

Valid C11 Study Plan & Practice C11 Online

C11 Study 3: Regulatory Framework

Answer Key for Practice Questions

Multiple-Choice Questions

(2 marks each)

1. What is solvency?
A. A business entity's ability to meet its long-term financial commitments
B. The tax charged on insurance premiums
C. The insurer's availability to provide coverage for a range of risks
D. A bonus premium paid to brokers
Rationale: Solvency is a business entity's ability to meet its long-term financial commitments.
2. What is the role of the Office of the Superintendent of Financial Institutions?
A. It controls the wording of policies issued by federally licensed insurance companies.
B. It regulates the financial stability of federally licensed insurance companies.
C. It grants licenses to agents who represent federally licensed insurance companies.
D. It only monitors the operations of life insurance companies in Canada.
Rationale: The Office of the Superintendent of Financial Institutions (OSFI) in Ottawa is responsible for the constant supervision and enforcement of safeguards so that inadequately financed insurance companies are not established and existing ones remain financially healthy.
3. What three areas does the *Insurance Companies Act* regulate?
A. Establishment of an insurance company, prerequisites to operation, and supervision during operation
B. Establishment of an insurance company, prerequisites to operation, and licensing of executive officers
C. Establishment of an insurance company, capacity during operation, and licensing of executive officers
D. Capacity during operation, licensing of executive officers, and reporting of loss results to a general insurance statistical agency
Rationale: The *Insurance Companies Act* regulates the establishment of an insurance company, the prerequisites to operation, and supervision during operation.
4. Who oversees agent and broker licensing pursuant to the provincial/territorial insurance acts?
A. Superintendent of banks
B. Provincial or territorial superintendent of insurance
C. Premier of the province
D. Prime minister of Canada
Rationale: Each province has its own *Insurance Act*. All private sector insurance companies operating in the province/territory, brokers and agents, and adjusters are licensed by the superintendent of insurance (or provincial/territorial equivalent) pursuant to this Act.

We have to admit that the exam of gaining the C11 certification is not easy for a lot of people, especial these people who have no enough time. If you also look forward to change your present boring life, maybe trying your best to have the C11 latest questions are a good choice for you. Now it is time for you to take an exam for getting the certification. If you have any worry about the C11 Exam, do not worry, we are glad to help you. Because the C11 cram simulator from our company are very useful for you to pass the C11 exam and get the certification.

Users can start using the product of Getcertkey instantly after purchasing it, so they can start preparing for IIC certification test quickly. Three formats are being provided to customers so that they can access them in every possible way according to their needs. After discussing it with many IIC professionals and getting their positive feedback, the study material has been made. Many exam applicants have used the prep material and rated it the best because they have passed the IIC C11 Certification Exam in a single try.

>> Valid C11 Study Plan <<

Practice C11 Online & C11 Study Demo

Getcertkey is a reliable study center providing you the valid and correct C11 questions & answers for boosting up your success in the actual test. C11 PDF file is the common version which many candidates often choose. If you are tired with the screen for study, you can print the C11 PdfDumps into papers. With the pdf papers, you can write and make notes as you like, which is very convenient for memory. We can ensure you pass with IIC study torrent at first time.

IIC Principles and Practice of Insurance Sample Questions (Q39-Q44):

NEW QUESTION # 39

In their property insurance application, a Quebec client stated there was no home business. The underwriter binds the policy without knowing the client runs a daycare in a detached garage. If a loss occurs, will there be consequences?

- A. Yes; if the concealment is proven it could result in the contract being nullified
- B. Yes; any claims will be subject to an increased deductible depending on the size of the loss
- C. No; as long as the homeowner has at least three years' experience in the business
- D. No; in-home businesses with a low to medium hazard grade do not affect eligibility

Answer: A

Explanation:

Insurance contracts rely on the principle of utmost good faith, requiring applicants to disclose all material facts—facts that would influence an underwriter's decision to accept, decline, or rate a risk. Operating a home daycare is unquestionably a material change in exposure, as it increases traffic, liability hazards, and occupancy risk. Even though the daycare is conducted in a detached garage, it still forms part of the premises insured.

If the client misrepresents or fails to disclose this information, and the insurer can prove concealment, the insurer may void the policy ab initio (from the beginning) or deny the claim. This applies in Quebec as well, whose Civil Code also requires truthful disclosure of material risks.

Options A and B describe conditions that do not exist in Canadian property insurance.

Option D is incorrect because even low-hazard home businesses must be disclosed.

Thus, C is correct.

NEW QUESTION # 40

Which role is directly employed by the Canadian property and casualty insurance industry?

- A. Mechanic
- B. Health professional
- C. Lawyer
- D. Travel agent

Answer: C

Explanation:

The Canadian property and casualty (P&C) insurance industry employs a range of specialized professionals who support the underwriting, claims, regulatory, and legal functions necessary for insurance operations.

Lawyers are commonly employed directly by insurers to provide advice on policy interpretation, defend claims litigation, ensure regulatory compliance, draft contracts, and handle disputes. They play a crucial role in the claims process, particularly for liability claims and complex legal matters.

Mechanics, travel agents, and health professionals are not directly employed by the P&C insurance industry.

Mechanics may work with insurers as third-party repair facilities, but they are not typically employees. Travel agents relate to travel services, not insurance employment. Health professionals may support life and health insurers or provide assessments for claims, but they are not ordinarily employed in the property and casualty sector. Therefore, the correct answer is A: Lawyer.

NEW QUESTION # 41

Robin is employed as a loss adjuster handling a large residential fire claim. Which is NOT one of their responsibilities?

- A. Uphold the law with respect to its interpretation
- B. Assess the claim with integrity
- C. Explain relevant insurance coverage
- D. Provide legal advice even if the claimant has legal counsel

Answer: D

Explanation:

Loss adjusters are required to conduct themselves with professionalism, fairness, and integrity. Their responsibilities include explaining how coverage applies, gathering facts, assessing damage, and ensuring the claim is handled according to policy terms and applicable law. This includes respecting legal requirements and proper interpretation of insurance statutes and conditions.

However, adjusters must not provide legal advice. Legal advice is the domain of licensed lawyers. Adjusters may explain policy terms, clarify obligations, or interpret claims procedures, but they cannot advise a claimant on legal strategy, liability, lawsuit

responses, or legal rights beyond policy interpretation. Doing so breaches professional boundaries and regulatory expectations. Therefore, the only option that is not a responsibility is D: Provide legal advice, making it the correct answer.

NEW QUESTION # 42

Which type of insurance company has the same capital structure as any other capital enterprise?

- A. Factory mutual company
- B. Captive company
- C. Stock company
- D. Co-operative company

Answer: C

Explanation:

A stock insurance company operates with the same capital structure as other conventional for-profit corporations. Ownership is represented by shares of stock, held by shareholders who supply capital and expect a return on investment. Profits are distributed as dividends or reinvested into the company. This structure aligns closely with traditional corporate financial frameworks in Canadian commerce.

Option B, a captive company, is owned by a parent business to insure its own risks-not structured like a general capital corporation. Option C, a co-operative company, is owned by its policyholders or members, not shareholders. Option D (factory mutual company) refers to a mutual insurer owned by its policyholders and requiring high loss-prevention standards.

Thus, the only insurer type that mirrors the capital structure of typical Canadian corporate enterprises is the stock company, making A correct.

NEW QUESTION # 43

Which type of clause grants additional protection to the entity that has a registered interest on real property?

- A. Additional interest clause
- B. Bailee clause
- C. Lienholder clause
- D. Mortgage clause

Answer: D

Explanation:

Comprehensive and Detailed Explanation (150-250 words):

A mortgage clause is a specialized provision within property insurance policies that protects the financial interest of a mortgagee-typically a bank or lending institution-when real property is used as collateral for a loan. Under the Principles and Practice of Insurance, this clause creates a separate contract of insurance between the mortgagee and the insurer. This is critical because it ensures that the mortgagee's protection remains intact even if the insured violates policy conditions (such as failing to maintain the property or committing fraud).

This clause ensures that any loss settlement will first satisfy the mortgagee's insurable interest before any residual payment goes to the property owner. It also obligates the insurer to notify the mortgagee of policy cancellation or material changes, providing the lender an opportunity to take protective measures, such as force-placed insurance.

The mortgage clause is distinct from other clauses: a bailee clause relates to property held by others for repair or cleaning, a lienholder clause is used for movable property like automobiles, and an additional interest clause offers limited notice but not the full contractual protection afforded to a mortgagee. Thus, the correct and most protective clause for real property is B. Mortgage clause.

NEW QUESTION # 44

.....

Today, in an era of fierce competition, how can we occupy a place in a market where talent is saturated? The answer is a certificate. What the certificate main? All kinds of the test C11 certification, prove you through all kinds of qualification certificate, it is not hard to find, more and more people are willing to invest time and effort on the C11 Exam Guide, because get the test C11 certification is not an easy thing, so, a lot of people are looking for an efficient learning method. Our C11 exam questions are the right tool for you to pass the C11 exam.

Practice C11 Online: https://www.getcertkey.com/C11_braindumps.html

