

P86

Diploma in Insurance

Unit P86 – Personal insurances

April 2015 examination

Instructions

- Two hours are allowed for this paper.
- **Do not begin writing until the invigilator instructs you to.**
- **Read the instructions on page 3 carefully before answering any questions.**
- Provide the information requested on the answer book and 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 book and this question paper **must both be handed in personally by you** to the invigilator before you leave the examination room. **Failure to comply with this regulation will result in your paper not being marked and you may be prevented from entering this examination in the future.**

Unit P86 – Personal insurances

Instructions to candidates

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.
- Read carefully all questions and information provided before starting to answer. Your answer will be marked strictly in accordance with the question set.
- The number of marks allocated to each question part is given next to the question and you should spend your time in accordance with that allocation.
- 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.
- It is important to show each step in any calculation, even if you have used a calculator.
- If you bring a calculator into the examination room, it must be a silent, battery or solar-powered non-programmable calculator. The use of electronic equipment capable of being programmed to hold alphabetic or numerical data and/or formulae is prohibited. You may use a financial or scientific calculator, provided it meets these requirements.
- Answer each question on a new page. If a question has more than one part, leave six lines blank after each part.

Answer ALL questions**Note form is acceptable where this conveys all the necessary information**

1. List **six** elements of cover that are usually included in a policy for a high net worth home, but are usually optional covers under a typical household policy. (6)
2. Describe the cover under a typical mobile phone policy, providing **six** specific exclusions. (12)
3. (a) State the obligations the Consumer Insurance (Disclosure and Representations) Act 2012 places on both the consumer and insurer. (3)
(b) Outline the remedies available to the insurer in the event of misrepresentation by the consumer. (6)
4. Describe the cover and exclusions under the frozen food section of a household contents policy. (8)
5. State **six** specific exclusions found in typical, before the event legal expenses insurance. (6)
6. Describe the information included in a typical surveyor's report at the new business stage of a household insurance transaction. (15)
7. (a) Outline **five** features that must be satisfied before a complaint can be submitted to the Financial Ombudsman Service (FOS). (5)
(b) Outline the methods of funding the FOS. (3)
8. Describe the rights of the insurer following a claim. (10)

9. Explain why insurers may require certain items to be specified under the household contents policy. (8)

10. (a) State the principle of subrogation. (2)
(b) Identify **four** modifications to this principle. (4)

11. Explain briefly the cover available for 'loss of rent' under a typical household buildings policy. (5)

12. Describe briefly **three** optional extensions available under a travel insurance policy. (12)

13. (a) Explain briefly the term 'accidental' in the context of a personal accident policy. (3)
(b) Distinguish between the terms 'permanent total disablement' and 'permanent partial disablement', giving an example of **each**. (6)

14. State the key information that must be provided to consumers under the Electronic Commerce Directive. (8)

15. Describe the cover and exclusions under the student belongings extension of a typical household contents policy. (8)

BLANK PAGE

