



Diploma Exams – Sample Questions

By Malcolm Hyde Bsc (Hons) Dip (Fr) FCII FCILA FUEDI-ELAE

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Introduction

The purpose of this paper is to provide prospective examination candidates with an indication of the nature of the questions within the examination. They can also be used as a practice material. Please note that the technical library includes further material including indicative questions and answer guidance which candidates will find highly beneficial.

Sample question for exam DP1 – The Principles of Insurance 1

- 1a. Explain, with appropriate case law, the principle of Contributory Negligence.
- 1b. Provide with an explanation of each, two examples of defences to negligence.

2. Provide two examples of typical perils covered by a typical modern Commercial Buildings Policy. For each of the Perils explain the legal or typical market definition of the Peril.

3. Detail what the requirements are for a legally enforceable contract.

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4. Provide an explanation of the principle of onus of proof in relation to Policy liability, your answer should reflect the FCA's requirements of Treating the Customer Fairly.
5. Explain, with examples, the principle of Indemnity.
- 6a. The Theft Act 1968 explains when a person is guilty of Theft, provide the definition and an explanation of this. (You do not need to quote it exactly, a paraphrased version will suffice.)
- 6b. The Theft Act refers to “dishonestly” explain with case law what might amount to being “dishonest”.

Sample question for exam DP2 – The Principles of Insurance 2

1. Detail the role of each of the following:
 - a) Loss Adjuster acting on behalf of an Insurer
 - b) Loss Adjuster acting on behalf of a Policyholder
2. Explain the role and remedies available to the Financial Ombudsman Service
3. Detail the meaning of the principle of Subrogation and explain how a policy typically amends the common law position.
4. Explain the principle of Contribution when handling a claim and provide one example method of apportionment- showing the formula that should be used.
5. Using statute law to support your response, explain when a person might be guilty of Fraud.

Sample question for exam DP3 – Customer Service & Ethics

1. SERVQUAL is an abbreviation of the words Service Quality, the most common form of SERVQUAL is the acronym RATER, from RATER explain what is meant by two of the following and provide examples related to each:
 - Empathy





- Tangibles
 - Reliability
2. Explain what is meant by “measuring the Gap” when it comes to SERVQUAL questionnaires and why it is important to understand “importance”.
 3. There are two main areas to consider with regard to ethics, moral and business. Explain the negative impacts in relation to poor ethical decisions.
 4. Provide what factors you should have in mind to build ethical behaviour within a firm.
 5. Explain two driving factors around corporate governance.
 6. Explain the difference between ethical universalism and ethical relativism.
 7. Milton Friedman expressed the view that a company’s responsibility was to its shareholders and that doing other things was in conflict with the duty to the shareholders. Explain the contrasting view around wider responsibilities.
 8. Discuss, using ethical considerations, the following statement: *Financial Services are complex but can be purchased on-line very easily. It is for every customer to find out what service is correct for them. The Financial Services Companies have duties to their shareholders first and foremost.*
 9. Provide an example of a conflict of interest and explain why in your example it is beneficial to recognise and deal with the conflict of interest.
 10. Explain what is meant by Customer Service, your answer should include who is responsible for it and a rationale as to why those identified are responsible.





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