

ApEx12

Overseeing on a day-to-day basis administrative functions for effecting or carrying out of life policies

Summary of Learning Outcomes

Learning Outcomes are also numbered according to the level of attainment required (K1, U1, U2, An1, etc.)

SUMMARY OF LEARNING OUTCOMES

ApEx 12 OVERSEEING ON A DAY-TO-DAY BASIS ADMINISTRATIVE FUNCTIONS IN RELATION TO THE EFFECTING OR CARRYING OUT OF LIFE POLICES	
12A Life policies	Level
Candidates will be expected to:	
K Demonstrate a knowledge of:	
K1 basic principles of taxation of life policies	Knowledge
K2 group life	Knowledge
K3 payment methods and non-payment issues	Knowledge
K4 policy issues	Knowledge
K5 principles of medical underwriting	Knowledge
K6 knowledge of basic product types	Knowledge
K7 policy administration	Knowledge
K8 limits of authority	Knowledge
U Demonstrate an understanding of:	
U1. life policy claims	Comprehension
U2. unit linking	Comprehension
U3. with profits	Comprehension
U4. trusts	Comprehension
U5. principles of financial underwriting	Comprehension
12B Pensions	
Candidates will be expected to:	
K Demonstrate a knowledge of:	
K9 basic principles of pension taxation	Knowledge
K10 Inland Revenue approval	Knowledge
K11 basic pension product types / features	Knowledge
K12 group pensions	Knowledge
K13 payment methods and non-payment issues	Knowledge
K14 pension policy issue	Knowledge
K15 group pensions	Knowledge
K16 Financial Services Authority rules	Knowledge
K17 disclosure requirements	Knowledge
K18 complaint referral	Knowledge

U Demonstrate an understanding of:	
U6. pension claims and options available when taking benefits	Comprehension
U7. pensions and divorce	Comprehension
U8. unit linking	Comprehension
U9. with profits	Comprehension
U10. trusts	Comprehension
U11. policy administration	Comprehension

Indicative Content
for each Learning Outcome

**ApEx 12 OVERSEEING ON A DAY-TO-DAY BASIS ADMINISTRATIVE FUNCTIONS
IN RELATION TO THE EFFECTING OR CARRYING OUT OF LIFE POLICES**

Attainment Level	Outcome	Indicative Content
12A Life policies		
K Demonstrate knowledge of:	K1 Basic principles of taxation of life policies	K1.1 Tax treatment of premiums K1.2 Tax treatment of the fund K1.3 Tax treatment of the benefits K1.4 Qualifying and non-qualifying policies K1.5 Off shore / onshore K1.6 Chargeable events or gains K1.7 Requirements for qualifying policies K1.8 What can change status of qualifying policies K1.9 Inland revenue approval K1.10 Endorsement/assignment/trading
	K2 Group life	K2.1 Key features of a group life scheme K2.2 Group scheme vs individual policies K2.3 Employer contributions
	K3 Payment methods and non payment issues	K3.1 How payments are collected K3.2 Direct debits vs standing orders, DD guarantees, payment by cheque, cash, anti-money laundering issues, debit cards K3.3 Issues with different types of payment method K3.4 Regular payments K3.5 Single premiums K3.6 Consequences of non-payment K3.7 Paid up policies K3.8 Lapses

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12A Life policies		
K Demonstrate knowledge of:	K4 Policy issues	K4.1 Key stages K4.2 From proposal to policy: sale/ pre sale considerations K4.3 Documents customers are entitled to receive K4.4 Requirements for offer, consideration and acceptance K4.5 Policy set up, e.g. single life, joint life, life of another K4.6 Insurable interest K4.7 Probate K4.8 Legal capacity to take out a policy K4.9 Minimum ages K4.10 Jurisdiction K4.11 Offer and counter offer for proposals K4.12 Issues raised by ordinary residence and domicile K4.13 Sale of policies K4.14 Mortgage related assignments
	K5 Principles of medical underwriting	K5.1 Disclosure and the principle of utmost good faith K5.2 Non-disclosure and the consequences K5.3 Ratings /Declinatures /Exclusions / Treatment of non standard risks K5.4 Types of evidence sought K5.5 GPR/MER/Other tests K5.6 Types of questionnaire

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12A Life policies		
K Demonstrate knowledge of:	K6 Knowledge of basic product types	K6.1 Typical functions of a policy K6.2 Reasons for client to have a particular policy K6.3 How policies are structured K6.4 Whole of life K6.5 Term protection, income protection and critical illness K6.6 Endowments K6.7 Single premium investment bonds K6.8 Different types of business assurance contracts, group / individual products
	K7 Policy administration	K7.1 Alteration K7.2 Typical variations K7.3 Assignment K7.4 Surrender K7.5 Late payments and consequences of non-payment K7.6 Paid up policies K7.7 Fund switching K7.8 Policy loans K7.9 Writing in trust: representing trust at outset and declaring trust later
	K8 Limits of authority	K8.1 Importance of limits of authority and consequence of acting outside them
U Demonstrate understanding of:	U1 Life policy claims	U1.1 Proof of title and ownership e.g. assigned / in trust U1.2 Options available on death and documentation required U1.3 Options available on maturity and documentation required U1.4 Options available on disability and documentation required U1.5 Options available on terminal illness and documentation required U1.6 Options available on surrender and documentation required U1.7 Fraud awareness

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Attainment Level	Outcome	Indicative Content
12A Life policies		
U Demonstrate understanding of	U2 Unit linking	U2.1 Principles: how it works U2.2 Different pricing bases U2.3 Allocation rates U2.4 Charges U2.5 Capital units/accumulation units U2.6 Effect of charges on investment returns
	U3 With profits	U3.1 How it works: principles of smoothing U3.2 Market valuation reductions U3.3 Operating structure U3.4 Valuation of unitised with profits and how this differs from traditional/standard with profits U3.5 How this differs from unit-linked
	U4 Trusts	U4.1 Definition and types of trust U4.2 Rights and responsibilities of the different parties to a trust U4.3 Amendments to trusts U4.4 Effect of writing a plan in trust U4.5 Taxation of policies held by trustees
	U5 Principles of financial underwriting	U5.1 Managing risk U5.2 Insurable interest U5.3 Establishing the existence of financial risk

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Attainment Level	Outcome	Indicative Content
12B Pension policies		
K Demonstrate knowledge of	K9 Basic principles of pension taxation	K9.1 Contributions K9.2 Pension fund K9.3 Benefits at crystallisation and on death K9.4 Tax treatment of payments
	K10 Inland Revenue approval	K10.1 Mandatory and discretionary approval for schemes: process for obtaining and retaining it K10.2 Post April 6 2006 requirements for registered schemes
	K11 Basic pension product types / features	K11.1 Post 'A' day products K11.2 Carry over of pre 'A' day entitlement to tax free cash: Section 32 buy out plans and applicable occupational schemes K11.3 Contribution limits according to age or income K11.4 Options at retirement K11.5 Stakeholder contracts: key features and standards required to achieve stakeholder status K11.6 Interaction of state and private schemes: ways in which schemes and individuals can contract out of State Second Pension; implications of doing so on both state benefits and the scheme used for contracting out

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12B Pension policies		
K Demonstrate knowledge of	K12 Group pensions	K12.1 Key features of a group pension scheme (GPP and occupational scheme) K12.2 Distinction between employer trust schemes and institution-offered manager schemes K12.3 Individual vs group: key difference and implications K12.4 Role and responsibilities of trustees K12.5 Employer contributions and limits of these K12.6 Employer/e regular or single premiums K12.7 Payment deadline date for employer contributions K12.8 Registration of schemes K12.9 Refunding contributions
	K13 Payment methods and non payment issues	K13.1 Who has responsibility to collect payments with each type of pension contract K13.2 How payments are collected K13.3 Direct debits vs standing orders, DD guarantees, payment by cheque, cash, anti-money laundering issues, debit cards K13.4 Issues with different types of payment method K13.5 Transfers K13.6 Regular payments K13.7 Lump sum K13.8 Timing of payments K13.9 Consequences of non- payment
	K14 Pension policy issue	K14.1 Key stages from application to pension issue and documentation to which customers are entitled K14.2 Information contained within illustrations and key features documents K14.3 Legal capacity to take out a pension: minimum ages for each pension type, jurisdiction, capacity to contract K14.4 Compliance procedures required when arranging a pension plan K14.5 Annual statements

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12B Pension policies		
K Demonstrate knowledge of	K15 Principles of medical underwriting	K15.1 Impaired life annuities K15.2 Life assurance under registered pension schemes, group life insurance schemes and contribution protection
	K16 Financial Services Authority rules	K16.1 Illustrations K16.2 Cancellation notices and withdrawals K16.3 Timely execution K16.4 Dispute resolution
	K17 Disclosure requirements	K17.1 Requirements under current pensions legislation
	K18 Complaint referral	K18.1 Role of trustees, TPAS, Pensions Ombudsman: what each scheme can consider and how they interrelate with one another and the Financial Ombudsman Service

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12B Pension policies		
U Demonstrate understanding of:	U6 Pension claims and options available when taking benefits	U6.1 Types of benefit payable, including widow's pension and guarantees U6.2 Regular withdrawals U6.3 Paid-up /surrender U6.4 Death claims: what is payable, to whom and documentation required U6.5 Pension fund withdrawal rules pre and post A-Day U6.6 Tax free cash sum: availability U6.7 Annuity: how it works, options available, open market option, factors influencing income received U6.8 Protected rights U6.9 Guaranteed minimum pensions U6.10 Transitional arrangements post 'A' day: preservation of tax free entitlement, enhanced protection and primary protection U6.11 Proof of age/retirement U6.12 How to deal with fund switches U6.13 Waiver of contribution benefit claims U6.14 Transfer claims: legal requirements; what can be transferred where; risk of 'trust busting' and steps to avoid it
	U7 Pensions and divorce	U7.1 Duties and rights of schemes and members in relation to how pension benefits can be treated on divorce
	U8 Unit linking	U8.1 Principles: how it works U8.2 Different pricing bases U8.3 Allocation rates U8.4 Charges U8.5 Capital units/accumulation units U8.6 Effect of charges on investment returns

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12B Pension policies		
U Demonstrate understanding of:	U9 With profits	U9.1 How it works: principles of smoothing U9.2 Market valuation reductions U9.3 Operating structure U9.4 Valuation of unitised with profits and how this differs from traditional/standard with profits U9.5 How this differs from unit-linked
	U10 Trusts	U10.1 The role of trusts in pensions administration U10.2 Types of pension / benefits which can be placed under trust U10.3 How to deal with trusts U10.4 Responsibilities of the different parties to a trust U10.5 Amendments to trusts U10.6 Powers of trustees
	U11 Policy administration	U11.1 Alterations, including projections U11.2 Typical variations U11.3 Late payments and consequences of non-payment U11.4 Waiver of contribution U11.5 Paid up pensions U11.6 Fund switching U11.7 Pension loans U11.8 Additional / fluctuating payments U11.9 Proof of earnings U11.10 Transfer in/out (from one scheme to another) U11.11 Death