



# **CIP-02 – Compliance and Advice**

## **Case Studies and guidance**

## CIP-02 Compliance and Advice

On completion of this module, successful participants should be able to:

- Explain the purpose and source of regulation within which insurance regulation takes place and the role of the Central Bank and other regulatory authorities.
- Illustrate the impact of this regulation on the provision of advice throughout the insurance process.
- Outline and demonstrate the impact of non-insurance specific legislation on insurers and intermediaries, and on the protection of consumers.

The CIP-02 case studies provide opportunities to apply the academic principles learned in the CIP-02 module in a practical work environment, and to develop key skills in communication, writing and problem solving.

**Please also refer to the *Guide to Case Studies*, which contains important information and frequently asked questions about all modules.**

### 1. Completing the Case Studies

There are **8 Work Based Case Studies** for CIP-02. Apprentices should choose any **5 Case Studies** from those on offer. Each one must be completed, marked and submitted by the specified deadline.

As far as possible, apprentices are expected to research within their own organisation (with guidance from their supervisor), cases, documents or other materials that can be applied to the questions being raised. These should be real life examples that demonstrate the link between theory and practice.

The apprentice must then complete the tasks in the specified format. This may, for example, involve writing a short report in MS Word or presenting information in a table. Brief guidance notes are included to ensure clarity about what the apprentice needs to do, and what the supervisor should look for when marking the work.

### 2. The role of the supervisor

The completed case studies will be submitted to and signed off by the nominated Supervisors. A case study marking form is attached in **Appendix 1** for completion and sign off for each case study. For more information about this, please refer to the ***Guide to Case Studies***.

The role of the supervisor is to:

- help the apprentices to locate or create suitable case files, work-based materials or other sources of information
- assess each apprentice's completed case study (on a pass or fail basis)

### 3. Deadlines for submitting the case studies

This semester's key dates are:

CIP-02: Semester 2	
	Submission deadline
1	10 <sup>th</sup> February 2025
2	24 <sup>th</sup> February 2025
3	17 <sup>th</sup> March 2025
4	24 <sup>th</sup> March 2025
5	21 <sup>st</sup> April 2025

**Remember:** these are the final deadlines for uploading the marked case studies to Moodle.

Apprentices and supervisors should agree an appropriate schedule for discussing, completing and marking the questions to ensure that these deadlines are met.

Forward planning is essential – see section 4 below.

### 4. Forward planning

Issuing the case studies in advance allows plenty of time for the apprentices and supervisors to meet the submission deadlines. It also gives adequate notice of any cases and documents that need to be sourced for or by the apprentices.

This table provides a brief summary of what is needed for each of the CIP-02 case studies

	Topic	Resources
1	Why and how we regulate	<ul style="list-style-type: none"><li>Central Bank of Ireland website</li><li>Another regulator's website</li></ul>
2	The impact of regulation	<ul style="list-style-type: none"><li>CIP-02 textbook</li><li>Health Insurance Authority website</li></ul>
3	Consumer Protection Code	<ul style="list-style-type: none"><li>A copy of the firm's Terms of Business.</li><li>Procedures for identifying and accommodating a vulnerable consumer</li></ul>
4	Insurance documentation	<ul style="list-style-type: none"><li>A proposal form or statement of fact (any class of business)</li><li>Consumer Insurance Contracts Act 2019</li></ul>
5	Insurance documentation	<ul style="list-style-type: none"><li>A renewal notice for any class of business and the customer file for that case.</li></ul>
6	Other legal requirements	<ul style="list-style-type: none"><li>The proposal form or statement of fact from topic no. 4</li><li>Details of the firm's data protection procedures</li></ul>
7	Ethics and competency	<ul style="list-style-type: none"><li>Details of the firm's arrangements for complying with the Minimum Competency Code</li><li>The firm's code of conduct (or similar document).</li></ul>
8	Dispute resolution	<ul style="list-style-type: none"><li>A copy of the firm's complaints policy</li><li>A complaint file that shows the progress of a complaint from a consumer, from start to finish.</li></ul>

## **5. A reminder about copying and plagiarism:**

Plagiarism is copying the words or ideas of others and passing it off as your own, and is a most serious academic offence.

All sources that you use must be referenced within your text and in your bibliography.

The case study submissions will be checked for plagiarism.

It does not matter whether you use direct quotations or paraphrase the words of an author, you must reference your source.

Failure to do so may result in a zero mark or other disciplinary action under IT Sligo procedures.

The School of Business uses the Harvard Referencing system.

## **6. Advice on Data Protection:**

Employers and supervisors must ensure that all work-based learning activities comply with the relevant Data Protection legislation and any other legal/regulatory requirements on an ongoing basis. This may, for example, include anonymising or changing the name, addresses and other personal or sensitive information in case files and other resources.

Any information taken from real cases/files is intended for use only in the answering the topic questions.

## **Topic 1: Why and how we regulate**

This assignment is based on the learning outcomes for CIP-02 Chapter 1, Why and how we regulate.

Learning outcomes
On completion of this chapter, students should be able to: <ul style="list-style-type: none"><li>• Identify why government and society seek to regulate financial services firms and distinguish between structural, systemic, prudential and conduct of business regulation.</li><li>• Explain the impact of the European Union and its legislation on the regulation and operation of the Irish insurance market.</li><li>• Demonstrate the European Union developments that have influenced the provision of advice in relation to general insurance products.</li><li>• Outline the main role of the Central Bank</li></ul>

### **Question 1:**

The Central Bank publishes registers of authorised insurance firms on its website. Members of the public can use the search function to check whether or not an insurance provider is authorised.

Use the search facility on <http://registers.centralbank.ie> to find the entry for the firm you work for. Create a table similar to the one below, showing the information from the Central Bank website.

<b>Name of firm:</b>	
<b>Reference number:</b>	
<b>Trading name/s:</b>	
<b>Entity type/s</b>	

### **Question 2**

How has Brexit impacted on (a) Irish insurance businesses and (b) where you work? Explain your views in a few paragraphs. (about 200 words).

### **Question 3**

Insurance is not the only regulated industry in Ireland. There are others, including aviation, communications, transport and energy. Each has a regulatory body with a clearly defined role.

**Find out about ONE of these regulatory bodies, through online or other research.**

- Briefly describe the industry sector and the role of this regulator
- Can you see any important similarities or differences between the role of this regulator and the role of the Central Bank? Briefly outline your findings.

(about 250 words in total)

### **Guidance notes**

#### **Question 1**

*This question requires you to find the relevant information and present it in a table. The table should be formatted correctly and clearly. If you have difficulty finding your firm's entry on the Central Bank website, ask your supervisor for help.*

*Question 2 asks for your own opinion, in the context of the freedoms enjoyed by EU member states. When preparing your answer to part (b), it might be helpful to seek the views of your manager and colleagues.*

#### **Question 3**

*Part (a) is very straightforward and just requires a summary of the main information on the regulator's website.*

*When answering part (b), think about the differences and similarities between the two sectors, the regulatory priorities and the potential risks to consumers/members of the public. There are no right or wrong answers, but you need to present your views in a clear and logical way.*

## Topic 2: The impact of regulation

This assignment is based on the learning outcomes for CIP-02 Chapter 2, Impact of Regulation.

Learning outcomes
On completion of this chapter, students should be able to: <ul style="list-style-type: none"><li>• State the requirements for the authorisation of insurers and intermediaries and demonstrate the main supervisory methods used by the Central Bank.</li><li>• Describe the powers of the Central Bank and demonstrate its enforcement options.</li><li>• Identify the system of regulation that applies to the private health insurance market and the regulatory role of the Health Insurance Authority.</li></ul>

### Question 1

The Central Bank supervises insurers and intermediaries in a number of different ways. As part of the supervision process, both types of firms must submit financial information to the Central Bank.

Using the information in the CIP-02 textbook:

- Briefly describe how the Central Bank checks the financial situation of insurers and intermediaries.
- Why do you think this is a stricter process for insurers than for intermediaries?

(About 300 words in total)

### Question 2

The Health Insurance Authority (HIA) is an independent regulator of the private health insurance market in Ireland. One of its roles is to maintain the register of Health Insurance Undertakings (private health insurers).

- Using the HIA website ([www.hia.ie](http://www.hia.ie)), find the list of authorised Health Insurance Undertakings. Present this information in a table that clearly shows which firms are Open Membership Undertakings, and which are Restricted Membership Undertakings.
- Briefly explain in your own words the difference between an **Open Membership Undertaking** and a **Restricted Membership Undertaking**. (about 100 words).

### **Guidance notes**

#### **Question 1**

*For part (a), your answers should be based on the relevant points in CIP-02 Chapter 2.*

*Part (b) is about understanding the basic differences between insurers and intermediaries, and the reasons why an insurer's financial undertakings are riskier and more complicated than those of an intermediary.*

#### **Question 2**

*For part (a), you just need to find the relevant information on the HIA website and present it in a table. No further explanation is needed. Do not rely on the information in the CIP-02 textbook, as it may be out of date.*

*The table should be formatted correctly and presented very clearly.*

*For part (b), write a few sentences that clearly point out the differences between the two types of health insurer, in terms of the customers that they serve.*

### Topic 3: Consumer Protection Code (Chapters 3 & 4)

This assignment is based on the learning outcomes for CIP-02 Chapter 3 (Agency and relationship management) and Chapter 4 (Impact of the Central Bank Consumer Protection Code)

#### **Relevant learning outcomes from chapters 3 & 4**

On completion of this chapter, students should be able to:

- Explain the scope of a Terms of Business Agreement between a regulated entity and a consumer (Chapter 3)
- Describe and apply the general principles and requirements of the Central Bank Consumer Protection Code (Chapter 4)

#### Question 1

The CPC requires a regulated firm to draw up its ***Terms of Business***. This information must be given to consumers as a stand-alone document.

**Find a copy of your firm's terms of business. Read the document carefully and identify the following elements:**

1. Information about the firm's regulatory status
2. Description of the regulated activities carried out
3. A statement about the nature of advice given to consumers
4. A statement about charges
5. A summary of how the firm uses a consumer's personal data
6. A summary of the firm's policy on conflicts of interest
7. Details of any compensation schemes that give protection to consumers.

**Write a short report (around 300 words) in MS Word about your firm's Terms of Business. It should include:**

- a) A brief outline of at least THREE of the elements listed above (i.e. what the document says about each of the points and what this means).
- b) Details of when and how the Terms of Business are given to consumers.
- c) Your observations about the Terms of Business document. For example: Is it easy to understand? Do you think that a typical consumer will understand the purpose and content of this document? Any other comments or observations?

## Question 2

- a) Briefly explain what is meant by the term **vulnerable consumer**.
- b) Find out how your firm identifies vulnerable consumers and makes arrangements to give them the assistance that they need. Prepare a short report in MS word that explains this process.

(about 200 words in total)

### **Guidance notes:**

#### Question 1

*This report should be in your own words and include all the points in (a), (b) and (c) above.*

*If you work in loss adjusting, your firm's Terms of Business may have a slightly different format. If you are unable to identify three of the elements shown in the question, you may include other points in your answer (as long as you write about at least three elements of your firm's Terms of Business).*

#### Question 2

*If your work area does not deal directly with consumers, you'll need to find out what happens in other departments.*

*Try to find an example of a situation where your firm has made special arrangements for a vulnerable consumer. Write about this in your answer, **but do not include any names or personal information about the consumer**.*

*This report should be in your own words, but you may include extracts from your firm's procedures where appropriate.*

#### Topic 4: Insurance Documentation (Chapter 5)

This assignment is based on the learning outcomes for CIP-02 Chapter 5, Insurance documentation.

Learning outcomes
On completion of this chapter, students should be able to: <ul style="list-style-type: none"><li>• Identify and apply the procedures, including the regulatory requirements, regarding general insurance quotations</li><li>• Explain the methods by which material facts are established</li><li>• Explain the insurance documentation required throughout the insurance process and demonstrate the legal requirements (with consideration of the Consumer Insurance Contracts Act 2019) applying to insurers when issuing this documentation.</li></ul>

Underwriters need information (material facts) to help them make decisions about risks. They gather this information in different ways, including proposal forms, recorded telephone conversations and online quotation systems. Telephone conversations and online quotations are usually followed up with a statement of fact.

**Find a proposal form or a statement of fact for any class of business. Read the questions and think about why they are asked.**

#### Question 1

Identify the general questions about the proposer and the specific questions about the type of cover (e.g., property, liability, health, motor etc.).

Create a table that clearly shows:

- Four general questions about the proposer
- Four specific questions about the risk to be insured
- One or two reasons why each of these questions is asked (i.e., why you think the underwriter needs this information)

#### Question 2

Prior to the introduction of the Consumer Insurance Contracts Act 2019, the proposer was asked to sign a declaration, or confirm in another way that the information they provided was correct? Briefly outline what the insurers' responsibility is with regards the 'proposal form' as a result of the new legislation. (about 100 words)

#### Question 3

In the case of misrepresentation by an insured, what does the Consumer Insurance Contract Act 2019 (CICA 2019) entitle an insurer to do? Briefly outline the options available under the proportionate remedies for misrepresentation as outlined in the Act.

- (a) Do you think the explanation is clear enough to warn the proposer of what might happen if they don't disclose the important information, or if they give false information?

(about 100 words in total)

**Guidance notes:**

Question 1

*You may use a blank proposal form/statement of fact, or one that contains the proposer's details. Your answers must not include any personal information about the proposer or other people.*

*The task requires you to create a table and present the information clearly. You do not need to write any further explanations.*

Question 2

*This question just needs a brief explanation, in your own words.*

Question 3

*Part (a) requires a brief explanation in your own words.*

*Part (b) asks for your opinion. When answering, you should think about the likely background of the proposer. Are they an ordinary person taking out a personal insurance policy, or is this a policy for a big commercial firm?*

## **Topic 5: Insurance Documentation (Chapter 5)**

This assignment is based on the learning outcomes for CIP-02 Chapter 5, Insurance documentation.

Learning outcomes
On completion of this chapter, students should be able to: <ul style="list-style-type: none"><li>• Identify and apply the procedures, including the regulatory requirements, regarding general insurance quotations</li><li>• Explain the methods by which material facts are established</li><li>• Explain the insurance documentation required throughout the insurance process and demonstrate the legal requirements applying to insurers when issuing this documentation.</li></ul>

This assignment is about your firm's renewal procedures.

**Locate a file for a case that was recently renewed (ask your supervisor for help with this). Look at the information on the renewal notice and at what happened before and after the notice was sent to the policyholder.**

Answer these questions about the case.

1. What type of policy is it? How long has the customer been with your firm? State your firm's role in the renewal process (insurer or intermediary).
2. Briefly summarise the information on the notice and the guidance given to the customer. Do you think it's clear enough for them to understand? (about 200 words)
3. When was the renewal notice sent to the customer? Do you think this gave them enough time to think about their options?
4. Was the renewal notice sent by post, or in another way?
5. Were any other documents sent with the renewal notice? Outline what they were and why they are important.
6. Were there any discussions with the customer, intermediary or insurer before the renewal terms were prepared? If so, outline what was discussed and agreed.
7. Is the premium higher or lower than last year? If so, are there any particular reasons for this (e.g., a loading, or a change in the policyholder's no claims discount)?
8. Are the cover, terms and conditions exactly the same as last year. If not, what has changed?
9. What payment method was used to renew the policy?

### ***Guidance notes***

*You should read CIP-02 Chapter 5D before completing this assignment. However, the answers should be based on the information in the file, rather than the textbook.*

*Do not include any personal details about the customer or other people.*

## Topic 6: Other legal requirements

This assignment is based on the learning outcomes for CIP-02 Chapter 6, Other legal requirements.

### **Learning outcomes**

On completion of this chapter, students should be able to:

- Demonstrate the impact of non-insurance specific legislation on activities of insurers and intermediaries in relation to financial crime, data protection and equality.
- Demonstrate the scope of consumer protection legislation impacting on insurance contracts and the main legal and regulatory requirements regarding the retaining of consumer information.

### **Note**

When answering question 1, you should use the proposal form or statement of fact from Topic 4.

### Question 1

The Equal Status Acts prohibit discrimination against individuals on specific grounds. Insurers must comply with this legislation when gathering information and when making decisions about risks.

- a) In your opinion, does the proposal form or statement of fact comply with this requirement? Is there any information that the insurer should not use when pricing a risk or making decisions about cover?
- b) Can you think of some potential questions that could be regarded as discriminatory? Give at least 2 examples and explain why they would be inappropriate.

(about 200 words in total)

### Question 2

When insurers and intermediaries collect, store and use information about a consumer, they must comply with the requirements of the General Data Protection Regulation 2016 (GDPR). This legislation also gives rights to people about information that is held about them.

Find out what happens in your firm when

- a) A customer makes a data subject access request.
- b) A customer asks for their personal data to be erased
- c) A customer asks for all decisions to be made by human input, rather than a computer-based process

Briefly explain the process that is followed in each case. Find out if these processes changed as a result of GDPR and outline the main change/s that were needed. (about 300 words in total).

**Guidance notes:**

Question 1 asks for your own opinion – but you should read CIP-02 Chapter 6C (Equality Legislation) before writing your answer.

Question 2

This question is based the information in Chapter 6B4 of the CIP-02 text. However, you should write about what happens in your workplace, rather than the information in the book.

## Topic 7: Ethics and competency (Chapter 7)

This assignment is based on the learning outcomes for CIP-02 Chapter 7 (Ethics and competency)

### Learning outcomes

On completion of this chapter, students should be able to:

- Identify the importance of fitness and probity in the insurance market and demonstrate the effect of the **Central Bank Reform Act 2010 (Sections 20 and 22) Regulations 2011** and the Central Bank minimum competency requirements.
- Explain the importance of ethical standards in the insurance market, particularly in situations where conflicts of interest arise.

### Question 1

**Find out about how your firm manages its obligations under the Minimum Competency Code (MCC). Answer these questions about the arrangements and how they work.**

1. Who is in charge of making sure that everyone complies with the requirements of the Minimum Competency Code?
2. Are any jobs in your office classified as 'Prescribed script functions'? If so, what are they?
3. As a new entrant, the MCC requires you to work under supervision. Briefly describe how your supervisor checks and signs off your work. Is this very different to the arrangements for supervising your qualified or grandfathered colleagues?
4. How does your firm check that new entrants sit and pass their exams? What happens if someone fails an exam?
5. What are the arrangements for making sure that qualified and grandfathered staff complete the required amount of continuing professional development (CPD)?
6. How do most people in your office complete their CPD requirement? Is it mainly through online courses, or in other ways? Does your firm organise CPD courses or events?

## Question 2

**Conflicts of interest sometimes arise, for this reason most firms have a policy about what is and isn't acceptable and references the Consumer Protection Code addendum.**

**Locate a copy of your firm's code of conduct and read the policy and describe (a) what would happen in these scenarios and (b) the issues involved.**

1. George and Rita's house was badly damaged in a fire that also destroyed some of their most precious possessions. After two months in temporary accommodation, they are back in their home and the claim has been settled. They are very grateful for all your help during such a stressful time. As a thank you, Rita hands you an envelope containing a €150 hotel voucher.
2. An insurer invites you and your broking colleagues to attend an industry conference. You aren't sure what that entails, but you've heard that these types of events usually involve presentations by national and international speakers followed by lunch.

(about 300 words in total)

### ***Guidance notes:***

*Both questions require you to (a) find out about your firm's procedures and (b) describe how those procedures work in practice.*

## Topic 8: Dispute Resolution (Chapter 8)

This assignment is based on the learning outcomes for CIP-02 Chapter 8 (Dispute resolution)

### **Learning outcomes**

On completion of this chapter, students should be able to:

- Demonstrate the effect of the Central Bank Consumer Protection Code on errors and complaint resolution
- Explain the role of the Financial Services and Pensions Ombudsman in dispute resolution.
- Outline the role of the Insurance Compensation Fund and the Investor Compensation Scheme and demonstrate the limitations of these schemes.

**The CPC requires insurers and intermediaries to have a written policy for handling complaints.**

**Find a copy of your firm's complaints procedure and see how complaints are reported, investigated and resolved in your workplace.**

### Question 1

A local newspaper plans to publish a story with the headline: *'Insurance Firms Ignore Customer Complaints'*. Your manager is concerned that this will bring bad publicity and wants to prepare an article showing how your firm deals with complaints. She has asked for your help in writing this article, which will appear on the firm's website and customer newsletter.

Write a short article explaining what a consumer can expect if they make a complaint to your firm about a product or service. (about 250 words)

## Question 2

Locate a file for a consumer complaint that was resolved through your firm's internal complaints procedure (ask your supervisor for help with this). Read the file to see the progress of the complaint from its initial notification to its conclusion.

- (a) Briefly describe the complaint and the reason why the consumer was dissatisfied.
- (b) Outline the steps that were taken to investigate the complaint.
- (c) Explain how the complaint was resolved, including whether the consumer was satisfied with the outcome.

(about 250 words in total)

### **Guidance notes:**

#### Question 1

*Remember that you're writing an article – it should be in plain English, with a clear and logical flow. Include details of how a consumer can make a complaint and the process that will be followed.*

#### Question 2

*Your answer should be based on the information in the complaint file, rather than the textbook. However, you should include details of whether the regulatory deadlines were met at the different stages of the process.*

*Do not include any personal information about the people involved in the complaint*



## **Appendix 1:**

# **Case Study Marking Form**

# CASE STUDY MARKING FORM

Case Study No.

Topic No.  Topic Title  Insurance Module

Learning Outcome:

## **To be completed by the Apprentice:**

I confirm that all the work on the case study is my own work.

Signed ----- (Apprentice) Date -----

Apprentice Student Number \_\_\_\_\_

## **To be completed by the Supervisor:**

Checklist (please circle pass or fail as appropriate):

Attempt 1	Attempt 2	Attempt 3
Pass/Fail	Pass/Fail	Pass/Fail

PRINT Name: \_\_\_\_\_ (Supervisor)

Signed ----- (Supervisor) Date -----