

# Latest C11 Exam Cram - C11 Real Torrent



CIP Program Examination

Insurance Institute

Learning for the real world. Rewarding.™

Sample Exam

## C11 Principles and Practice of Insurance

### IMPORTANT

The time allowed for this exam is 3 hours.

Total marks: 200

**You must hand in this paper** and any paper used for rough work to the supervisor when you leave the examination room. Failure to do so may result in disqualification.

### Section A: Multiple-Choice Questions

Question 1. For the following multiple-choice questions, fill in the circle of the letter that identifies the most correct answer.

Example:  A  B  C  D

**DO NOT MARK THE ANSWERS ON THESE PAGES.**

**USE THE FIRST PAGE OF YOUR ANSWER BOOK.**

1. Insurance was developed as a result of the existence of

- (A) hazards.
- (B) indemnity.
- (C) loss.
- (D) risk.

Page 1 of 9

Our C11 practice questions are carefully compiled by our professional experts to be sold all over the world. So the content should be easy to be understood. The difficult questions of the C11 exam materials will have vivid explanations. So you will have a better understanding after you carefully see the explanations. At the same time, our C11 Real Exam just needs to cost you a few spare time. After about twenty to thirty hours' practice, you can completely master all knowledge.

If you are looking for the latest updated questions and correct answers for IIC C11 exam, yes, you are in the right place. Our site is working on providing most helpful the real test questions answer in IT certification exams many years especially for C11. Good site provide 100% real test exam materials to help you clear exam surely. If you find some mistakes in other sites, you will know how the important the site have certain power. Choosing good C11 exam materials, we will be your only option.

>> Latest C11 Exam Cram <<

## IIC C11 Real Torrent - C11 Exam Collection Pdf

In recruiting employees as IT engineers many companies look for evidence of all-round ability especially constantly studying ability more their education background. C11 dumps torrent can help you fight for IIC certification and achieve your dream in the shortest time. If you want to stand out from the crowd, purchasing a valid C11 Dumps Torrent will be a shortcut to success. It will be useful for you to avoid detours and save your money & time.

## IIC Principles and Practice of Insurance Sample Questions (Q14-Q19):

### NEW QUESTION # 14

An insurer's agency or production department is the equivalent of which department in other businesses?

- A. Finance and production
- B. Information technology and business services
- C. Administration and human resources
- **D. Sales and marketing**

**Answer: D**

Explanation:

The agency or production department within an insurance company is responsible for generating new business, managing distribution channels, working with brokers and agents, and promoting the insurer's products. These functions align directly with sales and marketing departments found in other industries. Their goals include increasing premium volume, maintaining relationships with intermediaries, and ensuring the insurer's products reach the marketplace effectively.

Option B is incorrect because finance and production refer to cost control and manufacturing, neither of which parallels insurance distribution. Option C does not align because administration and HR handle internal operations, not customer acquisition. Option D deals with internal systems and support functions, unrelated to the business-production role of generating and selling insurance. Therefore, the insurer's agency or production department corresponds to A: Sales and marketing.

### NEW QUESTION # 15

Ivana is in an auto accident. The agreed market value of her vehicle is \$17,000.

Her policy deductible is \$1,500.

A wrecking company offers \$3,000 for the salvage.

Ivana chooses to keep the salvage.

What amount will Ivana receive?

- **A. \$12,500**
- B. \$15,500
- C. \$14,000
- D. \$17,000

**Answer: A**

Explanation:

Comprehensive Explanation (150-250 words):

When a vehicle is deemed a total loss, the insurer typically pays the actual cash value (ACV) minus the deductible. If the insured decides to keep the salvage, the salvage value must also be deducted from the settlement, because the insured retains something of monetary worth.

The formula for this situation is:

$$\text{Settlement} = \text{ACV} - \text{Deductible} - \text{Salvage Value}$$

Using Ivana's numbers:

$$\text{ACV} = \$17,000$$

$$\text{Deductible} = \$1,500$$

$$\text{Salvage value} = \$3,000$$

$$17,000 - 1,500 - 3,000 = 12,500$$

Therefore, Ivana receives \$12,500, and she keeps the damaged vehicle, which she values for personal reasons.

Option B (\$14,000) ignores the salvage deduction.

Option C (\$15,500) ignores the deductible.

Option D (\$17,000) ignores both deductible and salvage, which is not permitted.

The only correct settlement amount is \$12,500.

### NEW QUESTION # 16

What are many of the statutory conditions designed to accomplish?

- A. Shift the onus of proof from the insured to the insurer
- B. Outline the steps to take to cancel the policy
- **C. Provide clarity on the intent of the policy**
- D. State how PIPEDA applies to the insured and insurer

**Answer: C**

Explanation:

Statutory conditions exist in property insurance legislation across Canadian provinces to ensure that insurers and insureds operate with clarity, transparency, and fairness. These conditions outline important duties such as:

Requirements for notice of loss

Duties after a loss

Conditions for voiding coverage

Fraud provisions

Replacement and salvage rules

Their main purpose is to clarify the intent of the policy and give certainty to the terms and obligations of both parties. Because statutory conditions are mandated by law, they ensure uniform standards across all insurers and prevent inconsistent or unclear policy interpretations.

Option B is only a small subset of what statutory conditions address.

Option C is incorrect—privacy legislation like PIPEDA is separate from insurance statutory conditions.

Option D is incorrect; statutory conditions do not alter legal burden-of-proof standards.

Thus, the best answer is A.

### NEW QUESTION # 17

Which statement reflects the concept that the premium for each risk should be commensurate with that risk?

- A. Proper settlement of losses should be paid out of the pool of funds
- B. One or more persons should provide protection to another person against loss
- C. Risks more likely to have losses should pay higher premiums
- D. Risks can happen to anyone, so each individual should purchase insurance

**Answer: C**

Explanation:

One of the fundamental principles of insurance rating is that the premium charged must accurately reflect the level of risk being insured. This principle ensures fairness and financial stability: individuals or businesses presenting a higher probability of loss or greater potential severity must pay higher premiums, while lower-risk policyholders pay less. This is essential because insurers must collect sufficient funds to cover expected claims, expenses, and maintain solvency.

Option B describes the pooling of funds, which is part of how insurance works but does not address how premiums are determined.

Option C relates to the general purpose of insurance, not premium adequacy.

Option D loosely refers to indemnification, not rating methodology.

Therefore, the only statement that accurately reflects the idea that premiums must be commensurate with the risk is A.

### NEW QUESTION # 18

A retailer reports \$250,000 revenues and \$100,000 expenses, and projects \$50,000 in sustained growth next year. What is its net income for the past year?

- A. \$150,000
- B. \$200,000
- C. \$250,000
- D. \$300,000

**Answer: A**

Explanation:

Net income is calculated by subtracting expenses from revenues:

$\text{Net Income} = \text{Revenues} - \text{Expenses}$   
Net Income = Revenues - Expenses For this retailer:

$\$250,000 - \$100,000 = \$150,000$   
 $\$250,000 - \$100,000 = \$150,000$  The projection of \$50,000 sustained growth next year is irrelevant because the question asks specifically for last year's net income. Many insurance-based financial questions test the ability to isolate actual financial performance from future projections.

Options B, C, and D incorrectly combine revenue, expense, or growth figures.

Thus, the correct net income is A: \$150,000.

