

THE CHARTERED INSURANCE INSTITUTE

# P86

## Diploma in Insurance

### Unit P86 – Personal insurances

October 2013 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. Explain briefly the cover available under the contents section of a caravan insurance policy. (6)
2. Outline **three** optional extensions to a payment protection insurance policy. (9)
3. Outline the advantages to insurers of offering quotations through the internet rather than call centre operations. (9)
4. List the key information the insured needs to provide to complete a claim form in the event of an insured loss, under the contents section of a household policy. (9)
5. Outline **three** reasons an insurer might require minimum standards of security to be applied to an insured property. (6)
6. Explain the reasons an insurer will require a survey for a high net worth property. (8)
7. XYZ Insurance has declined a household claim as a result of the breach of a policy condition. The policyholder has referred the matter to the Financial Ombudsman Service (FOS).  
State the issues the FOS will consider before deciding whether to review the complaint. (6)
8. (a) Describe **three** different policy limits applicable to the sum insured under a household contents policy. (9)  
(b) Outline how cover can be arranged beyond these limits. (6)
9. State **six** exclusions to an extended warranty policy. (6)

10. Identify and explain the different categories of excess that may be applied to a household buildings policy.
11. Explain how rehabilitation programmes operate to support the process of settlement for personal accident claims. (6)
12. Describe **three** databases used to help reduce the incidence of fraudulent claims. (12)
13. State **eight** exclusions found under the pedal cycle extension under a household contents policy. (8)
14. (a) Identify **five** categories of social exclusion as found on the UK Government's Social Exclusion Unit website. (5)  
 (b) Outline the challenges that social exclusion presents to the insurance market. (8)
15. List the **five** main sections found under a travel insurance policy. (5)

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