



Chartered
Insurance
Institute

IMP

Motor insurance products and policies (India)

Based on the 2021/2022 syllabus
examined from 1 May 2021 until 30 April 2022

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Introduction

This examination guide has been produced by the Qualifications and Assessments Department at the Chartered Insurance Institute to assist students in their preparation for the IMP examination. It contains a specimen examination with answer key.

Ideally, students should have completed the majority of their studies before attempting the specimen examination. Students should allow themselves two hours to complete the examination. They should then review their performance to identify areas of weakness on which to concentrate the remainder of their study time.

Although the specimen examination in this guide is typical of an IMP examination, it should be noted that it is not possible to test every single aspect of the syllabus in any one particular examination. To prepare properly for the examination, candidates should make full use of the tuition options available and read as widely as possible to ensure that the whole syllabus has been covered. They should also endeavour to keep as up-to-date as possible with developments in the industry.

Background Information

CII examination questions undergo a rigorous writing and editing process before reaching an examination. The questions are written to strict guidelines by practitioners with relevant technical knowledge and experience. Questions are very carefully worded to ensure that all the information required to answer the question is provided in a clear and concise manner. They are then edited by an independent panel of experienced practitioners who have been specifically trained to ensure that questions are technically correct, clear and unambiguous. As a final check, each examination is scrutinised by the Senior Examiner and a CII assessment expert.

Occasionally a question will require amendment after the examination guide is first published. In such an event, the revised question will be published on the CII website:

- 1) Visit <https://shop.ciigroup.org/motor-insurance-products-and-policies-india-imp--imp.html>
- 2) Select 'exam guide update' on the right-hand side of the IMP unit page

Candidates should also refer here for the latest information on changes to law and practice and when they will be examined.

Syllabus

The IMP syllabus is published on the CII website at www.cii.co.uk. **Candidates should note that the examination is based on the syllabus, rather than on any particular tuition material.** Of course, the tuition material will provide the vast majority of the information required to perform well in the examination, but the CII recommends that students consult other reference materials to supplement their studies.

Skill Specification

The skill level tested in each examination question is determined by the syllabus. Each learning outcome specifies the level of skill required of candidates and thus the level at which candidates may be tested.

Learning outcomes for IMP begin with *understand or apply*. Different skill levels lead to different types of questions, examples of which follow.

Understand - To answer questions based on understanding, the candidate must be able to link pieces of information together in cause-and-effect relationships. Typically questions may ask 'Why'. Questions set on an *understand* learning outcome can test either knowledge or understanding or both.

Apply - To answer application questions, the candidate must be able to apply their knowledge and/or understanding to a given set of circumstances. Questions set on a *be able to apply* learning outcome can test knowledge and/or understanding as well as application.

Examination Information

The method of assessment for the IMP examination is 50 multiple choice questions (MCQs) and 5 case studies, each comprising 5 MCQs. 2 hours are allowed for this examination.

The IMP syllabus provided in this examination guide will be examined from 1 May 2021 until 30 April 2022.

Candidates will be examined on the basis of English law and practice unless otherwise stated.

The general rule is that legislative and industry changes will not be examined earlier than 3 months after they come into effect.

Section A consists of 50 multiple choice questions. A multiple choice question consists of a problem followed by **four** options, labelled A, B, C and D, from which the candidate is asked to choose the correct response. Each question will contain only **one** correct or best response to the problem posed. One mark is awarded for each correct response identified by the candidate. No mark is awarded if the candidate either chooses an incorrect response, chooses more than one response or fails to choose any response. No marks are deducted for candidates choosing an incorrect response.

Section B contains five case studies each followed by five questions. **Four** options follow each question. The options are labelled A, B, C and D. Only **one** of these options will be correct or best. One mark is awarded for each correct response identified by the candidate. No mark is awarded if the candidate either chooses an incorrect response, chooses more than one response or fails to choose any response. No marks are deducted for candidates choosing an incorrect response.

While no questions involve complex calculations, candidates are permitted to use calculators during the examination. 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.

Candidates are permitted to make rough notes. Candidates are **not** permitted, under any circumstances, to remove any papers relating to the examination from the examination room.

Examination Technique: Multiple Choice Questions

The best approach to multiple choice examinations is to work methodically through the questions.

The questions are worded very carefully to ensure that all the information required is presented in a concise and clear manner. It cannot be emphasised too strongly that understanding the precise meaning of the question is vital. If candidates miss a crucial point when reading the question it could result in choosing the wrong option. Candidates should read carefully through the question and all the options before attempting to answer.

Candidates should pay particular attention to any words in the question which are emphasised in bold type, for example, **maximum**, **minimum**, **main**, **most**, **normally** and **usually**. Negative wording is further emphasised by the use of capital letters, for example **NOT**, **CANNOT**.

Candidates should not spend too much time on any one question. If they cannot make up their mind, they should leave the question and come back to it later.

When all of the questions have been answered, it is prudent to use any remaining time to go through each question again, carefully, to double-check that nothing has been missed. Altering just one incorrect response to a correct response could make the difference between passing and failing.

After the Examination

Rigorous checks are made to ensure the correctness of the results issued. A pre-defined quota of passes to be awarded does not exist. If all candidates achieve a score of at least the pass mark, then all candidates will be awarded a pass grade. Individual feedback on the candidate's examination performance is automatically provided and will indicate the result achieved and, for each syllabus learning outcome, the percentage of questions in the examination that were answered correctly.

Motor insurance products and policies (India)

Objective

To provide knowledge and understanding of the fundamental principles and practices relating to motor insurance products and policies in India.

Summary of learning outcomes	Number of questions in the examination*
1. Understand the structure of the motor insurance market in India	5
2. Understand the main types of motor insurance policies and their key features and the risks that they cover	20
3. Understand key principles of the operation of motor insurance	15
4. Apply the principles and features of motor insurance to a given set of circumstances	15
5. Understand the legal, regulatory and ethical considerations for motor insurance	10
6. Apply the legal, regulatory and ethical considerations for motor insurance	10

* The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

Important notes

- Method of assessment: 50 multiple choice questions (MCQs) and 5 case studies each comprising 5 MCQs. 2 hours are allowed for this examination.
- This syllabus will be examined from 1 May 2021 until 30 April 2022.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
 1. Visit www.cii.co.uk/qualifications
 2. Select the appropriate qualification
 3. Select your unit from the list provided
 4. Select qualification update on the right hand side of the page

1. Understand the structure of the motor insurance market in India

- 1.1 Explain the role and function of the different participants in the motor insurance market in India

2. Understand the main types of motor insurance policies and their key features and the risks that they cover

- 2.1 Describe the key insurable risks relating to vehicles
- 2.2 Explain the main types of policies and their features, typical cover and exclusions

3. Understand key principles of the operation of motor insurance

- 3.1 Describe the key functions that contribute to motor insurance policies and delivery
- 3.2 Explain the features and importance of providing good client servicing
- 3.3 Explain how innovations and technology can assist and improve the operation and customer experience of motor insurance

4. Apply the principles and features of motor insurance to a given set of circumstances

- 4.1 Apply the principles and features of motor insurance to a given set of circumstances

5. Understand the legal, regulatory and ethical considerations for motor insurance

- 5.1 Explain legislation relevant to motor insurance
- 5.2 Explain regulations relevant to motor insurance
- 5.3 Explain prevention of financial crime
- 5.4 Explain ethical considerations relevant to motor insurance

6. Apply the legal, regulatory and ethical considerations for motor insurance

- 6.1 Apply laws and regulation to scenarios
- 6.2 Apply ethical considerations to scenarios

Reading list

The following list provides details of further reading which may assist you with your studies.

Note: The examination will test the syllabus alone.

The reading list is provided for guidance only and is not in itself the subject of the examination.

The resources listed here will help you keep up-to-date with developments and provide a wider coverage of syllabus topics.

CII study texts

Motor insurance products and policies.
London: CII. Study text IMP.

Examination guide

If you have a current study text enrolment, the current examination guide is included and is accessible via Revisionmate (www.revisionmate.com). Details of how to access Revisionmate are on the first page of your study text. It is recommended that you only study from the most recent version of the examination guide.

Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.

SECTION A

1. Which type of motor insurance policy is mandatory In India?
 - A. Liability plus fire and theft policy.
 - B. Package policy only.
 - C. Package policy with add-ons.
 - D. Stand-alone liability policy.

2. What is the current rate of Goods and Services Tax (GST) for motor insurance policies?
 - A. 15%
 - B. 18%
 - C. 20%
 - D. 28%

3. Under the Insurance Regulatory and Development Authority of India (Reinsurance) Regulations 2018, what percentage of every motor insurance premium is ceded by the insurer for reinsurance and paid to GIC Re?
 - A. 3%
 - B. 5%
 - C. 8%
 - D. 10%

4. Which type(s) of insurance can a direct broker arrange for its clients?
 - A. Life and health insurance only.
 - B. Life, non-life and health insurance only.
 - C. Life, non-life, health insurance and reinsurance.
 - D. Reinsurance only.

5. In relation to motor insurance, what is covered by an extended warranty?
 - A. Accidental damage.
 - B. Carelessness.
 - C. Fire.
 - D. Manufacturing defects.

6. A car is damaged as a result of flood following excessive rainfall. The motor insurer will consider the damage to be an
 - A. insured hazard.
 - B. insured peril.
 - C. uninsured hazard.
 - D. uninsured peril.

7. A bus collecting pupils from home and taking them to school would be classed as what type of vehicle?
- A. A miscellaneous vehicle.
 - B. A non-transport vehicle.
 - C. A private service vehicle.
 - D. A public service vehicle.
8. For what purpose can a private car be used?
- A. Motor trade.
 - B. Social, domestic and pleasure.
 - C. Stock car racing.
 - D. Taxi service.
9. What type of add on product bridges the gap between the Insured Declared Value (IDV) and the purchased value of the vehicle?
- A. Consumables cover.
 - B. Conveyance allowance.
 - C. Return to invoice car insurance.
 - D. Zero depreciation cover.
10. Dhruv wants to arrange insurance cover for his car, but also wants to cover the costs of transport should the car be off the road following accidental damage. What type of motor insurance policy will **best** suit his needs?
- A. A package policy only.
 - B. A package policy with consumables cover.
 - C. A package policy with conveyance add-on.
 - D. A stand-alone liability policy only.
11. In accordance with the India Motor Tariff, how many categories of motor vehicle are there for underwriting purposes?
- A. Two categories.
 - B. Three categories.
 - C. Four categories.
 - D. Five categories.
12. Which legislation or regulation includes the definition of a third party in motor insurance?
- A. Central Motor Vehicle Rules 1989.
 - B. Insurance Act 1938.
 - C. Motor Third Party Insurance Business Regulations 2015.
 - D. Motor Vehicle Act 1988 as amended by the Motor Vehicles (Amendment) Act 2019.

13. When insuring a new two-wheeler vehicle, it is mandatory to provide liability insurance cover for a standard period of
- A. one year.
 - B. two years.
 - C. three years.
 - D. five years.
14. From an insurer's perspective, war is regarded as being an
- A. insured hazard.
 - B. insured peril.
 - C. uninsured hazard.
 - D. uninsured peril.
15. What type of motor insurance claim would attract depreciation?
- A. Glass
 - B. Own damage repairs.
 - C. Own damage replacement.
 - D. Theft.
16. Satyajit suffers the loss of an arm following an accident in his vehicle. Within what time period after the accident **must** the loss of his arm have occurred for him to be able to claim the benefit under the personal accident owner driver section of his motor insurance policy?
- A. One week.
 - B. One month.
 - C. Three months.
 - D. Six months.
17. How, if at all, are injuries to pillion riders on two-wheeled vehicles covered by motor insurance?
- A. No cover is provided.
 - B. By third party only cover.
 - C. By liability only cover.
 - D. By third party and liability cover.
18. Under section 161 of the Motor Vehicle Act 1988 as amended by the Motor Vehicles (Amendment) Act 2019, what amount of compensation is provided for death following a hit or run incident?
- A. 1 Lakh.
 - B. 2 Lakhs.
 - C. 3 Lakhs.
 - D. 5 Lakhs.

19. A vehicle covered under a liability policy is involved in an accident. Upon receipt of a claim from the policyholder, the insurer discovers that he had intentionally driven the vehicle without a valid fitness certificate. In these circumstances, how will the insurer deal with the claim?
- A. The claim for third party injuries and damages will be paid.
 - B. Only the claim for third party damages will be paid.
 - C. Only the claim for third party injuries will be paid.
 - D. The claim will be declined in full.
20. How does a liability only motor insurance policy differ from a third party only policy?
- A. is not available for two-wheeled vehicles.
 - B. Is not available for drivers under 21 years old.
 - C. provides additional liability cover.
 - D. provides more restrictive liability cover.
21. Since 1 September 2019, which type of motor policies are no longer permitted to be sold?
- A. Annual own damage policies.
 - B. Annual stand-alone own damage policies.
 - C. Long-term liability policies.
 - D. Long-term stand-alone own damage policies.
22. Which type of insurance policy would provide a motor dealer with cover for its showroom and car park?
- A. Motor trade internal risk policy.
 - B. Motor trade road risk policy.
 - C. Motor trade road transit risk policy.
 - D. Non-motor engineering policy.
23. What type of policy would be issued for a crane which is **NOT** used on a public road?
- A. Motor trade internal risk policy.
 - B. Motor trade road risk policy.
 - C. Motor trade road transit risk policy.
 - D. Non-motor engineering policy.
24. A valued policy would **usually** be issued for which type of vehicle?
- A. A bulldozer.
 - B. A crane.
 - C. A trailer.
 - D. A vintage car.

25. Which document contains multiple questions, is completed by an individual seeking motor insurance and is given to the insurer to assess the risk?
- A. Claim form.
 - B. Policy schedule.
 - C. Proposal form.
 - D. Registration certificate.
26. The premiums charged by an insurer for motor insurance should be adequate to cover losses, expenses, reinsurance costs, the cost of add-ons and
- A. charitable donations.
 - B. free insurance cover for its employees.
 - C. Government levies.
 - D. underwriting profit.
27. What type of insurance does an insurer purchase to protect itself against major losses and to enhance its capacity?
- A. Dual insurance.
 - B. Coinsurance.
 - C. Reinsurance.
 - D. Retro insurance.
28. How would an insurer respond to a request from a motor insurance policyholder to use his car in a country outside of India?
- A. Apply an increased deductible.
 - B. Charge an additional premium.
 - C. Confirm that cover is already in place.
 - D. Decline the risk.
29. Aamir wishes to insure his 12-year-old car under a package insurance policy. How would the insurer respond to this proposal?
- A. It would accept it as a straightforward risk.
 - B. It would charge a higher premium.
 - C. It would decline the risk
 - D. It would restrict cover to third party liability only.
30. The Insured Declared Value (IDV) of a car over four years old is what percentage of the manufacturer's selling price?
- A. 20%
 - B. 30%
 - C. 40%
 - D. 50%

31. When a vehicle is subject to a hire purchase agreement, who is entitled to receive the claim amount in the event of a total loss?
- A. The bank.
 - B. The financier of the hire purchase agreement only.
 - C. The hirer only.
 - D. Both the financier of the hire purchase agreement and the hirer.
32. The premium rates for third party liability cover are determined by the
- A. Central Government in consultation with the Insurance Regulatory and Development Authority of India (IRDAI).
 - B. insurer's motor claims experience.
 - C. insurer's own damage claims experience.
 - D. insurer's third party liability claims experience.
33. A policyholder who has made no claims for three consecutive years would be entitled to what percentage of no claims discount?
- A. 25%
 - B. 30%
 - C. 35%
 - D. 45%
34. What function(s) are **usually** carried out by the use of chat bots and customer portals?
- A. Actuarial.
 - B. Enquiries, administration and claims.
 - C. Marketing.
 - D. Underwriting and reporting.
35. Which **key** function helps to develop a motor insurer's attributes including brand building?
- A. Actuarial.
 - B. Claims.
 - C. Marketing.
 - D. Underwriting.
36. The purpose of which role is to determine the present effects of future contingent events in financial modelling and risk analysis in insurance?
- A. Actuary.
 - B. Claims manager.
 - C. Loss Adjuster.
 - D. Underwriter.

37. Quantum fixation is the setting of the
- A. amount of fixed expenses.
 - B. amount that a claim is to be settled for.
 - C. level of premiums.
 - D. level of reinsurance.
38. Which technology enables a motor policyholder to view and print a copy of his policy at any time of the day?
- A. Artificial Intelligence (AI).
 - B. Internet of Things (IOT).
 - C. Self-service portal.
 - D. Telematics.
39. A motor insurer that aims to gain a competitive edge over its competitors should ensure that its perceived service is
- A. below the threshold minimum.
 - B. less than the expected service.
 - C. equal to the expected service.
 - D. greater than the expected service.
40. In addition to machine learning algorithms, what other technology has been used to automate the process in preparing pre-inspection reports?
- A. Artificial Intelligence (AI).
 - B. Internet of Things (IOT).
 - C. Self-service portal.
 - D. Telematics.
41. What offence could a motor insurance policyholder be committing if she makes overpayments on a motor policy by selecting multiple add-on covers and then asks for a cash refund?
- A. Bribery.
 - B. Fraud.
 - C. Inside dealing.
 - D. Money laundering.
42. What is meant by an effective driving licence?
- A. A learner's licence.
 - B. A licence covering the appropriate type of motor vehicle.
 - C. A valid driving licence covering any vehicle.
 - D. A valid driving licence covering the type of motor vehicle being driven.

43. Section 66 of the Motor Vehicle Act 1988 as amended by the Motor Vehicles (Amendment) Act 2019 states a permit is required for which type of vehicle?
- A. Commercial vehicle.
 - B. Private car.
 - C. Two-wheeled scooter.
 - D. Vehicle carrying goods or passengers.
44. In accordance with Section 164 of the Motor Vehicle Act 1988 as amended by the Motor Vehicles (Amendment) Act 2019, what level of compensation is payable for death under the provision of no fault liability?
- A. 1 Lakhs.
 - B. 2.5 Lakhs.
 - C. 3 Lakhs.
 - D. 5 Lakhs.
45. Preet is unhappy with the delay in settling his total loss claim and submits a complaint to his motor insurer. How long **must** he wait for a response before submitting a complaint to the Insurance Ombudsman?
- A. 7 days.
 - B. 14 days.
 - C. 30 days.
 - D. 60 days.
46. What offence is a motor insurance policyholder committing if he exaggerates an otherwise legitimate claim by inflating the costs of repairs?
- A. Bribery.
 - B. Fraud.
 - C. Inside dealing.
 - D. Money laundering.
47. In embedding good conduct and ethical decision making, a motor insurer is ensuring that
- A. capital adequacy requirements are decreased.
 - B. customers are treated fairly.
 - C. its licence to trade is maintained.
 - D. profits are increased.
48. An example of how **NOT** to treat customers fairly is by
- A. employing professionally trained staff.
 - B. ensuring loyal customers pay higher premiums.
 - C. having an uncomplicated transaction process.
 - D. providing clear and fair information.

- 49.** When a customer deliberately provides incorrect information when applying for motor insurance, this is known as
- A.** contribution.
 - B.** insurable interest.
 - C.** misrepresentation.
 - D.** subrogation.
- 50.** In accordance with Section 161 of the Motor Vehicles Act 1988 as revised by the Motor Vehicles (Amendment) Act 2019, what level of compensation is provided for injury following a hit and run accident?
- A.** Rs. 10,000
 - B.** Rs. 20,000
 - C.** Rs. 30,000
 - D.** Rs. 50,000

SECTION B

Salman wants to buy a new car. He goes to a car showroom where he is shown several models before choosing one for a test drive.

Salman enjoys the experience and purchases a brand-new car for a manufacturer's list price of 3 lakhs. The salesman advises that the car will be transported from the manufacturer to the showroom and should be ready to collect at the end of the month.

The salesman offers Salman liability insurance cover at the time of the purchase. Salman discloses all material facts that could influence the insurer's decision-making, its acceptance of the risk and the policy's terms and conditions.

51. What **minimum** period of cover would Salman have been offered?
- A. Two years.
 - B. Three years.
 - C. Five years.
 - D. Seven years.
52. Which insurance principle is Salman addressing in providing the information for his insurance cover?
- A. Contribution.
 - B. Insurable interest.
 - C. Subrogation.
 - D. Utmost good faith.
53. When considering the Insured Declared Value (IDV) of Salman's vehicle, what percentage, if any, will be allowed for depreciation?
- A. Nil.
 - B. 5%
 - C. 15%
 - D. 20%
54. Which insurance principle is being addressed in applying the Insured Declared Value (IDV)?
- A. Contribution.
 - B. Indemnity.
 - C. Insurable interest.
 - D. Subrogation.

55. Which type of insurance cover is the car showroom **most likely** to have in place?
- A. Motor trade for internal risks only.
 - B. Motor trade for road risks only.
 - C. Motor trade for road risks and internal risks only.
 - D. Motor trade for road transit, road risks and internal risks.

Rajoshri owns a car which he purchased in 2019 for 7 lakhs. He paid a 30% deposit and for the balance he took out a three-year loan with his bank which is subject to hypothecation.

Rajoshri took out both a liability policy and own damage cover when he purchased the car. This was arranged by the car dealer with an insurer.

Two months ago, Rajoshri had an accident whilst driving his car. His two friends were passengers and were injured. Rajoshri contacts the insurer to see if both he and his passengers can be provided with any compensation.

Recently Rajoshri parked his car overnight. The next day he realised that the car had been damaged with broken windows, dents to the doors and paint over the roof. He also realised that a further five cars in his street had suffered similar damage. Following an inspection by a loss assessor, it was agreed that the vehicle was a constructive total loss due to the vandal's damage. The vandal was later identified by the police.

Rajoshri subsequently realises that he also took out car insurance via the bank when he arranged the loan.

56. How will Rajoshri's insurer respond to his request for compensation?
- A. There is no cover for third party injuries as Rajoshri only has cover for third party property damage.
 - B. Both Rajoshri and the passengers can claim compensation.
 - C. Only the passengers can claim compensation.
 - D. Only Rajoshri could claim compensation.
57. The damage to Rajoshri's car would be covered by which peril?
- A. Burglary, housebreaking or theft
 - B. Malicious damage.
 - C. Riot and strike.
 - D. Terrorist activity.
58. Following the constructive total loss, who is entitled to receive the insurer's cheque?
- A. The bank only
 - B. The car dealer.
 - C. Rajoshri only.
 - D. Both the bank and Rajoshri.
59. Under which insurance principle can the insurer assume the rights of the insured against the vandal to recover the money settled for the claim?
- A. Contribution.
 - B. Indemnity.
 - C. Proximate cause.
 - D. Subrogation.

60. Which insurance principle can be applied following the discovery of the dual insurance?
- A. Contribution.
 - B. Indemnity.
 - C. Insurable interest.
 - D. Subrogation.

Aamir purchases a new car with the assistance of a bank loan.

He approaches an insurer for a comprehensive package policy. He advises the insurer that he has been driving for three consecutive years with no claims. He decides **NOT** to tell the insurer that he has three driving convictions.

A few months later, Aamir submits a claim for own damage. At this time, the insurer discovers the convictions and is able to prove Aamir deliberately withheld the information to reduce the premium.

61. On what basis does Aamir automatically have insurable interest in the car?
- A. He owns the car.
 - B. It is a legal requirement.
 - C. It forms a contract.
 - D. He has taken out a bank loan.
62. What cover will be provided by Aamir's policy?
- A. Own vehicle damage only.
 - B. Third party injury or death only.
 - C. Third party property damage only.
 - D. Own vehicle damage and third party injury or death and property damage.
63. What level of no claims bonus will Aamir be given?
- A. 25%
 - B. 35%
 - C. 45%
 - D. 50%
64. Aamir's omission about his convictions is known as
- A. contribution.
 - B. misrepresentation.
 - C. non-disclosure.
 - D. reserving.
65. What action will the insurer take, if any, following Aamir's claim?
- A. Declare the policy void ab initio.
 - B. Increase the premium.
 - C. No action will be taken.
 - D. Reduce the amount paid for the claim.

Please turn the page for the next scenario

Ravi owns a bus company. He has 50 buses and they are all covered under an insurance policy that runs from the 1 May 2020 to the 30 April 2021.

On the 1 June 2020, one of the buses was involved in an accident leaving 10 passengers injured, of which 4 were grievously injured. The bus driver, Kirti, was **NOT** injured in the accident. There was substantial own damage to the bus and the insurer was required to appoint a loss assessor and a surveyor.

Kirti was asked by the police officer at the scene of the accident for some documents including his driving licence and the certificate of insurance. It is subsequently discovered that the bus did **NOT** have a valid fitness certificate at the time of the accident as it had recently expired.

Sumit, one of the passengers travelling on the bus, provided medical care to some of the injured passengers before they were taken to hospital. Mohan, one of the passengers, sadly died in hospital. Mohan's wife, Alisha, decides to file a civil case as well as a criminal case against Sumit as she felt he had **NOT** shown appropriate urgency in providing medical care to the injured passengers.

66. The police officer's request is in accordance with which legislation?
- A. Central Motor Vehicles Rules 1989.
 - B. The Insurance Act 1938.
 - C. The Insurance Regulatory and Development Authority Act 1999.
 - D. Motor Vehicle Act 1988 as amended by the Motor Vehicles (Amendment) Act 2019.
67. In accordance with the Motor Vehicle Act 1988 as amended by the Motor Vehicles (Amendment) Act 2019, what is Sumit's position following the allegation from Alisha?
- A. He can be made liable for negligence only.
 - B. He can be fined or jailed for the delay only.
 - C. He can face both liable for the negligence and fined or jailed for the delay.
 - D. He will be given immunity as he is a Good Samaritan.
68. How much compensation would Alisha be entitled to on the basis of no fault liability?
- A. 1 Lakhs.
 - B. 2.5 Lakhs.
 - C. 3 Lakhs.
 - D. 5 Lakhs.
69. Why was the insurer required to appoint a surveyor and loss assessor?
- A. The accident involved a commercial vehicle.
 - B. The accident involved injuries to third parties.
 - C. The damage costs amounted to more than Rs.50,000.
 - D. The insurance policy covers numerous vehicles.

- 70.** Following the discovery about the fitness certificate, how, if at all, would this affect the insurer's settlement of the claim?
- A.** It would have no impact.
 - B.** It would only pay a reduced amount for own damage costs.
 - C.** It would only pay the third party liability costs.
 - D.** It would reject the whole claim.

A global insurer is entering the Indian motor insurance market for the first time and they have obtained the required certificate of registration.

Over the past number of years, the insurance market in India has been suffering from a lack of public trust, mis-selling scandals and slow claims payments. The insurer is aware of the regulatory requirements for the product management committee and senior managers to ensure proper due diligence in its product design and protection of policyholders' interests.

The insurer considers itself to be new and innovative and wishes to make use of all new technology available in the industry. It also wants to minimise staffing costs. The insurer has already developed technology to enable customers to view their policies online and, if required, provide quick resolutions to customer grievances. The insurer will soon be launching pay-as-you-drive and pay-how-you-drive products.

The insurer has been made aware of its obligations in accordance with the Motor Third Party Insurance Business Regulations 2015, although have been advised that they are exempt from the obligatory requirement for a period of time.

71. What method is available to customers to view their policies online?
- A. Artificial Intelligence (AI).
 - B. Internet of Things (IOT).
 - C. Self-service portal.
 - D. Telematics.
72. From whom would the insurer have obtained the required documentation?
- A. Central Government.
 - B. Controller of Insurance.
 - C. General Insurance Council.
 - D. Insurance Regulatory and Development Authority of India (IRDAI).
73. With which regulation **must** the insurer's product management committee and senior managers comply?
- A. Central Motor Vehicles Rules 1989.
 - B. Insurance Act 1938.
 - C. Insurance Regulatory and Development Authority Act 1999.
 - D. Motor Vehicle Act 1988 as amended by the Motor Vehicles (Amendment) Act 2019.
74. For how long will the insurer be exempt from the obligatory requirement?
- A. Two financial years.
 - B. Three financial years.
 - C. Four financial years.
 - D. Five financial years.

75. What technology will the insurer's new products be using?
- A. Artificial Intelligence (AI).
 - B. Internet of Things (IOT).
 - C. Self-service portal.
 - D. Telematics.

Specimen Examination Answers and Learning Outcomes Covered

Question	Answer	Learning Outcome	Question	Answer	Learning Outcome	Question	Answer	Learning Outcome
Learning Outcome 1			Learning Outcome 3			SCENARIO FORMAT		
1	D	1.1	26	D	3.1	51	B	4.1
2	B	1.1	27	C	3.1	52	D	4.1
3	B	1.2	28	B	3.1	53	B	4.1
4	B	1.1	29	D	3.1	54	B	4.1
5	D	1.1	30	D	3.1	55	C	4.1
5 Questions			31	B	3.1	56	B	4.1
			32	A	3.1	57	B	4.1
Learning Outcome 2			33	C	3.1	58	A	4.1
6	B	2.1	34	B	3.1	59	D	4.1
7	D	2.1	35	C	3.1	60	A	4.1
8	B	2.1	36	A	3.1	61	A	4.1
9	C	2.1	37	B	3.1	62	D	4.1
10	C	2.1	38	C	3.2	63	B	4.1
11	B	2.1	39	D	3.2	64	C	4.1
12	D	2.2	40	A	3.3	65	A	4.1
13	D	2.2	15 Questions			66	D	6.1
14	D	2.2				67	D	6.1
15	C	2.2	Learning Outcome 5			68	D	6.1
16	D	2.2	41	D	5.3	69	C	6.1
17	A	2.2	42	D	5.1	70	C	6.2
18	B	2.2	43	D	5.1	71	C	6.2
19	D	2.2	44	D	5.1	72	D	6.1
20	D	2.2	45	C	5.2	73	C	6.1
21	D	2.2	46	B	5.3	74	A	6.1
22	A	2.2	47	B	5.4	75	D	6.2
23	D	2.2	48	B	5.4	25 Questions		
24	D	2.2	49	C	5.4			
25	C	2.2	50	D	5.1			
15 Questions			10 Questions					