



The
Insurance Institute
Of Ireland

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Irish Brokers association



IBA GENERAL INSURANCE TRAINING COURSE / LEVEL 1 CIP

MODULE 2 – COMMERCIAL LINES

SAMPLE PAPER (BASED ON THE MAY 2009 IBA COMMERCIAL LINES TEXTBOOK)

NOTE : All questions in this paper are based on Irish law and practice unless stated otherwise in the question, and should be answered accordingly.

INSTRUCTIONS: READ CAREFULLY BEFORE ANSWERING THIS SAMPLE EXAMINATION PAPER

- It is recommended that you attempt to complete this sample paper under simulated examination conditions, i.e. only allow yourself two hours to complete the paper and do not refer back to the course textbook or any other revision notes while you are completing the paper.
- It is recommended that you only attempt this sample paper **after** you have fully completed your studies of the module.
- The solutions to the paper and the textbook reference(s) where the solution can be sourced (e.g. 1E2 – Chapter 1, Section E2) are provided at the end of this document to enable you to assess your performance. For any questions you answered incorrectly, it is recommended that you refer back to the relevant areas of the textbook to ensure you understand the material.
- The instructions which follow are indicative of the actual instructions you will be given on the day of your examination so it would be beneficial for you to familiarise yourself with these now.
- Two hours are allowed for the examination.
- There are 100 multiple choice questions on this examination paper.
- No marks are deducted for incorrect answers, so do not leave any questions unanswered.
- In the actual examination you will be required to fill in the personal information required below and on the answer form supplied by the invigilator.
- In the actual examination, the examination paper, along with your answer form, must be handed in personally by you to the invigilator before you leave the examination. Failure to do so will result in your examination not being marked and no grade being awarded.
- In the actual examination, if you wish to use a calculator, it must be a silent battery or solar powered non-programmable calculator and you must enter the serial number, model and make in the space provided below.

CANDIDATE'S NAME (Block Capitals)

CANDIDATE'S SIGNATURE

CANDIDATE NO. DATE

CALCULATOR MAKE MODEL..... SERIAL NO.

MODULE 2 – COMMERCIAL LINES

CANDIDATE INSTRUCTIONS

READ THE INSTRUCTIONS BELOW BEFORE ANSWERING ANY QUESTIONS

The questions on this examination paper are numbered and four options follow the question. The options are labelled either A, B, C or D. Only one of these options will be correct. In the actual examination, you will be provided with an answer form. When you have selected your answer, you should go to the answer form and using a **HB pencil**, shade in the appropriate box (A, B, C or D) next to the corresponding question number.

Example :

1. In order to be insurable, the risk to be insured (as far as the insured is concerned) **MUST** be:
- A avoidable
 - B fortuitous
 - C inevitable
 - D unavoidable

In this example, the answer to this question is option **B**. So, to answer the question you would simply locate Question 1 on your answer form and shade in the box labelled B.

For the purpose of this sample paper you should simply record your answer next to the question on the paper so you can check your answers with the solutions provided upon completion of the paper.

Special note to candidates

Whilst every effort has been made to ensure that each question is a reasonable test of the candidate's up-to-date knowledge, it is possible that changes in law or practice after the questions have been printed may render some questions inappropriate or no longer relevant. Any questions which fall into this category will be disregarded when the paper is marked and the pass mark is set, so that candidates will not be prejudiced should this situation arise.

ATTEMPT ALL QUESTIONS

1. When the InjuriesBoard.ie (previously known as the Personal Injuries Assessment Board (PIAB)) is involved in the assessment of a claim how long does the person, against whom the claim is being made, have to respond to the Board?
 - A 7 days.
 - B 15 days.
 - C 30 days.
 - D 90 days.

2. Insurers take out reinsurance CHIEFLY in order to protect against:
 - A fraudulent claims.
 - B sub-standard risks.
 - C investment fluctuations.
 - D larger losses than expected.

3. Which of the following situations would NOT give rise to the need for a contingency cover?
 - A An individual hires a car from a car hire firm.
 - B A principal employs a sub-contractor to carry out work and transfers the insurance requirements to the sub-contractor.
 - C A landlord sells a building to the current tenant.
 - D A plant hire company hires out plant under contract terms that make the hirer responsible for insurance.

4. The cover provided by a commercial insurance package policy will NOT extend to include:
 - A Business interruption.
 - B Motor insurance.
 - C Goods in transit.
 - D Glass.

5. Under a standard fire policy, the special peril of aircraft includes:
 - A damage caused by aircraft travelling at supersonic speeds.
 - B damage from articles dropped by aircraft.
 - C fire damage caused by an aircraft crash.
 - D damage caused by sonic bangs.

6. Under a commercial all risks policy, into which category of exclusion does 'money' fall? An exclusion that
 - A is absolute and cannot be deleted.
 - B could be deleted with careful underwriting.
 - C can be freely deleted upon payment of an extra premium.
 - D exists because cover should be provided under a different policy.

7. What is community rating in relation to Private Medical Insurance?
- A Discrimination between sectors of the community to provide a range of rates according to age of entry.
 - B Rating that is geographic in its nature treating different communities separately.
 - C A restriction placed upon insurers so that they do not discriminate by age between different proposers.
 - D Insurers cooperating together to provide consistent rates.
8. Under a commercial theft policy what does the 'collusion' exclusion relate to?
- A The involvement of employees with the thieves.
 - B The involvement of more than one thief.
 - C A lack of forcible entry.
 - D Using force to compel employees to cooperate.
9. If an insurer wishes to charge a premium of €800 for a Private Medical Insurance contract and the insured is a higher rate taxpayer, what premium will be collected from the insured by the insurer?
- A €560
 - B €600
 - C €640
 - D €680
10. Which of the following would NOT be found in the definition of money under a standard money policy?
- A Lottery tickets.
 - B Luncheon vouchers.
 - C Postage stamps.
 - D Postal orders.
11. When a risk is reinsured and a claim occurs that requires payment by the reinsurer:
- A the reinsurer pays what he owes to the insured direct.
 - B the insurer pays the claim and subsequently recovers what is due from the reinsurer.
 - C the insurer defers paying the claim until the reinsurer has paid what is owed to the insurer.
 - D payment from insurer and reinsurer is made direct to the insured and coordinated to arrive at the same time.
12. If the InjuriesBoard.ie had been involved in the assessment of a claim and had issued an award on Tuesday 12th March by what LATEST date must the party against whom the claim has been made respond?
- A 19th March.
 - B 26th March.
 - C 2nd April.
 - D 9th April.

13. According to the terms of a property insurance policy, if an insurer has admitted liability under a policy any dispute over the amount is determined by:
- A an arbitrator.
 - B an ombudsman.
 - C a loss adjuster.
 - D a loss assessor.
14. Credit insurance is designed to cover a:
- A buyer who is unable to pay debts.
 - B buyer who has resold goods purchased on credit.
 - C seller who cannot recover amounts owed by a buyer.
 - D seller for the results of political and economic factors affecting credit provided.
15. Which circumstances MUST be present to give rise to a valid employer's liability claim?
- A Incident must occur during normal working hours.
 - B Employee must be acting in the course of the business.
 - C Incident must be caused by another employee.
 - D Incident must occur at the insured's premises.
16. A products liability policy will provide a manufacturer of computers with protection against:
- A the cost of recalling faulty goods.
 - B claims made by customers injured as a result of short circuits caused by computers.
 - C claims for a computer failing to work.
 - D the cost of replacing damaged computers.
17. After a loss an insured has a duty to:
- A abandon damaged insured goods to the insurer.
 - B promise to pay any claim submitted by a third party.
 - C try to prevent further damage.
 - D admit liability to a third party, if in the wrong.
18. Which occupation is MOST likely to require professional indemnity insurance?
- A Surveyor.
 - B Publican.
 - C Motor trader.
 - D Professional footballer.

19. Which of the following statements is TRUE regarding the public liability section of a farmers' combined policy?
- A The special condition of average applies to this section.
 - B No cover is provided for liability for injury or damage caused by 'dangerous dogs'.
 - C Cover is restricted to injury or damage caused by animals whilst within the confines of the farm.
 - D Products liability is not usually covered unless the policy is specifically extended.
20. Which of the following forms part of the standard cover provided by a Private Medical Insurance policy for treatment as an in-patient?
- A Convalescence fees and consultations.
 - B Transport costs to and from hospital.
 - C Emergency treatment following a motor accident.
 - D Pre-existing conditions for which recent treatment has been given.
21. A turf accountant has a standard money policy. The day's takings are usually stored in a safe but one evening, an employee absentmindedly leaves the €750 float in the desk drawer and it is stolen during a break-in. What payment will the turf accountant MOST likely receive from his insurers?
- A €500
 - B €550
 - C €600
 - D €750
22. Which of the following would be classified as a vehicle of special construction?
- A Tractor.
 - B Flat-bed lorry.
 - C Mobile canteen.
 - D Delivery van.
23. Standard cover under a theft policy will indemnify a shop owner in respect of theft losses resulting from:
- A fire damage caused by thieves.
 - B a key being left on the premises.
 - C pilfering by employees.
 - D forcible exit from the premises.
24. Kelly has had a private medical insurance policy with the same provider for the last three years. She can no longer afford this cover and cancels the policy on Monday the 18th of August. What would be the LATEST date by which Kelly could take out another private medical insurance policy without being subject to new waiting periods?
- A 1st September.
 - B 17th September.
 - C 17th November.
 - D 17th December.

25. YVR Insurers has asked its surveyor to assess the premises of a company which manufactures fire doors as the company has applied for fire, theft and employer's liability cover. Which of the following material facts, reported by the surveyor, would YVR consider to be a POOR moral hazard?
- A There are chemicals used in the manufacturing process.
 - B The windows in the company's premises have normal catches on them.
 - C Excessive noise is generated during the manufacturing process.
 - D The company's employees ignored routine health and safety requirements.
26. In the context of the risk management process, risk evaluation involves which of the following?
- A Surveys of premises.
 - B Examination of accounts.
 - C Assessment of frequency and severity of losses.
 - D Deciding whether to insure a risk.
27. From a convenience perspective which arrangement is MOST likely to suit the interests of a small manufacturing, wholesaling or warehousing risk?
- A Commercial package policy.
 - B Combined insurance policy.
 - C Separate stand alone policies with a single insurer.
 - D Separate stand alone policies with a number of insurers.
28. Under a glass insurance policy which aspect of cover is provided AUTOMATICALLY in a standard policy wording?
- A Fire damage to glass.
 - B Damage to shop-front contents.
 - C The cost of boarding up damaged glass.
 - D Scratching and chipping.
29. How is the likelihood of a loss occurring usually affected by the existence of POOR moral hazard?
- A It remains constant.
 - B It may remain constant or increase.
 - C It may remain constant or decrease.
 - D It may increase or decrease.
30. Binaural Audio Supplies have approached VDR Insurers to obtain business interruption insurance. Their current balance sheet shows the following figures: Net Profit (€200,000), Variable Charges (€65,000) and Fixed Charges (€100,000). What sum would VDR deem to be insurable based on the figures supplied?
- A €65,000
 - B €200,000
 - C €300,000
 - D €365,000

31. Who fixes the daily rate charge made for the private facilities in public hospitals?
- A Hospitals.
 - B Government.
 - C Insurance companies.
 - D Jointly between hospitals and insurance companies.
32. When requested by an underwriter, a surveyor usually prepares which separate document to accompany a report?
- A A plan.
 - B A proposal.
 - C An estimate of loss potential.
 - D A presentation.
33. What is the legal significance of an insurer specifying a period of time in a quotation?
- A Cover is effective during the specified period.
 - B The insurer will honour the quotation within the specified period.
 - C The insurer can alter the quotation within the specified period.
 - D The period is an indicative statement only and therefore not binding on an insurer.
34. A tragic accident has occurred at the premises of Soma Ltd. leading to the death of three of its employees. A court finds that Soma Ltd. was negligent and directs them to pay compensation of €5 million to each of the bereaved families. If Soma Ltd. has a STANDARD employer's liability policy, what reimbursement could Soma Ltd. expect to receive from its insurers?
- A €10 million
 - B €13 million
 - C €14 million
 - D €15 million
35. Insurers operate approved repairer schemes for their motor insurance policyholders in order to:
- A restrict the policyholder's choice.
 - B guarantee work to certain sections of the motor trade.
 - C reduce their claims costs.
 - D make informed decisions about the allowance of No claim discounts.
36. Which of these statements is TRUE regarding cover notes in general insurances?
- A It is compulsory for insurers to issue them before completion of full policy documentation.
 - B Because they are legally required they must be issued in respect of all mid-term changes to motor insurance policies.
 - C Cover notes may be issued instead of full policy documentation if issues still need to be resolved.
 - D The issuing of a motor cover note relieves the insurer of the need to issue a policy.

37. For settlement of a liability claim which option do insurers use?
- A Cash / cheque.
 - B Repair.
 - C Reinstatement.
 - D Replacement.
38. Which of the following material facts is a proposer BOUND to disclose?
- A The existence of an intruder alarm.
 - B A state of war in a particular part of the world.
 - C Facts that a surveyor overlooked when surveying the premises.
 - D Previous claims history.
39. The Insurance Premium Government Levy has been set at different levels since its introduction. What has the range been?
- A 1% to 3%
 - B 1% to 5%
 - C 3% to 7%
 - D 7% to 10%
40. Which of the following would be provided under Long Term care insurance?
- A Hospital charges.
 - B On-going consultant's fees.
 - C Rehabilitation expenses.
 - D Nursing home fees.
41. What cost is covered under a standard products liability policy?
- A Replacing faulty goods.
 - B Damage resulting from faulty workmanship on a product.
 - C Damage resulting from faulty design.
 - D Recalling faulty goods.
42. In the event of a claim against an employer for injury to an employee under an employer's liability policy, which of the following documents will AUTOMATICALLY be examined by the insurer?
- A The employee's clocking-in card.
 - B The insured's accident book.
 - C The employee's staff file.
 - D The employee's appraisal file.

43. Estimated claims costs added to the cost of claims already paid out provide who with an important base from which to develop adequate risk premiums?
- A Finance departments.
 - B Underwriters.
 - C Actuaries.
 - D Loss adjusters.
44. A building, insured for €100,000, has a rebuilding cost of €200,000. The policy is subject to the condition of average. If a fire causes damage of €50,000, what TOTAL amount, if any, is payable to the insured?
- A Nil.
 - B €12,500
 - C €25,000
 - D €50,000
45. Under a business interruption policy, the 'Specified Supplier's extension' covers:
- A loss of profit due to the prevention of access to a supplier's premises.
 - B loss of profit due to the failure of a supplier.
 - C extra costs charged by a supplier.
 - D damage at a supplier's premises.
46. What is the insurer entitled to do under the terms of a property policy if there is a dispute with the insured regarding the amount of a claim?
- A Cancel the policy.
 - B Refuse to pay the claim but leave the policy in force.
 - C Refer the matter to arbitration.
 - D Pay what they consider their best offer in the circumstances.
47. A reinsurance company will cover risks:
- A already insured by insurance companies.
 - B directly from individuals.
 - C from individuals via a broker.
 - D on a co-insurance basis with an insurer.
48. Eddie obtained a quote of €500 for comprehensive motor cover from TRW Insurers on the 13th of July. The quotation specified that it remained valid of a period of 15 days. On the 30th July Eddie replied to TRW Insurers indicating his acceptance of the quotation. However in the meantime, TRW Insurers had revised its rates and is now only willing to offer cover for €600. What is the legal position regarding this quotation?
- A Eddie may refer the matter to the Financial Services Ombudsman for settlement.
 - B As legislation requires quotations to remain valid for 30 days, Eddie is entitled to insist that the original offer is honoured.
 - C TRW Insurers is entitled to change its rates regardless of the time limits stated in the quotation.
 - D Eddie will now need to pay €600 if he wishes to effect cover.

49. Orca Design Co. has a standard public liability policy. An incident occurs at their premises causing the following financial consequences: a loose roof tiles falls from their roof onto a customer's car causing €3,000 in damage; the customer who is in the car at the time suffers nervous shock resulting in a claim of €10,000. What payment will Orca Design Co. receive from its insurers in respect of these costs?
- A €3,000
 - B €7,000
 - C €10,000
 - D €13,000
50. In what circumstances would mechanical breakdown cover be provided by engineering insurers?
- A Cover only applies in conjunction with an inspection contract.
 - B They provide the cover freely with or without an inspection contract.
 - C Cover only applies to firms who also place their property insurance with the insurer.
 - D Cover only applies to new equipment.
51. Under a Computer All Risks Policy which of the following is included in the cover provided?
- A Reinstatement of data with no separate limit.
 - B An unlimited sum for additional rental costs.
 - C Automatic reinstatement of the sum insured following a loss.
 - D Breakdown cover with or without a maintenance contract.
52. Commercial legal protection policies provide cover for pursuing an action:
- A for infringement of patents or copyrights.
 - B on behalf of an employee.
 - C relating to conveyancing issues.
 - D for personal matters.
53. A claim of €50,000 is submitted under a farmer's property insurance for agricultural produce valued at €80,000. What is the MINIMUM figure which the farmer must have set as the sum insured to ensure he receives a full indemnity for this loss?
- A €50,000
 - B €60,000
 - C €70,000
 - D €80,000
54. An employers' liability policy includes legal liability cover in respect of employees':
- A death at work.
 - B personal liability for deliberate acts.
 - C unfair dismissal.
 - D personal effects.

55. A television set suddenly bursts into flames. The fire spreads onto a shelving unit overhead destroying an expensive crystal vase before eventually being extinguished. What damages would be covered under a standard fire and special perils policy? Damage to the:
- A television only.
 - B television and crystal vase.
 - C crystal vase and the shelving unit.
 - D television, crystal vase and the shelving unit.
56. Which of the following is a function of risk management?
- A To arrange urgent repairs on behalf of the insured.
 - B To decide on the acceptance and rating of proposed risks.
 - C To recover losses on behalf of the insured.
 - D To reduce the size and number of potential losses.
57. Which of the following would NOT need a motor trade 'road risks' policy?
- A A second-hand car dealership.
 - B A firm of panel beaters.
 - C A motor factory sales shop.
 - D A main dealership.
58. Under a standard fire policy, what is the time limit stated in the policy for the insured to provide initial notification of a claim?
- A 'Immediate' notification.
 - B 'As soon as possible'.
 - C 7 days.
 - D 30 days.
59. At what MINIMUM gross vehicle weight are vehicles commonly treated as general haulage vehicles for motor insurance?
- A 1 ton.
 - B 5 tons.
 - C 10 tons.
 - D 32 tons.
60. Which of the following questions would NOT appear on a Public Liability insurance proposal form?
- A Construction of the building.
 - B Details of previous claim history.
 - C Details of the business.
 - D Details of any work away from the main premises.

61. What are the two MAIN policy types for Goods in transit insurance? Goods in the insured's own vehicles with a:
- A sum insured per vehicle; goods despatched with a limit any one consignment.
 - B limit any one consignment; goods despatched with a sum insured per vehicle.
 - C declaration of each amount carried; goods despatched with a limit any one consignment.
 - D declaration of each amount carried; goods despatched with a sum insured per vehicle.
62. Which of the following form part of the standard cover provided by a comprehensive commercial vehicle policy?
- A Driving other vehicles.
 - B Loss of use.
 - C Personal accident benefits.
 - D Towing of trailers.
63. What is the premium for products liability insurance rated at €1.5 per mille on turnover of €5,000,000?
- A €2,000
 - B €7,500
 - C €10,000
 - D €12,500
64. Which of the following statements is TRUE regarding the insurance of 'special types' of vehicle?
- A No cover is compulsory by law if road use is less than six miles per week.
 - B It is usual to cover the third party risk for 'special types' that are subject to statutory inspection under an engineering policy.
 - C The third party working risk for a crane is usually provided by a motor policy.
 - D When classifying 'special types' any plant that is capable of digging beneath its own wheelbase is treated as a mechanical navy.
65. Under a business interruption policy, the indemnity period is:
- A the length of time it takes to recover from an insured incident.
 - B a time excess that applies to each claim.
 - C a period fixed by the insurer, usually 12 months.
 - D the maximum period of time for which the policy pays out in respect of a claim.
66. Cormac drives a van which weights 3 tonnes. How many MINIMUM tons heavier would the vehicle need to be for an insurer to consider it a haulage vehicle rather than a commercial vehicle?
- A 1
 - B 2
 - C 5
 - D 7

67. Which policy would cover unwise authorisation of excessive borrowing by the Chief Executive of a company?
- A Professional Indemnity.
 - B Public Liability.
 - C Directors' and Officers' Liability.
 - D Employment Practices Liability.
68. Certain types of property are specifically excluded under 'goods in transit' policies. Which of the following would be covered as standard?
- A Jewellery.
 - B Cash.
 - C Antiques.
 - D Computers.
69. Which of the following is one of the standard sections of a Group legal benefit policy a proposer may choose?
- A Conveyancing cover.
 - B Property disputes cover.
 - C Libel and slander cover.
 - D Investigations by professional bodies cover.
70. Fergal has an income of €85,000. His employer pays the cost of his Private Medical Insurance. If the premium is €1,700, what is Fergal's ADDITIONAL tax liability?
- A €340
 - B €357
 - C €697
 - D €1,037
71. When arranging marine insurance for a client which of the following statements is TRUE?
- A For a client that purchases a new item of plant it is best to arrange a separate policy for the shipment.
 - B For a client that imports only a few times each year it is best to arrange an annual policy subject to monthly declarations.
 - C An annual policy must always be subject to a deposit premium and adjusted annually on the basis of a single declaration.
 - D A permanent contract that is reviewed once each year is suitable for any clients regardless of levels of imports or exports.
72. When insuring pleasure craft, ABOVE what age of vessel will an insurer usually insist upon a marine engineer's certificate before providing cover?
- A 5
 - B 10
 - C 20
 - D 25

73. Facultative reinsurance is:
- A a single risk placed and negotiated with reinsurers.
 - B an automatic facility.
 - C always a proportional arrangement.
 - D always a non-proportional arrangement.
74. An insurer has taken out a proportional reinsurance treaty for a particular risk of €100,000. The insurer decides to retain €30,000 and the reinsurer has agreed to cover the balance. If a loss of €50,000 occurs on this risk, what payment will the reinsurer make to the insurer?
- A €15,000
 - B €25,000
 - C €35,000
 - D €50,000
75. In the event of a motor vehicle write-off under a comprehensive policy, which document **MUST** be sent to the insurers?
- A Taxation disc.
 - B Registration document.
 - C Policy document.
 - D Service history of documents.
76. An underwriter uses material facts to:
- A assess the proposed risk.
 - B determine marketing opportunities.
 - C establish title in the event of a claim.
 - D facilitate new product design.
77. For reviewable Permanent Health Insurance contracts, after how many years do insurers **NORMALLY** review the arrangement?
- A 1
 - B 3
 - C 5
 - D 7
78. Which type of policy is the **MOST** appropriate to cater for semi-private hospital treatment charges incurred as a result of an illness?
- A Personal accident.
 - B Private Medical Insurance.
 - C Personal accident and sickness.
 - D Life assurance.

79. Which of the following statements is TRUE with regards to a no claims bonus for a motor 'schedule policy' for small haulage risk?
- A They are not available for this type of policy.
 - B If a claim occurs relating to one vehicle under the policy the no claims bonus is lost only for that vehicle.
 - C They are treated in the same manner as a fleet policy.
 - D If a claim occurs relating to one vehicle under the policy the no claims bonus is lost for all vehicles covered.
80. When an insurer requires extra information for insuring a product's risk for a firm manufacturing safety products, what is the insurer's PRIMARY purpose in requesting further product information? To establish:
- A the geographic spread of the supply of products.
 - B whether products have been marketed for a number of years.
 - C the materials from which the products are manufactured.
 - D the potential risk of failure of the product.
81. The ABC Brakeshoe Company purchases new premises and ask their broker to arrange insurance. Their insurance will first become effective when:
- A they request cover.
 - B they decide to accept the quotation.
 - C acceptance is conveyed to the insurer by the broker.
 - D they receive the policy document.
82. For which type of policy is the premium MOST likely to be adjustable?
- A Products liability.
 - B All risks.
 - C Theft.
 - D Motor.
83. A private medical insurer pays a claim from Mr. O'Brien in July for the costs relating to 150 in-patient days in hospital. If Mr. O'Brien has to be re-admitted for a further 30 in-patient days before the end of the year, what is the MAXIMUM additional number of days the private medical insurer will pay in relation to this?
- A 10
 - B 15
 - C 20
 - D 30
84. The Health and Safety Authority has which of the following as one of its underpinning principles?
- A Adequate protection of those in the workplace.
 - B Suitable exiting arrangements from public places.
 - C Sustainable and balanced industrial development.
 - D Highest standards of food hygiene standards.

85. Which area of commercial insurance is MOST likely to include the provision of a help-line?
- A Business interruption.
 - B Legal expenses.
 - C Theft.
 - D Money.
86. A public and products liability policy is subject to a premium clause stating “€5,000 minimum and deposit premium adjustable on expiry at 1% on actual turnover”. The turnover at the end of the policy period is €600,000. What is the TOTAL premium due for that policy period?
- A €1,000
 - B €5,000
 - C €6,000
 - D €11,000
87. For which of the following risks is damage under ‘all risks’ commercial property insurance covered as standard?
- A Faulty workmanship.
 - B Freezing and bursting of water pipes.
 - C Corrosion.
 - D Change in temperature.
88. When setting the sum insured for a commercial buildings insurance policy which of the following fees should be taken into account?
- A Claims assessor’s.
 - B Loss adjuster’s.
 - C Surveyor’s.
 - D Accountant’s.
89. Under an engineering business interruption policy, which of the following would be covered?
- A Sudden overheating of plant.
 - B A rationing scheme imposed by Bord Gáis.
 - C Perils also covered under a Standard fire policy.
 - D Incidents excluded by general market exclusions under other property policies.
90. An insured has a commercial motor policy with a ‘loss of use’ extension. If he had to pay €750 in hire car fees while a car in his motor fleet was temporarily out of use, what would be the MAXIMUM settlement he could expect to receive?
- A €500
 - B €600
 - C €700
 - D €750

91. A house has a rebuilding cost of €100,000 and is insured for €60,000 with one insurer and €40,000 with a second insurer. A valid claim is made for fire damage of €10,000. If contribution is applied, how much will be paid by each insurer?
- A Both insurers each pay €5,000.
 - B First insurer pays €6,000, and second pays €4,000.
 - C First insurer pays nothing and second insurer pays €10,000.
 - D First insurer pays €10,000 and second insurer pays nothing.
92. How many weeks in advance of the renewal date would insurers USUALLY issue either a renewal declaration or request a new proposal for a motor trade policy?
- A 2.
 - B 4
 - C 6
 - D 8
93. Claire, a 45 year old, effected a private medical insurance policy on 17th November 2008. This policy is subject to the general waiting periods allowed under the Health Insurance Act 1994. Excluding accidents, what is the EARLIEST date which Claire could seek treatment for a medical procedure?
- A 17th February 2009
 - B 17th May 2009
 - C 17th November 2009
 - D 17th February 2010
94. Niall is a company director on a salary of €100,000 per annum. As he is not entitled to the state illness benefit, he takes out a Permanent Health Insurance policy which covers his full gross salary up to the MAXIMUM level of cover available in the Irish market. If Niall has a valid claim which prevents him from working for a year, what payment will he receive from his insurer?
- A €50,000
 - B €60,000
 - C €75,000
 - D €100,000
95. Under which policy would it be MOST usual to find liability cover for the third party working risk (tool of trade risk) for a large crane?
- A Public liability.
 - B Engineering.
 - C Motor.
 - D Products liability.

96. Under which of the following circumstances may a claim be valid but only partially met under a personal (household) policy?
- A Policy documentation had not been issued.
 - B Policyholder had poor insurance arrangements.
 - C Policyholder had made a genuine mistake in the information provided to the insurer.
 - D Policyholder had not disclosed a material fact that is commonly known.
97. Pegasus Bookmakers has arranged a commercial insurance package policy with VDR Insurers. One of Pegasus' employees is held up while bringing cash takings of €20,000 to the bank and €10,000 is taken. What compensation is Pegasus MOST likely to receive from VDR Insurers in respect of this loss?
- A €4,000
 - B €6,000
 - C €10,000
 - D €20,000
98. A motor trade internal risks policy covers vehicles whilst:
- A on a road.
 - B temporarily garaged in the course of a journey.
 - C in the motor trader's premises.
 - D in a public place.
99. The condition of average in a property policy requires the sum insured to be what MINIMUM percentage of the value at risk to obtain full cover?
- A 75%
 - B 85%
 - C 95%
 - D 100%
100. Which of the following MUST by law be inspected by a 'competent' person?
- A Computers.
 - B Escalators.
 - C Drilling equipment.
 - D Industrial heaters.

Solutions

1. D IBA2 Ref: 11F3
2. D IBA2 Ref: 10C2
3. C IBA 2 Ref: 7E
4. B IBA2 Ref: 4C2B
5. B IBA2 Ref: 1B2B
6. C IBA2 Ref: 1E3
7. C IBA2 Ref: 12H1
8. A IBA2 Ref: 1F3
9. C IBA 2 Ref: 9H4
10. A IBA2 Ref: 1H1
11. B IBA2 Ref: 10C3
12. C IBA2 Ref: 11F3
13. A IBA2 Ref: 11E5
14. C IBA2 Ref: 2D
15. B IBA2 Ref: 3B2E
16. B IBA2 Ref: 3D2
17. C IBA2 Ref: 11C1A
18. A IBA2 Ref: 3F1
19. B IBA 2 Ref: 8A3
20. A IBA2 Ref: 9A1
21. A IBA 2 Ref: 1H2
22. C IBA 2 Ref: 7B / 8A4
23. D IBA2 Ref: 1F2
24. C IBA2 Ref: 12H3
25. D IBA2 Ref: 12C2
26. C IBA2 Ref: 13B2B
27. B IBA 2 Ref: 4C3

- 28. C IBA2 Ref: 1G
- 29. B IBA2 Ref: 12C1A
- 30. C IBA2 Ref: 2B1A
- 31. B IBA2 Ref: 11I5
- 32. A IBA2 Ref: 12E2
- 33. B IBA2 Ref: 12G
- 34. B IBA2 Ref: 3B1
- 35. C IBA 2 Ref: 13E
- 36. C IBA2 Ref: 12I2
- 37. A IBA2 Ref: 11G
- 38. D IBA 2 Ref: 12B
- 39. A IBA 2 Ref: 12J4
- 40. D IBA2 Ref: 9B
- 41. B IBA2 Ref: 3D3
- 42. B IBA2 Ref: 11D2
- 43. B IBA2 Ref: 11H
- 44. C IBA2 Ref: 11E3
- 45. D IBA2 Ref: 2B4
- 46. C IBA2 Ref: 1C10
- 47. A IBA2 Ref: 10C1
- 48. D IBA2 Ref: 12G
- 49. C IBA 2 Ref: 3C2
- 50. A IBA 2 Ref: 1J1E
- 51. C IBA 2 Ref: 1I/2/5
- 52. A IBA 2 Ref: 2C2A/B
- 53. B IBA 2 Ref: 8A1
- 54. A IBA 2 Ref: 3B2/B2A

- 55. C IBA 2 Ref: 1B2A
- 56. D IBA2 Ref: 13B
- 57. C IBA 2 Ref: 5A
- 58. A IBA 2 Ref: 11C1B
- 59. B IBA 2 Ref: 6B
- 60. A IBA 2 Ref: 12D1B
- 61. A IBA 2 Ref: 6D1
- 62. D IBA 2 Ref: 7A2C / D
- 63. B IBA2 Ref: 12J1
- 64. D IBA 2 Ref: 7B2/3/4
- 65. D IBA2 Ref: 2B1
- 66. B IBA 2 Ref: 6B
- 67. C IBA2 Ref: 3G1
- 68. D IBA 2 Ref: 6D3
- 69. A IBA 2 Ref: 2C2A
- 70. B IBA 2 Ref: 9H3
- 71. A IBA 2 Ref: 8B1
- 72. B IBA 2 Ref: 8B2D
- 73. A IBA 2 Ref: 10D1
- 74. C IBA 2 Ref: 10D2A
- 75. B IBA 2 Ref: 11D2
- 76. A IBA 2 Ref: 12B
- 77. C IBA 2 Ref: 9C
- 78. B IBA2 Ref: 9A
- 79. B IBA 2 Ref: 6C1
- 80. D IBA 2 Ref: 12E2
- 81. C IBA 2 Ref: 12G
- 82. A IBA 2 Ref: 12J

- 83. D IBA 2 Ref: 11I1
- 84. A IBA 2 Ref: 13C2
- 85. B IBA 2 Ref: 13D
- 86. C IBA 2 Ref: 12J1
- 87. B IBA 2 Ref: 1E2 / E3A
- 88. C IBA 2 Ref: 1K
- 89. A IBA 2 Ref: 2B3C
- 90. B IBA 2 Ref: 7A3I
- 91. B IBA 2 Ref: 11E1
- 92. C IBA 2 Ref: 5F
- 93. B IBA 2 Ref: 12H2
- 94. C IBA 2 Ref: 9C
- 95. A IBA 2 Ref: 7B2
- 96. B IBA 2 Ref: 11B
- 97. A IBA 2 Ref: 4C2B
- 98. C IBA 2 Ref: 5C
- 99. D IBA 2 Ref: 11E3
- 100. B IBA 2 Ref: 1J1A