



**THE CHARTERED INSURANCE INSTITUTE**

**DIPLOMA**

**APRIL 2010 EXAMINATION PAPER**

**UNIT P86  
PERSONAL INSURANCES**

**INSTRUCTIONS**

- Two hours are allowed for this paper.
- Fill in the information requested on the answer booklet and on form B.
- You are allowed to write on the inside pages of this question paper but you must **NOT** write your name, candidate number, PIN or any other identification anywhere on this question paper.
- **The answer booklet and this question paper must be handed in personally by you to the invigilator before you leave the examination. Failure to do this may result in your paper not being marked and you may be prevented from entering this examination in future.**

**READ THE INSTRUCTIONS OVERLEAF CAREFULLY BEFORE ANSWERING ANY QUESTIONS.**



THE CHARTERED INSURANCE INSTITUTE

**P86 – Personal insurances**

**CANDIDATE INSTRUCTIONS**

**READ THE INSTRUCTIONS BELOW BEFORE ANSWERING ANY QUESTIONS.**

Two hours are allowed for this paper which contains 15 short answer questions and carries a total of 130 marks.

The number of marks allocated to each question part is shown next to the question and you should spend your time in accordance with that allocation.

Answer each question on a new page. If a question has more than one part, leave several lines blank after each part.

It is important to show each step in any calculation, even if you have used a calculator.

You may find it helpful in some places to make rough notes in the answer booklet. If you do this, you should cross through these notes before you hand in the booklet.

**Answer ALL questions.**

**Note form is acceptable where this conveys all the necessary information.**

1. List ten common exclusions found in household insurance policies. (10)
2. Identify five key differences between a standard household insurance policy and insurance cover for blocks of flats. (5)
3. Summarise three measures used by insurers to prevent fraudulent claims. (9)
4. Outline the importance of the sum insured in buildings insurance underwriting and rating. (6)
5. Describe briefly four methods by which insurers may utilise the internet to market personal lines insurances. (8)
6. Discuss four ways in which contribution may arise between household insurance policies and other forms of insurance covers. (12)
7. Outline four items of information that needs to be considered for the risk assessment of small craft insurance policies. (8)
8. Explain the contents of a typical surveyor's report for household insurance. (12)

9. Discuss three benefits a Management Information System might provide to a household insurer. (9)
  
10. Other than cash payment, describe briefly the three bases of claims settlement available to insurers in a standard personal insurance policy, including the benefits of each. (9)
  
11. List four factors used in rating a payment protection insurance policy. (4)
  
12. Outline the accidental damage cover included within a basic household contents insurance policy. (9)
  
13. Describe the six outcomes required by the Financial Services Authority to show that an organisation is treating its customers fairly. (6)
  
14. Explain briefly five implied duties with which the insured and insurer must comply in the event of a claim. (10)
  
15. Describe three types of policy under which cover can be given for home working. (13)

**BLANK PAGE**

**BLANK PAGE**

