



The
Insurance Institute
Of Ireland

PROMOTING PROFESSIONALISM SINCE 1885

GENERAL INSURANCE – BRIDGING MODULE
SYLLABUS 2009

OBJECTIVE: to develop in the candidate:

- an introduction to the concept of risk and general insurance;
- a familiarity with the general insurance market in Ireland;
- an understanding of the regulation that applies to non-life insurance business;
- a sound knowledge and understanding of the legal principles which provide the framework for the transaction of general insurance business;
- an understanding of the underwriting and claims processes in general insurance;
- a knowledge of the type and scope of products available in the general insurance market.

SECTION 1 – GENERAL INSURANCE AND THE INSURANCE MARKET

On completion, the candidate should be able to:

- 1.1 explain the concepts of risk and insurance;
- 1.2 outline, using examples, the classifications into which risks are divided;
- 1.3 describe the features of insurable risks and state the types of risk that are capable of being insured;
- 1.4 recognise the risks faced by general insurance consumers and identify appropriate general insurance solutions in keeping with the Financial Regulator's Consumer Protection Code;
- 1.5 explain the concept of general insurance planning and its benefits to consumers;
- 1.6 describe the concept and purpose of co-insurance and reinsurance.

THE GENERAL INSURANCE MARKET

On completion, the candidate should be able to:

- 1.7 state how the insurance market operates and the relationship between buyers, intermediaries, insurers and reinsurers;
- 1.8 identify how the structure of an insurer affects its operation;
- 1.9 describe how insurance companies can operate on a '*direct*' basis and the advantages and disadvantages of this method;

- 1.10 state the main functions of reinsurers, loss adjusters, loss assessors and risk managers in the general insurance market;
- 1.11 explain the cyclical nature of the insurance market.

SECTION 2 – THE HEALTHCARE SYSTEM AND THE PRIVATE MEDICAL INSURANCE (PMI) MARKET

On completion, the candidate should be able to:

- 2.1 recognise the areas of similarity between the PMI and general insurance markets;
- 2.2 summarise the development of the healthcare (private medical insurance) market in Ireland;
- 2.3 explain the operation and structure of the public healthcare system and Irish health policy;
- 2.4 define the terms primary, secondary, tertiary and long-term care;
- 2.5 explain the relationship between the public healthcare system and private healthcare provision;
- 2.6 recognise the need for Private Medical Insurance;
- 2.7 identify the providers / stakeholders in the provision of PMI i.e. Hospitals, consultants, outpatient clinics, technical centres, GPs, Therapists (physiotherapists, alternative therapists), ambulance providers;
- 2.8 distinguish between provident insurers, commercial insurers, 3rd party administrators and other providers of healthcare insurance;
- 2.9 identify non-EU citizens' healthcare entitlements in Ireland.

SECTION 3 – STATUTORY REGULATION AND VOLUNTARY CODES

COMPULSORY INSURANCE

On completion, the candidate should be able to:

- 3.1 state the circumstances in which particular types of insurance are compulsory in Ireland.

STATUTORY REGULATION

On completion, the candidate should be able to:

- 3.2 explain the purpose of, types of and principles behind regulation;
- 3.3 describe the scope of the Financial Regulator's role for the authorisation of insurers and the supervision of general insurers and intermediaries including its enforcement powers;
- 3.4 identify the system of regulation which applies to the Private Medical Insurance market in Ireland;
- 3.5 state the key areas in which the Health Insurance Acts and Regulations have influenced the development of Private Medical Insurance;
- 3.6 state the functions of the Health Insurance Authority, including its enforcement powers;
- 3.7 identify the purpose and scope of the Financial Regulator's Consumer Protection Code as it applies specifically to non-investment insurance products.

CODES OF PRACTICE

On completion, the candidate should be able to:

- 3.8 state the broad effect of the Irish Insurance Federation's Non-Life Insurance General Code on the conduct of those persons to whom it is applicable.

INDUSTRY ORGANISATIONS

On completion, the candidate should be able to:

- 3.9 identify the membership and main functions of the Irish Insurance Federation (IIF), the Irish Brokers Association (IBA), the Professional Insurance Brokers Association (PIBA), the Comité Européen des Assurances (CEA), the Insurance Institute of Ireland (III), the Association of Compliance Officers in Ireland (ACOI), and the Life Insurance Association (LIA);
- 3.10 state the role of these bodies in relation to regulation.

SECTION 4 – INSURANCE PRODUCTS AND ASSOCIATED SERVICES

GENERAL INSURANCE PRODUCTS

On completion, the candidate should be able to:

- 4.1 outline the basic features and scope of typical policy cover of personal lines policies:
- Motor: private and motor cycle;
 - Insurances of the person: personal accident and sickness;
 - Combined, comprehensive or packaged policies: household and travel.

HEALTHCARE INSURANCE PRODUCTS (AND TAX TREATMENT)

On completion, the candidate should be able to:

- 4.2 outline the basic features and scope of typical policy cover of private medical insurance;
- 4.3 apply the tax relief on premium payment for healthcare insurance products;
- 4.4 explain the tax relief available for healthcare medical expenses;
- 4.5 describe the product providers in the Irish PMI market;
- 4.6 name the range of products provided by each of the product providers in the market;
- 4.7 differentiate between Private Medical Insurance and other health related products such as permanent health insurance and healthcare cash plans;
- 4.8 list the diversified insurance products available from the product providers in the Irish PMI market.

NON-INSURANCE SERVICES

On completion, the candidate should be able to:

- 4.9 recognise the scope of non-insurance services available, specifically:
- Help lines and advice including legal costs services;
 - Authorised repairers;
 - Risk management / advice services;
 - Uninsured loss recovery services.
- 4.10 outline the risk management process in general insurance, its main techniques and how it protects consumers and their business (physically and financially).

SECTION 5 – CREATION AND RUNNING OF INSURANCE POLICIES

INSURABLE INTEREST

On completion, the candidate should be able to:

- 5.1 define insurable interest;
- 5.2 state when insurable interest needs to exist and the circumstances in which it commonly arises;
- 5.3 apply the principle of insurable interest to property, liability and private medical insurance.

UTMOST GOOD FAITH

On completion, the candidate should be able to:

- 5.4 apply the principle of utmost good faith to insurance;
- 5.5 state when the duty of disclosure exists in law and explain how it is modified by policy wordings;
- 5.6 define '*material facts*' and give examples in relation to non-life insurance business;
- 5.7 describe the impact on disclosure of statutory and voluntary industry Codes of Practice;
- 5.8 explain the consequences of non-disclosure for insurance contracts (general, PMI and compulsory insurances).

SECTION 6 – THE OPERATION OF INSURANCE POLICIES

PROXIMATE CAUSE

On completion, the candidate should be able to:

- 6.1 outline the principle of proximate cause and explain how it is modified by policy wordings;
- 6.2 apply the principle of proximate cause to simple general insurance claims.

INDEMNITY

On completion, the candidate should be able to:

- 6.3 define indemnity in relation to those contracts of insurance to which it applies;
- 6.4 explain the relevance of the concept of indemnity to Private Medical Insurance;
- 6.5 state how indemnity applies and the measure of indemnity to be used in relation to various types of insurance;
- 6.6 apply modifications and limiting factors to the principle of indemnity;
- 6.7 outline the principle of contribution and apply principles for the sharing of claim payments between insurers in simple cases;
- 6.8 outline the principle of subrogation and explain the circumstances in which insurers can exercise subrogation rights;
- 6.9 state insurers' rights relating to salvage following total loss settlements;
- 6.10 state the recovery rights available to PMI providers.

SECTION 7 – UNDERWRITING AND POLICY WORDINGS

On completion, the candidate should be able to:

- 7.1 state the legal significance of procedures relating to quotations, proposal forms and statements of fact;
- 7.2 explain the purpose of proposal forms in general insurance, the questions usually common to proposal forms and the alternative / additional methods used by underwriters to obtain material fact;
- 7.3 apply principles concerning the different ways in which general insurance premiums are calculated;
- 7.4 state the relevance of premium payment for valid cover, the methods used by general insurers to collect premiums and the features of insurance premium levy;
- 7.5 outline the principles of:
 - Community rating;
 - Open enrolment;
 - Lifetime cover;
 - Minimum benefits; and
 - Risk Equalisationand explain their influence on PMI underwriting;
- 7.6 describe the legal significance of general insurance procedures relating to the issue of cover notes, policies and certificates of insurance;
- 7.7 explain the structure, functions and contents of a policy form, including the policy schedule;
- 7.8 describe the meaning and significance of common policy exceptions and conditions;
- 7.9 apply excesses, deductibles and franchises to simple insurance claims;
- 7.10 distinguish between warranties, conditions and representations;

- 7.11 identify the effect of a *'basis of the contract'* clause;
- 7.12 state the legal significance of general insurance (including PMI) procedures relating to renewals;
- 7.13 state what reinsurance is and the different methods and types of reinsurance into which a general insurance company can enter;
- 7.14 explain the purpose of reinsurance and its impact on the general insurance underwriting process.

SECTION 8 – CLAIMS

VALID CLAIMS

On completion, the candidate should be able to:

- 8.1 state the legal requirements for a valid claim;
- 8.2 explain why a claim may be invalid or only partially met under general insurance (including PMI) contract;
- 8.3 state the insured's duties after a loss;
- 8.4 outline the documentary evidence needed in relation to claims;
- 8.5 apply claims policy conditions.

CLAIMS SETTLEMENT

On completion, the candidate should be able to:

- 8.6 outline the functions, structure of and procedures observed by the InjuriesBoard.ie;
- 8.7 state when the Motor Insurers' Bureau of Ireland (MIBI) may settle claims by victims of road accidents;
- 8.8 outline the claims settlement options available to insurers;
- 8.9 explain the process of claims assessment with regard to PMI insurance;
- 8.10 outline the application of pricing agreements with hospitals and consultants;
- 8.11 state the purpose and importance of claims reserving;
- 8.12 list the methods by which claims costs can be managed.

IMPORTANT NOTES

- Candidates should note that the examination will test the Bridge Examination in General Insurance Policies syllabus alone.
- The syllabus will be based on Irish law and practice.