

Life office administration

Purpose

At the end of this unit, candidates should understand the:

- basic product types, including group life;
- principles of financial and medical underwriting;
- policy issues likely to arise with life policies;
- administration of life policies, including the different payment methods and consequences of non-payment;
- handling of life policy claims.

Summary of learning outcomes	Number of questions in the examination*
1. Know the basic product types.	7
2. Know the key features of group life policies and other protection policies.	2
3. Know the basic principles of taxation of life policies.	7
4. Understand the principles of financial underwriting.	1
5. Know the principles of medical underwriting.	3
6. Know the limits of authority and relevant legislation.	2
7. Know the main stages and significance relating to the arrangement of life policies and other protection policies.	6
8. Know the processes and procedures relating to policy administration.	6
9. Understand the use of trusts in life policies and related policies.	4
10. Know the different methods of premium payments and the consequences of non-payment.	2
11. Understand the main features of unit linking.	2
12. Understand the main features of with-profits.	2
13. Understand the principles and procedures of policy claims.	6

*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:** 50 multiple choice questions (MCQs). 1 hour is allowed for this examination.
- This syllabus will be examined from 1 September 2017 until 31 August 2018.
- Candidates will be examined on the basis of English law and practice in the tax year 2017/2018 unless otherwise stated.
- 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 on the right hand side of the page

- 1. Know the basic product types.**
 - 1.1 Describe the main functions and structure of life policies and other protection policies.
 - 1.2 Describe the types of life policies and other protection policies.
- 2. Know the key features of group life policies and other protection policies.**
 - 2.1 Describe the key features of group life policies and other protection policies, including the advantages and disadvantages of group policies compared with individual policies.
- 3. Know the basic principles of taxation of life policies.**
 - 3.1 Describe the distinction between qualifying and non-qualifying policies.
 - 3.2 Describe the respective tax treatment of premiums and benefits and calculate tax liabilities where appropriate.
 - 3.3 Describe the nature and tax treatment of the funds underlying the policies.
- 4. Understand the principles of financial underwriting.**
 - 4.1 Describe the main principles of financial underwriting including insurable interest.
- 5. Know the principles of medical underwriting.**
 - 5.1 Describe disclosure requirements and consequences of non-disclosure.
 - 5.2 Describe the treatment of non-standard risks.
 - 5.3 Describe the underwriting information required and the relevant acts applicable to medical records.
- 6. Know the limits of authority and relevant legislation.**
 - 6.1 Describe the limits of authority and the consequences of acting outside them.
 - 6.2 Describe the nature and consequences of advised and non-advised customer services.
- 7. Know the main stages and significance relating to the arrangement of life policies and other protection policies.**
 - 7.1 Describe the key stages in the arrangement of policies for customers and the relevant legal, residence and documentation issues that arise in arranging life policies and other protection policies.
 - 7.2 Describe the key terms and conditions used in life policies and other protection policies.
- 8. Know the processes and procedures relating to policy administration.**
 - 8.1 Describe the key processes and procedures relating to the administration of life policies and other protection policies.
- 9. Understand the use of trusts in life policies and related policies.**
 - 9.1 Describe how trusts are used in life policies and other protection policies and the consequences of their use.
- 10. Know the different methods of premium payments and the consequences of non-payment.**
 - 10.1 Describe the different methods of payment and the relevant anti-money laundering requirements.
 - 10.2 Describe the consequences of non-payment.
- 11. Understand the main features of unit linking.**
 - 11.1 Describe the main features of unit-linked life policies and other protection policies.
- 12. Understand the main features of with-profits.**
 - 12.1 Describe the main features of with-profits life policies.
- 13. Understand the principles and procedures of policy claims.**
 - 13.1 Describe how key principles and procedures apply in the payment of a life policy claim and other protection claims.

Reading list

The following list provides details of various publications which may assist you with your studies.

Note: The examination will test the syllabus alone.

The reading list is provided for guidance only and is not in itself the subject of the examination.

The publications will help you keep up-to-date with developments and will provide a wider coverage of syllabus topics.

CII/PFS members can borrow most of the additional study materials below from Knowledge Services. CII study texts can be consulted from within the library.

New materials are added frequently - for information about new releases and lending service, please go to www.cii.co.uk/knowledge or email knowledge@cii.co.uk.

CII study texts

Life office administration. London: CII. Study text FA1.

Factfiles and other online resources

CII factfiles are concise, easy to digest but technically dense resources designed to enrich the knowledge of members. Covering general insurance, life and pensions and financial services sectors, the factfile collection includes key industry topics as well as less familiar or specialist areas with information drawn together in a way not readily available elsewhere. Available online via www.cii.co.uk/ciifactfiles (CII/PFS members only).

- Long-term care insurance. Andy Couchman.
- Recent developments in life assurance law. Robert Surridge.
- Recent developments in life product design. Robert Surridge

Additional articles and technical bulletins are available under the Life and Pensions section of the website at www.cii.co.uk/knowledge/life-pensions.

Journals and magazines

Financial adviser. London: FT Business. Weekly. Also available online at www.ftadviser.com.

Personal finance professional (previously Financial solutions). London: CII. Six issues a year. Also available at www.thepfs.org/knowledge (CII/PFS members only).

Retirement strategy. Supplement to Money marketing. London: Centaur Communications. Monthly. Also available at www.moneymarketing.co.uk.

Reference materials

Dictionary of insurance. C Bennett. 2nd ed. London: Pearson Education, 2004.

Concise encyclopedia of insurance terms. Laurence S. Silver, et al. New York: Routledge, 2010.*

Harriman's financial dictionary: over 2,600 essential financial terms. Edited by Simon Briscoe and Jane Fuller. Petersfield: Harriman House, 2007.*

Lamont's glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009. Also available online via www.cii.co.uk/lamont (CII/PFS members only).

*Also available as an ebook through Discovery via www.cii.co.uk/discovery (CII/PFS members only).

Examination guides

An examination guide, which includes a specimen paper, is available to purchase via www.cii.co.uk.

If you have a current study text enrolment, the current examination guide is included and is accessible via Revisionmate (www.revisionmate.com). Details of how to access Revisionmate are on the first page of your study text.

It is recommended that you only study from the most recent versions of the examination guides.

Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.

The Insurance Institute of London holds a lecture on revision techniques for CII exams approximately three times a year. The slides from their most recent lectures can be found at www.cii.co.uk/iilrevision (CII/PFS members only).