

Examiner's comments
CILA C1 Principles of Insurance – October 2016

Overview

The exam comprises five compulsory questions of equal marks.

The exam is based upon the learning outcomes detailed in the C1 Syllabus which includes an **in-depth knowledge and understanding** of the principles of insurance.

In the exam 40% of the marks related to an assessment of a candidate's detailed knowledge of 4 of the principles of insurance.

The exam, a three and a half hour written paper, presents a particular challenge to candidates who have progressed through the on-line test examinations and are not familiar with closed book written examinations.

It is recommended that you prepare a brief plan of your answer to the questions, particularly the questions with a mark allocation of 10 or more marks.

In addition, two common reasons for candidates not achieving the pass standard are:

1. Clearly interpret the requirements of the question. It is recommended that candidates identify the subject matter and are clear regarding the examiners requirements e.g. explain, provide examples of etc.
2. Take account of the allocated marks and provide an appropriate level of detail and information in your answer. There are many instances where candidates provide too detailed an answer.

Wherever possible you should underpin your knowledge by including reference to relevant case law.

Comments on specific questions.

The comments below give an indication of the approach and topics that should be included in an answer. They are not however presented as complete or model answers.

Q1	<p>The question comprised four components with marks ranging from 5 to 20 marks. The 5 mark questions required candidates to explain and define.</p> <p>1a. was a 10 mark question and required candidates to compare and contrast. Marks were awarded to candidates who were able to explain the meaning of each type of hazard and compare and contrast the two in the context of insurance claims and the Insured's representation obligations.</p> <p>1d. A 20 mark question to explain two torts (10 marks for each). Whilst candidates briefly identified two torts they did not explain the legal principles, supported by relevant case law, and were not awarded the available marks.</p>
Q2	<p>This question comprised two 20 mark questions, each of which required candidates to evidence a detailed knowledge of proximate cause and indemnity. These are key elements of the syllabus which candidates are required to <u>thoroughly understand</u>.</p> <p>The expectation is that candidates can evidence a detailed knowledge of each of the principles of insurance, supported by examples and case law.</p> <p>Q2a also required candidates to consider the burden of proof and relevance of proximate cause in the context of both insured and excluded perils.</p> <p>Many candidates provide a brief definition of each principle but did not include case law and answer all elements of the question.</p>

	<p>It is recommended that candidates take the time to break down the question and prepare a plan to ensure that they answer all elements.</p>
Q3	<p>Q3a. This question was in general well answered.</p> <p>Each component carried 5 marks which should guide candidates to provide 5 key points in relation to each part.</p> <p>Q3b. This 20 mark question required candidates to explain in detail the principle of insurable interest. This a key element of the syllabus which candidates are required to <u>thoroughly understand</u>.</p> <p>The expectation is that candidates can evidence a detailed knowledge of indemnity supported by examples and case law.</p>
Q4	<p>Q4a. A straight forward test of a candidate's knowledge of 5 statutes (4 marks each). The examiner is looking for candidates to:</p> <ol style="list-style-type: none"> 1. provide a brief overview of each statute and 2. explain the relevance to insurance claims. Candi <p>Both elements are required to be awarded the available marks.</p> <p>Q4b. This an example of a question where it is recommended that candidates break down the question to clearly identify the requirements of the question. For example:</p> <ol style="list-style-type: none"> 1. What is the Financial Ombudsman Service (FOS)? 2. When and how does then FOS operate in relation to an insurance claim? 3. What are and when do monetary limits apply? 4. Detail the criteria for the FOS consideration of a complaint. 5. Detail the binding authority of FOS decisions.
Q5	<p>Q5a. This 20 mark question required candidates to provide a <u>detailed definition and explanation</u> of the principle of subrogation.</p> <p>This a key element of the syllabus which candidates are required to <u>thoroughly understand</u>.</p> <p>The expectation is that candidates can evidence a detailed knowledge of subrogation supported by examples and case law.</p> <p>Q5b. Candidates were required to explain the purpose of four out of six bodies. The examiner was looking for candidates to explain the role, who each organisation represents and the purpose/objectives of each.</p> <p>Whilst a straightforward question some candidates provide an incorrect answer. Many candidates also provided a very brief answer suggesting a potential time management issue.</p>