

Examiner's Comments
CILA C2 Application of the Principles of Insurance - October 2016

Key aspects

The examination is an assessment of a candidate's knowledge, understanding and application of the principles of insurance.

Candidates need to be mindful that the exam will test the learning outcomes detailed in both the CILA C1 and the CILA 2 syllabus.

The exam requires candidates answer 5 out of a total of 6 questions of equal marks.

It was encouraging to see that a number of candidates answered the questions in their preferred order rather than the set order of the examination. This suggests that candidates have reviewed the exam paper and answered the questions in the order which they felt most confident.

It is recommended that candidates review and carefully select the questions in which they are most confident about the subject matter.

The syllabus and examination questions will refer to both commercial and domestic insurance policy cover and candidates will need an understanding of both products.

From a review of the examination scripts the examiner recommends that candidates:

- Take account of the allocated marks and provide an appropriate level of detail and information in their answer. For example Question 6 is a 40 mark question related to 4 perils. You are therefore required to evidence your knowledge of the cover provided by each peril, substantiate this by reference to case law and/or statute also provide a practical example. This detail should be provided for each peril.
- Avoid the tendency to provide too much detail over and above the requirements of the question. This tends to occur where a candidate is confident about a subject. Be aware that the examiner is limited to the marks available.
- Clearly identify the requirements of the question. Identify all the elements of the question to ensure that the answer covers all of the requirements and is answered in the context of the question.
- It is recommended that candidates plan their answer, particularly for questions with a mark allocation of 10 or above.
- The C2 exam will make reference to *explain the reasons, explain your rationale etc.* The examiner is asking candidates their thought process in relation to a recommendation or action they would take in the context of a question.

The higher performing candidates were able to evidence the practical application of technical aspects including reference to relevant statute and case law.

A significant number of candidates were unable to answer the question 4d.related to two statutes. The statutes that candidates are expected to have a knowledge of are detailed in the C1 syllabus.

Additional areas where a number of candidates demonstrated a gap in their knowledge were:

- Question 2a.i Salvage
- Question 3a. Domestic contents peril specific exclusions
- Question 3d. Domestic policy definitions
- Question 4. First Loss basis of cover/Average and dispute resolution.
- Question 5a. Reservation of Rights
- Question 5c.v.Stock declaration basis