

## P86

### Diploma in Insurance

#### Unit P86 – Personal insurances

October 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. Outline **three** factors household insurers use as indicators of moral hazard. (6)
  
2. Describe the cover available under the emergency assistance services section of a typical household policy. (12)
  
3. List **six** risks that may be excluded under a payment protection insurance policy. (6)
  
4. (a) Explain briefly how the fraud condition is used by insurers. (4)  
(b) Outline the use of **three** databases used by insurers in the attempt to prevent fraudulent claims. (6)
  
5. Describe the cover available under the alternative accommodation section of a household contents policy. (6)
  
6. Identify **six** areas covered by the Privacy and Electronic Communications (EC Directive) 2003 and 2011. (6)
  
7. Outline **six** factors to be included in the premium calculation for a household insurance product that do not relate to the risk presented. (12)
  
8. List **six** statements confirmed by the health declaration in a travel insurance policy. (6)

9. Describe how household insurers may tailor their products to target three distinct groups of policyholders. (12)
10. (a) Define indemnity. (2)
- (b) Outline **four** instances when a claim under a 'new for old' policy would be settled on an indemnity basis. (8)
11. Identify **five** risk assessment features that a household insurer would take into account when considering cover on a thatched property, providing **two** examples of conditions likely to be applied. (7)
12. Explain the role of the loss adjuster in investigating a claim. (12)
13. Outline **six** benefits to the business of a management information system. (12)
14. Describe the cover and exclusions under the legal liability section of a typical caravan policy. (7)
15. List **six** items usually included in the definition of 'valuables' under a household contents policy. (6)

**BLANK PAGE**



