

P86

Diploma in Insurance

Unit P86 – Personal insurances

October 2017 examination

Instructions

- Two hours are allowed for this paper.
- **Do not begin writing until the invigilator instructs you to.**
- **Read the instructions on page 3 carefully before answering any questions.**
- Provide the information requested on the answer book and form B.
- You are allowed to write on the inside pages of this question paper, but you must **NOT** write your name, candidate number, PIN or any other identification anywhere on this question paper.
- The answer book and this question paper **must both be handed in personally by you** to the invigilator before you leave the examination room. **Failure to comply with this regulation will result in your paper not being marked and you may be prevented from entering this examination in the future.**

Unit P86 – Personal insurances

Instructions to candidates

Read the instructions below before answering any questions

- **Two hours** are allowed for this paper, which contains 15 short answer questions and carries a total of 130 marks.
- Read carefully **all** questions and information provided before starting to answer. Your answer will be marked strictly in accordance with the question set.
- The number of marks allocated to each question part is given next to the question and you should spend your time in accordance with that allocation.
- You may find it helpful in some places to make rough notes in the answer booklet. If you do this, you should cross through these notes before you hand in the booklet.
- It is important to show each step in any calculation, even if you have used a calculator.
- 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.
- Answer each question on a new page. If a question has more than one part, leave six lines blank after each part.

Answer ALL questions**Note form is acceptable where this conveys all the necessary information**

1. List **six** exclusions, other than general market exclusions, found in a typical payment protection insurance policy. (6)

2. Describe the cover under a medical expenses section of a typical travel insurance policy. (8)

3. Outline the elements included in the Association of British Insurer's financial inclusion action plan, which was formulated to deal with the issues of social exclusion. (8)

4. Explain briefly the cover and exclusions for third party liability under a typical caravan insurance policy. (6)

5. Explain the role and operation of Flood Re in the household insurance market. (8)

6. Outline **five** rating factors, that do not relate to the risk presented or individual claims costs, which increase the premium charged to the customer. (10)

7. (a) Outline the cover for accidental damage automatically included under a standard contents policy. (6)

(b) Explain the cover and exclusions under the accidental damage extension to a household contents policy. (8)

8. (a) List **three** risk factors revealed on a household buildings proposal form which may cause the insurer to request a survey of the property. (3)
- (b) Describe the information relating to physical and moral hazard that would typically be included in the surveyor's report. (12)
9. State the **six** key features of the Financial Ombudsman Service process for complaints resolution. (6)
10. (a) List **six** items that are defined as 'money' under the money and credit cards extension to a typical household contents policy. (6)
- (b) Explain briefly the cover provided under the credit cards section of this extension. (6)
11. Explain the cover and exclusions under the pedal cycle's extension of a typical household contents policy. (8)
12. Describe briefly the role of the Insurance Fraud Taskforce. (6)
13. Explain the **four** styles of website which a personal lines insurer could use to interact directly with customers and potential customers. (12)
14. Outline the cover and state the **three** exclusions applicable to the 'sickness' section of a typical personal accident and sickness policy. (6)
15. List **five** main risk assessment factors used in pet insurance. (5)

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