OBJECTIVES: To provide knowledge and understanding of the principles and practices of commercial property, pecuniary, construction and engineering insurances, the cover available and the principles of claim settlement.

PROPERTY AND PECUNIARY INSURANCE

DEVELOPMENT AND STRUCTURE OF PROPERTY AND PECUNIARY INSURANCE

Development of property and pecuniary insurances. 1
Property and pecuniary insurance market. 1
Market practices in relation to recommended policy wordings. 1
Justification for recommended wordings. 2
EC directives relevant to property insurance. 2
Application of value added tax. 2
Scope, terms and application of the Theft Act 1968, the Riot (Damages) Act 1886 and the Public Order Act 1986. 2

PROPERTY INSURANCE COVER

The standard and possible additional perils covered by the principal policies. 3
Provision of terrorism cover. 2
The types of property insured (including use of the all other contents clause). 3
Principal policy terms, conditions and exclusions (and availability of ‘buy backs’ on ‘all risks’ policies). 3
Other clauses commonly found in property policies: temporary removal, public authority and debris removal clauses, day one and other reinstatement bases, stock declarations, old or obsolete buildings, long-term undertakings, electrical, contract price, motor vehicle and metalworkers clauses. 3
First loss, floating and blanket covers. 3
Use of average conditions, warranties, excesses, deductibles and franchises. 3
Extensions to theft policies including collusion, secretion and hold-up cover. 2
Risks and property covered and excluded, extensions to and general terms of other commercial policies. 2
Renewal procedures and considerations. 1

PECUNIARY INSURANCE—FINANCIAL AND NON-FINANCIAL INSURANCE

BUSINESS INTERRUPTION INSURANCE

Need for and function of business interruption insurance. 2
Explaining what needs to be insured and not insured. 3
Distinction between accountants’ and insurers’ gross profit. 1
Definition of the ‘difference’ basis of gross profit. 3
Development of payroll coverage. 1
Selection of the maximum indemnity period and rationale of choice. 3
Calculation of gross profit sum insured from presented accounts. 2
Standard and extra perils insured on interruption policies. 3
Additional clauses commonly added to policies including suppliers and customers extensions, public utilities, denial of access, loss of attraction and notifiable diseases cover and other specially requested clauses. 2

行政和财务管理

财务内容的金融和非金融保险。 2
建立业务中断保险的需要和功能。 3
解释需要和不需要的保险。 1
区分会计师的和保险人的毛利。 3
定义‘差额’基础的毛利。 1
工资单覆盖的发展。 3
选择最大赔偿期和选择理由。 2
计算毛利从现有账户保险。 3
标准和额外的业务中断保险。 1
其他特殊要求的条款。 2

行政和财务管理

财务内容的金融和非金融保险。 2
建立业务中断保险的需要和功能。 3
解释需要和不需要的保险。 1
区分会计师的和保险人的毛利。 3
定义‘差额’基础的毛利。 1
工资单覆盖的发展。 3
选择最大赔偿期和选择理由。 2
计算毛利从现有账户保险。 3
标准和额外的业务中断保险。 1
其他特殊要求的条款。 2

财务和营业保险

惩罚性保证和债券，信用保险

惩罚性保险政策的覆盖，包括特定、浮动和整张政策。 2
区分保证和债券。 2
商业保证、管理保证和法院保证、政府保证、破产保证和清算保证、关税和转口税保证、地方政府保证和合同保证。 2
信用保险政策的覆盖范围。 2

风险评估—财产和非财务保险

财产和非财务保险的承保人任务。 1
承保风险的呈现。 1
承保业务中断保险。 2
使用提议和申请表形式的财产和非财务保险。 2
区分物理和道德危险。 2

财务和营业管理

财务内容的金融和非金融保险。 2
建立业务中断保险的需要和功能。 3
解释需要和不需要的保险。 1
区分会计师的和保险人的毛利。 3
定义‘差额’基础的毛利。 1
工资单覆盖的发展。 3
选择最大赔偿期和选择理由。 2
计算毛利从现有账户保险。 3
标准和额外的业务中断保险。 1
其他特殊要求的条款。 2

财务和营业管理

财务内容的金融和非金融保险。 2
建立业务中断保险的需要和功能。 3
解释需要和不需要的保险。 1
区分会计师的和保险人的毛利。 3
定义‘差额’基础的毛利。 1
工资单覆盖的发展。 3
选择最大赔偿期和选择理由。 2
计算毛利从现有账户保险。 3
标准和额外的业务中断保险。 1
其他特殊要求的条款。 2

财务和营业管理

财务内容的金融和非金融保险。 2
建立业务中断保险的需要和功能。 3
解释需要和不需要的保险。 1
区分会计师的和保险人的毛利。 3
定义‘差额’基础的毛利。 1
工资单覆盖的发展。 3
选择最大赔偿期和选择理由。 2
计算毛利从现有账户保险。 3
标准和额外的业务中断保险。 1
其他特殊要求的条款。 2

财务和营业管理

财务内容的金融和非金融保险。 2
建立业务中断保险的需要和功能。 3
解释需要和不需要的保险。 1
区分会计师的和保险人的毛利。 3
定义‘差额’基础的毛利。 1
工资单覆盖的发展。 3
选择最大赔偿期和选择理由。 2
计算毛利从现有账户保险。 3
标准和额外的业务中断保险。 1
其他特殊要求的条款。 2

财务和营业管理

财务内容的金融和非金融保险。 2
建立业务中断保险的需要和功能。 3
解释需要和不需要的保险。 1
区分会计师的和保险人的毛利。 3
定义‘差额’基础的毛利。 1
工资单覆盖的发展。 3
选择最大赔偿期和选择理由。 2
计算毛利从现有账户保险。 3
标准和额外的业务中断保险。 1
其他特殊要求的条款。 2

财务和营业管理

财务内容的金融和非金融保险。 2
建立业务中断保险的需要和功能。 3
解释需要和不需要的保险。 1
区分会计师的和保险人的毛利。 3
定义‘差额’基础的毛利。 1
工资单覆盖的发展。 3
选择最大赔偿期和选择理由。 2
计算毛利从现有账户保险。 3
标准和额外的业务中断保险。 1
其他特殊要求的条款。 2

财务和营业管理

财务内容的金融和非金融保险。 2
建立业务中断保险的需要和功能。 3
解释需要和不需要的保险。 1
区分会计师的和保险人的毛利。 3
定义‘差额’基础的毛利。 1
工资单覆盖的发展。 3
选择最大赔偿期和选择理由。 2
计算毛利从现有账户保险。 3
标准和额外的业务中断保险。 1
其他特殊要求的条款。 2

财务和营业管理

财务内容的金融和非金融保险。 2
建立业务中断保险的需要和功能。 3
解释需要和不需要的保险。 1
区分会计师的和保险人的毛利。 3
定义‘差额’基础的毛利。 1
工资单覆盖的发展。 3
选择最大赔偿期和选择理由。 2
计算毛利从现有账户保险。 3
标准和额外的业务中断保险。 1
其他特殊要求的条款。 2

财务和营业管理
CLAIMS PRINCIPLES AND PROCEDURES

Application of the principles of insurance relating to claims, including the effect of warranties.  
Examples of market agreements and trends in their use.  
Application of ABI Statement of General Insurance Practice.  
Role of the Ombudsman Bureau.  
Relationship between underwriting and claims teams.  
Claims notification and use and completion of claim forms.  
Procedures for handling claims.  
Use of loss adjusters and content of adjusters’ reports.  
Use of loss assessors.  
Measurement of indemnity for various classes of property insured.  
Distinction between indemnity and reinstatement settlements.  
Calculation of claims involving the use of average conditions.  
Apportionment of losses involving the principle of contribution.  
Settlement of claims involving collective policies.  
Use of policy ‘formulae’ to calculate business interruption claims settlements.  
Importance of the material damage proviso.  
Calculation of gross profit claims on interruption policies including the other circumstances clause and treatment of increase in cost of working, savings and underinsurance.  
Settlement of claims on commercial guarantees and bonds.  
Practical settlement of claims in event of dispute including arbitration and use of alternative dispute resolution.

CONSTRUCTION INSURANCE (INCLUDING ERECTION ‘ALL RISKS’)

DEVELOPMENT AND STRUCTURE

Development and need for construction insurance.  
Legislation applicable to construction insurance.  
Parties to construction contracts.  
The construction market, including Home Foreign.  
Construction and its potential effect on environmental issues.  
Development and structure of other construction related insurances:  
—latent defects insurances;  
—professional indemnity insurance;  
—contract guarantee insurance;  
—civil engineering completed risks.

CONSTRUCTION CONTRACTS (OBLIGATIONS OF INTERESTED PARTIES UNDER INSURANCE AND INDEMNITY CLAUSES)

Joint Contract Tribunal (JCT), Institution of Civil Engineers (ICE), Government Contracts for Building and Civil Engineering Works (GC/Works/1), Contractors Plant Hire Association Model Conditions for Hiring of Plant (CPA Conditions), Engineering and Construction Contract (ECC).  
International Conditions of Contract for Works of Civil Engineering Construction (FIDIC contract), Institution of Mechanical Engineers (IMechE), Institution of Chemical Engineers (IChemE), European Crane Association (ECA).  
Private Finance Initiative (PFI).

POLICY COVER

Non-admitted risks and differences in policy conditions.  
Contract works.  
Machinery erection risks.  
Contractors plant and equipment cover.  
Employers’ liability and public liability.  
JCT 21.2.1.  
Latent defects.  
Professional indemnity.  
Contract guarantee insurance.  
Civil engineering completed risks.

ENGINEERING INSURANCE

DEVELOPMENT AND STRUCTURE

Development of and need for engineering insurance.  
Legislation applicable to engineering insurance.  
Structure and organisation of engineering insurers.  
EU standardisation and requirements for best practices.  
The engineering market, including Home Foreign.

POLICY COVER

Inspected classes.  
Computers.  
Machinery movement.  
Deterioration of stock.  
Miscellaneous plant.

BUSINESS INTERRUPTION RELATING TO ENGINEERING AND CONSTRUCTION INSURANCES

DEVELOPMENT AND STRUCTURE

Development of and need for business interruption insurance.  
Indemnity provided under business interruption policies.  
The business interruption market including Home Foreign.  
Application of reinsurance.

ENGINEERING BUSINESS INTERRUPTION

Engineering business interruption policy cover.  
Computer and miscellaneous risks.

CONSTRUCTION BUSINESS INTERRUPTION

Advance profits policy cover.  
JCT clause 22D Insurance.  
Business interruption covers for contractors following loss or damage to contract works for increased cost of working and additional cost of construction for unbuilt works.  
JCT 25.4.3 insurance for contractors for loss of liquidated damages arising out of negligence.

OTHER BUSINESS INTERRUPTION COVERS

Business interruption covers following latent defects insurance.  
Business interruption covers following civil engineering completed risks insurance.  
Cover for fines and damages and contract overrun.  
The nature of business interruption insurance under Private Finance Initiative.
CLAIMS

Principles of claims handling. 3
Claims procedures, including legal procedures and notification procedures. 2
Determining the extent of liability and application of policy conditions. 3
Estimating claims reserves, including incurred but not reported (IBNR). 2

Knowledge ratings
Each sub-topic has been designated a numerical knowledge rating as follows:
1. General background awareness necessary.
2. Requires a knowledge of the major elements of procedures or concepts and their uses.
3. Requires the ability to evaluate concepts, issues, policies and procedures, together with an understanding of associated aspects of these items and their application to various situations.

Study materials
The following list provides details of various publications which may assist with your studies. The primary text for this syllabus is shown in bold type. Periodicals and publications listed as additional reading will be of value in ensuring candidates keep up to date with developments and in providing a wider coverage of syllabus topics. The reference materials cited are authoritative, detailed works which should be used selectively as and when required.

Most of these additional study materials can be borrowed or purchased from the CII library.

Primary text

Additional reading and reference materials

Periodicals
Civil engineer international. London: EMAP Construct.