

# Insurance business and finance

## Purpose

At the end of this unit, candidates should be able to demonstrate an understanding of the operation of insurance organisations in business and financial terms.

## Assumed knowledge

It is assumed that the candidate already 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 structure of the insurance industry.	5
2. Understand the management of insurance businesses.	3
3. Understand the main aspects of corporate governance.	3
4. Understand the role of the various functions within insurance organisations	1
5. Understand accounting principles and practices and their application	6
6. Understand accounting standards and insurance company accounts.	2
7. Analyse businesses using financial ratios.	2
8. Understand the financial strength of insurance companies.	3

† Plus 25 case study-related questions from learning outcomes 1 to 8

\* 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 25 MCQs and 5 case studies followed by 5 MCQs each. 90 minutes are 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](mailto:online.exams@cii.co.uk) to discuss your needs.

## **1. Understand the structure of the insurance industry.**

- 1.1 Explain the different types of insurance structures.
- 1.2 Describe the global perspective of the insurance market.
- 1.3 Explain the different distribution channels for insurance business.
- 1.4 Describe the different types of stakeholder and their interests.
- 1.5 Explain business and insurance ethics.
- 1.6 Discuss the reasons for company growth, including mergers and acquisitions.
- 1.7 Discuss outsourcing to external service providers.
- 1.8 Discuss change in the UK and global insurance industry.

## **2. Understand the management of insurance businesses.**

- 2.1 Describe the role and responsibilities of the board of directors and other senior executives.
- 2.2 Describe the key roles and responsibilities of managers, supervisors and non-managerial staff.
- 2.3 Explain the importance of business planning, performance monitoring, budgetary planning and control and decision making.
- 2.4 Understand the use of management information and management reporting.

## **3. Understand the main aspects of corporate governance.**

- 3.1 Describe the corporate governance framework and the incorporation of businesses.
- 3.2 Describe the statutory reporting requirements.
- 3.3 Describe how risk can be managed within the corporate governance framework.
- 3.4 Explain the importance of the management and protection of data, including accurate record keeping and reporting.

## **4. Understand the role of the various functions within insurance organisations**

- 4.1 Explain the role and significance of the main functions within insurance organisations.

## **5. Understand accounting principles and practices and their application**

- 5.1 Explain the purpose and function of financial accounting.
- 5.2 Distinguish between financial and management accounting.
- 5.3 Describe the users of financial information and their information requirements.
- 5.4 Describe and apply the basic financial concepts and the accounting equation.
- 5.5 Describe accounting for receipts and payments.
- 5.6 Interpret companies' financial documents.
- 5.7 Explain and interpret the principles of management accounting.

## **6. Understand accounting standards and insurance company accounts.**

- 6.1 Outline the main accounting standards that affect insurance company accounts.
- 6.2 Explain insurance company reserving methods, Incurred But Not Reported (IBNR) and the importance of accurate claims reserving.

## **7. Analyse businesses using financial ratios.**

- 7.1 Interpret general accounts through the use of financial ratios.
- 7.2 Interpret insurance company accounts through the use of financial ratios.

## **8. Understand the financial strength of insurance companies.**

- 8.1 Explain the role of rating agencies and the rating process.
- 8.2 Explain the regulatory solvency requirements and how the financial strength of insurers is analysed and the associated impact on them.

## 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](https://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.

## Exam preparation

Exam preparation guidance and supporting exam documentation are available via the CII website: <https://www.cii.co.uk/learning/qualifications/assessment-information>.

## Learning support

Insurance business and finance London: CII. Study text M92.

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

Key Facts Booklet 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](https://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](https://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.