



The
Insurance Institute
Of Ireland
PROMOTING PROFESSIONALISM SINCE 1885

Irish Brokers association



IBA GENERAL INSURANCE TRAINING COURSE / LEVEL 1 CIP

MODULE 1 – PERSONAL LINES

SAMPLE PAPER (BASED ON THE MAY 2009 IBA PERSONAL 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 1 – PERSONAL 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. An Authorised Advisor has a responsibility to recommend to a client:
 - A the most suitable product from an insurer with whom the advisor holds an agency.
 - B the product that is the least expensive.
 - C the most suitable product regardless of the relationship between the advisor and provider.
 - D the product generating the best return for the advisor.

2. Which of the following describes the 'creating a programme' stage of general insurance planning?
 - A Establishing a snapshot of the current general insurance situation.
 - B Establishing the ideal solution to the current general insurance situation.
 - C Developing a general insurance plan including risk control measures.
 - D Purchasing insurance or paying for risk control measures.

3. What does it mean when an insurance policy is reinsured?
 - A The insurer has replaced an insured's existing policy with a new one.
 - B The insurer has passed on all or part of an insured's risk to another insurer.
 - C The insured has renewed a policy with the same insurer for a subsequent year.
 - D The insured has taken out a second policy with another insurer on the same subject-matter.

4. Hillman Brothers, insurance agents, are asked by their client Mrs Burke to add a new location to her property owners' insurance policy held with WTG Insurers. Hillman Brothers are authorised by the WTG Insurers to accept risks on their behalf. Hillman Brothers write to Mrs Burke and acknowledge her instructions but fail to notify WTG Insurers. A few weeks later the new premises suffer flood and Mrs Burke submits a claim. Who has to pay for the cost of the damage?
 - A Hillman Brothers.
 - B The Financial Services Ombudsman Bureau.
 - C Mrs Burke.
 - D WTG Insurers.

5. All insurers MUST maintain a Minimum Guarantee Fund of at least €3 million. However, this figure can rise depending on solvency margins. What would the Minimum Guarantee Fund be for a company with a solvency margin of €24 million?
 - A €4 million.
 - B €8 million.
 - C €12 million.
 - D €16 million.

6. Which types of risk are insurable?
 - A Fundamental and pure.
 - B Fundamental and speculative.
 - C Particular and pure.
 - D Particular and speculative.

7. Fire damage to a house is an example of which type of risk?
- A Fundamental.
 - B Speculative.
 - C Non-financial.
 - D Particular.
8. What piece of legislation ended the virtual monopolistic position of the VHI?
- A Voluntary Health Insurance Act, 1957.
 - B Third Non-life Directive, 1992.
 - C Risk Equalisation Scheme, 2003.
 - D Health Insurance (Miscellaneous Provisions) Bill, 2008.
9. When considering the structure of the insurance market, which of the following is NOT a buyer of insurance?
- A A broker.
 - B An individual.
 - C A corporation.
 - D A public body.
10. Brett, an Australian citizen, is working on a 3 month contract as a doctor at Beaumont Hospital, Dublin. By how many more months, if any, would he have to extend the secondment if he wanted to be regarded as 'ordinarily' resident?
- A None.
 - B 6
 - C 9
 - D 18
11. Which type of insurance company by definition accepts MORE than one class of insurance business?
- A Captive.
 - B Composite.
 - C Mutual.
 - D Proprietary.
12. Some vehicles can be classed as either private or commercial vehicles. Which of the following factors would an insurer NOT consider in determining the correct classification?
- A The district in which the vehicle will be used.
 - B How the vehicle is taxed.
 - C Whether there are seats and windows in the rear of the vehicle.
 - D The purpose for which the client will be using the vehicle.

13. Why is Lloyd's known as a subscription market?
- A Because each Lloyd's member subscribes to a Syndicate.
 - B Because different Syndicates take separate shares of some risks.
 - C Because each Syndicate pays a share to a central fund.
 - D Because of the different types of intermediary permitted to place business at Lloyd's.
14. 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.
15. A loss assessor is employed by whom?
- A The insurer alone.
 - B The insured, with the agreement of the insurer.
 - C The insured alone.
 - D The insurer, with the agreement of the insured.
16. What is one of the MAIN functions of an actuary?
- A To apply mathematical techniques to business problems.
 - B To manage the company's investment portfolio.
 - C To develop new insurance products based on research data.
 - D To negotiate claim settlement with the insured on behalf of the insurer.
17. John and Stephanie's house is valued at €220,000. John now needs to go into Long Term care. What is the MAXIMUM amount that the State will be able to use from the value of the house towards the funding of the care?
- A €15,000
 - B €16,500
 - C €33,000
 - D €67,500
18. Mary pays for her All Risks policy to be renewed. It includes a specified valuable watch. Three months later she gives this as a birthday gift to her nephew Fergal. A fire occurs at Fergal's home and it destroys the watch. As Fergal has no insurance cover, Mary claims under her policy because it provides cover anywhere in Ireland. What is the legal position regarding the claim?
- A Mary cannot claim because she no longer has an insurable interest in the watch.
 - B Mary is entitled to claim because she paid the premium for the watch.
 - C Mary can only claim if she can prove that Fergal was not negligent.
 - D Mary can claim a proportion of the cost because she owned the watch for part of the period of insurance.

19. On average, by what percentage will a premium DECREASE if a proposer indicates they have a full licence when completing a motor insurance proposal form?
- A 5%
 - B 10%
 - C 15%
 - D 20%
20. In Ireland, insurance companies are USUALLY required by the authorities to possess a minimum solvency margin which is set at:
- A the same as the EU required minimum.
 - B between 100% and 150% of the EU required minimum.
 - C between 150% and 200% of the EU required minimum.
 - D between 200% and 250% of the EU required minimum.
21. What types of data are subject to the terms of the Data Protection Acts?
- A Data held in the public domain relating to an individual.
 - B Data held in a structured manual system (e.g. card index) relating to an individual.
 - C Data held on a computer relating to a company.
 - D Grouped data held on a computer about a large number of individuals.
22. A painting insured for €5,000 by an agreed value policy is stolen and at the time of the loss is believed to be worth only €3,000. How much, would the insurers pay?
- A €2,000
 - B €3,000
 - C €4,000
 - D €5,000
23. Once authorised in one Member State of the EU an intermediary will be entitled to:
- A apply for authorisation by regulators of other Member States.
 - B conduct business via an intermediary in other Member States.
 - C conduct business directly in other Member States.
 - D conduct business anywhere in the world.
24. Rory has just become a tied agent for XYZ Insurers. With regards to the CURRENT market classification of brokers he would be classed as a(n):
- A Independent Broker.
 - B Restricted Activity Investment Product Intermediary.
 - C Multi-Agency Intermediary.
 - D Authorised Advisor.

25. Which of the following circumstances give rise to a need to meet the Financial Regulator's Competency Requirements for those involved?
- A Arranging retail financial products for consumers though not on a professional basis.
 - B Arranging retail financial products for consumers on a professional basis.
 - C Providing advice to consumers regarding retail financial products though not on a professional basis.
 - D Providing back office support regarding retail financial products on a professional basis.
26. Irish insurers should refer to guidelines in which document when drafting personal lines proposal forms?
- A The Financial Regulator's Minimum Competency Requirements.
 - B The Insurance Institute of Ireland's (IIF) Code of Conduct.
 - C The Irish Insurance Federation's (IIF) Non-Life Insurance General Code.
 - D The Financial Regulator's Handbooks for Intermediaries and Advisors.
27. The duty of disclosure means that a proposer MUST:
- A advise the insurer of all material facts.
 - B complete a proposal form.
 - C pay the premium in full.
 - D have an insurable interest in an item.
28. Graham was driving his car to the garage because his brakes weren't working correctly and he was going to have them replaced. Whilst on his way to the garage he skidded and hit another car causing €1,000 of damage to the other car and writing off his own car, that was worth €2,500. How much, if anything, would Graham's insurance company be MOST likely to pay out?
- A Nil.
 - B €1,000
 - C €2,500
 - D €3,500
29. When does an insurer NORMALLY exercise subrogation rights?
- A When a policyholder has failed to pay premiums due.
 - B When the policyholder has failed to disclose a previous conviction or accident.
 - C Where a claim has occurred and the insurer has the right to act on the insured's behalf.
 - D Where two policies exist covering the same risk and the insurer seeks a recovery.
30. Which of the following is responsible for the LARGEST and most expensive claims from private health insurers?
- A Hospitals.
 - B Consultants.
 - C General Practitioners.
 - D Out-patient clinics.

31. A building is jointly owned by Karen and Tony who each individually arrange insurance on it. Karen insures the building for €100,000. Tony insures the building for €150,000. Neither policy is subject to average. A loss of €55,000 occurs. Assuming a valid claim would be paid in full under each individual policy, how much of the valid claim is each insurer liable to pay?
- A Karen's insurer is liable for €22,000 and Tony's for €33,000.
 - B Karen's insurer is liable for €27,500 and Tony's for €27,500.
 - C Karen's insurer is liable for €33,000 and Tony's for €22,000.
 - D Karen's insurer is liable for €55,000 and Tony's for €55,000.
32. Which of the following is NOT a function of the Association of Compliance Officers in Ireland (ACOI)?
- A Provision of a forum for members.
 - B Facilitating training and education for members.
 - C Regulation of members.
 - D Providing qualifications for members.
33. What scope of cover is usually provided by the 'driving other cars' extension of a comprehensive private motor insurance policy?
- A Third party personal injury only.
 - B Third party only.
 - C Third party, fire and theft only.
 - D Comprehensive.
34. The Financial Services Ombudsman (FSO) has directed VDR to pay €100,000 in compensation to Mrs. Murphy. However, Mrs. Murphy is disappointed with the award knowing that the FSO has powers to award higher sums. What is the MAXIMUM additional amount the FSO could have awarded Mrs. Murphy?
- A €50,000
 - B €75,000
 - C €100,000
 - D €150,000
35. The Financial Services Ombudsman is funded by:
- A levying fees on those who are unsuccessful with their claims.
 - B levying fees on Financial Services providers.
 - C Government.
 - D levying fees on complainants.

36. ABC Insurance Company receives a proposal form from Sarah. On the basis of the information ABC quotes a premium of €300 valid for 15 days. Sarah thinks that this is too expensive and writes to say that she will take out the policy only if ABC reduces the premium to €250. ABC refuses. In checking the market, Sarah finds that the original quote was actually competitive. However, the 15 days has expired. She writes to ABC to say that she accepts their original quotation. What is the legal position for ABC? They are:
- A bound to honour the acceptance and the policy will be drawn up on the basis of the original figure.
 - B entitled to refuse to maintain its original quote.
 - C bound to quote but may change its terms.
 - D bound to negotiate between the lower and higher figures.
37. The subject-matter of a contract of insurance is the:
- A thing actually insured.
 - B liability actually insured.
 - C insured's financial interest in what is insured.
 - D agent's financial interest in what is insured.
38. Despite no emergency an agent acts outside the terms of the agency agreement he has with his principal. The principal agrees to be bound by these actions in any case. This is an example of an agency created by:
- A the doctrine of estoppel.
 - B express appointment.
 - C urgent necessity.
 - D subsequent ratification.
39. When considering the relationship between principal and agent, the principal has two MAIN duties towards the agent. What are they?
- A Obedience and remuneration.
 - B Personal performance and remuneration.
 - C Indemnity and remuneration.
 - D Accountability and remuneration.
40. Under the terms of the Non-Life Insurance (Provision of Information)(Renewal of Policy of Insurance) Regulations 2007, apart from the renewal terms themselves, which of the following information MUST be supplied within the requisite time limit for a motor insurance policy?
- A Details of any discounts other than the No Claim Discount.
 - B The rationale for any discount applied.
 - C Full details of the regulatory status of any intermediary.
 - D Confirmation of compliance with statutory regulations.
41. Which of these prerequisites for insurance is considered to be an ideal rather than an absolute requirement?
- A Homogeneity.
 - B Insurable interest.
 - C Fortuitous loss.
 - D Not being against public policy.

42. What is the legal position regarding conditional acceptance of an offer?
- A It is binding upon both parties.
 - B It is binding upon both parties if made within a reasonable time after the original offer.
 - C The person to whom the counter-offer is made is free to accept or reject it.
 - D The person to whom the counter-offer is made is free to reject it provided this is done straight away.
43. Steven took out a Personal Accident and Sickness Insurance policy on 9th June. Any illnesses contracted by Steven before what LATEST date would normally be excluded?
- A 16th June.
 - B 23rd June.
 - C 30th June.
 - D 9th July.
44. What is the MINIMUM amount that health insurance companies are estimated to pay into the Health Industry per annum?
- A €1 million.
 - B €10 million.
 - C €100 million.
 - D €1 billion.
45. Rhonda currently holds a 'B' category driving licence and drives a small van with a capacity of 3,100kg. She is thinking of upgrading to a van with a greater capacity. What is the MINIMUM additional kgs of capacity her new van could have before Rhonda would be required to obtain a 'C1' category licence?
- A 200
 - B 400
 - C 900
 - D 1,400
46. Ronan has taken out a GAP insurance policy with CDC Insurers on an 'original invoice' basis for a car which he purchased for €40,000 two years ago. Ronan is involved in an accident and his car is a write-off. His motor insurers BTB confirm the claim is valid and evaluate the current market price of the car to be €20,000. However, a new replacement model of the same car would now cost €45,000. How much will Ronan receive from CDC Insurers in respect of his GAP policy?
- A €15,000
 - B €20,000
 - C €25,000
 - D €45,000
47. Following a fire, which policy provision could prevent the insured receiving full settlement of the claim?
- A Average.
 - B Contribution.
 - C Reinstatement.
 - D Subrogation.

48. Insurers use a particular means to alter the way in which the usual doctrine of proximate cause operates. How do they do this?
- A Restrict the named perils insured under a policy.
 - B Apply an excess or other restriction.
 - C Widen the scope of an exclusion so that it embraces indirect results.
 - D Apply a specific proximate cause exclusion.
49. For settlement of a liability claim which option do insurers use?
- A Cash / cheque.
 - B Repair.
 - C Reinstatement.
 - D Replacement.
50. Vintage or classic cars are commonly insured under which type of policy?
- A First loss.
 - B Agreed value.
 - C 'New for old'.
 - D Reinstatement.
51. 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.
52. What have the following got in common – the stock in a baker's shop, a car with new tyres, a healthy individual? They are:
- A good physical hazards.
 - B poor physical hazards.
 - C good moral hazards.
 - D poor moral hazards.
53. The sharing of a common loss between insurance policies that cover the same subject matter is the principle of:
- A Apportionment.
 - B Contribution.
 - C Average.
 - D Subrogation.

54. Which costs for a direct insurer will tend to INCREASE premiums compared with a company dealing through intermediaries?
- A Commission.
 - B The wide range of classes of business offered.
 - C Marketing costs.
 - D Staff costs.
55. What is the EARLIEST age a person is legally allowed to drive a tractor?
- A 15
 - B 16
 - C 17
 - D 18
56. David took out a policy with XYZ Insurers on Monday 10th January. Under the terms of the Financial Regulator's Consumer Protection Code, what is the LATEST date by which XYZ must issue the policy documents to David?
- A Friday 21st January.
 - B Monday 24th January.
 - C Friday 28th January.
 - D Monday 10th February.
57. Which of the following statements is TRUE regarding the InjuriesBoard.ie (previously known as the Personal Injuries Assessment Board (PIAB))? It is a:
- A non-statutory body that operates under a code of conduct.
 - B non-statutory body that operates under the control of the Irish Insurance Federation (IIF).
 - C statutory body funded by the Exchequer.
 - D statutory body funded by fees payable by respondents.
58. Which of the following forms part of the legal MINIMUM cover that must be provided under a motor cycle insurance policy?
- A Third party's claim handling expenses.
 - B Emergency treatment fees for those involved in a motor accident.
 - C Damage to accessories and spare parts of the motorcycle.
 - D Unlimited indemnity for liability for third party property damage.
59. When MUST insurable interest exist in motor insurance for a valid claim to be considered?
- A Policy inception only.
 - B Time of loss only.
 - C Policy inception and at time of loss.
 - D Time when the vehicle is purchased and time of a loss.

60. Which of the following is an exclusion USUALLY found in a personal accident and sickness insurance policy?
- A Carelessness.
 - B Occupational accident.
 - C Pre-existing physical defects.
 - D Unintentional self-inflicted injury.
61. Which of the following statements is TRUE regarding the proper disposal of data contained in paper documents?
- A Restricting disposal to specified employees is unnecessary.
 - B The task of file maintenance should be allocated to specific employees.
 - C A paper shredder system is unnecessary so long as files are placed in sealed bags.
 - D File disposal may be avoided by keeping records longer than strictly required.
62. A sports equipment section of a household policy EXCLUDES cover for:
- A golf shoes.
 - B golf balls.
 - C golf trolleys.
 - D golf clubs.
63. How does Secondary Care differ from Tertiary Care?
- A Secondary Care only takes place on an out-patient basis.
 - B Tertiary care never takes place in hospitals.
 - C Secondary care never takes place in private hospitals.
 - D Tertiary care only takes place in specialist hospitals.
64. The section of a general insurance policy which sets out the standard terms that apply to all risks in that class of business (not the policy cover) is known as the:
- A Operative clause.
 - B Policy conditions.
 - C Policy schedule.
 - D Recital clause.
65. Which of the following is a standard policy exception found in ALL general insurance policies?
- A Use for racing, pace-making and speed tests.
 - B War and related perils.
 - C The use of drugs or alcohol.
 - D Defective design.

66. Patrick O'Connor's Personal accident and sickness policy has a franchise of 7 days. The policy pays a weekly sickness benefit of €300. If Patrick is ill for a period of 14 days what will the policy pay?
- A Nil.
 - B €300
 - C €600
 - D €900
67. In connection with a contract of insurance, a warranty is a written:
- A condition detailing the maximum time in which the insurer must respond to a valid claim.
 - B condition with which the insured must strictly comply.
 - C notice extending cover beyond that provided under a standard policy.
 - D notice guaranteeing a minimum level of service under a policy.
68. At the point in the transaction of insurance when a broker submits a proposal for a commercial property policy for a proposer, the broker is the agent of:
- A the proposer.
 - B the insurer.
 - C both the proposer and the insurer.
 - D neither the proposer nor the insurer.
69. Which aspect of a claim is the responsibility of the insured?
- A Checking that no exception applies.
 - B Providing evidence of value.
 - C Establishing that the principle of utmost good faith has been complied with.
 - D Validating compliance with any relevant warranty.
70. To whom could a private individual go to arrange an insurance policy?
- A A captive insurance company.
 - B An Authorised Adviser.
 - C A Lloyd's underwriter.
 - D A reinsurance company.
71. For personal general insurance policies, at common law the duty of disclosure exists:
- A throughout the policy term whether or not the policy conditions refer to this fact.
 - B only up to the time when the policy is effective but not at renewal.
 - C up to the time when the policy is effective and revives at renewal.
 - D only if the policy contains a condition referring to this fact.

72. 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.
73. 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
74. Which of the following statements is TRUE if an insurer chooses to exercise their right to reinstate a property in settlement of a claim?
- A The insurer may end up paying more than a cash settlement.
 - B The insurer is bound to continue insuring the risk once it is reinstated.
 - C This option is exercised only for minor damage.
 - D Insurers opt to use this course of action whenever possible.
75. One of the PRINCIPAL functions of the Irish Insurance Federation (IIF) is:
- A representing risk managers and reinsurers.
 - B providing technical training for member companies.
 - C providing an arbitration service for disputes.
 - D providing an insurance information service for the public.
76. Which of the following describes a characteristic of the environment BEST suited to Electronic Data Interchange (EDI)?
- A A series of complicated arrangements.
 - B High data volumes of similarly profiled claims.
 - C Substantial risks requiring individual negotiation.
 - D Individually negotiated policy wordings.
77. Which of the following is one of the eight 'Rules' under the Data Protection Acts?
- A Data referred to under the Act are those that relate both to private persons and businesses.
 - B Data must be kept safe and secure.
 - C Once obtained, data must be kept permanently by data controllers.
 - D Data may be held for only one purpose.

78. Under a household buildings policy, which of the following would the scope of cover for subsidence include?
- A Settlement of the building.
 - B Damage caused by faulty materials.
 - C Movement of floor slabs caused by movement of the foundations.
 - D Coastal erosion.
79. What does an insurer's revenue account show?
- A Underwriting profit or loss.
 - B Total profit or loss during a stated period.
 - C Assets and liabilities at a point in time.
 - D Projected business forecasts.
80. Which of the following rights is NOT granted to data subjects under Data Protection legislation? The right:
- A of rectification of incorrect data.
 - B to refuse permission for any data to be held.
 - C to seek compensation through the Courts.
 - D of access to data.
81. Backspace Ltd. has employed a risk manager to analyse its accident record. Between January and July, it records accidents leading to 1 major injury and 16 minor injuries this year. According to the Heinrich Triangle, how many ADDITIONAL accidents leading to minor injuries can it expect to have for the year?
- A 4
 - B 9
 - C 14
 - D 24
82. Michael Clark's car has been written off in a motorway pile up. ABC Insurance has paid him the car's full market value. To whom does the salvage belong?
- A Both ABC Insurance and Michael Clark equally.
 - B Michael Clark.
 - C The agent that removed the car from the motorway.
 - D ABC Insurance.
83. Alison and Steven have a household insurance policy which includes contents cover of €40,000. A burglary occurs in their home and the following items are stolen: a diamond ring worth €10,000; a fur coat worth €5,000; and a ruby necklace worth €2,000. What payment will the couple receive from their insurers?
- A €5,000
 - B €6,000
 - C €10,000
 - D €17,000

- 84.** Which of the following risks is insurable?
- A Arson by the policyholder.
 - B Fines in a criminal court.
 - C Costs of defending a court action.
 - D War risks.
- 85.** Which form of insurance is compulsory under statute in the Republic of Ireland?
- A Employer's liability.
 - B Fidelity guarantee.
 - C Motor insurance.
 - D Products liability.
- 86.** Florence crashed into the M1 toll plaza causing structural damage of €1,500,000 and writing off her own car, worth €65,000. Florence has cover on a Road Traffic Only basis. What is the MINIMUM settlement her motor insurers would be required to pay under the 5th Motor Insurance Directive?
- A €200,000
 - B €1,000,000
 - C €1,500,000
 - D €1,565,000
- 87.** Where both insurer and insured have the right to cancel a policy under the terms of its cancellation clause which of the following always applies? Exercising the:
- A insurer's right results in a pro rata premium return.
 - B insurer's or insured's right results in a pro rata premium return.
 - C insurer's right results in less than a pro rata premium return.
 - D insurer's or insured's right results in less than a pro rata premium return.
- 88.** Which of the following actions would NOT be considered a breach of the Occupier's Liability Act 1995 towards those on a householder's premises?
- A Intentional harm of trespassers at the occupier's discretion.
 - B Setting of traps to protect property.
 - C Laying poison with the provision of adequate danger signs.
 - D Allowing dangerous animals to roam free within the grounds.
- 89.** How are therapeutic costs NORMALLY set differently when compared to other costs met out of private health insurance?
- A Maximum amount per visit regardless of cost.
 - B Maximum total amount can be paid out.
 - C Maximum number of visits stated.
 - D Means tested before being set.

90. If an insurance policy is due for renewal on Monday 5th October, what is the LATEST date by when the insurance company must send out a renewal notice?
- A 5th October.
 - B 28th September.
 - C 21st September.
 - D 14th September.
91. An ongoing requirement for disclosure of material facts in a household policy is:
- A achieved by a continuing disclosure clause.
 - B automatically part of every household policy.
 - C market practice in that area.
 - D a legal requirement to notify all changes during the currency of the policy.
92. Prior to acceptance of a risk one of an underwriter's functions is to:
- A ensure the premium is paid promptly.
 - B advise the insured of ways to reduce their premium.
 - C reduce the potential for claims.
 - D calculate an appropriate premium.
93. Under the terms of the Motor Insurers Bureau of Ireland (MIBI) Agreement 2004 which of the following was an additional requirement that must be met by claimants? The claimant MUST:
- A report the claim to the Gardaí within 2 days.
 - B make a statutory declaration about the truth of statements.
 - C appoint a solicitor to act for them.
 - D pay the legal costs.
94. If it is now 1st July and Dan has been away from his property since 17th June, what MAXIMUM number of days more, if any, could Dan stay away before certain parts of his cover will be excluded?
- A None.
 - B 7
 - C 14
 - D 16
95. Trespass to the person includes which of the following?
- A Libel.
 - B Slander.
 - C Malicious interference with a person's goods.
 - D False imprisonment.

96. Bill has paid a €400 deposit for a holiday but has now found that he is expected to turn up for jury service. If he has travel insurance in place and makes a claim to get his deposit back, how much, if anything, is he MOST likely to receive from his insurance company?
- A Nil.
 - B €200
 - C €350
 - D €400
97. The measure of indemnity used for liability claims is:
- A new for old.
 - B agreed at the outset of the policy.
 - C the court award plus costs.
 - D a fixed sum agreed with the insured.
98. An insured motor vehicle is written off, though the salvage still has some value. The insurer's subrogation rights in relation to the salvage arise from:
- A Tort.
 - B Contract.
 - C Statute.
 - D The subject-matter of insurance.
99. Because of an earthquake, the gas main to a factory is ruptured and the gas is ignited by a portable heater. The resulting explosion causes a fire in the factory. What is the proximate cause of any resulting loss?
- A The earthquake.
 - B The ignition of the released gas.
 - C The fire.
 - D The rupture of the gas main.
100. What is the PRIMARY function of the Insurance Institute of Ireland (III)?
- A The provision of education and training for the insurance industry.
 - B The provision of statistical data for use by the insurance industry.
 - C The regulation of insurance companies.
 - D The regulation of non-broker insurance intermediaries.

Solutions

1. Answer: C IBA 1 Ref: 13D
2. Answer: C IBA 1 Ref: 1B
3. Answer: B IBA1 Ref: 1E2
4. Answer: D IBA 1 Ref: 6B1C2
5. Answer: B IBA 1 Ref: 13C2
6. Answer: C IBA1 Ref: 1F2 / F3
7. Answer: D IBA1 Ref: 1F3
8. Answer: B IBA 1 Ref: 11C
9. Answer: A IBA1 Ref: 5A
10. Answer: C IBA1 Ref: 11T
11. Answer: B IBA 1 Ref: 5D5
12. Answer: A IBA 1 Ref: 8B1
13. Answer: B IBA 1 Ref: 5E
14. Answer: B IBA 1 Ref: 2E3A
15. Answer: C IBA 1 Ref: 5H2
16. Answer: A IBA 1 Ref: 5J
17. Answer: B IBA 1 Ref: 11J
18. Answer: A IBA 1 Ref: 2A2 / A4
19. Answer: D IBA1 Ref: 7A
20. Answer: C IBA 1 Ref: 13C2
21. Answer: B IBA1 Ref: 14E1
22. Answer: D IBA 1 Ref: 2C6A
23. Answer: C IBA 1 Ref: 13E
24. Answer: C IBA1 Ref: 6A
25. Answer: B IBA 1 Ref: 13G2
26. Answer: C IBA 1 Ref: 5M1A
27. Answer: A IBA 1 Ref: 2B2A

- 28. Answer: B IBA1 Ref: 7B4
- 29. Answer: C IBA 1 Ref: 2F
- 30. Answer: A IBA 1 Ref: 11M
- 31. Answer: A IBA 1 Ref: 2E3A1
- 32. Answer: C IBA 1 Ref: 5L6
- 33. Answer: B IBA1 Ref: 7B2D
- 34. Answer: D IBA 1 Ref: 5L10
- 35. Answer: B IBA 1 Ref: 5L10
- 36. Answer: B IBA 1 Ref: 4B2C
- 37. Answer: C IBA 1 Ref: 2A1B
- 38. Answer: D IBA 1 Ref: 6B1B
- 39. Answer: C IBA 1 Ref: 6B1E
- 40. Answer: A IBA1 Ref: 3G1
- 41. Answer: A IBA 1 Ref: 1G4
- 42. Answer: C IBA 1 Ref: 4B2C
- 43. Answer: C IBA1 Ref: 10A2B
- 44. Answer: D IBA 1 Ref: 11K
- 45. Answer: B IBA 1 Ref: 8B9
- 46. Answer: A IBA 1 Ref: 7C1
- 47. Answer: A IBA1 Ref: 12E
- 48. Answer: C IBA 1 Ref: 2D5
- 49. Answer: A IBA 1 Ref: 12G1
- 50. Answer: B IBA 1 Ref: 2C6A
- 51. Answer: B IBA 1 Ref: 12I
- 52. Answer: A IBA 1 Ref: 1C1C
- 53. Answer: B IBA 1 Ref: 2E1
- 54. Answer: C IBA 1 Ref: 5F

55. Answer: B IBA 1 Ref: 8A
56. Answer: B IBA1 Ref: 14F1D1
57. Answer: D IBA 1 Ref: 5L9
58. Answer: B IBA1 Ref: 8C2
59. Answer: C IBA 1 Ref: 2A2D
60. Answer: C IBA1 Ref: 10A5
61. Answer: B IBA1 Ref: 14D7
62. Answer: C IBA1 Ref: 9B2G
63. Answer: D IBA1 Ref: 11H / 11I
64. Answer: B IBA1 Ref: 3A6
65. Answer: B IBA1 Ref: 3B1
66. Answer: C IBA1 Ref: 3E3
67. Answer: B IBA 1 Ref: 3F1
68. Answer: A IBA 1 Ref: 6B1C1
69. Answer: B IBA1 Ref: 12C1
70. Answer: B IBA 1 Ref: 5B / 5C
71. Answer: C IBA 1 Ref: 2B3A / B
72. Answer: C IBA1 Ref: 12C1
73. Answer: C IBA1 Ref: 2C7C
74. Answer: A IBA1 Ref: 12G4
75. Answer: D IBA 1 Ref: 5L1
76. Answer: B IBA1 Ref: 14B1
77. Answer: B IBA1 Ref: 14E
78. Answer: C IBA1 Ref: 9B1A
79. Answer: A IBA 1 Ref: 13C3
80. Answer: B IBA1 Ref: 14E1
81. Answer: C IBA1 Ref: 1C1B
82. Answer: D IBA 1 Ref: 2F2C

- 83. Answer: B IBA1 Ref: 9B1B
- 84. Answer: C IBA 1 Ref: 1G
- 85. Answer: C IBA 1 Ref: 1H
- 86. Answer: B IBA 1 Ref: 7B2A
- 87. Answer: A IBA 1 Ref: 3C3
- 88. Answer: C IBA 1 Ref: 4C3
- 89. Answer: A IBA 1 Ref: 11M
- 90. Answer: D IBA 1 Ref: 3G1
- 91. Answer: A IBA 1 Ref: 2B3C
- 92. Answer: D IBA 1 Ref: 5K
- 93. Answer: A IBA 1 Ref: 5L8
- 94. Answer: D IBA 1 Ref: 9B1A
- 95. Answer: D IBA 1 Ref: 4D4
- 96. Answer: C IBA 1 Ref: 10B2C
- 97. Answer: C IBA 1 Ref: 2C5B
- 98. Answer: D IBA 1 Ref: 2F2C
- 99. Answer: A IBA 1 Ref: 2D4
- 100. Answer: A IBA 1 Ref: 5L5