

42. When Insurance Premium Tax is charged on a household insurance premium of £200, the amount of tax payable is
- A. £12
 - B. £20
 - C. £35
 - D. £40

Key option: B

Learning outcome: 2.10

63. An underwriter calculates a basic insurance premium of £300 for a vehicle, but charges £330 to the insured. The difference of £30 is **most likely** to represent
- A. commission.
 - B. a fee.
 - C. Insurance Premium Tax.
 - D. Value Added Tax.

Key option: C

Learning outcome: 2.10

66. A proposer for business insurance **must** make a fair presentation of the risk insured so that an underwriter can
- A. assess the risk.
 - B. differentiate between moral and physical hazards.
 - C. issue a certificate of insurance.
 - D. provide risk control advice.

Key option: A

Learning outcome: 2.1