

[May 31, 2022 Get New IF1 Practice Test Questions Answers [Q17-Q37]



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NEW QUESTION 17

Sara searches on a comparison website for car insurance. She selects the cheapest quotation and pays by credit card for immediate cover. This is known as

- * unconditional acceptance.
- * an offer.
- * a Terms of Business Agreement.
- * conditional acceptance.

NEW QUESTION 18

A claim has arisen which is fully covered under insurer A's policy and insurer B's policy. Insurer A's policy has a sum insured of £30,000 and insurer B's policy has a sum insured of £50,000. What proportion of the claim is insurer B liable for if the principle of contribution applies on a rateable proportion by sum insured basis?

- * Two fifths.
- * Three fifths.
- * Three eighths.
- * Five eighths.

NEW QUESTION 19

An insurance company has employed an individual from a rival firm to carry out a similar job. At which stage would the regulatory requirements for retaining training and competence records first apply to the new employee, if at all?

- * From the initial interview.
- * It would not apply, as the employee is already fully competent.
- * Within 18 months of employment.
- * When the employee first has contact with members of the public.

NEW QUESTION 20

Who is represented by a loss assessor?

- * A policyholder.
- * A broker.
- * A claims handler.
- * An underwriter.

NEW QUESTION 21

John has a whole of life policy and has recently been diagnosed with cancer. When, if at all, must he disclose this to his insurer?

- * Immediately, irrespective of prognosis.
- * He does not need to disclose this.
- * Immediately, but only if the diagnosis is terminal.
- * At the date of the next premium payment.

NEW QUESTION 22

It is important to ensure the fair treatment of customers in order to comply with rules set by the

- * British Insurance Brokers' Association.
- * Association of British Insurers.
- * Financial Conduct Authority.
- * Chartered Insurance Institute.

NEW QUESTION 23

Insurers and intermediaries are required to adhere to solvency requirements as stipulated by the

- * Financial Services Compensation Scheme.
- * Financial Ombudsman Service.
- * Association of British Insurers.
- * European Union.

NEW QUESTION 24

Which general rule does the Contracts (Rights of Third Parties) Act 1999 seek to modify?

- * Contra proferentem.
- * Subrogation.
- * Good faith.
- * Privity of contract.

NEW QUESTION 25

Which professional body specialises in giving its members advice on the long-term management of assets and liabilities?

- * The Lloyd's Market Association.
- * The Chartered Institute of Loss Adjusters.
- * The International Underwriting Association of London.
- * The Institute and Faculty of Actuaries.

NEW QUESTION 26

An insured is temporarily disabled due to illness and unable to work. During this period, what type of insurance policy will typically pay a weekly benefit for up to two years?

- * A critical illness insurance policy.
- * A medical expenses insurance policy.
- * An employers' liability insurance policy.
- * A personal accident and sickness insurance policy.

NEW QUESTION 27

Joe is a broker who has become a Fellow of the Chartered Insurance Institute. If he would like to use the title Chartered Insurance Broker, what must he do, if anything?

- * He must apply to the British Insurance Brokers' Association.
- * He must apply to the Chartered Insurance Institute.
- * He cannot use the name as he would be in breach of the Insurance: Conduct of Business sourcebook (ICOBS).
- * He must apply to the Prudential Regulation Authority.

NEW QUESTION 28

A policyholder achieves peace of mind when insuring his car by

- * eliminating the risk of loss.
- * reducing the chance of a loss occurring.
- * preventing the chance of a loss occurring.
- * transferring the risk to the insurer.

NEW QUESTION 29

The accident record for a printworks show that for every one major injury, there have been 30 minor incidents and 900 non-injury events reported. How would major work injuries be classified in relation to frequency and severity?

- * High frequency, low severity.
- * Low frequency, low severity.
- * High frequency, high severity.
- * Low frequency, high severity.

NEW QUESTION 30

Which principle of insurance prevents a member of the public from taking out an insurance policy on the life of a celebrity in the hope of receiving a windfall on the celebrity's death?

- * Indemnity.
- * Insurable interest.
- * Good faith.
- * Proximate cause.

NEW QUESTION 31

What is the principal reason for which a proposer is asked by the insurer whether his car will be driven by anyone else?

- * To enable a loading to be applied.
- * To establish whether insurable interest exists.
- * To enable a discount to be applied.
- * It is a material circumstance.

NEW QUESTION 32

A Terms of Business Agreement between an insurer and an intermediary will normally state that the insurer will deal with the policyholder

- * only when collecting premiums.
- * on a direct basis,
- * outside normal business hours,
- * via the intermediary.

NEW QUESTION 33

Peter currently has no penalty points on his driving licence, although he was convicted of a minor motoring offence eight years ago. Why does Peter NOT need to disclose this to his motor insurer?

- * It represents a physical hazard.
- * It represents a moral hazard.
- * It is a spent conviction.
- * It is information that would not influence an underwriter.

NEW QUESTION 34

When completing a proposal form, Tom declares that he has two spent speeding convictions. How, if at all, will the spent convictions affect an underwriter's decision to write the risk?

- * They will not be considered as this is not an underwriting factor in motor insurance risk assessment.
- * They will only be considered if Tom had a further speeding conviction in the last 12 months.
- * They will be ignored in accordance with the provisions of the Rehabilitation of Offenders Act 1974.
- * They will be classed as relevant information and will affect the premium.

NEW QUESTION 35

Lloyd's is known as a subscription market because

- * a number of syndicates accept a share of the same risk.
- * if an insurer writes a particular class, he is expected to subscribe to the majority of these risks.
- * a fee must be paid.
- * the underwriter assigns his signature individually to each risk.

NEW QUESTION 36

How do an insurer's subrogation rights differ, if at all, between a theft policy and a personal accident policy?

- * Subrogation rights only apply under a theft policy.
- * Subrogation rights do not apply under either policy.
- * Subrogation rights only apply under a personal accident policy.

* Subrogation rights apply under both policies.

NEW QUESTION 37

A risk control survey shows that premises proposed for insurance are in close proximity to a river with a history of flooding. The underwriter will consider this fact to be a

- * moral hazard.
- * physical hazard.
- * fundamental risk.
- * pure risk.

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