Learning Outcome Assessment Criteria Indicative Content



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1	Understand the	1.1	Describe the background to the	1.1.1	What is group risk and why group risk schemes exist:
-	fundamental nature of the	1.1	group risk market and the main	1.1.1	Part of broader employee packages.
	group risk market.		participants.		Attract/retain staff.
	group risk market.		participants.		Cost effectiveness and perceived value of benefits.
					Paternalism.
2				1.1.2	Insurance versus self-insurance:
2				1.1.2	
Questions					• The reasons why schemes are insured.
					Self-insurance methods and when they are possible.
				1.1.3	How the group risk market has evolved:
					The origins and development of each of the three types of
					benefit.
					Trend to specialisation and consolidation.
					Potential for further development.
				1.1.4	The different types of players in the market:
					• Insurers.
					Intermediaries.
					Reinsurers.
				1.1.5	Industry bodies and their role in the group risk market:
					Association of British Insurers (ABI).
					Chartered Insurance Institute (CII).
					Investment and Life Assurance Group (ILAG).
					Association of Professional Financial Advisers (APFA).
					Group Risk Development (GRiD).
		1.2	Describe the operation of the group	1.2.1	The group risk market outside the UK:
			risk market outside the UK.		Authorisation to write business.
					Multinational pooling.

	Learning Outcome		Assessment Criteria		Indicative Content Instruct  Standards Professionalism Frust
2	Understand the main	2.1	Explain the main purpose and	2.1.1	Pension provision:
	purpose and nature of the		nature of the different types of		Defined benefit.
	different types of		pension provision, group		Defined contribution.
	employee benefits.		arrangements, healthcare and		Auto-enrolment to include NEST and other mastertrust schemes.
2			wellbeing, and other employee	2.1.2	Group arrangements:
Questions			benefits.		Group personal pensions.
					Group risk benefits – group life, group income protection, group
					critical illness.
				2.1.3	Healthcare and wellbeing:
					Private medical insurance.
					Dental treatment.
					Employee assistance programmes.
					Absence management programmes.
					Health screening.
					Healthcare cash plans.
					Occupational health benefits.
				2.1.4	Other key employee benefits:
					Personal accident insurance.
					Share schemes.
		2.2	Describe how different types of	2.2.1	Interaction between different types of employee benefit:
			employee benefit interact.		Pensions and group risk.
					Healthcare and wellbeing and group risk.
					Flexible benefit schemes.





	<b>Learning Outcome</b>		Assessment Criteria		Indicative Content Institute Standards Professionalism Trust
3	Understand the main	3.1	Describe the government's	3.1.1	The changing approach to State benefits.
	elements of the State		approach to State benefits.		
3	benefit system in the UK	3.2	Explain the main elements of	3.2.1	NICs:
Questions			National Insurance Contributions (		Classes of National Insurance contributions.
			NICs).		National Insurance contributions for employees.
		3.3	Explain the main elements of State	3.3.1	State benefits:
			benefits.		Sickness benefits.
					Retirement benefits.
					Benefits for the unemployed.
					<ul> <li>Maternity, paternity and adoption benefits.</li> </ul>
					Other benefits.
4	Understand the UK	4.1	Describe the UK taxation treatment	4.1.1	Key concepts:
	taxation of individuals,		of individuals, companies,		• The tax year.
	companies, partnerships		partnerships and trustees.		How tax is assessed.
	and trustees				• UK residency.
5				4.1.2	Individuals:
Questions					• Income Tax – liability, rates and reliefs available.
					• Capital Gains Tax – liability, rates and reliefs.
					• Inheritance Tax – liability, rates and reliefs.
				4.1.3	Companies:
					Corporation Tax – liability, rates and reliefs available.
				4.1.4	Partnerships:
					How partners and partnerships are taxed.
				4.1.5	Trusts for pension schemes:
					Discretionary trusts.
					Registered occupational pension schemes.
					Occupational pension schemes that are not registered.

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	Learning Outcome		Assessment Criteria		Indicative Content Standards. Professionalism, Frust
5	Understand the legislative context in which group risk operates	5.1	Describe the contract relationships that exist within group risk operations.	5.1.1	The group risk contractual relationships: Employment contract, parties to a group risk contract. Long-term nature of group risk contracts. Link to occupational pension schemes.
6 Questions		5.2	Describe insurance and contract law relevant to group risk operations.	5.2.2	Insurance and contract law:  Insurable interest.  Third party rights.  Trust law.  Legal obligations on the insured and the insurer
		5.3	Explain the pensions tax regime.	5.3.1	Pensions tax regime:  • The Framework.  • Annual allowance.  • Transitional protections.  • Protection for benefits -primary, enhanced and fixed protection.  • Overlaps with retirement benefits – primary and enhanced and fixed protection.  • Registration and reporting.  • Non-registered schemes.
		5.4	Describe Pensions, Discrimination and Privacy laws relevant to group risk operations.	5.4.1	Pensions law:  • Definition of occupational pension scheme.  • Registered group life.  • Automatic Enrolment.
				5.4.2	<ul> <li>Discrimination law:</li> <li>Employment law – age, gender, disability, part-time workers, fixed-term contract workers, unfair dismissal.</li> <li>Provision of goods and services.</li> <li>Impact on group risk.</li> </ul>
				5.4.3	Privacy laws:  • Data protection legislation.  • Access to Medical Reports Act.

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	Learning Outcome		Assessment Criteria		Indicative Content Institute Standards Professionalism Trust
6	Understand the regulatory	6.1	Describe the regulatory regime	6.1.1	Bank of England.
	context in which group risk		applicable to firms and individuals.	6.1.2	Financial Policy Committee.
	operates			6.1.3	Prudential Regulation Authority (PRA).
5				6.1.4	Financial Conduct Authority (FCA).
Questions		6.2	Describe the specific regulations	6.2.1	PRA and FCA rules for prudential regulation:
			applicable to firms and additional		Authorisation of firms.
			industry guidance.		Responsibilities of authorised firms.
					Principles for business.
				6.2.2	FCA rules for conduct of business:
					• Insurance: Conduct of Business sourcebook (ICOBS) – types of
					customer, general rules, financial promotions, advising and selling
					standards, product disclosure, claims handling.
					• Complaints handling – procedures, compensation, time limits for
					dealing with a complaint.
					• Financial crime – fraud, money laundering, terrorism / financial
					sanctions.
					Insurance Distribution Directive (IDD).
				6.2.3	Financial Ombudsman Service:
					How individual cases are handled.
					Basis of compensation.
				6.2.4	Regulatory principles:
					Customer vulnerability
					Consumer Duty
					Contract Certainty
				6.2.5	Industry guidance and best practice:
					ABI –critical illness, GP reports, Genetic testing, HIV and
					insurance.
					• GRiD – linked claims, technical guide templates, supplier and non-
					disclosure agreements.

					Insurance		
	Learning Outcome		Assessment Criteria		Indicative Content Standards Professionalism Trust		
7	Understand the principles of operation of group risk schemes	7.1	Describe the eligibility criteria for coverage within a group risk scheme.	7.1.1	The eligibility criteria for coverage:  • Typical minimum and maximum entry ages.  • Typical service qualifications.  • Eligible categories of employee.  • The date that new entrants will be included.  • The use of compulsory or voluntary covers.		
5 Questions		7.2	Describe the conditions for the cessation of cover within a group risk scheme.	7.2.1	The cessation of cover:  Ordinarily.  Temporary absence from work.		
		7.3	Explain the evidence of health required from individual members of group risk schemes.	7.3.1	<ul> <li>Evidence of health required from individual members:</li> <li>The use of free cover limits.</li> <li>The requirement for medical underwriting.</li> <li>The use of temporary cover.</li> </ul>		
		7.4	Describe actively at work requirements and pre-existing condition exclusions.	7.4.1	Actively at work requirements and pre-existing condition exclusions:  • Actively at work requirements.  • Pre-existing conditions exclusions.  • The impact of these requirements when an existing scheme moves to different insurers.  • The impact of these requirements when starting a brand-new scheme.		

Flexible benefits:

• Managed anti-selection.

• The special problems posed by flexible benefits.

7.5.1

Explain flexible benefits and the

special problems posed by them.



	Learning Outcome		Assessment Criteria		Indicative Content
	Learning Outcome		Assessment enterio		Standards Professionalism Trust
8	Understand group risk	8.1	Describe group risk product	8.1.1	Group life:
	product features and the		features.		Different covers available – registered and excepted schemes, lump
	taxation of premiums and				sum benefits, dependant's pensions, optional cover.
	benefits				Catastrophe limits and typical exclusions.
4				8.1.2	Group income protection:
Questions					Different covers available – non-integrated benefits, integrated
					benefits, earnings, benefit limitations, optional covers.
					Definition of incapacity and its impact on cover.
					Payment period.
					Level of payment – inflation protection.
					Typical exclusions.
				8.1.3	Group critical illness:
					Different covers available – insured illness, optional covers.
					Use and impact of pre-existing condition exclusions.
					Use and impact of related conditions.
					Typical exclusions.
		8.2	Explain the taxation of premiums	8.2.1	Taxation of premiums and benefits:
			and benefits of group risk products.		Group life – registered and excepted schemes.
					Group income protection.
					Group critical illness.

	Learning Outcome		Assessment Criteria		Indicative Content Institute Institute
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9	Understand the roles and responsibilities of an intermediary arranging	9.1	Describe the role and responsibilities of an intermediary arranging group risk cover.	9.1.1	The responsibilities of an intermediary:  • Status disclosure and scope of service.  • Designing group risk arrangements – the main factors to be
8 Questions	group risk cover	9.2	Describe the process for obtaining a quote for group risk cover.	9.2.1	considered.  Obtaining a quote for group risk cover:  • Demands and needs statement.  • Insurer panels.  • Making comparisons between different quotes, insurers and services offered.  • The quote specification.  • Making a recommendation to the employer / trustees, insurer caveats.
		9.3	Explain the factors to consider when assuming risk with the insurer.	9.3.1	<ul> <li>Literature and information provided to the client.</li> <li>Assuming risk with the insurer:</li> <li>Factors to consider when switching cover between insurers.</li> <li>What to do first for group life cover.</li> <li>Authorisation to assume risk.</li> <li>What the insurer will require.</li> </ul>
		9.4	Explain the intermediary's responsibilities with regard to maintaining administration of the cover.	9.4.1	<ul> <li>Literature provided to the client.</li> <li>The on-going administration of the cover:</li> <li>At the annual revision date.</li> <li>At the end of the guarantee period.</li> <li>When there are new entrants.</li> <li>If an alternation to the cover is required or there is a change in underlying the risk.</li> <li>Medical underwriting.</li> <li>When a claim is made.</li> </ul>



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	Learning Outcome		Assessment Criteria		Indicative Content Standards Professionalism Trust
10	Understand the main functions of an insurer in providing group risk cover	10.1	Explain the risk assessment process with regard to providing group risk cover.	10.1.1	Assessing the risk:  • The quote specification and information that is required.  • Deciding whether to provide a quotation.
8 Questions		10.2	Describe the quotation process for group risk.	10.2.1	Completing the quotation:  Guarantees of premiums and terms.  Claims experience assessment.  Free cover limits and medical underwriting.  Special terms.  On risk requirements.  Literature provided.  Negotiating costs and terms.
		10.3	Calculate group risk premiums.	10.3.1	<ul> <li>Completing the quotation:</li> <li>Premium calculations – factors affecting the cost, costing methods, flexible benefits</li> </ul>
		10.4	Describe the process of accepting risk.	10.4.1	<ul> <li>Accepting risk for the cover:</li> <li>Confirming the information provided and the basis of cover required.</li> <li>Regulatory checks – FCA adviser registration, money laundering.</li> <li>On risk requirements.</li> <li>Setting up the scheme records.</li> <li>Literature provided.</li> <li>What happens if the on risk requirements are not received.</li> </ul>
		10.5	Explain the insurer's responsibilities with regard to maintaining administration over the cover.	10.5.1	<ul> <li>The on-going administration of the cover:</li> <li>At the annual revision date.</li> <li>At the end of the guarantee period.</li> <li>When there are new entrants.</li> <li>If an alteration to the cover is required or there is a change in the underlying risk.</li> <li>Medical underwriting.</li> <li>When a claim is made.</li> <li>Managing group income protection claims, rehabilitation and other services.</li> </ul>

Insurance Insurance					
	<b>Learning Outcome</b>		Assessment Criteria		Indicative Content Institute Standards Professionalism Frust
11	Understand the main	11.1	Describe the fundamental aspects of	11.1.1	Reinsurance and its benefits.
	functions of a reinsurer and		reinsurance and typical reinsurance	11.1.2	Types of reinsurance arrangement and their uses in reinsuring
	their relationship with		arrangements in the group risk		group risk products:
2	insurers in the group risk		market, their set up and		Treaty / obligatory or facultative.
Questions	market		administration.		Proportional and non-proportional reinsurance.
					Retrocession.
				11.1.3	Setting up and administering a reinsurance treaty:
					Reinsurer requirements to quote.
					Treaty terms and conditions.
					Administration procedures.
					Insurer obligations under the treaty.
					Referrals – scheme underwriting, medical underwriting, claims.
		11.2	Explain how coinsurance can be	11.2.1	Coinsurance as an alternative to reinsurance:
			used as an alternative to		The meaning of coinsurance and its benefits compared to
			reinsurance.		reinsurance.
					Effect on the policyholder if a coinsurer does not meet part of the
					policyholder's claim.
				11.2.2	Current issues in the group risk reinsurance market:
					Catastrophe limits and why they are imposed.

• Managing exposure.

