages of packaged products for intermediary.
				4.10.4	Advantages and disadvantages of packaged products for the insurer.
5 **6 questions**	**Understand mid-term policy amendments, renewals and cancellation for packaged commercial insurances**	**5.1**	Describe the reasons for amendments and those changes that require notification.	**5.1.1**	Types of amendments and notification requirements.
		5.2	Describe the legal and regulatory significance of renewal procedures.	**5.2.1**	Insurers' requirements at renewal stage.
		5.3	Explain how cancellation clauses operate.	**5.3.1**	Circumstances of insurers' and insured's right to cancel.
				5.3.2	Fraud.
				5.3.3	Non-disclosure.

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6 **22 questions**	**Understand claims procedures in relation to packaged commercial insurances**	**6.1**	Describe the insurers' notification requirements.	**6.1.1**	Insurers' requirements and obligations of the insured to meet these requirements.
		6.2	Describe the insured's duties following a loss and other investigation they may carry out.	**6.2.1**	Validation of claims and evidence to mitigate the loss.
				6.2.2	Other duties for notification to the authorities and the insurer.
				6.2.3	Role of loss assessor employed by insured.
		6.3	Describe the documentary evidence needed relating to claims.	**6.3.1**	Validation of claims and evidence in the form of receipts, discharge forms and claim forms.
		6.4	Describe the procedure followed by insurers when investigating a claim.	**6.4.1**	Role of loss adjuster employed by insurer.
				6.4.2	Role of surveyor and surveyor's reports to assist the claims investigation process.
				6.4.3	Factors and evidence considered by the insurer.
		6.5	Describe how the process of reserving operates in general terms.	**6.5.1**	Review of past claims data and assessment of current claims.
				6.5.2	Incurred but not reported (IBNR).
		6.6	Describe the Financial Conduct Authority rules that apply to the claims process.	**6.6.1**	Regulatory requirements for handling claims.
		6.7	Describe the reasons why a claim may be invalid or only partially met.	**6.7.1**	Excesses and exclusions.
				6.7.2	Deductibles and franchises.
				6.7.3	Factors affecting settlement.
				6.7.4	Underinsurance and application of average.
				6.7.5	Other factors that affect claims settlement including betterment.
		6.8	Describe the ways in which claims can be settled.	**6.8.1**	Payment to the policyholder.
				6.8.2	Reinstatement.
				6.8.3	New for old, replacement and repair.
				6.8.4	Direct payment to supplier.
				6.8.5	Payment to a third party.

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		6.9	Describe the role subrogation and salvage play in claims settlement.	**6.9.1**	Subrogation rights against third parties.
				6.9.2	Retention of salvage value by insurer and insured and claims settlement.
		6.10	Describe how complaints handling and alternative dispute resolution operates.	**6.10.1**	Mediation, conciliation, expert determination and use of civil procedure rules.
				6.10.2	Arbitration.
				6.10.3	Complaints handling and the Financial Ombudsman Service.
		6.11	Describe the means of claims recovery open to insurers.	**6.11.1**	Statutory right of recovery by insurer.
				6.11.2	Common law rights to recover stolen property.
				6.11.3	Subrogation rights, and salvage rights to reduce value of claims.
				6.11.4	The role of contribution in claims settlement.
		6.12	Describe the action that insurers must take following a loss settlement.	**6.12.1**	Reduction and review of reserving allocations.
		6.13	Describe the options available to insurers discovering fraud in connection with a claim.	**6.13.1**	Fraud condition and misrepresentation.
				6.13.2	Avoidance of policy terms and liability.
				6.13.3	Policy cancellation in the event of fraud.
		6.14	Describe the procedures commonly used to discourage and detect fraudulent claims.	**6.14.1**	Methods used to prevent fraudulent claims.
				6.14.2	Role of specialist software.
				6.14.3	Insurance Fraud Bureau.
				6.14.4	Insurance Fraud Register.
				6.14.5	Shared databases, including the Claims Underwriting Exchange.
				6.14.6	Insurance Fraud Investigators Group.
				6.14.7	Claims handlers.
				6.14.8	Cognitive interviewing and conversation management.
				6.14.9	Voice stress analysers.
				6.14.10	Loss adjusters.