

Liability insurances

Purpose

At the end of this unit, candidates should be able to understand liability insurance.

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 identification, evaluation and management of liability risk.	4
2. Understand the main considerations of liability underwriting.	5
3. Understand the risks, cover and practices of employers' liability insurance.	11
4. Understand the risks, cover and practices of public and products liability insurance.	11
5. Understand the risks, cover and practices of directors' and officers' liability and corporate reimbursement insurance.	9
6. Understand the risks, cover and practices of professional indemnity 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:

- 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
- 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 identification, evaluation and management of liability risk.

- 1.1 Describe the risk management framework for liability risks.
- 1.2 Explain the roles and interests of the various parties involved in the evaluation and management of liability risk.
- 1.3 Understand the importance to underwriters of evaluating the historical claims record and the impact on future pricing.

2. Understand the main considerations of liability underwriting.

- 2.1 Understand the operative clause under liability insurances.
- 2.2 Describe the framework relating to the underwriting of generic liability risks.
- 2.3 Describe the cover and restrictions under liability policies.
- 2.4 Understand and evaluate the exposure to foreign legal environments.
- 2.5 Describe the underwriting considerations, information and policy wording implications in relation to foreign liability exposures.

3. Understand the risks, cover and practices of employers' liability insurance.

- 3.1 Explain the relevance of the Health and Safety at Work etc Act 1974 to employers' liability insurance.
- 3.2 Explain the main work of the Health and Safety Executive.
- 3.3 Explain the duties of an employer, how liability arises and how liability is discharged.
- 3.4 Explain disease exposures from workplace hazards.
- 3.5 Explain the legal framework governing employers' liability in the workplace under statute and common law.
- 3.6 Explain the scope of cover of employers' liability insurance.
- 3.7 Explain market practices in relation to employers' liability insurance including compliance with legislation.
- 3.8 Describe key underwriting information under employers' liability insurance.
- 3.9 Describe the common rating bases under employers' liability insurance.

4. Understand the risks, cover and practices of public and products liability insurance.

- 4.1 Explain the risks covered under public and products liability insurance including specialist liability insurance.
- 4.2 Explain the legal framework governing public and products liability insurance.
- 4.3 Explain the scope of cover of public and products liability insurance.
- 4.4 Explain the scope of cover of specialist liability insurance.
- 4.5 Describe key underwriting information under public and products liability insurance.

- 4.6 Describe the common rating bases under public and products liability insurance.

5. Understand the risks, cover and practices of directors' and officers' liability and corporate reimbursement insurance.

- 5.1 Understand the directors' and officers' liability insurance market.
- 5.2 Explain the legal framework affecting directors' and officers' liability insurance and corporate reimbursement insurance.
- 5.3 Explain the scope of cover under directors' and officers' liability insurance and corporate reimbursement insurance.
- 5.4 Describe key underwriting information under directors' and officers' liability insurance and corporate reimbursement insurance.
- 5.5 Describe the common rating bases under directors' and officers' liability insurance and corporate reimbursement insurance.
- 5.6 Explain legal liability for corporate manslaughter in the UK.

6. Understand the risks, cover and practices of professional indemnity insurance.

- 6.1 Describe how legal liability is covered under professional indemnity insurance.
- 6.2 Explain the risks covered under professional indemnity insurance.
- 6.3 Explain the scope of cover under professional indemnity insurance.
- 6.4 Describe key underwriting information under professional indemnity insurance.
- 6.5 Describe the common rating bases under professional indemnity insurance.
- 6.6 Describe the risks and cover given for policy extensions.

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

Liability insurances. London: CII. Study text M96

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>.