

16. What are the potential consequences of an insured's deliberate non-disclosure of relevant information becoming apparent when a claim is made?
- A. The insurer must pay the claim then cancel the policy.
 - B. The policy is voidable from inception at the insurer's option.
 - C. The policy is voidable from inception at the policyholder's option.
 - D. The insurer can only avoid the claim but must continue the policy.

Key option: B

Learning outcome: 3.8

18. Which insurance principle describes a policyholder's duty to disclose relevant information?
- A. Contribution.
 - B. Indemnity.
 - C. Insurable interest.
 - D. Good faith.

Key option: D

Learning outcome: 3.5

21. Whilst assisting a client to complete a proposal form for a household insurance policy, a broker **must** explain the customer's duty to disclose
- A. facts of law.
 - B. relevant information and the consequences of non-disclosure.
 - C. facts which lessen the risk.
 - D. spent convictions.

Key option: B

Learning outcome: 1.2

22. The disclosure of all relevant information enables an underwriter to
- A. arrange adequate reinsurance.
 - B. automatically accept a proposal.
 - C. fully assess the level of risk.
 - D. guarantee the payment of future claims.

Key option: C

Learning outcome: 3.6

36. What rate of Insurance Premium Tax, if any, would be payable on the addition of a motor vehicle to an existing motor policy?
- A. None.
 - B. 9%
 - C. 10%
 - D. 20%

Key option: C

Learning outcome: 4.7

42. A household insurer will **usually** obtain information from a proposer by
- A. asking the proposer specific questions via the telephone or internet.
 - B. completing a demands and needs statement with the proposer.
 - C. obtaining a surveyor's valuation report.
 - D. requesting information from the previous insurer.

Key option: A

Learning outcome: 4.1

54. A property insurance contract is void from inception if there was a
- A. breach of good faith.
 - B. breach of a policy condition precedent to liability.
 - C. breach of warranty.
 - D. lack of insurable interest.

Key option: D

Learning outcome: 6.8