

53. In what circumstances may an insurer have the right to avoid paying a claim and to void a household contents insurance policy from inception?
- A. When a premium instalment is not paid.
 - B. When a second insurer is used by the insured.
 - C. When a deliberately undisclosed material circumstance is discovered.
 - D. When the value of contents is mistakenly underestimated by the insured.

Key Option: C

Learning Outcome: 7.7

54. An insurer is in the process of settling a claim and has already made three interim payments of £300,000 each. Prior to payment of the final amount of £300,000, the loss adjuster discovers that the insured deliberately withheld material circumstance relevant to the claim. What, if anything, is the **maximum** amount the insurer can recover from the insured?
- A. Nil.
 - B. £300,000
 - C. £600,000
 - D. £900,000

Key Option: D

Learning Outcome: 7.7