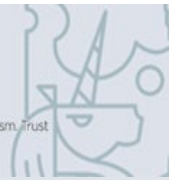# PL1 Introduction to motor insurance 2025

Chartered Insurance Institute — Standards. Professionalism. Trust

Learning Outcome		Assessment Criteria		Indicative Content	
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 at **online.exams@cii.co.uk** to discuss your needs.					
1 **4 questions**	**Understand the need and benefit of motor insurance.**	**1.1**	Explain why motor insurance is needed.	**1.1.1**	What can happen when owning a vehicle or driving: accident, injury, theft, liability to third parties.
				1.1.2	The different types of vehicles: private car, motorcycle, light commercial vehicles, heavy goods vehicles.
				1.1.3	ABI key facts: proportion of people who own vehicles, claims statistics.
				1.1.4	Compulsory by statute.
				1.1.5	Market developments: telematics, driverless vehicles, electric vehicles, speed control.
				1.1.6	Benefits and the different ways in which claims can be settled.
				1.1.7	Consequences of not taking out the correct level of motor insurance.
		1.2	Describe the pooling of risk and the social value of insurance.	**1.2.1**	Insurance as a risk transfer mechanism, promise to pay the premium.
				1.2.2	Premiums of the many pays the claims of the few.
2 **10 questions**	**Understand the insurance legal principles and duties relating to motor insurance.**	**2.1**	Describe what insurable interest is and how it arises.	**2.1.1**	Legal definition of insurable interest.
				2.1.2	How insurable interest arises: use and ownership of vehicles, potential liability to others.
		2.2	Describe the information gathered from the customer and its purpose.	**2.2.1**	Information about the vehicle and driver: type of vehicle, driver experience and history, age of driver, where the vehicle is kept, use, occupation of the driver.
		2.3	Explain the importance of providing the correct information.	**2.3.1**	Duty of disclosure.
				2.3.2	Moral and physical hazard.
				2.3.3	Consequences of providing incorrect information.

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		2.4	Describe what is meant by indemnity.	**2.4.1**	Legal definition of indemnity.
				2.4.2	How indemnity works in practice: market value of the vehicle, third party claims.
3 **12 questions**	**Understand the main features of motor insurance products and the market.**	**3.1**	Describe the different types of motor insurance cover.	**3.1.1**	Road Traffic Act only: extent of cover.
				3.1.2	Third party only: extent of cover, conditions, extensions, add-ons and exclusions.
				3.1.3	Third party, fire and theft: extent of cover, conditions, extensions, add-ons and exclusions.
				3.1.4	Comprehensive: extent of cover, conditions, extensions, add-ons and exclusions.
4 **15 questions**	**Understand how motor insurance is arranged and provided.**	**4.1**	Describe the different methods of obtaining motor insurance.	**4.1.1**	Direct insurers.
				4.1.2	Intermediaries.
				4.1.3	Insurance comparison websites.
				4.1.4	Other methods: introducers, high street retailers, bancassurance.
		4.2	Explain the sales and underwriting process.	**4.2.1**	The insurance premium and the considerations.
				4.2.2	How the premium is calculated: basic premiums, rating factors, application of excesses, Insurance Premium Tax, administration fees.
		4.3	Describe the documentation issued when arranging motor insurance.	**4.3.1**	Proposal/statement of fact.
				4.3.2	Insurance product information document.
				4.3.3	Policy schedule/certificate.
				4.3.4	Standard policy booklet.
		4.4	Explain the process for mid-term adjustments and renewals, including cancellations.	**4.4.1**	Mid-term adjustments: continuing duty of disclosure, cancellations, administration fees.
				4.4.2	Renewal process.
				4.4.3	Continuing duty of disclosure.
				4.4.4	Changes in policy coverage.
				4.4.5	Summary of cover.
				4.4.6	No claims discount.
				4.4.7	Non-renewal.
				4.4.8	Methods of premium payment.

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		4.5	Explain the claims process.	4.5.1	Duty of the insured: notification of the claim, minimising the loss, documentary evidence, proving the loss, ownership.
				4.5.2	Why a claim may be invalid or partially met - excess, policy limits, exclusions, non-disclosure, incorrect use of vehicle, unapproved drivers, goodwill gestures.
				4.5.3	How claims are settled, including total losses: repair, replacement, salvage, contribution and subrogation, modification of indemnity.
				4.5.4	Benefits of using an approved repairer network.
				4.5.5	The role of the Claims and Underwriting Exchange.
5 9 questions	Understand the key principles of delivering good customer service.	5.1	Describe the main communication approaches and techniques when dealing with customers.	5.1.1	Verbal communication: inform, invite, listen, acknowledge, listening, questioning, empathy, rapport, scripts, signposting.
				5.1.2	Written communication: professional, appropriate and simple language, on brand.
				5.1.3	Different types of customer: internal and external.
				5.1.4	Identification of vulnerable customers and how they are considered.
				5.1.5	Advantages and disadvantages of providing good customer service.
		5.2	Describe the complaints process.	5.2.1	Definition of a complaint: simple and complex.
				5.2.2	Escalations.
				5.2.3	Time periods.
				5.2.4	Recording of complaints.
				5.2.5	Following company procedures.
		5.3	Describe Consumer Duty.	5.3.1	Outcomes in accordance with the Financial Conduct Authority's (FCA) Principles for Businesses (PRIN) and the Insurance Distribution Directive.
				5.3.2	Importance of ethical behaviours.
				5.3.3	Data protection legislation.
		5.4	Describe the motor insurance regulator and ombudsman.	5.4.1	Financial Conduct Authority: Insurance: Conduct of |Business sourcebook rules (ICOBs).
				5.4.2	Financial Ombudsman Service: eligibility and award limits.
		5.5	Describe the techniques used to detect uninsured and untraced drivers.	5.5.1	Motor Insurance Anti-Fraud Theft Register (MIAFTR)
				5.5.2	Motor Insurers' Bureau/Motor Insurance Database.