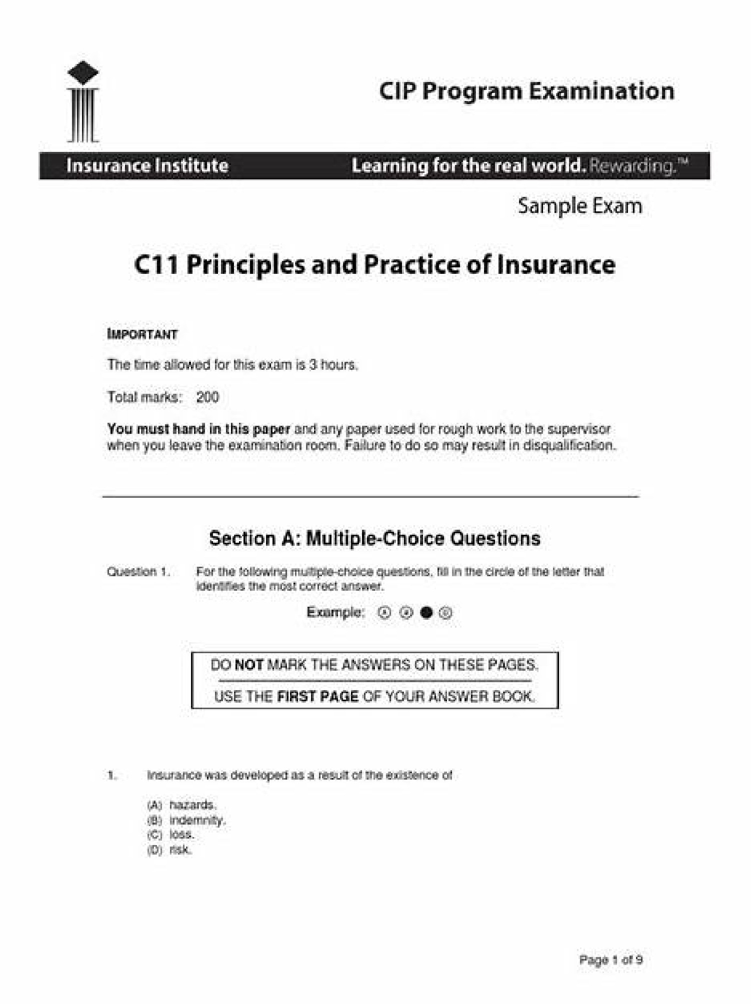
100% Pass C11 - Principles and Practice of Insurance Test Dumps



CIP Program Examination

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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: ⓐ ⓑ ● ⓓ

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

TestPassKing wants to win the trust of Principles and Practice of Insurance (C11) exam candidates at any cost. To achieve this objective TestPassKing is offering real, updated, and error-free Principles and Practice of Insurance (C11) exam dumps in three different formats. These Principles and Practice of Insurance (C11) exam questions formats are TestPassKing IIC C11 dumps PDF files, desktop practice test software, and web-based practice test software.

TestPassKing IT experts specialize in training way which is the latest short-term effective. This training method is very helpful to you and you can achieve the expected result. In particular, it brings convenience to these candidates both working and studying. To the best of our knowledge the information contained in this publication is accurate. TestPassKing IIC C11 Test Questions and test answers have an advantage over other products with the accuracy of 100%. You may be worried that our C11 practice test is old version. Don't worry, Our TestPassKing IIC C11 exam dumps is the latest. Free update is for one year.

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Passing the C11 Exam is a challenging task, but with TestPassKing IIC Practice Test engine, you can prepare yourself for success in one go. The C11 online practice test engine offers an interactive learning experience and includes IIC C11 Practice Questions in a real C11 Exam scenario. This allows you to become familiar with the C11 exam format and identify your weak areas to improve them.

IIC Principles and Practice of Insurance Sample Questions (Q84-Q89):

NEW QUESTION # 84
Which insurance industry impact is an example of a surety?

- A. A manufacturer accepting shipping risks that are insured
- B. A developer advancing funds to a building contractor for a guaranteed project
- C. A doctor providing malpractice-covered services
- D. A bank issuing a mortgage on an insured building

Answer: B

Explanation:
Asurety bondis a three-party contract in which the surety guarantees the performance of a contractor (principal) for the benefit of a third party (obligee). In construction, a developer may require a contractor to post aperformance bondensuring the project will be completed as agreed. This is the classic example of suretyship.
Option A is banking, not surety.
Option B is liability insurance, not a three-party guarantee.
Option D involves marine or cargo insurance, not a performance guarantee.
Thus,Ccorrectly describes a surety situation.

NEW QUESTION # 85
Which scenario is an example of insurable interest?

- A. An employer's interest in the life of their employee
- B. An employee's interest in the life insurance policy of a fellow employee
- C. The interest an insurance company earns on its premiums
- D. The interest an underwriter has in writing profitable business

Answer: A

Explanation:
Insurable interest exists when someone would suffer a financial loss if a person or property were damaged, lost, or deceased. Employers have a legitimate, recognized insurable interest in the lives of key employees, as their death or disability could result in financial loss-for example, reduced productivity, training costs, or loss of specialized expertise. Therefore, A represents a valid and legally recognized insurable interest.
Option B involves investment income earned by insurers-this is not an insurable interest but a financial outcome of operations. Option C reflects a business motive but not an insurable interest because an underwriter does not stand to personally lose financially if a policyholder dies or property is damaged. Option D is generally invalid unless the employee can demonstrate a direct financial dependency, which is typically not the case.
Thus, the only clear example of insurable interest is A: the employer's interest in the life of an employee.

NEW QUESTION # 86
Patrice works as a broker meeting a new client. He is building rapport by performing similar actions to those of his client. Which form of in-person communication is he engaging in?

- A. Mirroring
- B. Copycatting
- C. Open listening
- D. Transparency

Answer: A

Explanation:
Mirroringis a communication technique used to build rapport by subtly matching another person's body language, tone, gestures, or pace of speech. It is widely used in sales, client consultations, and negotiations.
When done professionally and subtly, mirroring helps clients feel understood and creates psychological comfort, making it easier to discuss needs and gather accurate underwriting information.
Option B, copycatting, implies obvious or exaggerated imitation and is not a recognized professional communication method. Option

C, transparency, refers to openness and honesty, not physical or behavioural alignment. Option D, open listening, is active listening-important, but unrelated to mirroring physical actions.
Since Patrice is deliberatelyperforming similar actionsto his client, he is engaging inmirroring, makingAthe correct answer.

NEW QUESTION # 87
How do insurers try to balance premiums against the losses they might have?

- A. Through insuring a small number of superior risks
- B. By writing as much business in one location as possible
- C. By having a good spread of risk
- D. Through specializing in one or two kinds of risk

Answer: C

Explanation:
Insurers must ensure they collect enough premium to cover potential losses while remaining competitive. One of the most important methods is maintaining a good spread of risk-diversifying exposures across different geographical areas, classes of business, and types of insureds. This spreads the impact of losses, reducing the chance that a single catastrophic event or concentration of similar risks will threaten the insurer's financial stability.
Option B, specialization, increases dependence on a narrow market segment and may elevate risk volatility.
Option C is unrealistic because insurers cannot rely solely on "superior risks," nor can they guarantee such a selection. Option D-concentrating business in one location-is dangerous because natural disasters, economic downturns, or localized events could cause severe aggregated losses.
Thus, insurers most effectively manage loss volatility through A: a good spread of risk.

NEW QUESTION # 88
If one in every five houses suffers a $50,000 loss each year, and all houses have the same value, what would the pure premium be for each homeowner?

- A. $2,500
- B. $5,000
- C. $10,000
- D. $100,000

Answer: B

Explanation:
Thepure premiumrepresents theexpected loss costper exposure unit. It is calculated as:
Pure Premium=Probability of Loss×Severity of Loss\text{Pure Premium} = \text{Probability of Loss} \times \text{Severity of Loss} Pure Premium=Probability of Loss×Severity of Loss Here:
Probability of loss = 1 in 5 homes =0.20
Severity (loss amount) =$50,000
0.20×50,000=10,0000.20 \times 50,000 = 10,0000.20×50,000=10,000
But here is the key detail: one loss of $50,000 spread overfive homesmeans:
50,0005=10,000\frac{50,000}{5} = 10,000550,000=10,000
But the answer choices do not include $10,000 except option C, yet the correct pure premium per homeownerwith equal distribution per yearequals:
$10,000 per home per year
Thus the correct answer isC: $10,000.

NEW QUESTION # 89
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