

1. A commercial customer applying for office insurance has been burgled a number of times recently. In accordance with the principle of good faith, when **must** this be disclosed to the insurer?
- A. During the proposal stage.
 - B. Only if a specific question is asked.
 - C. Immediately after the quotation is received.
 - D. Immediately after the premium is paid.

Key Option A

Learning Outcome 1.01

2. Which insurance principle allows an insurer, once it has indemnified the insured, to take over the insured's right to recover payment from a third party responsible for a loss?
- A. Contribution.
 - B. Proximate cause.
 - C. Subrogation.
 - D. Good faith.

Key Option C

Learning Outcome 1.05

6. The principle of good faith is applied to commercial insurance contracts because the
- A. proposer has more knowledge of the risk than the underwriter.
 - B. underwriter has more knowledge of the risk than the proposer.
 - C. proposer and the underwriter have equal knowledge of the risk.
 - D. proposer and the underwriter need to increase their knowledge of the risk.

Key Option A

Learning Outcome 1.01