



# Malta International Training Centre

## Award in Insurance Principles and Legal Aspects

27<sup>th</sup> March 2022

### PLEASE READ THE FOLLOWING NOTES:

1. Three hours are allowed for this paper, which is in two parts: PART I and PART II.
  2. Answer ALL questions numbered 1-14 in PART I. You are advised to spend no more than 120 minutes on this part of the paper.
  3. In PART II you should answer two (2) questions, each carrying 30 marks, from the remaining questions 15-17.
  4. The whole paper carries 200 marks.
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**Part I: Answer ALL questions 1-14 in this part. Each question carries 10 marks.**

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1. (a) What do you understand by the Direct and Indirect costs of Risk? (2 marks)  
(b) Give 4 examples of Direct costs and 4 examples of Indirect costs of Risk. (8 marks)
2. Outline 5 benefits of insurance. (5x2marks)
3. In the context of an insurance contract, briefly explain the following:
- (a) Consideration (2 marks)
  - (b) Unconditional acceptance (2 marks)
  - (c) Unrevoked offer (2 marks)
  - (d) Legal capacity (2 marks)
  - (e) Counter offer (2 marks)
4. (a) What is contained in the preamble clause of an insurance policy? (4 marks)  
(b) Distinguish between Implied and Express terms under an insurance contract. (6 marks)
5. (a) What do you understand by positive duty of disclosure in the context of proposing for insurance cover? (3 marks)  
(b) State 3 ways by which insurable interest may be created. (3 marks)  
(c) How is indemnity provided by insurers for a claim of an old building which is up for sale? (4 marks)
6. (a) Define Subrogation. (4 marks)  
(b) Outline 3 ways by which Subrogation may arise? (6 marks)

7. (a) What do you understand by Delegated Legislation? (4 marks)  
(b) Distinguish between Codifying and Consolidating Acts. (6 marks)
8. Briefly explain the following:
- (a) Ratio Decidendi (2 marks)
  - (b) EU Directive (2 marks)
  - (c) Corporation Aggregate (2 marks)
  - (d) Partnership (2 marks)
  - (e) Limited company (2 marks)
9. (a) "Trespass is a tort which is actionable per se". Explain. (5 marks)  
(b) How was strict liability established under *Rylands v. Fletcher* (1868)? (5 marks)
10. How may tortious liability arise for the following?
- (a) Employer (4 marks)
  - (b) Occupier (3 marks)
  - (c) Manufacturer (3 marks)
11. (a) What do you understand by privity of contract? (5 marks)  
(b) How may an insurance contract be assigned? (5 marks)
12. (a) Why are warranties inserted in an insurance contract? (2 marks)  
(b) How is an insurance warranty different from a commercial warranty? (2 marks)  
(c) Explain what is meant by a continuing warranty and what are the consequences of a breach of warranty under a property insurance policy? (6 marks)
13. (a) Provide two examples of how an insurance contract may be considered to be void. (4 marks)  
(b) Differentiate between Joint and Composite insurance contracts. (6 marks)

14. (a) What is the scope of appointing an Insurance Agent? (5 marks)
- (b) Mention 5 ways of how an Agent may be acting on behalf of an insurer and 5 ways of how an Agent may be acting on behalf of the proposer/insured. (5 marks)
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**Part II: Answer two (2) questions from 15-17, each carrying 30 marks.**

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15. Adrian, Belinda and Carl are three bank executive employees who work in the loan facilities department and who had the following three separate incidents:

(a) A plea for a loan came to Adrian who at the time, was secretly playing a card game on his computer. In the excitement of the moment, he hastily and blindly signs off the loan request and continues with his game.

(b) Belinda also received a loan request and thinking that the borrower was a famous person, well known in the business world, she signed the approval to provide the requested loan without any checks.

(c) Carl received another loan enquiry which he checked for possible adverse media using the internet as the source of check. This search resulted in the negative, however Carl did not complete the other series of checks as required by the loan-provision handbook.

In all three occasions, the loan borrowers turned out to be fraudsters and the action of the three employees committed the bank to business transactions that should have been outrightly declined. The bank suffered a financial loss in all three instances.

Comment on the type/s of tort committed in the cases mentioned above with possible defences the employees might bring to defend their position (if at all).

(30 marks)

16. GG Construction Ltd are insured with ABC Insurance Company Ltd under a combined insurance policy having their property, liability and pecuniary risks covered under one policy.

GG Construction Ltd have made the following claims during the past decade:

- a) On one occasion an employee of GG Construction Ltd injured another employee while they were messing around with tools during their lunch break.
- b) Another time, a machine which was borrowed from a supplier, was stolen from the premises of GG Construction Ltd. The machine was also insured by the supplier on an All-Risks basis.
- c) On another occasion, a fire damaged part of GG construction's premises. Upon the ensuing loss adjuster's on-site survey, it was noted that there were no security bars installed on the premises as warranted by the policy.
- d) While delivering €90,000 worth of concrete beams to the customer, the lorry carrying the goods overturned and totally damaged the supply which was already paid in full by the customer.
- e) A claim for €400,000 worth of cement bags were claimed as total loss following a flood on the premises of GG Construction Ltd. Upon vetting the receipts, it was found that no importation excise and customs duty was paid on this consignment.

Discuss how the insurer would have likely considered these claims giving reasons for your answers to justify the likely decisions.

(5 x 6 marks each)



**MITC**

a Deloitte business

# Malta International Training Centre

## Award in Personal Lines Insurance

8<sup>th</sup> May 2022

### **PLEASE READ THE FOLLOWING NOTES:**

1. Three hours are allowed for this paper, which is in two parts: PART I and PART II.
  2. Answer ALL questions numbered 1-14 in PART I. You are advised to spend no more than 120 minutes on this part of the paper.
  3. In PART II you should answer two (2) questions, each carrying 30 marks, from the remaining questions 15-17.
  4. The whole paper carries 200 marks.
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**Part I: Answer ALL questions 1-14 in this part.  
Each question carries 10 marks.**

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1. (a) What are the advantages of receiving risk information by means of a proposal form? (5 marks)  
(b) Give 5 examples of non-standard risks related to domestic property insurance. (5 marks)
  
2. (a) Differentiate between Co-insurance and Reinsurance. (5 marks)  
(b) Briefly outline 5 benefits of Reinsurance. (5 marks)
  
3. (a) What is contained in a policy schedule of a Household Insurance policy? (6 marks)  
(b) Explain the change in risk/circumstances clause. (4 marks)
  
4. (a) Mention 5 elements that constitute riot under a personal lines insurance policy based on special perils? (5 marks)  
(b) What type of contents limits are set under a Household Insurance policy? (5 marks)
  
5. (a) What is the difference between specified and unspecified items under a Personal Possessions Insurance policy? (5 marks)  
(b) List 5 All Risks exclusions found under a personal lines property insurance policy. (5 marks)



6. Explain the following:
- (a) Pairs or sets clause (2.5 marks)
  - (b) Hospital cash benefit (2.5 marks)
  - (c) Delayed departure cover (2.5 marks)
  - (d) New for old cover (2.5 marks)
7. (a) How is money defined under a Money Insurance policy? (6 marks)
- (b) Give two examples to illustrate circumstances when a money insurer would refuse to meet a claim. (4 marks)
8. (a) Liability cover features under a number of personal lines insurance products. Explain the scope of legal liability cover by giving 2 examples. (6 marks)
- (b) What would be the position under a Caravan or Boat Insurance policy if the insured wishes to travel beyond the geographical limits? (4 marks)
9. What risk assessment would be undertaken by a personal lines underwriter for the following classes of insurance? Provide 2 factors per class.
- (a) Payment protection insurance (2 marks)
  - (b) Domestic Animals (2 marks)
  - (c) Pedal cycles (2 marks)
  - (d) Extended warranty insurance (2 marks)
  - (e) Legal expenses cover (2 marks)

10. (a) Explain the intention of the health warranty declaration found in a typical Travel Insurance proposal form. (5 marks)  
(b) Under a Travel Insurance policy, what 5 possible reasons would trigger a claim under the cancellation and curtailment section? (5 marks)
11. (a) Mention 5 conditions that have to be satisfied to validate a claim involving the theft of money under Travel Insurance. (5 marks)  
(b) Mention 5 implied duties expected of a personal lines insurance claimant. (5 marks)
12. How are the following likely to be insured by a personal lines insurer?  
(a) An obsolete building (2.5 marks)  
(b) A priceless painting (2.5 marks)  
(c) An old laptop (2.5 marks)  
(d) A very expensive engagement ring (2.5 marks)
13. (a) What are the 4 typical occupation classes under a Personal Accident insurance policy? (4 marks)  
(b) How are the different classes of occupations under Personal Accident insurance rated? (6 marks)
14. (a) Mention 5 ways of how one could lower the premium under a Private Medical Insurance policy. (5 marks)  
(b) List 5 exclusions typically found under a Private Medical Insurance policy. (5 marks)
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**Part II: Answer two (2) questions from 15-17, each carrying 30 marks.**

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15. The Smiths family will be spending 15 days in Italy and they wish to ensure that their Travel Insurance policy covers all of their needs and activities during their stay. Mr Smith comes to your underwriting office and informs you of the following:

a) His son is physically challenged and needs a wheelchair and other several walking aids to be able to travel. He also has prosthetics and uses an expensive electronic tracking device for emergency purposes.

b) His family intends to ski and climb mountains on the Alps in Italy.

c) His wife suffers from asthma and could require a nebuliser if she gets an attack, necessitating a visit to the hospital.

d) His father is 88 years of age and is currently in hospital with little hope of recovering from a terminal illness.

e) His daughter is six months pregnant with no complications registered so far.

f) His family intends to hire a boat while they visit the famous lake of Como in Italy.

What will you tell Mr Smith given the information above? Give reasons and refer to the various policy wording (where applicable) to explain the position of the insurer in the respective circumstances.

(6X5marks  
each)

16. Discuss the following claims:

a) Peter holds a stand-alone Personal Accident Insurance policy and is also enrolled under a group Personal Accident Insurance policy arranged by his employer. While he is driving his vehicle abroad, he sustains a serious injury following a motor accident. Peter had arranged a Travel policy prior to his overseas trip. Both the Motor and Travel policies have a Personal Accident extension. If the fault of the accident is a third-party driver, how (if at all) would the respective insurance policies held by Peter respond to his claim?

(8 marks)

b) Rebekah's daughter secretly takes her credit card and uses it to buy €800 worth of clothes from an online website. As Rebekah holds a credit cards extension under her Household Insurance policy, she duly makes a claim. How would an insurer deal with the respective claim explaining whether the scenario would be differently handled if the loss was committed by a third party instead of Rebekah's daughter?

(6 marks)

c) Petra is a hockey player. On one occasion her hockey stick, worth €550, was damaged after she misaligned a shot. Returning to her locker she discovers that her sports bag had been pilfered and her mobile phone, air pods and iPad went missing. How would a personal possessions insurer deal with the ensuing claims?

(8 marks)

d) A flower pot hanging from a balcony falls onto a parked car which was parked directly underneath. James, the owner of the building, is being sued by the motor insurers of the damaged car. James holds a household insurance policy but is claiming that the cause of the loss was bad weather for which he has no control over and that the vehicle was parked illegally. How would the household insurers deal with the potential claim, if at all?

(8 marks)

17. You have been asked to deliver a presentation on personal lines disputes and litigation. The talk will be attended by 4<sup>th</sup> year law students who wish to learn about the type of disputes that may be raised by a personal lines policyholder and the different types of remedies available to sort out the differences.

Detail your presentation.

(30 marks)

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# Malta International Training Centre

## Award in Commercial Lines Insurance

22<sup>nd</sup> January 2022

### PLEASE READ THE FOLLOWING NOTES:

1. Three hours are allowed for this paper, which is in two parts: PART I and PART II.
  2. Answer ALL questions numbered 1-14 in PART I. You are advised to spend no more than 120 minutes on this part of the paper.
  3. In PART II you should answer two (2) questions, each carrying 30 marks, from the remaining questions 15-17.
  4. The whole paper carries 200 marks.
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**Part I: Answer ALL questions 1-14 in this part.  
Each question carries 10 marks.**

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1. (a) What fire safety challenges does a multi-tenure high rise building present? (6 marks)  
(b) What do you understand by Spontaneous Combustion? (2 marks)  
(c) How is fire physically prevented from spreading in a typical commercial premises, such as a warehouse? (2 marks)
  
2. What 5 factors should be taken into account when assessing a storm risk? (5x2marks)
  
3. (a) Outline the typical wording used to describe the extent of cover under the Fire peril. (5 marks)  
(b) In commercial insurance, what typical requirement is expected by insurers to validate theft from a building? (2 marks)  
(c) Give 3 examples of social perils. (3 marks)
  
4. (a) Differentiate between Subsidence, Ground Heave and Landslip. (3 marks)  
(b) Mention 7 general exclusions typically found under all commercial lines property insurance policies. (7 marks)
  
5. (a) What is a Warranty in the context of commercial insurance? (2 marks)  
(b) Produce 2 typical warranties that are related to the security of a commercial premises. (8 marks)



6. Write brief notes on the following:
- (a) Electrical apparatus clause (2 marks)
  - (b) Removal of debris clause (2 marks)
  - (c) Average clause (2 marks)
  - (d) Contract price clause (2 marks)
  - (e) Tenant's improvements clause (2 marks)
7. (a) Explain the aspects an underwriter will consider prior to affixing the commensurate insurance premium. (5 marks)
- (b) What are the specific rating factors for Business Interruption insurance? (5 marks)
8. (a) Distinguish between First loss, Floating and Blanket covers as applied by commercial underwriters. (6 marks)
- (b) How is a Franchise different from an Excess? Give an example to support your answer. (4 marks)
9. (a) When is a property surveyor required by an insurer? (5 marks)
- (b) What do you understand by Estimated Maximum Loss (EML) and why is this relevant to a commercial underwriter? (5 marks)
10. (a) What is Turnover in the context of Business Interruption insurance and what does it consist of? (4 marks)
- (b) What are the components that make up the Gross Profit Sum Insured under a Business Interruption insurance policy? (6 marks)

- 11.** Briefly explain the following:
- (a) Business Interruption Indemnity Period (2 marks)
  - (b) Property Damage Proviso (2 marks)
  - (c) Debris Removal Expenses (2 marks)
  - (d) Index-Linked Sum Insured (2 marks)
  - (e) Deductible (2 marks)
- 12.** (a) Briefly outline the scope of a Contractors All Risks insurance policy. (5 marks)
- (b) Mention 5 typical exclusions found under a Contractors All Risks insurance policy. (5 marks)
- 13.** (a) What is the scope of the Increase in Cost of Working clause under an Electronic Equipment insurance policy? (5 marks)
- (b) Explain the cover afforded under a Boiler and Pressure Plant insurance policy. (5 marks)
- 14.** (a) Why would a butcher opt for a Deterioration of Stock insurance policy notwithstanding that he holds a property insurance policy? (4 marks)
- (b) What are the advantages of having commercial insurance packaged under one policy? (6 marks)
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**Part II: Answer two (2) questions from 15-17, each carrying 30 marks.**

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15. You are dealing with a request from Joe Smith who is both a timber merchant and a carpenter. His business consists of the sale of wood planks (which he imports from abroad) and construction of wood houses and sheds. His premises is worth \$2million and his stock has an average sum insured of \$4.5million.

Mr Smith approaches your broking firm with a view of obtaining the best and cheapest form of insurance cover. What additional questions would you ask Joe Smith and what types of policies would you suggest keeping in mind the request for best and cheapest cover.

(30 marks)

16. You have been asked to deliver a presentation to Masters degree students at your local university. The students are finalising their studies and will be engaged in the industry upon successful completion of their course. You have been specifically asked to bring in your experience, as an underwriter, to explain how insurers ensure commercial risks are safely insured through terms, conditions, co-insurance and reinsurance arrangements among others.

Detail the content of your presentation.

(30 marks)

17. Fred owns a mini supermarket consisting of canned food, frozen meat, fresh supplies, household consumables and beverages among others. His clients are predominately villagers hailing from the region. He holds a retail combined insurance policy and has had the following claims disputed by his insurance company:

a) After an annual stock-take, Fred found out a shortage of €120,000 worth of stock.

b) Fred received a number of complaints from customers who alleged that the meat they bought was rancid and are demanding compensation.

c) A loaded shelf collapsed and €45,000 worth of wine bottles were damaged.

d) On a particular day, Fred discovers that money was stolen from his cash till.

e) One morning, Fred discovers a bullet hole in his shop window necessitating a replacement. On the news he hears that during the previous night, there was a violent gang commotion on that street.

Explain, with appropriate reasons, why you think Fred's insurer would dispute the mentioned incidents and suggest how cover may be enhanced to have similar instances covered in the future (if at all possible).

(5X6marks  
each)

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# Malta International Training Centre

## Award in Liability Insurance

7<sup>th</sup> August 2022

### **PLEASE READ THE FOLLOWING NOTES:**

1. Three hours are allowed for this paper, which is in two parts: PART I and PART II.
  2. Answer ALL questions numbered 1-14 in PART I. You are advised to spend no more than 120 minutes on this part of the paper.
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17. a) While Mary was frying potato chips, she left the kitchen to do some house chores in the meantime. Heavy black smoke from the chip pan stained the white-painted ceiling of her kitchen.

b) A gas cylinder leaked causing an explosion to a factory and the ensuing fire, damaged the textile stock that was stored in the adjacent warehouse. Water used to extinguish the flames further damaged the textile stock, rendering it unsellable.

c) Poor navigation and bad weather caused a ship to veer off its navigational route. Eventually, the vessel was shipwrecked onto a reef rendering it a total loss.

d) After a football match defeat, Manchester United supporters caused a riot and vandalised shop window displays in the process. Some took the opportunity to steal contents from the exposed facades.

e) A vessel was hit by a torpedo but still made its way to the harbour where repairs were due to be carried out. The commencement of the repairs was delayed and, in the meantime, a storm ensued permanently sinking the vessel.

In the light of the above scenarios, discuss with justifications, the applicable proximate cause and how insurers would likely deal and settle these claims (if at all).

(5 x 6 marks  
each)

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**Part I: Answer ALL questions 1-14 in this part.  
Each question carries 10 marks.**

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1. (a) Mention 2 differences between Statute law and Common Law. (4 marks)  
(b) What do you understand by Tort? Mention 2 types. (4 marks)  
(c) Explain False Imprisonment as a form of Trespass to the Person. (2 marks)
  
2. (a) What needs to be established to successfully sue under the tort of Negligence? (6 marks)  
(b) Who can sue for nervous shock under the tort of negligence? (4 marks)
  
3. (a) Mention 5 defences under the tort of Defamation. (5 marks)  
(b) Mention 5 types of tort remedies. (5 marks)
  
4. Write **brief** notes to explain the following, in the context of defences under tort:  
(a) Ex Turpi Causa (2 marks)  
(b) Force Majeur (Act of God) (2 marks)  
(c) Volenti Non Fit Injuria (2 marks)  
(d) Necessity (2 marks)  
(e) Statutory Authority (2 marks)



5. Give **one** scope for each of the following Acts:
- (a) Consumer protection Act (1987) (2 marks)
  - (b) Unfair Contract Terms Act (1977) (2 marks)
  - (c) Occupier Liability Act (1984) (2 marks)
  - (d) Employers' Liability Act (1969) (2 marks)
  - (e) Third Parties (Rights against Insurers) Act (1930) (2 marks)
6. (a) What are 3 particular objectives of Liability Underwriting? (6 marks)
- (b) Outline 2 ways of how an underwriter may manage liability risks which would otherwise be unacceptable. (4 marks)
7. (a) What 5 specific proposal form questions would be typically asked under a liability insurance proposal? (5 marks)
- (b) When would liability risks merit an insurance survey? (5 marks)
8. Write a **sentence** to explain each the following:
- (a) Triangulation (2.5 marks)
  - (b) Non Admitted liability policies (2.5 marks)
  - (c) No Win, No Fee arrangements (2.5 marks)
  - (d) Jurisdiction and choice of law (2.5 marks)
9. By giving a suitable example, differentiate between Occurrence basis of settlement and Claims Made basis of settlement under liability insurance policies. (10 marks)
10. (a) Differentiate between flow charts and fault trees in the context of liability risk management. (4 marks)
- (b) Give 6 examples to explain how electronic information may be protected as part of a risk control exercise. (6 marks)



11. (a) Differentiate between contract for service and contract of service. (4 marks)  
(b) Outline the wording of the operative clause of a typical Employers' Liability Insurance policy. (6 marks)
12. (a) What is the scope of Product Recall and Product Guarantee under a Products Liability Insurance policy? (5 marks)  
(b) In some areas, it is compulsory to take out Public liability insurance cover. Mention 4 of such areas. (5 marks)
13. Briefly explain the following in the context of liability claims:  
(a) Vicarious liability (3 marks)  
(b) Pure economic loss (3 marks)  
(c) Limitation period (4 marks)
14. (a) List 6 typical liability insurance exclusions. (6 marks)  
(b) Who would typically take out a Professional Indemnity insurance policy? Mention 4 instances. (4 marks)
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**Part II: Answer two (2) questions from 15-17, each carrying 30 marks.**

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15. Morris Johnson runs a pub in central London. During the past years he came across several incidents in connection with his business as follows:

a) A lady fell ill after she poured the contents of a ginger beer containing a dead snail in her glass.

b) Whilst visiting the bathroom, a customer slipped on the wet floor, twisting a foot and consequently was unable to go to work for 2 weeks.

c) A waiter serving food to customers, failed to note a glass door which was shut and injured himself after shattering the glass with his serving tray.

If Morris Johnson had relevant liability insurance policies in force and was insured with your office, how would you (if at all) deal with the claims above if you were the claims manager dealing with these incidents?

Your answers should be justified with reasons for your answers, also noting any limitations or exclusions that could be applicable.

(3X10marks  
each)





16. Underwriters charge premium commensurate with the type of risk that is brought to the insurance pool. This premium has to be sufficient to pay claims, expenses and render a profit.

There are some risks that could potentially wipe out the insurance premium fund if insurers are not vigilant and if they do not take measures to prevent this.

If you were asked to provide a speech on the way insurers manage their liability risks, what would you say with respect to risk identification, risk transfer and contractual measures used by insurers to control their liability exposures?

Detail the content of your presentation.

(30 marks)

17. Today, liability risks have developed and to the traditional employers', product and premises liability policies, insurers have added other modern liability policies to cover professional and corporate risks.

Emergent risks will keep surfacing and the advent of technology and the unprecedented change in the environment will bring a host of new risks and consequently other new potential sources of losses.

Discuss the impact of modern emergent liability risks and how these are/may be treated by insurers, if the industry wants to remain relevant to the security of liability risks faced by the personal and commercial customer.

(30 marks)

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# Malta International Training Centre

## Award in Motor Insurance

25<sup>th</sup> September 2022

**PLEASE READ THE FOLLOWING NOTES:**

1. Three hours are allowed for this paper, which is in two parts: PART I and PART II.
2. Answer ALL questions numbered 1-14 in PART I. You are advised to spend no more than 120 minutes on this part of the paper.
3. In PART II you should answer two (2) questions, each carrying 30 marks, from the remaining questions 15-17.
4. The whole paper carries 200 marks.

**Part I: Answer ALL questions 1-14 in this part.**

**Each question carries 10 marks.**

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1. (a) Why is Motor Insurance required by law? (5 marks)  
(b) Give an example to show how a passenger can be held responsible for an accident and explain whether a Third Party Only Motor Insurance policy would cover such a liability. (5 marks)
2. What 10 covers would a Comprehensive Motor Insurance policy have over a basic Third Party Only Motor Insurance policy? (10 marks)
3. Briefly explain the following:
  - (a) Vehicle Years (2.5 marks)
  - (b) Green Card Bureau (2.5 marks)
  - (c) Public Road (2.5 marks)
  - (d) Guarantee Fund (2.5 marks)
4. (a) Mention 2 general motor insurance exceptions applicable to motorcycles. (2 marks)  
(b) Mention 4 exclusions included under a typical motor insurance policy, that are not allowed by law for claims made by third party victims. (6 marks)  
(c) Mention 2 types of policies that apply specifically to those in the motor trade business. (2 marks)
5. In the context of commercial motor insurance, distinguish between a small goods vehicle, a medium sized vehicle and a large goods vehicle. (10 marks)
6. At renewal stage, what 5 underwriting considerations are made by a motor insurance underwriter prior to inviting renewal and why? (2x5marks)

7. (a) What 4 specific questions would be asked for special type vehicles, over and above the questions asked for private motor vehicles? (4 marks)
- (b) List 6 items of information found in a certificate of motor insurance. (6 marks)
8. (a) What would be two specific rating factors for a commercial passenger-carrying motor insurance policy? (2 marks)
- (b) What is protected No Claims Discount (NCD) and how is this applied at renewal? (8 marks)
9. Briefly explain the main scope of the following Acts in relation to Motor Insurance:
- (a) Equality Act 2010 (2.5 marks)
- (b) Sex Discrimination Act 1975 (2.5 marks)
- (c) Disability Discrimination Acts 1995 and 2005 (2.5 marks)
- (d) Rehabilitation of Offenders Act 1974 (2.5 marks)
10. What special considerations are given to the following non-standard risks?
- (a) Vintage cars (5 marks)
- (b) Motorised caravans (5 marks)
11. What is the scope of the following?
- (a) Motor Insurance Database (2.5 marks)
- (b) Direct right of action (2.5 marks)
- (c) Claims ratio (2.5 marks)
- (d) Affinity groups (2.5 marks)

- 12.** What happens
- (a) to the premium paid by a policyholder when his/her insurer goes into liquidation mid-term? (5 marks)
  - (b) to a claim by an innocent third party victim filing a case against the negligent party's insurer after 3 years from the date of accident? (5 marks)
- 13.** Briefly explain the following conditions applicable to a commercial motor insurance policy:
- (a) Loading and Unloading (2.5 marks)
  - (b) Indemnity to Principals (2.5 marks)
  - (c) Trailers (2.5 marks)
  - (d) Cross Liabilities (2.5 marks)
- 14.** (a) What is the role of a motor engineer and when is such a professional appointed by an insurance company? (6 marks)
- (b) What is the scope of having recommended or approved motor repairers? (4 marks)

**Part II: Answer two (2) questions from 15-18 (30 marks each)**

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**15.** Elon Flask is the owner of a bus passenger-carrying fleet. The buses are hired out for tours to offer tourists a glimpse of Ghana. The following claims were submitted by Elon during the past year.

- (a) A man boarded one of Elon's buses and decided to keep the luggage on the roof of the bus. He was standing at the bus stand throughout the journey to keep a watch on his belongings. When he was climbing up the ladder to check his luggage, the ladder gave in and the man fell and sustained a head injury. (10 marks)
- (b) On another occasion an Elon Flask bus drove over a road submerged in water. The water level started rising forcing the passengers to climb on the roof of the bus. Ultimately the high tide came and the bus was washed away causing several injuries, deaths and loss of property. (10 marks)
- (c) The only driverless bus in Elon's fleet, ran through a red light and its artificial intelligence software caused the bus to overturn to avoid hitting pedestrians who happened to be crossing the road. Most passengers in the bus were injured. (10 marks)

As a motor claims manager dealing with fleet claims of the insurance company with whom Elon is insured, explain in detail any particular questions you would have made if presented with the scenarios above and how you would have settled the ensuing claims.

**16.** Driving a motor vehicle without insurance cover is an offence that has an effect on motor insurance business. The effects of uninsured driving are not fully known or understood and the incidence of uninsured driving appears to be increasing. This is placing an increased burden on honest policyholders and insurance companies.

In the light of the increasing number of uninsured cases, discuss with examples (where applicable) how an uninsured situation may arise and what measures and initiatives are in place by the insurance industry to counter act this abuse.

(30 marks)

**17.** According to a major UK insurer, motor fraud continues to account for 60% of all claims fraud. The proportion of fraud detected on motor injury claims in 2021, grew by 10.7%, as organised fraudsters sought to take advantage of the opportunity prior to the introduction of the reforms and the return of traffic volumes following the easing of Covid-19 restrictions.

Motor injury fraud is different from other forms of fraud in that it puts the public's personal safety at risk through deliberately organised accidents such as crash for cash, and diverts scarce public services, including the NHS, ambulance, police and GPs, from where they are needed most.

In the light of increasing motor fraud, discuss the initiatives and measures taken by motor insurers to try and curb this activity which is causing a detriment to the insurance industry and the society.

(30 marks)

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