

**Paper II: General Insurance Mock Questions (2023
Edition)**

| Q# | Reference | Mock Questions | |
|----|---------------|----------------|---|
| 1. | Preface | | Some actual cases of general insurance claims can be found in the Study Notes of the Insurance Intermediaries Quality Assurance Scheme. Which of the following is/are the correct description(s)? |
| | | A | Some cases are decided cases of the Insurance Complaints Bureau |
| | | B | Some cases were settled between the claimants and the insurers |
| | | C | The decisions of the cases were based on their particular facts, including the actual wording used in the insurance policies |
| | | ✓ D | All of the above |
| 2. | Preface | | Some actual cases of general insurance claims can be found in the Study Notes of the Insurance Intermediaries Quality Assurance Scheme. The claims cases come from: |
| | | i | Some cases are decided cases of the Insurance Complaints Bureau |
| | | ii | Some cases were settled between the claimants and the insurers |
| | | iii | The author of the Study Notes wrote the cases on his own to increase the learning interest |
| | | ✓ A | i and ii |
| | | B | i & iii |
| | | C | ii and iii |
| | | D | i, ii and iii |
| 3. | 1(a) | | Fire and Extra Perils Insurance, Theft Insurance, Glass Insurance and Money Insurance are belonging to which type of insurance classification? |
| | | A | Insurance of the Person |
| | | ✓ B | Insurance of Property |
| | | C | Insurance of Liability |
| | | D | Insurance of Pecuniary Interests |
| 4. | 1(a) | | Employers' Liability Insurance, Products Liability Insurance and Professional Indemnity Insurance are belonging to which type of insurance classification? |
| | | A | Insurance of the Person |
| | | B | Insurance of Property |
| | | ✓ C | Insurance of Liability |
| | | D | Insurance of Pecuniary Interests |
| 5. | 1(a) | | Which of the following insurance product(s) is/are not belonging to the Insurance of Pecuniary Interests? |
| | | i | Money Insurance |
| | | ii | Fidelity Guarantee Insurance |
| | | iii | Consequential Loss Insurance |
| | | iv | Fire Business Interruption Insurance |
| | | ✓ A | i Only |
| | | B | i and ii |
| | | C | ii and iii |
| D | i, ii and iii | | |
| 6. | 1(a) | | In General Insurance, Health Insurance is usually classified as: |
| | | A | Insurance of liabilities |
| | | B | Insurance of property |
| | | ✓ C | Insurance of person |
| | | D | Insurance of pecuniary interests |

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| 7. | 1(a) | | Which of the following is/are general insurance product(s)? |
| | | A | Insurance of Property |
| | | B | Insurance of Liability |
| | | C | Insurance of Person (Example: Personal Accident Insurance) |
| | | ✓ D | All of the above |

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| 8. | 1(a) | | General insurance is usually classified as: |
| | | i | Insurance of Person |
| | | ii | Insurance of Property |
| | | iii | Insurance of Liability |
| | | iv | Insurance of Pecuniary Interests |
| | | A | i and iii |
| | | B | i, ii and iv |
| | | ✓ D | i, ii, iii and iv |
| 9. | 1(a) | | Medical cover belongs to which category of insurance? |
| | | A | Insurance of Liabilities |
| | | B | Insurance of Property |
| | | ✓ C | Insurance of Person |
| | | D | Insurance of Pecuniary Interests |
| 10. | 1(b) | | There are two types of cover of General Insurance, one is based on All Risks, the other is: |
| | | A | Based on special life insurance |
| | | B | Based on specified life insurance |
| | | C | Based on special perils |
| | | ✓ D | Based on specified perils |
| 11. | 1(b) | | If a policy specifies covering loss from fire, lightning and explosion, it can be called: |
| | | A | All risks policy |
| | | B | Comprehensive policy |
| | | ✓ C | Specified perils policy |
| | | D | All of the above |
| 12. | 1(b) | | If a policy specifies covering loss from fire, lightning and explosion, it can be called: |
| | | A | All risks policy |
| | | ✓ B | Specified perils policy |
| | | C | Comprehensive policy |
| | | D | Named perils policy |
| 13. | 1(b)(i) | | The policy will only cover a loss due to fire, lightening and explosion. This form of cover is: |
| | | A | All Risks |
| | | B | Exclusions |
| | | ✓ C | Named Perils |
| | | D | Fire Risks |
| 14. | 1(b)(i) | | The policy will only cover a loss due to fire, lightening and explosion. This form of cover is: |
| | | A | All Risks |
| | | ✓ B | Specified Perils |
| | | C | Exclusions |

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| | | D | Third Party Risks |
| 15. | 1(b)(ii) | | Which one or more of the following causes of loss or damage is/are not likely to be covered by an all risks policy? |
| | | A | A watch stolen by a robber |
| | | B | Damage to a watch which has dropped into the sea |
| | | <input checked="" type="checkbox"/> C | Damage to a watch which has exposed to abnormally high humidity |
| | | D | All of the above |
| 16. | 1(b)(ii) | | Which one or more of the following causes of loss or damage is/are not likely to be covered by an All risks policy? |
| | | A | A watch was damaged in an accident |
| | | B | Damage to a watch which has dropped into the sea |
| | | <input checked="" type="checkbox"/> C | Damage to a watch which has exposed to abnormally high humidity |
| | | D | All of the above |

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| 17. | 1(c) | | Fundamental risks are excluded in most general insurance policies and they include war and: |
| | | A | Earthquake risk |
| | | <input checked="" type="checkbox"/> B | Terrorism |
| | | C | Typhoon risk |
| | | D | Flood risk |
| 18. | 1(c) | | War risks and nuclear risks are standard exclusions, which of the following description(s) is/are correct? |
| | | A | They are insurable under all risks protection |
| | | B | They are insurable if willing to pay extra premium |
| | | <input checked="" type="checkbox"/> C | They are fundamental risks and usually uninsurable |
| | | D | All of the above |
| 19. | 1(c) | | War risks and nuclear risks are standard exclusions, which of the following description(s) is/are correct? |
| | | A | All risks will be insurable under all risks protection |
| | | <input checked="" type="checkbox"/> B | They are fundamental risks and usually uninsurable |
| | | C | They are insurable if willing to pay extra premium |
| | | D | All of the above |
| 20. | 1.1 | | Which of the following is not one of the major categories of Motor Insurance? |
| | | <input checked="" type="checkbox"/> A | Taxi |
| | | B | Private vehicle |
| | | C | Motor cycle |
| | | D | Commercial vehicle |
| 21. | 1.1 | | Which of the following is not one of the categories of Motor Insurance? |
| | | A | Motor cycle |
| | | B | Private vehicle |
| | | <input checked="" type="checkbox"/> C | Rental vehicle |
| | | D | Commercial vehicle |

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| 22. | 1.1 | | In Hong Kong use of motor vehicles on roads is subject to a statutory requirement for motor liability insurance. There are some exceptions to this compulsory motor insurance requirements, such as: |
| | | ✓ A | Has made a deposit with the Director of Accounting Services to the value of HK\$2,000,000 and is being driven by the owner or an employee of the owner |
| | | B | Has made a deposit with the Director of Accounting Services to the value of HK\$200,000 and is being driven by the owner |
| | | C | Has made a deposit with the Director of Accounting Services to the value of HK\$200,000 and is being driven by an employee of the owner |
| | | D | Has made a deposit with the Financial Secretary to the value of HK\$2,000,000 and is being driven by the owner |
| 23. | 1.1 | | The importance of a motor insurance is that In Hong Kong use of motor vehicles on roads is subject to a statutory requirement for motor liability insurance. Which of the following scenario is not required to have such compulsory motor policy? |
| | | ✓ A | Government-owned car is being used by an authorized person |
| | | B | Government-owned car is being used by any civil servant |
| | | C | Has made a deposit with the Director of Accounting Services to the value of HK\$200,000 and is being driven by an employee of the owner |
| | | D | Has made a deposit with the Director of Accounting Services to the value of HK\$200,000 and is being driven by the owner or an employee of the owner |

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| 24. | 1.1(a) | | Which of the following motor policies can the insurers provide cover on property? |
| | | i | Act Insurance |
| | | ii | Comprehensive cover |
| | | iii | Third Party Only |
| | | iv | Third Party, Fire & Theft cover |
| | | A | i and ii |
| | | B | ii and iii |
| | | ✓ C | ii and iv |
| 25. | 1.1(a) | | The widest form of motor insurance cover is: |
| | | A | Act only |
| | | B | Third party only |
| | | ✓ C | Comprehensive |
| | | D | Third party, fire and theft |
| 26. | 1.1(a) | | Comprehensive motor policy will cover: |
| | | i | The liability to third parties for their death and bodily injury |
| | | ii | The loss due to fire of the insured car |
| | | iii | The loss due to burglary of the insured car |
| | | iv | The loss due to the collision of the two cars |
| | | A | i and iii |
| | | B | i, ii and iv |
| | | ✓ D | i, ii, iii and iv |
| 27. | 1.1(a) | | Which of the following motor policies will not cover the damage and loss of a motor vehicle? |
| | | i | Act Insurance |

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| | | ii | Comprehensive cover |
| | | iii | Third Party only |
| | | iv | Third party, fire and theft |
| | | A | i and ii |
| | | ✓ B | i and iii |
| | | C | ii and iv |
| | | D | iii and iv |
| 28. | 1.1(a) | A car travelling in high speed is overturned and totally wrecked but without causing any injury. Which of the following policy will provide cover for this? | |
| | | ✓ A | Comprehensive cover |
| | | B | Third Party Only cover |
| | | C | Third Party, Fire & Theft cover |
| | | D | All of the above |
| 29. | 1.1(a) | Which of the following is the cover of the Third Party Only policy? | |
| | | A | The insured car loading or unloading of goods (applicable to commercial vehicle only) |
| | | B | The insured car loading or unloading of goods (excluding domestic articles being removed to a new home) |
| | | ✓ C | The insured car loading or unloading of goods |
| | | D | The disassembling of a total loss car |
| 30. | 1.1(a) | The insured vehicle was totally wrecked in an accident (but there was no fire). Which of the following motor insurance policy will provide cover for this? | |
| | | A | Act Insurance |
| | | B | Third Party Only cover |
| | | C | Third Party, Fire & Theft cover |
| | | ✓ D | Comprehensive cover |

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| 31. | 1.1(a) | Which of the following motor insurance policies cover the loss and damage of the insured vehicle? | |
| | | i | Act Insurance |
| | | ii | Third Party Only cover |
| | | iii | Third Party, Fire & Theft cover |
| | | iv | Comprehensive cover |
| | | A | i and ii |
| | | B | i and iii |
| | | C | ii and iv |
| | | ✓ D | iii and iv |
| 32. | 1.1(a)&(b) | In a road accident, the passenger of the insured was injured, his medical expenses can be covered in which of the following motor insurance? | |
| | | A | Act Insurance |
| | | ✓ B | Comprehensive cover |
| | | C | Third Party, Fire & Theft cover |
| | | D | All of the above |

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| 33. | 1.1(a)&(b) | We always mentioned Third Party insurance by insurers. Which of the following are correct? | |
| | | i | It does not include Third Party's property |
| | | ii | It includes Third Party's property |
| | | iii | Its cover is not the same as the Act insurance |
| | | iv | Its cover is broader than the Act insurance |
| | | A | i, ii and iii |
| | | B | i, ii and iv |
| | | ✓ D | ii, iii and iv |
| 34. | 1.1(a)&(b) | If a passenger is injured in a traffic accident, which of the following insurance can provide cover for the liability of the insured? | |
| | | A | Comprehensive cover |
| | | B | Act Insurance |
| | | ✓ D | All of the above |
| 35. | 1.1(a)&(b) | The motor insurance provides the narrowest scope of cover is: | |
| | | ✓ A | Act Insurance |
| | | B | Comprehensive cover |
| | | D | First Party, Fire & Theft cover |
| 36. | 1.1(b) | In motor insurance, the term Third Party may cause some confusion. Generally the cover for the Third Party Only provided by insurers is: | |
| | | A | Comprehensive cover |
| | | C | Same as the compulsory Third Party cover |
| | | ✓ D | Different from the compulsory Third Party cover |
| 37. | 1.1(b) | Compulsory third party liability: | |
| | | A | Liability for property damage to third parties |
| | | ✓ B | Liabilities for death and injury to third parties |
| | | D | Full liability for property damage, death and injury to third parties |
| 38. | 1.1(b) | The compulsory Third Party motor insurance and the Third Party policies of car insurers in Hong Kong: | |
| | | A | Are the same |
| | | C | Can be Act and Comprehensive |
| | | ✓ D | Are not the same as the latter covers the liability in respect of third party property damage and death and bodily injury |

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| 39. | 1.1(b) | | For compulsory death and injury liability, the minimum amount of cover required is Hong Kong Dollar: |
| | | <input checked="" type="checkbox"/> | A 100 million |
| | | <input type="checkbox"/> | B 1 million |
| | | <input type="checkbox"/> | C No limitation |
| | | <input type="checkbox"/> | D No restriction |
| 40. | 1.1(b) | | The minimum amount of cover required in respect of Third Party Death and Injury liability is: |
| | | <input type="checkbox"/> | A HK\$ 1,000,000 |
| | | <input type="checkbox"/> | B HK\$ 2,000,000 |
| | | <input type="checkbox"/> | C HK\$ 10,000,000 |
| | | <input checked="" type="checkbox"/> | D HK\$ 100,000,000 |
| 41. | 1.1(b) | | Which of the following is/are the correct description(s) of Act Insurance? |
| | | <input type="checkbox"/> | A The premium of Act Insurance is less expensive than other motor policies |
| | | <input type="checkbox"/> | B Act Insurance will not cover the liability for property damage to third parties |
| | | <input type="checkbox"/> | C Insurers do not promote Act Insurance policy |
| | | <input checked="" type="checkbox"/> | D All of the above |
| 42. | 1.1(b) | | Which of the following motor insurance policy covers only the minimum liability requirements requested by law? |
| | | <input checked="" type="checkbox"/> | A Act Insurance |
| | | <input type="checkbox"/> | B Comprehensive cover |
| | | <input type="checkbox"/> | C Third Party Liability |
| | | <input type="checkbox"/> | D Third Party, Fire & Theft cover |
| 43. | 1.1(b) | | The compulsory Third Party motor insurance and the Third Party policies of car insurers in Hong Kong: |
| | | <input type="checkbox"/> | A Are the same |
| | | <input type="checkbox"/> | B Can be Act or Comprehensive |
| | | <input checked="" type="checkbox"/> | C Are not the same as the latter covers the liability in respect of third party property damage and death and bodily injury |
| | | <input type="checkbox"/> | D Only A and B |
| 44. | 1.1(b) | | Which of the following is incorrect in describing Act Insurance? |
| | | <input type="checkbox"/> | A It covers only for death and injury |
| | | <input type="checkbox"/> | B It provides the narrowest scope of cover in motor insurance |
| | | <input checked="" type="checkbox"/> | C It is the cheapest in motor insurance and therefore it is very common |
| | | <input type="checkbox"/> | D All of the above |
| 45. | 1.1(b) | | Which of the following is incorrect in describing Third Party Only insurance in motor insurance? |
| | | <input type="checkbox"/> | A It is a compulsory insurance |
| | | <input checked="" type="checkbox"/> | B It covers the injury of both the insured and his passenger |
| | | <input type="checkbox"/> | C It only applies to injury and property damage to third parties |
| | | <input type="checkbox"/> | D Normally the minimum amount of cover required is HK\$100 million |
| 46. | 1.1(b) | | Hong Kong insurance companies do not promote which of the following motor insurance? |
| | | <input type="checkbox"/> | A Comprehensive policy |
| | | <input type="checkbox"/> | B Third Party policy |
| | | <input checked="" type="checkbox"/> | C Act Insurance |
| | | <input type="checkbox"/> | D Third Party, Fire & Theft cover |

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| 47. | 1.1(b) | | According to Motor Vehicles Insurance (Third Party Risks) Ordinance, we shall have a policy to cover the liability in respect of the death of or bodily injury to any person caused by or arising out of the use of a motor vehicle on a road. Road means: |
| | | ✓ A | Road (inclusive of private roads, other than private roads in areas wholly or mainly used for the carrying on of construction work or industry) |
| | | B | Road (inclusive of private roads, other than private roads in areas wholly used for the carrying on of construction work or industry) |
| | | C | Road (inclusive of private roads in areas wholly or mainly used for the carrying on of construction work or industry) |
| | | D | Road (exclusive of private road) |
| 48. | 1.1(b) | | Compulsory motor insurance is required: |
| | | ✓ A | On a road |
| | | B | On all the roads in Hong Kong |
| | | C | On a road (inclusive of private roads in areas wholly used for the carrying on of construction work or industry) |
| | | D | On a road (inclusive of private roads mainly used for the carrying on of construction work or industry) |
| 49. | 1.1(b) | | Compulsory motor insurance is required: |
| | | A | Any road in Hong Kong |
| | | ✓ B | On a road (inclusive of specified private roads) |
| | | C | On a road (inclusive of private roads in areas wholly or mainly used for the carrying on of construction work or industry) |
| | | D | On a road (inclusive of private roads in areas mainly used for the carrying on of construction work or industry) |
| 50. | 1.1(c) | | No claim discount applies to motor insurance of private vehicle. With private cars, a single claim will not destroy all entitlement of the discount. That is called: |
| | | A | Average System |
| | | ✓ B | Step-back System |
| | | C | Nonforfeiture Clause |
| | | D | No Claim Discount Reduction System |
| 51. | 1.1(c) | | In Hong Kong, insurers will provide the maximum no claim discount to: |
| | | ✓ A | Private vehicle |
| | | B | Motor cycle |
| | | C | Commercial vehicle |
| | | D | Motor trade |
| 52. | 1.1(c) | | As a general practice of motor insurance in Hong Kong, insurers will provide the maximum no claim discount to: |
| | | A | All categories of vehicle |
| | | ✓ B | Private vehicle |
| | | C | Motor cycle |
| | | D | Commercial vehicle |
| 53. | 1.1(c) | | Which of the following motor vehicle enjoy the highest no claim discount? |
| | | A | Motorcycle |
| | | ✓ B | Private vehicle |
| | | C | Private vehicle and commercial vehicle |
| | | D | Motor cycle and commercial vehicle |

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| 54. | 1.1(c) | | The maximum percentage of discount for no claim discount appears in: |
| | | <input checked="" type="checkbox"/> | A Private vehicle insurance |
| | | <input type="checkbox"/> | B Motor cycle insurance |
| | | <input type="checkbox"/> | C Taxi insurance |
| | | <input type="checkbox"/> | D Commercial vehicle insurance |

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| 55. | 1.1(c) | | For the private vehicle policy, the highest no claim discount will be: |
| | | <input type="checkbox"/> | A 30% |
| | | <input type="checkbox"/> | B 40% |
| | | <input type="checkbox"/> | C 50% |
| | | <input checked="" type="checkbox"/> | D 60% |

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| 56. | 1.1(c) | | For the motor cycle and commercial vehicle policies, the highest no claim discount will be: |
| | | <input checked="" type="checkbox"/> | A 30% |
| | | <input type="checkbox"/> | B 40% |
| | | <input type="checkbox"/> | C 50% |
| | | <input type="checkbox"/> | D 60% |

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| 57. | 1.1(c) | | For the motor cycle policy, the highest no claim discount will be: |
| | | <input type="checkbox"/> | A 60% |
| | | <input type="checkbox"/> | B 50% |
| | | <input type="checkbox"/> | C 40% |
| | | <input checked="" type="checkbox"/> | D 30% |

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| 58. | 1.1(c) | | For the commercial vehicle policy, the highest no claim discount will be: |
| | | <input checked="" type="checkbox"/> | A 30% |
| | | <input type="checkbox"/> | B 40% |
| | | <input type="checkbox"/> | C 50% |
| | | <input type="checkbox"/> | D 60% |

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| 59. | 1.1(c) | | For the motor cycle and commercial vehicle policies, no claim discount means: |
| | | <input type="checkbox"/> | A A single claim will reduce the no claim discount by 10% |
| | | <input type="checkbox"/> | B A single claim will reduce the no claim discount by 20% |
| | | <input checked="" type="checkbox"/> | C A single claim will reduce the no claim discount by 30% |
| | | <input type="checkbox"/> | D If the claims is related to the third party's liability, the no claim discount will not be reduced |

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| 60. | 1.1(c) | | For the private vehicle policy, no claim discount means: |
| | | <input type="checkbox"/> | A A single claim will cancel all the no claim discount |
| | | <input type="checkbox"/> | B A single claim will reduce the no claim discount by 10% |
| | | <input checked="" type="checkbox"/> | C A single claim will reduce the no claim discount by 30% |
| | | <input type="checkbox"/> | D If the claims is related to the third party's liability, the no claim discount will not be reduced |

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| 61. | 1.1(c) | | In Hong Kong motor insurance practice, insurers only offer the highest no claim discount of 30% to: |
| | | <input type="checkbox"/> | i All types of vehicle |
| | | <input type="checkbox"/> | ii Private vehicle |
| | | <input type="checkbox"/> | iii Motor cycle |

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| | | iv | Commercial vehicle |
| | | A | i |
| | | B | ii and iii |
| | | C | ii and iv |
| | | <input checked="" type="checkbox"/> D | iii and iv |
| 62. | 1.1(c) | Which of the following statements are incorrect to describe no claim discount? | |
| | | i | A commercial vehicle has a higher no claim discount then a motor cycle |
| | | ii | The step-back system will apply as usual where a claim has happened only because of the fault of the third parties |
| | | iii | The motor insurers will not accept a transfer of no claim discount from other insurers |
| | | A | i and ii |
| | | <input checked="" type="checkbox"/> B | i and iii |
| | | C | ii and iii |
| | | D | i, ii and iii |

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| 63. | 1.1(c) | A private vehicle has accumulated the highest no claim discount but it had an accident this policy year and received claim compensation from the insurer. The no claim discount of the following year will be: | |
| | | A | 0% |
| | | B | 10% |
| | | C | 20% |
| | | <input checked="" type="checkbox"/> D | 30% |
| 64. | 1.1(c) | A motor cycle has accumulated the highest no claim discount but it had an accident this policy year and received claim compensation from the insurer. The no claim discount of the following year will be: | |
| | | <input checked="" type="checkbox"/> A | 0% |
| | | B | 10% |
| | | C | 20% |
| | | D | 30% |
| 65. | 1.1(c) | A commercial vehicle has accumulated the highest no claim discount but it had an accident this policy year and received claim compensation from the insurer. The no claim discount of the following year will be: | |
| | | <input checked="" type="checkbox"/> A | 0% |
| | | B | 10% |
| | | C | 20% |
| | | D | 30% |
| 66. | 1.1(c) | Most motor insurance policies have a practice, that is if the insured is claim-free in the previous year, there is a discount on the premium of the following year. The correct title for this practice is: | |
| | | A | No Claim Bonus |
| | | <input checked="" type="checkbox"/> B | No Claim Discount |
| | | C | No Claim Reduction |
| | | D | No Claim Renewal Excess |
| 67. | 1.1(c) | Under certain motor policies, when the step back system is used by the no claim discount that not all discounts will be lost because of a single claim. These motor policies are: | |
| | | <input checked="" type="checkbox"/> A | Private vehicle |
| | | B | Motor cycle |

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| | | <input type="checkbox"/> | C | Commercial vehicle |
| | | <input type="checkbox"/> | D | All of the above |
| 68. | 1.1(c) | <input type="checkbox"/> | A single claim may not reduce all accumulated no claim discount and this will apply to: | |
| | | <input type="checkbox"/> | A | Motor cycle policy |
| | | <input checked="" type="checkbox"/> | B | Private vehicle policy |
| | | <input type="checkbox"/> | C | Commercial vehicle policy |
| | | <input type="checkbox"/> | D | Motor trade policy |
| 69. | 1.1(c) | <input type="checkbox"/> | In motor insurance, when will receive no claim discount? | |
| | | <input type="checkbox"/> | A | Claim-free previously |
| | | <input type="checkbox"/> | B | Claim-free in the immediate previous two years |
| | | <input checked="" type="checkbox"/> | C | Claim-free in the previous year |
| | | <input type="checkbox"/> | D | All of the above |

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| 70. | 1.1(c) | <input type="checkbox"/> | If the insured can have a discount on the premium if the preceding policy year has been claim-free. Which if the following statements are correct? | |
| | | <input type="checkbox"/> | i | This is no claim discount |
| | | <input type="checkbox"/> | ii | Private vehicle has a higher no claim discount rate |
| | | <input type="checkbox"/> | iii | If the insured did not have any claim in the preceding policy year, premium will be refunded |
| | | <input type="checkbox"/> | iv | If the insured did not have any claim in the preceding policy year, the premium in the following year can have a discount |
| | | <input type="checkbox"/> | A | i and iii |
| | | <input type="checkbox"/> | B | ii and iv |
| | | <input type="checkbox"/> | C | i, ii and iii |
| | | <input checked="" type="checkbox"/> | D | i, ii and iv |
| 71. | 1.1(c) | <input type="checkbox"/> | In a motor policy, the practice of granting a discount on the premium if the preceding policy year has been claim-free, this is called: | |
| | | <input type="checkbox"/> | A | No Claim Bonus |
| | | <input checked="" type="checkbox"/> | B | No Claim Discount |
| | | <input type="checkbox"/> | C | No Claim Deduction |
| | | <input type="checkbox"/> | D | No Claim Renewal Reduction |
| 72. | 1.1(c) | <input type="checkbox"/> | Which of the following is correct in describing no claim discount? | |
| | | <input type="checkbox"/> | A | The discount for private vehicle is the lowest |
| | | <input checked="" type="checkbox"/> | B | It was called no claim bonus in the past |
| | | <input type="checkbox"/> | C | Commercial vehicle has a higher no claim discount than the private vehicle |
| | | <input type="checkbox"/> | D | If it is claim-free in the previous year, there will be a certain percentage of premium refund |
| 73. | 1.1(c) | <input type="checkbox"/> | A private vehicle has accumulated 60% no claim discount but it had an accident this policy year and received claim compensation from the insurer. The no claim discount of the following year will be: | |
| | | <input type="checkbox"/> | A | 0% |
| | | <input type="checkbox"/> | B | 10% |
| | | <input type="checkbox"/> | C | 20% |
| | | <input checked="" type="checkbox"/> | D | 30% |

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| 74. | 1.1(c) | A private vehicle has accumulated 50% no claim discount but it had an accident this policy year and received claim compensation from the insurer. The no claim discount of the following year will be: | |
| | | <input type="checkbox"/> | A 0% |
| | | <input type="checkbox"/> | B 10% |
| | | <input checked="" type="checkbox"/> | C 20% |
| | | <input type="checkbox"/> | D 30% |
| 75. | 1.1(c) | A private vehicle has accumulated 40% no claim discount but it had an accident this policy year and received claim compensation from the insurer. The no claim discount of the following year will be: | |
| | | <input checked="" type="checkbox"/> | A 0% |
| | | <input type="checkbox"/> | B 10% |
| | | <input type="checkbox"/> | C 20% |
| | | <input type="checkbox"/> | D 30% |
| 76. | 1.1(c) | A private vehicle has accumulated 30% no claim discount but it had an accident this policy year and received claim compensation from the insurer. The no claim discount of the following year will be: | |
| | | <input checked="" type="checkbox"/> | A 0% |
| | | <input type="checkbox"/> | B 10% |
| | | <input type="checkbox"/> | C 20% |
| | | <input type="checkbox"/> | D 30% |

| Q# | Reference | Mock Questions | |
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| 77. | 1.1(c) | A private vehicle has accumulated 20% no claim discount but it had an accident this policy year and received claim compensation from the insurer. The no claim discount of the following year will be: | |
| | | <input checked="" type="checkbox"/> | A 0% |
| | | <input type="checkbox"/> | B 10% |
| | | <input type="checkbox"/> | C 20% |
| | | <input type="checkbox"/> | D 30% |
| 78. | 1.1(c) | A motor cycle has accumulated 30% no claim discount but it had an accident this policy year and received claim compensation from the insurer. The no claim discount of the following year will be: | |
| | | <input checked="" type="checkbox"/> | A 0% |
| | | <input type="checkbox"/> | B 10% |
| | | <input type="checkbox"/> | C 20% |
| | | <input type="checkbox"/> | D 30% |
| 79. | 1.1(c) | A motor cycle has accumulated 20% no claim discount but it had an accident this policy year and received claim compensation from the insurer. The no claim discount of the following year will be: | |
| | | <input checked="" type="checkbox"/> | A 0% |
| | | <input type="checkbox"/> | B 10% |
| | | <input type="checkbox"/> | C 20% |
| | | <input type="checkbox"/> | D 30% |
| 80. | 1.1(c) | A motor cycle has accumulated 10% no claim discount but it had an accident this policy year and received claim compensation from the insurer. The no claim discount of the following year will be: | |
| | | <input checked="" type="checkbox"/> | A 0% |
| | | <input type="checkbox"/> | B 10% |

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| | | <input type="checkbox"/> | C | 20% |
| | | <input type="checkbox"/> | D | 30% |
| 81. | 1.1(c) | A commercial vehicle has accumulated 30% no claim discount but it had an accident this policy year and received claim compensation from the insurer. The no claim discount of the following year will be: | | |
| | | <input checked="" type="checkbox"/> | A | 0% |
| | | <input type="checkbox"/> | B | 10% |
| | | <input type="checkbox"/> | C | 20% |
| | | <input type="checkbox"/> | D | 30% |
| 82. | 1.1(c) | A commercial vehicle has accumulated 20% no claim discount but it had an accident this policy year and received claim compensation from the insurer. The no claim discount of the following year will be: | | |
| | | <input checked="" type="checkbox"/> | A | 0% |
| | | <input type="checkbox"/> | B | 10% |
| | | <input type="checkbox"/> | C | 20% |
| | | <input type="checkbox"/> | D | 30% |
| 83. | 1.1(c). | A commercial vehicle has accumulated 10% no claim discount but it had an accident this policy year and received claim compensation from the insurer. The no claim discount of the following year will be: | | |
| | | <input checked="" type="checkbox"/> | A | 0% |
| | | <input type="checkbox"/> | B | 10% |
| | | <input type="checkbox"/> | C | 20% |
| | | <input type="checkbox"/> | D | 30% |
| 84. | 1.1(c) | Most motor insurance policies have a custom that if the insured has not made a claim in the past year, he can get a discount on the premium when renewing the policy in the next year. The most correct name for this practice is: | | |
| | | <input type="checkbox"/> | A | Insure approved products at a more favorable price |
| | | <input checked="" type="checkbox"/> | B | Migrate existing individual hospital coverage to approved products |
| | | <input type="checkbox"/> | C | Get products approved for loan insurance |
| | | <input type="checkbox"/> | D | All premiums can be refunded |
| 85. | 1.1(c) | There is a practice in motor policy that the insured can have a discount on the premium if the preceding policy year has been claim-free. Which if the following statement is incorrect to describe this practice? | | |
| | | <input type="checkbox"/> | A | This practice is called No Claim Discount |
| | | <input type="checkbox"/> | B | Private vehicle has a higher no claim discount rate |
| | | <input checked="" type="checkbox"/> | C | If the insured did not have any claim in the preceding policy year, premium will be refunded |
| | | <input type="checkbox"/> | D | If the insured did not have any claim in the preceding policy year, the premium in the following year can have a discount |

| Q# | Reference | Mock Questions | | |
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| 86. | 1.1(c) (ii) | In the "step-back system", all discounts will not be canceled due to one claim, applicable to: | | |
| | | <input checked="" type="checkbox"/> | A | Private Motor Insurance |
| | | <input type="checkbox"/> | B | Commercial Motor Insurance |
| | | <input type="checkbox"/> | C | Motorcycle Insurance |
| | | <input type="checkbox"/> | D | Insurance for car rental sales |

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| 87. | 1.1(d) | | Which of the following is/are the common exclusion(s) of motor policies? |
| | | A | Act of terrorism |
| | | B | Violation of the statutory prohibition against drink-driving |
| | | C | Driving by any person other than an insured driver |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 88. | 1.1(d) | | The motor policy will cover: |
| | | A | The accidental loss due to car racing |
| | | B | The accidental loss due to speed-testing |
| | | <input checked="" type="checkbox"/> C | The accidental loss due to careless driving |
| | | D | None of the above |
| 89. | 1.1(d) | | Which of the following do you expect, is/are not belonging to the exclusion(s) of nonextended motor policies issued in Hong Kong? |
| | | <input checked="" type="checkbox"/> A | Property damage |
| | | B | The first HK\$1,000 of the damage loss of the insured vehicle (excess) |
| | | C | Accidents occurring outside the specified geographical area of insurance cover |
| | | D | All of the above |
| 90. | 1.1(d) | | Which of the following is not likely to be an exclusion of most of the motor insurance policies? |
| | | A | War and nuclear risks |
| | | B | Contractual liability |
| | | C | Unauthorized purpose of the use of car |
| | | <input checked="" type="checkbox"/> D | Use for social, entertainment and leisure purposes |
| 91. | 1.1(d) | | According to different motor insurance (except for motor trade insurance), there is/are exclusion(s) including which of the following? |
| | | A | Car racing |
| | | B | Car testing |
| | | C | Use for the motor trade |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 92. | 1.1(d) | | In the liability insurance of general insurance, the contractual liability (liability has assumed under an agreement) is: |
| | | A | Cannot be insured |
| | | B | Can have the cover automatically |
| | | <input checked="" type="checkbox"/> C | An exclusion |
| | | D | Cannot be insured under the law |
| 93. | 1.1(d) | | Which of the following causes of loss do you think is/are exclusion(s) of motor insurance policies? |
| | | A | War risks |
| | | B | Contractual liability |
| | | C | Nuclear and radioactive risks |
| | | <input checked="" type="checkbox"/> D | All of the above |

| Q# | Reference | Mock Questions | |
|-----|-----------|----------------|--|
| 94. | 1.1(d) | | Which of the following is/are not covered by a motor policy? |
| | | A | The driver is not an insured driver |
| | | B | Accident occurs outside the specified geographical area of cover |
| | | C | When the accident occurs, the vehicle is used otherwise than specified |

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| | | <input checked="" type="checkbox"/> | D | All of the above |
| 95. | 1.1(d) | | | Which of the following is not likely to be the exclusion of a motor policy? |
| | | | A | War and the like risk |
| | | <input checked="" type="checkbox"/> | B | The driver's age is below 25 |
| | | | C | Accident occurs outside the specified geographical area of cover |
| | | | D | The vehicle is used otherwise than specified |
| 96. | 1.1(d) | | | All motor policies will set some restrictions which cause the policy cover void and cannot offer any coverage. Which of the following is a classic example? |
| | | <input checked="" type="checkbox"/> | A | When driving, the proportion of alcohol in blood or urine of the driver exceeding the statutory limit |
| | | | B | Insured driver is driving under the influence of alcohol |
| | | | C | Insured driver is driving under the influence of medicine |
| | | | D | Insured driver is driving under the influence of alcohol and medicine |
| 97. | 1.1(e) | | | Which of the following is/are the rating feature(s) of a motor insurance? |
| | | | A | Use of the vehicle |
| | | | B | Carrying capacity |
| | | | C | Engine power |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 98. | 1.1(e) | | | Which of the following is not the rating feature of a motor insurance? |
| | | | A | Insured geographical area of cover |
| | | | B | Use of vehicle |
| | | <input checked="" type="checkbox"/> | C | Parking area of vehicle |
| | | | D | Engine capacity |
| 99. | 1.1(e) | | | How can the motor insurance premium be determined? |
| | | | A | The use of the vehicle |
| | | | B | The engine power |
| | | | C | The car value estimated by the insured |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 100. | 1.1(e) | | | Which of the following do you think is not a factor considered by insurers in determining the premium of comprehensive motor insurance for private vehicles? |
| | | | A | The type of cover |
| | | <input checked="" type="checkbox"/> | B | The gender of the insured |
| | | | C | Engine power of the insured car |
| | | | D | The car value estimated by the insured |
| 101. | 1.1(e) | | | Determine premiums: |
| | | | A | Purpose of vehicle (commercial vehicle) |
| | | | B | Cubic capacity of engine (private car) |
| | | | C | The insured's valuation of their vehicle |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 102. | 1.1(f) | | | In a motor insurance policy, a policy excess is requested by the insured in return for a premium discount, such an excess is called: |
| | | | A | Standard policy excess |
| | | | B | Underwriting excess |
| | | <input checked="" type="checkbox"/> | C | Voluntary excess |
| | | | D | Non-compulsory excess |

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| 103. | 1.1(f) | | Which of the following is incorrect in describing standard policy excess? |
| | | A | It is applicable to all policies within the same class |
| | | B | This excess does not qualify for any premium deduction |
| | | C | This excess will be in parallel with any voluntary excess |
| | | ✓ D | This excess is qualified for a discount on standard premium |

| Q# | Reference | Mock Questions | |
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| 104. | 1.1(f) | | Which one or more of the following statement(s) regarding deductible is/are true? |
| | | A | It is implied in the contract |
| | | ✓ B | It is interchangeable with excess |
| | | C | Deductible is usually for smaller amount than excess |
| | | D | All of the above |

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| 105. | 1.1(f) | | A standard policy excess is one that: |
| | | ✓ A | Applies to all policies of a particular class |
| | | B | Does not apply if the risk has any abnormal features |
| | | C | Is chosen by the insured to obtain a premium discount |
| | | D | Is imposed by the underwriter to counteract an adverse feature |

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| 106. | 1.1(f) | | In a motor policy, which of the following excess can allow the insured to ask for a premium discount? |
| | | A | Underwriting excess |
| | | ✓ B | Voluntary excess |
| | | C | Standard policy excess |
| | | D | Voluntary franchise |

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| 107. | 1.1(f) | | An excess which is applicable to all policies within the class (e.g. young driver) is: |
| | | A | Voluntary excess |
| | | B | Underwriting excess |
| | | ✓ C | Standard policy excess |
| | | D | Coinsurance excess |

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|------|--------|-----|--|
| 108. | 1.1(f) | | An excess which is applicable to all policies within the class (e.g. inexperienced driver) is: |
| | | A | Voluntary excess |
| | | B | Underwriting excess |
| | | ✓ C | Standard policy excess |
| | | D | Coinsurance excess |

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| 109 | 1.1(g) | | Avoidance of Certain Terms and Right of Recovery Clause is applicable to: |
| | | A | Only when the vehicle damage is due to a third party |
| | | B | Only when the insured's vehicle is damaged in an accident |
| | | ✓ C | When compulsory terms are over the policy terms |
| | | D | Only when a special term (e.g. additional premium) is in effect |

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| 110 | 1.1(g) | | Under the Motor Vehicles Insurance (Third Party Risks) Ordinance, which of the following is less likely to be bound by the Avoidance of Certain Terms? |
| | | ✓ A | Shall not drive in adverse weather |
| | | B | The driver shall not be mentally retarded |
| | | C | The car shall not be a fashion one |
| | | D | The car shall be an antique one |

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| 111. | 1.1(g) | | Under the Motor Vehicles Insurance (Third Party Risks) Ordinance, which of the following is less likely to be bound by the Avoidance of Certain Terms? |
| | | | A Insured driver shall be age 25 and above |
| | | ✓ | B The loss due to the adverse weather |
| | | | C The car shall not be a fashion one |
| | | D | The car shall be manufactured after 2010 |
| 112. | 1.1(g) | | Under the Motor Vehicles Insurance (Third Party Risks) Ordinance, which of the following is less likely to be bounded by the Avoidance of Certain Terms? |
| | | ✓ | A Shall not drive in adverse weather |
| | | | B Insured driver shall not be a disabled person |
| | | | C The car shall not have a high horse power |
| | | D | The car shall be an antique one |

| Q# | Reference | Mock Questions | |
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| 113. | 1.1(h) | | After the motor policy has been cancelled, the insurer will require the insured to return the certificate. The insured shall return the certificate within how days from the effective date of cancellation to surrender? |
| | | ✓ | A 7 days |
| | | | B 14 days |
| | | | C 30 days |
| | | D | 60 days |
| 114. | 1.1.1(a) | | In a private car policy, the use of vehicle is: |
| | | | A Driving the passenger with rewards in return |
| | | ✓ | B Driving the passenger without receiving any rent or rewards |
| | | | C Driving the passenger who is deemed to be a stranger |
| | | D | Providing the driving service for a rent |
| 115. | 1.1.1(a) | | Young driver is defined as: |
| | | | A Age 25 |
| | | ✓ | B Below age 25 |
| | | | C Below age 21 |
| | | D | Below age 18 |
| 116. | 1.1.1(a) | | Which of the following is an exclusion of motor car policy (without any extensions) in Hong Kong? |
| | | | A Damage of the car cooler |
| | | ✓ | B The expenses of hiring another car during repairs of the insured car |
| | | | C Car spare parts had been stolen |
| | | D | The windscreen was smashed in a clash |
| 117. | 1.1.1(a) | | Which of the following person(s) will be covered by the medical expenses cover in a comprehensive motor policy for bodily injury in a car accident? |
| | | | A Policyholder |
| | | | B Any insured driver |
| | | | C Any passenger in the insured car |
| ✓ | | D | All of the above |
| 118. | 1.1.1(a) | | A private car policy has already accumulated the highest no claims discount and it had an accident this year and received HK\$8,000 claims settlement from the insurer. However, this private car policy has a no claims discount protection limit of HK\$10,000 and then what will be the no claims discount for the following year? |

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| | | A | 30% |
| | | B | 40% |
| | | C | 50% |
| | | ✓ D | 60% |
| 119. | 1.1.1(a) | Which of the following is an exclusion of a private car policy? | |
| | | A | Third party liability |
| | | ✓ B | Damage to the tyres of the insured car |
| | | C | The parts of the insured car was stolen |
| | | D | The windscreen was smashed in a clash |
| 120. | 1.1.1(a) | Which of the following are the correct descriptions of new for old replacement in a comprehensive motor policy? | |
| | | i | Also known as old exchange for new protection |
| | | ii | The insured car has a total loss within the first 12 months of its first registration |
| | | iii | The insurer will provide a replacement car of the same make and model without deducting any depreciation |
| | | A | i and ii |
| | | B | i and iii |
| | | ✓ C | ii and iii |
| | | D | i, ii and iii |

| Q# | Reference | Mock Questions | |
|------|-----------|--|--|
| 121. | 1.1.1(a) | Which of the following are the correct descriptions of medical expenses in a comprehensive motor policy? | |
| | | i | An exact financial compensation for all the loss, no more no less |
| | | ii | Offering protection to passenger who sustained bodily injury in the insured car in an accident |
| | | iii | Offering protection to pedestrian who sustained bodily injury in a car accident |
| | | iv | The cover is likely to be subject to a limit any one event |
| | | A | i and ii |
| | | ✓ B | ii and iv |
| | | C | iii and iv |
| | | D | ii, iii and iv |
| 122. | 1.1.1(a) | The scope of the cover of a comprehensive motor policy is likely to include: | |
| | | i | Nil depreciation on repairs |
| | | ii | Windscreen replacement |
| | | iii | Personal accident benefits |
| | | iv | No claim discount protection |
| | | A | i, and iii |
| | | B | i, ii and iv |
| | | C | ii, iii and iv |
| | | ✓ D | i, ii, iii and iv |
| 123. | 1.1.1(a) | The scope of the cover of a comprehensive motor policy includes: | |
| | | i | New for old replacement |
| | | ii | No claim discount protection |
| | | iii | Nil depreciation on repairs |
| | | iv | Towing services |
| | | A | i and ii |
| | | B | i and iii |

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| | | <input type="checkbox"/> C | ii, iii and iv |
| | | <input checked="" type="checkbox"/> D | i, ii, iii and iv |
| 124. | 1.1.1(a) | | Which three of the following are included in the comprehensive private car cover? |
| | | <input type="checkbox"/> i | Fire damage to the insured car |
| | | <input type="checkbox"/> ii | Impact damage to the insured car |
| | | <input type="checkbox"/> iii | Hiring an alternative parking space |
| | | <input type="checkbox"/> iv | Theft or attempted theft of the insured car |
| | | <input type="checkbox"/> A | i, ii and iii |
| | | <input checked="" type="checkbox"/> B | i, ii and iv |
| | | <input type="checkbox"/> C | i, iii and iv |
| | | <input type="checkbox"/> D | ii, iii and iv |
| 125. | 1.1.1(a) | | Which of the following examples on loss and damage that will be covered by comprehensive private car policy? |
| | | <input type="checkbox"/> A | Replacement of worn out exhaustion pipe |
| | | <input type="checkbox"/> B | Replacement of worn out electric wires |
| | | <input checked="" type="checkbox"/> C | The insured vehicle was stolen and damaged |
| | | <input type="checkbox"/> D | The tyre of the insured vehicle was cut (no damage to the vehicle) |
| 126. | 1.1.1(a) | | Which of the following is not the area being covered in Loss of or damage to the insured vehicle (own damage)? |
| | | <input type="checkbox"/> A | Damage of vehicle's accessories and spare parts |
| | | <input type="checkbox"/> B | Damage of vehicle as a result of collusion |
| | | <input type="checkbox"/> C | Damage to both the vehicle and its tyres |
| | | <input checked="" type="checkbox"/> D | Damage to tyres but no damage to the vehicle |

| Q# | Reference | Mock Questions | |
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| 127. | 1.1.1(a) | | Under a comprehensive motor policy, the loss of the insured car is covered by all risks, including: |
| | | <input checked="" type="checkbox"/> A | Covering the loss of the insured car and its accessories and spare parts |
| | | <input type="checkbox"/> B | Covering the loss of the insured car and the third party's car and the accessories and spare parts |
| | | <input type="checkbox"/> C | Covering the loss of the insured car and the third party's car, fire loss and the accessories and spare parts |
| | | <input type="checkbox"/> D | Covering the loss of the insured car and the third party's car, fire loss, theft loss and the accessories and spare parts |
| 128. | 1.1.1(a) | | Which of the following liability is not likely to be covered by a motor car policy? |
| | | <input type="checkbox"/> A | Third party liability of the passenger |
| | | <input checked="" type="checkbox"/> B | Liability of Employees' Compensation |
| | | <input type="checkbox"/> C | Liability of laid-up |
| | | <input type="checkbox"/> D | Liability of tort |
| 129. | 1.1.1(b) | | In a motor car policy, which of the following cover(s) can be extended by the insured by paying extra premium? |
| | | <input type="checkbox"/> A | Personal accident benefits |
| | | <input type="checkbox"/> B | Loss or damage of the insured car in riots |
| | | <input type="checkbox"/> C | Expenses of hiring another car during repairs of the insured car |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 130. | 1.1.1(b) | | In a motor car policy, covers can be extended by the insured by paying extra premium, such as: |

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| | | A | The damage to the tyres of the insured car |
| | | B | The theft of the parts of the insured car |
| | | C | The damage of the windscreen of the insured car |
| | | <input checked="" type="checkbox"/> D | The expenses of hiring another car during repairs of the insured car |
| 131. | 1.1.1(b) | | In the current non-extended car insurance cover in Hong Kong, which of the following is an exclusion? |
| | | A | Car spare parts had been stolen |
| | | B | Damage of the car cooler |
| | | C | The windscreen was smashed in a clash |
| | | <input checked="" type="checkbox"/> D | Loss or damage of the insured car in riots |
| 132. | 1.1.1(b) | | Which of the following is/are way(s) to get discount for private car insurance policy? |
| | | A | No claim discount |
| | | B | Voluntary excess |
| | | C | A car is laid-up for a minimum period |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 133. | 1.1.1(b) | | Which of the following can entitle to have a premium discount in a motor policy? |
| | | i | No claim discount |
| | | ii | Voluntary excess |
| | | iii | Car laid-up |
| | | iv | Insuring more than one car in a policy |
| | | A | i and iii |
| | | B | i, ii and iv |
| | | C | ii, iii and iv |
| | | <input checked="" type="checkbox"/> D | i, ii, iii and iv |
| 134. | 1.1.2 | | Which of the following description is not covered by motor cycle insurance? |
| | | A | Accidental damage of motor cycle |
| | | B | When the whole motor cycle is stolen |
| | | C | Passenger of motor cycle is injured in an accident |
| | | <input checked="" type="checkbox"/> D | Medical expense of the motor cycle passenger |

| Q# | Reference | Mock Questions | |
|------|-----------|---------------------------------------|--|
| 135. | 1.1.2 | | Which of the following statements about moto cycle insurance are correct? |
| | | i | It is not usual to have medical expenses cover |
| | | ii | Has relatively lesser no claim discount when compare with private vehicle |
| | | iii | Compensation will be made only when the whole machine is stolen |
| | | iv | Standard excess is usually applicable to Fire or theft risks |
| | | <input checked="" type="checkbox"/> A | i, ii and iii |
| | | B | i, ii and iv |
| | | C | i, iii and iv |
| | | D | ii, iii and iv |
| 136. | 1.1.2 | | For motor cycle insurance, the exclusion(s) of cover for own damage or accident damage include(s): |
| | | i | Excess |
| | | ii | Repairing expenses after an accident |
| | | iii | Spare parts of the moto cycle had been stolen |
| | | iv | Medical expense of the driver incurred after an accident |
| | | A | Only i |

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| | | B | Only iii |
| | | C | i and ii |
| | | ✓ D | i, iii and iv |
| 137. | 1.1.2 | | Which of the following are correct in describing moto cycle insurance? |
| | | i | Standard excess is not applicable to fire or theft risks |
| | | ii | Theft claims are only admissible if the whole machine is stole |
| | | iii | It is not usual to grant cover for the liability of passengers |
| | | iv | Motor cycle has relatively lesser no claim discount when comparing with private vehicle |
| | | A | i and iii |
| | | B | i, ii and iv |
| | | C | ii, iii and iv |
| | | ✓ D | i, ii, iii and iv |
| 138. | 1.1.2(a) | | A female passenger of a motor cycle was hurt in a motor cycle accident. Which of the following statement is correct? |
| | | ✓ A | The female passenger will not receive any medical expenses cover because motor cycle policy does not have such cover |
| | | B | The female passenger will receive medical expenses compensation but subject to policy limit per accident |
| | | C | The female passenger will receive medical expenses compensation but subject to policy excess per accident |
| | | D | The female passenger will receive medical expenses compensation but subject to policy franchise per accident |
| 139. | 1.1.2(a) | | The cover of motor cycle insurance excludes: |
| | | A | Accidental injury of driver |
| | | B | Limited to only when the whole motor cycle is stolen |
| | | C | Liability to the passenger's injury |
| | | ✓ D | Medical expenses of back-seat passenger after an accident |
| 140. | 1.1.3(a) | | Which type of policy classification shall a special type of vehicle (such as an agitator truck) belong to? |
| | | A | Commercial vehicle |
| | | B | Comprehensive |
| | | ✓ C | Specialized vehicle |
| | | D | Motor trade |

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| 141. | 1.1.3(a) | | With a commercial vehicle which is also used in construction work, for example to dig holes, the commercial motor policy may exclude cover during such operations. This exclusion is known as the: |
| | | A | Business use clause |
| | | B | Working operations clause |
| | | C | Professional liability clause |
| | | ✓ D | Tool of trade clause |
| 142. | 1.1.3(a) | | The exclusion for use of vehicle as a tool of trade will be likely to appear in which of the following commercial vehicle policies? |
| | | A | Taxi |
| | | ✓ B | Mechanical digger |
| | | C | Motor cycle (delivering pizza) |

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| | | D | Container |
| 143. | 1.1.3(a) | | In Hong Kong, the special exclusions found in the Own Damage section of a commercial vehicle policy may include: |
| | | A | Fire and theft |
| | | ✓ B | Overloading or strain |
| | | C | Collision and overturned |
| | | D | Laid-up or parking loss |
| 144. | 1.1.3(b) | | As the business of garages largely concerns motor vehicles and has special insurance needs, therefore the cover provided will be different. This kind of policy is called: |
| | | A | Commercial vehicle risks |
| | | ✓ B | Motor trade risks |
| | | C | Business trade risks |
| | | D | Repair business risks |
| 145. | 1.1.3(b) | | Garages and other similar risks have special needs, they are |
| | | A | Third party damage |
| | | B | Wholesale and trading |
| | | C | Motor liability risks |
| | | ✓ D | Motor trade risks |
| 146. | 1.1.3(b) | | Which of the following statement is correct to describe fleet rating? |
| | | A | The insured cars are having the same type of use |
| | | ✓ B | The insured cars are belonging to the same owner |
| | | C | The insured cars are insured for the same geographical area of cover |
| | | D | The insured cars are belonging to the same manufacturer |
| 147. | 1.2 | | Health insurance is belonging to: |
| | | ✓ A | Insurance of Person |
| | | B | Insurance of Property |
| | | C | Insurance of Liability |
| | | D | Insurance of Pecuniary Interest |
| 148. | 1.2.1 | | Which of the following about personal accident insurance is incorrect? |
| | | A | Apart from lump sum benefits, it can also be weekly benefits |
| | | ✓ B | The benefits of personal accident insurance and life insurance are the same |
| | | C | Basically it covers the lump sum benefits for the accidental death |
| | | D | Personal accident is a major type of accident insurance |
| 149. | 1.2.1 | | General insurance includes insurance product relating to which one or more of the following? |
| | | A | Annuity |
| | | B | Investment-linked policy |
| | | ✓ C | Personal accident & sickness insurance |
| | | D | All of the above |

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| 150. | 1.2.1(a) | | According to personal accident insurance policy, weekly benefits will be issued under which of the following circumstances? |
| | | A | Death |
| | | B | Medical expenses |

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| | | <input type="checkbox"/> | C | Permanent Total Disablement |
| | | <input checked="" type="checkbox"/> | D | Temporary Total Disablement |
| 151. | 1.2.1(a) | | The cover of a standard personal accident shall include lump sum benefits, medical expenses and: | |
| | | | i | Weekly benefits |
| | | | ii | Coaching service |
| | | | iii | Hospitalization benefits |
| | | | iv | Property (clothing) damaged in an accident |
| | | <input checked="" type="checkbox"/> | A | i only |
| | | | B | i and ii |
| | | | C | ii and iii |
| | | | D | iii and iv |
| 152. | 1.2.1(a) | | The major cover of personal accident insurance will include lump sum benefits, weekly benefits and: | |
| | | | A | Critical illness |
| | | | B | Annuity |
| | | | C | Hospitalization benefits |
| | | <input checked="" type="checkbox"/> | D | Medical expenses |
| 153. | 1.2.1(a) | | Which of the following is/are correct for medical expenses? | |
| | | | A | There are no limits for the medical insurance |
| | | <input checked="" type="checkbox"/> | B | The medical expenses shall be incurred due to accident |
| | | | C | Exclusions of personal accident insurance are not applicable to medical insurance |
| | | | D | All of the above |
| 154. | 1.2.1(a) | | The cover of personal accident insurance will include: | |
| | | | i | Hospital cash |
| | | | ii | Weekly benefits |
| | | | iii | Medical expenses due to an accident |
| | | | iv | Lump sum benefits (death) |
| | | | A | i and iii |
| | | | B | ii and iv |
| | | | C | i, ii and iii |
| | | <input checked="" type="checkbox"/> | D | ii, iii and iv |
| 155. | 1.2.1(a) | | Personal accident insurance was the first major class of accident insurance, originally developed to deal with a demand from what kind of accident? | |
| | | <input checked="" type="checkbox"/> | A | Railways |
| | | | B | Cars |
| | | | C | Ships |
| | | | D | Bicycle |
| 156. | 1.2.1(a) | | The policy cover of personal accident insurance includes three main headings, namely lump sum benefits, weekly benefits and | |
| | | | A | Annuity |
| | | <input checked="" type="checkbox"/> | B | Medical expenses |
| | | | C | Dental care |
| | | | D | Hospitalization benefits |

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| 157. | 1.2.1(a) | | The weekly benefits of personal accident insurance policy can be withdrawn under which of the following circumstances? |
| | | A | Total disablement |
| | | ✓ B | Partial disablement |
| | | C | During the period of hospitalization after an accident |
| | | D | All of the above |
| 158. | 1.2.1(a) | | Which of the following is/are very likely to be found in a conventional personal accident insurance policy? |
| | | A | Lump sum benefits |
| | | B | Medical expenses cover |
| | | C | Weekly benefits for temporary disability |
| | | ✓ D | All of the above |
| 159. | 1.2.1(a) | | Which of the following is not covered in a personal accident policy? |
| | | A | The lump sum benefits for the disability or death due to accident |
| | | B | The medical expenses incurred due to an accident |
| | | C | The weekly benefits released due to the temporary disablement |
| | | ✓ D | The hospitalization benefit released due to staying in hospital after an accidental injury |
| 160. | 1.2.1(a) | | Which of the following are correct in describing lump sum benefits of personal accident insurance? |
| | | i | The benefit is calculated as a percentage of principal sum |
| | | ii | Death or serious bodily injury can have 100% of the principal sum |
| | | iii | With more than one insured event, the payment can be more than 100% of the principal sum |
| | | iv | Benefits payable in the event of death or other specified injury are predetermined in the policy |
| | | A | i and iii |
| | | ✓ B | i, ii and iv |
| | | C | ii, iii and iv |
| | | D | i, ii, iii and iv |
| 161. | 1.2.1(a) | | Which of the following is not a common cover of personal accident insurance? |
| | | A | Medical expenses |
| | | ✓ B | Hospitalization benefits |
| | | C | Lump sum benefits |
| | | D | Weekly benefits |
| 162. | 1.2.1(a) | | A standard personal accident policy cover may be described under three main headings, including lump sum benefits, medical expenses and: |
| | | A | Hospitalization benefits |
| | | B | Counseling service |
| | | ✓ C | Weekly benefits |
| | | D | The loss of the personal clothing in an accident |
| 163. | 1.2.1(a) | | In the personal accident insurance, which of the following will release the weekly benefits? |
| | | A | Permanent disability |
| | | ✓ B | Temporary disability |
| | | C | Inpatient medical treatment |
| | | D | All of the above |

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| 164. | 1.2.1(a) | | The personal accident insurance shall cover: |
| | | i | Medical expenses incurred in an accident |
| | | ii | Lump sum benefits for any death |
| | | iii | Weekly benefits |
| | | iv | Lump sum benefits for accidental death |
| | | A | i, ii and iii |
| | | B | i, ii and iv |
| | | ✓ C | i, iii and iv |
| | D | ii, iii and iv | |
| 165. | 1.2.1(a) | | Which of the following is not the usual coverage of personal accident and sickness insurance? |
| | | A | Medical expenses for accidental injuries |
| | | B | Lump sum benefit payment for accidental death or other specified injury |
| | | C | Weekly benefit payments for temporary or permanent incapacity |
| | | ✓ D | Hospital benefits |

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| 166. | 1.2.1(a) | | Which of the following statements about the lump sum benefit of personal accident insurance is correct? |
| | | i | Benefits are expressed as a percentage of the "Principal Sum Assured" |
| | | ii | 100% of the primary sum assured for death or major injury |
| | | iii | The sum of multiple injuries can get more than 100% of the main sum assured |
| | | iv | The allocation of specified damages and related benefits is often stipulated in the policy |
| | | A | i, ii and iii |
| | | B | i, ii and iv |
| | | ✓ C | ii, iii and iv |
| | D | i,ii, iii and iv | |
| 167. | 1.2.1(a) (ii) | | In a personal accident policy, the weekly benefit is most likely to be paid under which of the following circumstances? |
| | | A | Death |
| | | B | Medical expenses |
| | | ✓ C | Permanent disability |
| | D | Partially disabled | |
| 168. | 1.2.1(b) | | Which of the following phrase(s) is/are applicable to accidental bodily injury? |
| | | A | The bodily injury was happened independently from any other causes |
| | | B | The bodily injury was due to external and violent means |
| | | ✓ C | The bodily injury was due to accidental and external means |
| | D | All of the above | |
| 169. | 1.2.1(b) | | Which of the following phrase(s) is/are applicable to accidental bodily injury? |
| | | A | The bodily injury was due to random, internal, violent and visible means |
| | | ✓ B | The bodily injury was due to accidental, external, violent and visible means |
| | | C | The bodily injury was due to random, external, violent and visible means |
| | D | The bodily injury was due to accidental, internal, violent and visible means | |
| 170. | 1.2.1(b) | | For personal accident insurance, whether it is in the form of independent policy or combined policy, the general exclusions will include: |
| | | A | Suicide |

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| | | <input type="checkbox"/> | B | Deliberately self-inflicted injury |
| | | <input type="checkbox"/> | C | Hazardous activities (e.g. trekking) |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 171. | 1.2.1(b) | | The cover of personal accident insurance includes: | |
| | | <input type="checkbox"/> | A | Suicide |
| | | <input type="checkbox"/> | B | Drug abuse |
| | | <input checked="" type="checkbox"/> | C | Gun shot by the thief in a robbery |
| | | <input type="checkbox"/> | D | All of the above |
| 172. | 1.2.1(b) | | The exclusion(s) of a personal accident insurance shall include: | |
| | | <input type="checkbox"/> | A | Suicide |
| | | <input type="checkbox"/> | B | Death due to Acquired Immune Deficiency Syndrome |
| | | <input type="checkbox"/> | C | Deliberately self-inflicted injury |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 173. | 1.2.1(b) | | Which of the following will be covered in personal accident insurance? | |
| | | <input type="checkbox"/> | i | Self-inflicted injury |
| | | <input type="checkbox"/> | ii | Death or injury due to mountaineering |
| | | <input type="checkbox"/> | iii | Death due to drug abuse |
| | | <input type="checkbox"/> | iv | Death due to a traffic accident |
| | | <input type="checkbox"/> | A | Only i |
| | | <input type="checkbox"/> | B | Only ii and iii |
| | | <input checked="" type="checkbox"/> | C | Only i, ii and iii |
| | | <input type="checkbox"/> | D | Only i, iii and iv |
| 174. | 1.2.1(b) | | Which of the following shall be covered by a personal accident insurance? | |
| | | <input type="checkbox"/> | i | Suicide |
| | | <input type="checkbox"/> | ii | Accidental death |
| | | <input type="checkbox"/> | iii | Deliberately self-inflicted injury |
| | | <input type="checkbox"/> | iv | The injury or death while participating in mountaineering |
| | | <input type="checkbox"/> | A | i only |
| | | <input checked="" type="checkbox"/> | B | ii only |
| | | <input type="checkbox"/> | C | ii and iv |
| | | <input type="checkbox"/> | D | ii, iii and iv |

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| 175. | 1.2.1(b) | | Which of the following is not an exclusion of personal accident insurance? | |
| | | <input type="checkbox"/> | A | Self-inflicted bodily injury |
| | | <input type="checkbox"/> | B | Injury due to mountaineering |
| | | <input checked="" type="checkbox"/> | C | Death of a motor cycle passenger in a traffic accident |
| | | <input type="checkbox"/> | D | Collision in air when flying a small airplane |
| 176. | 1.2.1(b) | | In personal accident insurance, accidental bodily injury is defined as: | |
| | | <input type="checkbox"/> | A | Physical injury from accident or external means |
| | | <input type="checkbox"/> | B | Solely and independently of any other cause |
| | | <input type="checkbox"/> | C | Physical injury from violent and visible means |
| | | <input checked="" type="checkbox"/> | D | All of the above |

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| 177. | 1.2.1(b) | | Permanent disability shall mean there is no reasonable hope of improvement of the disability within a certain period. It is: |
| | | A | 6 months |
| | | B | 9 months |
| | | <input checked="" type="checkbox"/> C | 12 months |
| | | D | 24 months |
| 178. | 1.2.1(b) | | Mr. Lee was injured seriously in an accident, causing him permanent and total disability of his right hand and loss of hearing of his left ear. He has a personal accident insurance policy of sum insured HK\$1,000,000 and the benefit table shows the disability benefits of a limb and an ear are 50% and 15% of the sum insured respectively. How much benefit will he receive for his disability? |
| | | A | HK\$150,000 |
| | | <input checked="" type="checkbox"/> B | HK\$500,000 |
| | | C | HK\$650,000 |
| | | D | HK\$1,000,000 |
| 179. | 1.2.1(b) | | Which one or more of the following is/are probably excluded from the personal accident insurance? |
| | | A | Suicide |
| | | B | Death from AIDs |
| | | C | Death due to the insured person's drunk-driving |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 180. | 1.2.1(b) | | The benefits of a personal accident insurance policy cannot accumulate, and it means: |
| | | <input checked="" type="checkbox"/> A | Insurer will pay for the insured event which carries the greatest amount of benefit payable |
| | | B | Insurer will pay for the average amount of all the insured benefit payable |
| | | C | Insurer will pay for the insured event which carries the lowest amount of benefit payable |
| | | D | Insurer will pay for the total amount of all the insured events |
| 181. | 1.2.1(b) (v)(3) | | Personal accident insurance coverage includes; |
| | | A | Suicide |
| | | B | Drug abuse |
| | | <input checked="" type="checkbox"/> C | Was shot by the robbers in the robbery |
| | | D | All of the above |
| 182. | 1.2.1(c) | | The basic factor in the calculation of premium for personal accidental insurance includes: |
| | | A | From the mortality table |
| | | B | Place of residence of the insured |
| | | <input checked="" type="checkbox"/> C | Profession of the insured |
| | | D | Number of accidents in the past 5 years |

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| 183. | 1.2.1(c) | The primary consideration in calculating the premium for any personal accident insurance is the proposer's: | |
| | | A | Age |
| | | B | Sum insured |

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| | | <input type="checkbox"/> C | Insurable interest |
| | | <input checked="" type="checkbox"/> D | Profession or occupation |
| 184. | 1.2.1(e) | | Personal accident insurance policy: |
| | | <input type="checkbox"/> A | Can only be cancelled by insured |
| | | <input type="checkbox"/> B | Cannot be cancelled after it has been in forced for two years |
| | | <input type="checkbox"/> C | Can only be cancelled when the insured changing the occupation |
| | | <input checked="" type="checkbox"/> D | Can be cancelled by an insurer but it is not common |
| 185. | 1.2.1(e) | | For personal accident insurance policies, the age of insured: |
| | | <input type="checkbox"/> A | Affects the first year premium |
| | | <input type="checkbox"/> B | Directly affects the annual premium |
| | | <input checked="" type="checkbox"/> C | Is not important if within the same insurable band of ages |
| | | <input type="checkbox"/> D | Is the most important factor considered by insurers |
| 186. | 1.2.1(e) | | The cancellation of a personal accident insurance policy by an insurer is: |
| | | <input checked="" type="checkbox"/> A | Possible |
| | | <input type="checkbox"/> B | Impossible |
| | | <input type="checkbox"/> C | Forbidden by law |
| | | <input type="checkbox"/> D | Forbidden by the policy clause |
| 187. | 1.2.2 | | Which of the following will be covered by medical insurance policies? |
| | | <input checked="" type="checkbox"/> A | Injury arising from traffic accident |
| | | <input type="checkbox"/> B | Infertility treatment |
| | | <input type="checkbox"/> C | Cosmetic surgery for beauty purpose |
| | | <input type="checkbox"/> D | All of the above |
| 188. | 1.2.2 | | The cover of medical insurance includes: |
| | | <input type="checkbox"/> A | Injury arising from accident only |
| | | <input type="checkbox"/> B | Injury arising from sickness only |
| | | <input checked="" type="checkbox"/> C | Injury arising from accident and sickness |
| | | <input type="checkbox"/> D | None of the above is correct |
| 189. | 1.2.2 | | Under the mechanism of medical insurance in Hong Kong, it will cover which of the following? |
| | | <input type="checkbox"/> A | Congenital conditions |
| | | <input checked="" type="checkbox"/> B | Hospitalization due to sickness or accident |
| | | <input type="checkbox"/> C | Birth control or infertility treatment expenses |
| | | <input type="checkbox"/> D | Non medically necessary operations, such as cosmetic surgery |
| 190. | 1.2.2 | | Which of the following is/are covered by the medical insurance? |
| | | <input type="checkbox"/> A | Infertility treatment |
| | | <input checked="" type="checkbox"/> B | Injury due to an traffic accident |
| | | <input type="checkbox"/> C | Cosmetic surgery |
| | | <input type="checkbox"/> D | All of the above |
| 191. | 1.2.2 | | Which of the following is/are correct description(s) of medical insurance? |
| | | <input type="checkbox"/> A | Medical insurance can be an individual policy or a group policy |
| | | <input type="checkbox"/> B | The hospitalization is due to sickness or accident |
| | | <input type="checkbox"/> C | It is excluded if the surgery (e.g. cosmetic) is not medically necessary |
| | | <input checked="" type="checkbox"/> D | All of the above |

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| 192. | 1.2.2(a)&(b) | | Which of the following can be covered by the medical insurance? |
| | | A | Cost of cosmetic surgery |
| | | B | Medical expenses for infertility treatment |
| | | ✓ C | Medical expenses due to sickness or accident |
| | | D | All of the above |
| 193. | 1.2.2(b) | | Which of the following is/are correct in describing the exclusion(s) of medical insurance? |
| | | A | Includes pre-existing conditions |
| | | B | Includes exclusions of personal accident insurance policies |
| | | C | Includes voluntary medical expenses (e.g. cosmetic surgery) |
| | | ✓ D | All of the above |
| 194. | 1.2.2(b) | | Which of the following is/are the exclusion(s) of a medical insurance policy? |
| | | A | Cosmetic surgery |
| | | B | Routine medical examination and check-ups |
| | | C | Pre-existing conditions |
| | | ✓ D | All of the above |
| 195. | 1.2.2(b) | | Which of the following are correct to describe the medical insurance policy? |
| | | i | Medical insurance can be added to group policy |
| | | ii | It will cover the medical expenses due to accident |
| | | iii | It will cover the cost of cosmetic surgery |
| | | iv | It will cover the volunteered medical examination fees |
| | | ✓ A | i and ii |
| | | B | i, iii and iv |
| | | C | ii, iii and iv |
| 196. | 1.2.2(b) | | Which of the following is/are correct to describe the medical insurance policy? |
| | | A | It can be an individual policy or a group policy |
| | | B | Birth control or infertility treatment are excluded |
| | | C | The policy will not cover the pre-existing conditions and disabilities |
| | | ✓ D | All of the above |
| 197. | 1.2.2(b) | | Which of the following is/are not covered by a medical insurance policy? |
| | | A | Hospitalization due to a traffic accident |
| | | B | Hospitalization due to heavy flu |
| | | ✓ C | Hospitalization due to cosmetic surgery |
| | | D | All of the above |
| 198. | 1.2.2(b) | | Which of the following is not an exclusion of a medical insurance policy? |
| | | A | Pre-existing conditions and disabilities |
| | | B | Routine medical examination and check-ups |
| | | ✓ C | Hospitalization due to the breaking of leg by accident at home |
| | | D | Hospitalization due to congenital conditions |
| 199. | 1.2.2(c) | | The premium rating factor(s) of medical insurance is/are: |
| | | A | Insured's age |
| | | B | Insured's sex |
| | | C | Level of coverage and geographical area of cover |

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| | | <input checked="" type="checkbox"/> | D | All of the above |
| 200. | 1.2.3(a) | | | Which of the following is correct in describing voluntary health insurance scheme? |
| | | <input checked="" type="checkbox"/> | A | Voluntary health insurance scheme allows insurers to offer indemnity hospital insurance plans to volunteered consumers |
| | | | B | Voluntary health insurance scheme allows insurers to offer indemnity hospital insurance plans and group medical plans to volunteered consumers |
| | | | C | Voluntary health insurance scheme allows insurers to offer indemnity hospital insurance plans, authorized by Inland Revenue Department, to volunteered consumers |
| | | | D | Voluntary health insurance scheme allows insurers to offer indemnity hospital insurance plans, authorized by Inland Revenue Department, to volunteered Hong Kong residences |

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| 201. | 1.2.3(a) | | | What is the advantage of voluntary health insurance scheme to the consumers? |
| | | | A | Voluntary health insurance scheme can provide private healthcare services to the persons who do not have employees benefits |
| | | | B | Voluntary health insurance scheme can provide private healthcare services to low income group |
| | | | C | Voluntary health insurance scheme can provide an option of less expensive private healthcare services to the consumers |
| | | <input checked="" type="checkbox"/> | D | Voluntary health insurance scheme can provide an additional option for consumers who are willing and can afford to pay more to use private healthcare services |
| 202. | 1.2.3(a) | | | What is the advantage of voluntary health insurance scheme to the consumers? |
| | | | A | Voluntary health insurance scheme can provide private healthcare services to the persons who do not have employees benefits |
| | | | B | Voluntary health insurance scheme can provide private healthcare services to the persons who cannot afford to pay for medical insurance |
| | | | C | Voluntary health insurance scheme can allow the consumers to enjoy private healthcare services at a cheaper premium |
| | | <input checked="" type="checkbox"/> | D | Enhancing the accessibility, quality and transparency of individual hospital insurance, the voluntary health insurance scheme provides an additional option for consumers who are willing and can afford to pay more to use private healthcare services |
| 203. | 1.2.3(a) | | | What is the advantage of voluntary health insurance scheme to the consumers? |
| | | | A | Voluntary health insurance scheme can allow the consumers to enjoy private healthcare services at a cheaper premium |
| | | | B | Voluntary health insurance scheme can provide private healthcare services to low income family |
| | | | C | Voluntary health insurance scheme can provide private healthcare services to the persons who cannot afford to pay for basic medical insurance |
| | | <input checked="" type="checkbox"/> | D | Voluntary health insurance scheme can provide an additional option for consumers who are willing and can afford to pay more to use private healthcare services |
| 204. | 1.2.3(b) | | | Taxpayers are entitled to tax deductions under salaries tax and personal assessment for qualifying premiums for voluntary health insurance of their specified relatives who include: |
| | | | A | Cousin |
| | | | B | Spouse's cousin |
| | | | C | Uncle and aunt |
| | | <input checked="" type="checkbox"/> | D | Spouse's grandfather and grandmother |
| 205. | 1.2.3(b) | | | Taxpayers are entitled to tax deductions under salaries tax and personal assessment for qualifying premiums for voluntary health insurance of their specified relatives who include: |

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|------|----------|-------------------------------------|---|--|
| | | <input type="checkbox"/> | A | Cousin |
| | | <input checked="" type="checkbox"/> | B | Grandfather and grandmother |
| | | <input type="checkbox"/> | C | Spouse's cousin |
| | | <input type="checkbox"/> | D | Spouse's uncle and aunt |
| 206. | 1.2.3(b) | | The insured will pay the premiums for voluntary health insurance of himself, his father, mother, grandfather and grandmother, which are entitled to tax deductions under salaries tax assessment. The deduction ceiling is: | |
| | | <input type="checkbox"/> | A | HK\$32,000 |
| | | <input checked="" type="checkbox"/> | B | HK\$40,000 |
| | | <input type="checkbox"/> | C | HK\$50,000 |
| | | <input type="checkbox"/> | D | HK\$60,000 |
| 207. | 1.2.3(d) | | After successfully enrolling in VHIS, the VHIS product provider must offer existing policyholders an opportunity to: | |
| | | <input type="checkbox"/> | A | VHIS product providers only need to notify the insurer of the refusal of coverage without giving reasons |
| | | <input checked="" type="checkbox"/> | B | VHIS products providers only need to notify the insurer of the refusal of coverage, and at the same time need to give reasons |
| | | <input type="checkbox"/> | C | VHIS products providers only need to notify the insurer of the refusal of coverage without giving reasons. The policyholder still needs to give a written explanation and reply |
| | | <input type="checkbox"/> | D | VHIS products providers only need to notify the insurer to refuse coverage, and at the same time need to give reasons, and the insured needs to give a written explanation and reply |
| 208. | 1.2.3(d) | | Are VHIS providers required to notify policyholders after denial of coverage? | |
| | | <input type="checkbox"/> | A | VHIS product providers are not required to publicly endorse the age-graded fee schedules for products |
| | | <input type="checkbox"/> | B | VHIS product providers must publicly endorse age-graded fee schedules for products |
| | | <input type="checkbox"/> | C | VHIS product providers must disclose age-graded fee schedules for approved products of standard schemes |
| | | <input checked="" type="checkbox"/> | D | VHIS product providers must disclose age-graded fee schedules for approved products on standard schemes and flexible schemes |
| 209. | 1.2.3(d) | | Are VHIS product providers required to publicly endorse age-graded fee schedules for products? | |
| | | <input type="checkbox"/> | A | VHIS product providers are not required to publicly approve age-graded fee schedules for products |
| | | <input checked="" type="checkbox"/> | B | Voluntary health insurance product providers must publicly recognize the product's age-graded fee schedule |
| | | <input type="checkbox"/> | C | VHIS product providers must disclose age-graded fee schedules for approved products of standard schemes |
| | | <input type="checkbox"/> | D | VHIS product providers must disclose age-graded fee schedules for approved products under standard plans and flexible plans |
| 210. | 1.3 | | Which of the following is correct in describing commercial combined policies? | |
| | | <input checked="" type="checkbox"/> | A | They are more popular now |
| | | <input type="checkbox"/> | B | They are not popular |
| | | <input type="checkbox"/> | C | They are rare in the market |
| | | <input type="checkbox"/> | D | They are prohibited by law |

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| Q# | Reference | Mock Questions | |
|------|-------------------|----------------|--|
| 211. | 1.3 | | Which of the following insurance policies are belonging to package policy? |
| | | i | Travel insurance |
| | | ii | Combined liability policies |
| | | iii | Household insurance |
| | | iv | Domestic helper insurance |
| | | A | i and ii |
| | | ✓ B | i, iii and iv |
| | | C | ii, iii and iv |
| D | i, ii, iii and iv | | |
| 212. | 1.3.1 | | In general, a household insurance will cover: |
| | | i | Loss of property in the course of fire escape |
| | | ii | Loss of property (in theft) arising from fire |
| | | iii | Loss in theft arising from broking through the window |
| | | iv | Loss of property (not in theft) arising from fire |
| | | A | i and ii |
| | | B | i, iii and iv |
| | | ✓ D | i, ii, iii and iv |
| 213. | 1.3.1 | | In general, a household insurance policy provides which of the following cover(s)? |
| | | A | Property cover |
| | | B | Certain liability cover |
| | | ✓ D | All of the above |
| 214. | 1.3.1 | | Household insurance provides cover for which of the following? |
| | | i | Liability cover |
| | | ii | Property cover |
| | | iii | Pecuniary cover |
| | | iv | Personal accident benefit |
| | | A | i and ii |
| | | B | i, iii and iv |
| | | ✓ D | i, ii, iii and iv |
| 215. | 1.3.1 | | Household insurance is usually issued by which of the following insurance departments? |
| | | i | Fire insurance |
| | | ii | Accident insurance |
| | | iii | Property insurance |
| | | iv | Life and health insurance |
| | | A | i and ii |
| | | ✓ B | i and iii |
| | | C | ii and iii |
| D | iii and iv | | |
| 216. | 1.3.1(a) | | Which of the following is/are specified peril(s) of household insurance policies? |
| | | A | Loss arising from typhoon |
| | | B | Loss arising from theft |
| | | ✓ D | All of the above |

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| 217. | 1.3.1(a) | | The cover of a household insurance mainly includes: |
| | | A | Personal accident cover |
| | | ✓ B | Buildings and/or household items |
| | | C | Third party legal liability |
| | | D | Additional loss or alternative accommodation cost arising from insured peril |

| Q# | Reference | Mock Questions | |
|------|-----------|----------------|--|
| 218. | 1.3.1(a) | | The landlords (non-occupiers) are likely to purchase which of the following type of household insurance? |
| | | A | Fire insurance |
| | | ✓ B | Household insurance (building cover only) |
| | | C | Household insurance (contents cover only) |
| | | D | Household insurance (building and contents cover) |

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| 219. | 1.3.1(a) | | In Hong Kong, a tenant renting a private unit from a landlord is more likely to purchase: |
| | | A | Commercial fire insurance |
| | | ✓ B | Household property policy only |
| | | C | Household buildings policy only |
| | | D | Household buildings and property policy |

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| 220. | 1.3.1(a) | | The occupiers are likely to purchase which of the following type of household insurance? |
| | | A | Fire insurance |
| | | B | Household insurance (building cover only) |
| | | ✓ C | Household insurance (contents cover only) |
| | | D | Household insurance (building and contents cover) |

| | | | |
|------|----------|-----|--|
| 221. | 1.3.1(a) | | The household insurance that covers household contents is more suitable for: |
| | | A | Landlord |
| | | ✓ B | Tenant |
| | | C | Bank of the mortgagor |
| | | D | Landlord or tenant |

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| 222. | 1.3.1(a) | | The household policy that only covers the loss or damage of the buildings is more suitable for: |
| | | A | Tenant |
| | | ✓ B | Landlord |
| | | C | Owner and tenant |
| | | D | The bank which is the mortgagee of the property |

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| 223. | 1.3.1(a) | | If the insured is both the landlord and the occupier, which of the following type of household policy is more suitable for him? |
| | | A | Household insurance (building cover only) |
| | | B | Household insurance (contents cover only) |
| | | C | Fire and extra perils insurance |
| | | ✓ D | Household insurance (building and contents cover) |

| | | | |
|------|----------|-----|---|
| 224. | 1.3.1(a) | | The personal accident benefits of a household insurance will cover: |
| | | A | Suicide |
| | | B | Any cause of death |
| | | C | Any cause of accidental death |
| | | ✓ D | Die in a fire or at the hands of thieves |

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|------|-------------------|-----|---|
| 225. | 1.3.1(a) | | Which of the following are the examples of extra perils of a household insurance? |
| | | i | Riot |
| | | ii | Explosion |
| | | iii | Impact by animal |
| | | iv | Cyclone |
| | | A | i and ii |
| | | B | i, iii and iv |
| | | ✓ C | ii, iii and iv |
| D | i, ii, iii and iv | | |

| Q# | Reference | Mock Questions | |
|------|---|----------------|--|
| 226. | 1.3.1(a) | | Which of the following are the examples of extra perils of a household insurance? |
| | | i | Storm |
| | | ii | Explosion |
| | | iii | Vehicle impact |
| | | iv | Earthquake |
| | | A | i and ii |
| | | B | i, iii and iv |
| | | ✓ D | i, ii, iii and iv |
| 227. | 1.3.1(b) | | Which of the following is not covered under the household insurance policy? |
| | | A | Theft |
| | | B | Explosion |
| | | ✓ C | Riot |
| D | Fire | | |
| 228. | 1.3.1(b) | | Household insurance policy usually suspend the cover if the premises are unoccupied for a certain period. This period is: |
| | | A | 7 days |
| | | ✓ B | 30 days |
| | | C | 60 days |
| D | 48 hours | | |
| 229. | 1.3.1(b) | | The value of the property is two million dollars but only one million dollars sum insured is purchased. If the actual loss is one million dollars, then the claim payment will be: |
| | | A | One million |
| | | B | Two million |
| | | ✓ C | Half a million (pro rata average condition) |
| D | There is a penalty of not paying the claim because of under-insurance | | |
| 230. | 1.3.1(c) | | The premium calculation of traditional household policy will be based on which of the following condition(s)? |
| | | A | The floor number of the premises |
| | | B | The total gross area of the building |
| | | ✓ C | Value of the building and/or value of the contents |
| D | All of the above | | |
| 231. | 1.3.1(c) | | The premium calculation most used in Hong Kong for household contents insurance is very likely to be based upon: |
| | | A | The age of the proposer |

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|------|-------------|-------------------------------------|--|--|
| | | <input checked="" type="checkbox"/> | B | The square feet area of the insured flat |
| | | | C | The sum insured selected by the proposer |
| | | | D | The amount of mortgage loan advanced by a bank |
| 232. | 1.3.1(c) | | Nowadays, the premium calculation of household policies of most insurers will be based on which of the following condition(s)? | |
| | | | A | The floor number of the premises |
| | | <input checked="" type="checkbox"/> | B | The total gross area of the building |
| | | | C | Value of the building and/or value of the contents |
| | | | D | All of the above |
| 233. | 1.3.2(d)(i) | | The underwriting of Hong Kong travel insurance is: | |
| | | | A | Must be thoroughly underwritten due to the wide variety of risks covered |
| | | | B | At least as thorough as the underwriting of personal accident insurance |
| | | <input checked="" type="checkbox"/> | C | Cannot be underwritten as deeply as other types of insurance |
| | | | D | Standards for Adoption and Life Insurance Underwriting |
| 234. | 1.3.2 | | The cover of domestic helper insurance may include: | |
| | | | i | Travel benefits |
| | | | ii | Personal accident benefits |
| | | | iii | Public liability |
| | | | iv | Medical expenses |
| | | | A | i and ii |
| | | | B | i, iii and iv |
| | | <input checked="" type="checkbox"/> | C | ii, iii and iv |
| | | | D | i, ii, iii and iv |

| Q# | Reference | Mock Questions | | |
|------|-----------|-------------------------------------|--|---|
| 235. | 1.3.2 | | Which of the following are correct to describe domestic helper insurance? | |
| | | | i | Domestic helper insurance can be a standalone policy |
| | | | ii | Domestic helper cover can be provided as an optional cover under a household policy |
| | | | iii | Domestic helper insurance can provide the employees' benefits |
| | | | iv | Domestic helper insurance can provide the employers' benefits |
| | | | A | i and ii |
| | | | B | i, iii and iv |
| | | | C | ii, iii and iv |
| | | <input checked="" type="checkbox"/> | D | i, ii, iii and iv |
| 236. | 1.3.2 | | Which of the following benefit(s) can be provided to the employers in a domestic helper insurance? | |
| | | | A | In the event of domestic helper's hospitalization, the insured employer can receive a temporary domestic helper allowance |
| | | | B | In the event of domestic helper's disability or death, the cost of replacing the replacing the domestic helper |
| | | | C | In the event of domestic helper's infidelity and incurs a financial loss, the policy will compensate for the claim |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 237. | 1.3.2 | | Which of the following benefits can be provided to the domestic helper in a domestic helper insurance? | |
| | | | i | Medical expenses |
| | | | ii | Repatriation expenses |

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| | | iii | Public liability |
| | | iv | Personal accident benefits |
| | | A | i and ii |
| | | B | i, iii and iv |
| | | C | ii, iii and iv |
| | | ✓ D | i, ii, iii and iv |
| 238. | 1.3.2 | | Which of the following is/are the limitations or exclusion of domestic helper insurance? |
| | | A | Suicide, childbirth, pregnancy |
| | | B | Cosmetic surgery, routine medical examinations |
| | | C | Pre-existing condition |
| | | ✓ D | All of the above |
| 239. | 1.3.2 | | The premium calculation of domestic helper policy will be based on which of the following condition(s)? |
| | | i | Flat premium per domestic helper is charged |
| | | ii | Age |
| | | iii | Sex |
| | | iv | Health conditions |
| | | ✓ A | i only |
| | | B | ii and iii |
| | | C | ii and iv |
| | | D | ii, iii and iv |
| 240. | 1.3.3 | | A travel insurance may involve a risk that there is a group of people issuing the travel policies to insure for the same risk (e.g. plane crash). This is called by the insurer as: |
| | | ✓ A | Accumulate |
| | | B | Complex risks |
| | | C | Complex insurance perils |
| | | D | Potential disaster risks |
| 241. | 1.3.3 | | Travel insurance usually is belonging to: |
| | | A | Specified insurance |
| | | B | Holiday insurance |
| | | C | Property all risks insurance |
| | | ✓ D | Package policy |

| Q# | Reference | Mock Questions | |
|------|-----------|----------------|--|
| 242. | 1.3.3 | | Travel insurance offers protection for multi risks and normally it is classified as: |
| | | ✓ A | Package policy |
| | | B | Multiple policy |
| | | C | Combined policy |
| | | D | Comprehensive policy |
| 243. | 1.3.3(a) | | Which of the following is/are correct to describe travel insurance? |
| | | ✓ A | Travel insurance is a package policy |
| | | B | Travel insurance is a temporary life policy |
| | | C | Travel insurance provides medical cover only |
| | | D | All of the above |
| 244. | 1.3.3(a) | | Which of the following is covered by travel insurance? |
| | | A | Suicide of the insured |

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|------|----------|-------------------------------------|---|--|
| | | <input type="checkbox"/> | B | Liability arising from using a motor vehicle |
| | | <input checked="" type="checkbox"/> | C | Liability of property damage in a hotel pub |
| | | <input type="checkbox"/> | D | All of the above |
| 245. | 1.3.3(a) | | For travel insurance policies issued in Hong Kong, which of the following circumstances will more likely be covered? | |
| | | <input type="checkbox"/> | A | Loss of baggage when travelling by plane |
| | | <input type="checkbox"/> | B | Medical expense on stomach treatment during travel |
| | | <input type="checkbox"/> | C | Loss of property due to theft during travel |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 246. | 1.3.3(a) | | For travel insurance policies generally issued in Hong Kong, which of the following circumstances will not likely be covered? | |
| | | <input checked="" type="checkbox"/> | A | Natural death |
| | | <input type="checkbox"/> | B | Personal liability |
| | | <input type="checkbox"/> | C | Loss of personal property |
| | | <input type="checkbox"/> | D | Medical expense arising from an accident |
| 247. | 1.3.3(a) | | Which of the following is/are not covered by the Travel Insurance policy? | |
| | | <input checked="" type="checkbox"/> | A | Suicide of the insured |
| | | <input type="checkbox"/> | B | Liability due to the careless act in a hotel |
| | | <input type="checkbox"/> | C | Medical expenses due to heavy flu |
| | | <input type="checkbox"/> | D | All of the above |
| 248. | 1.3.3(a) | | Which of the following is/are covered in travel insurance? | |
| | | <input type="checkbox"/> | i | Medical expense |
| | | <input type="checkbox"/> | ii | Loss of deposit |
| | | <input type="checkbox"/> | iii | Repatriation cost |
| | | <input type="checkbox"/> | iv | Personal liability |
| | | <input type="checkbox"/> | A | i and ii |
| | | <input type="checkbox"/> | B | i and iii |
| | | <input checked="" type="checkbox"/> | C | All of the above are true |
| | | <input type="checkbox"/> | D | All of the above are false |
| 249. | 1.3.3(a) | | Which of the following are very likely to be included in travel policies issued in Hong Kong? | |
| | | <input type="checkbox"/> | i | Personal liability cover |
| | | <input type="checkbox"/> | ii | Medical expenses cover |
| | | <input type="checkbox"/> | iii | Personal accident benefits |
| | | <input type="checkbox"/> | iv | Loss of or damage to luggage |
| | | <input type="checkbox"/> | A | i and iii |
| | | <input type="checkbox"/> | B | i, ii and iv |
| | | <input type="checkbox"/> | C | ii, iii and iv |
| | | <input checked="" type="checkbox"/> | D | i, ii, iii and iv |

| Q# | Reference | Mock Questions | | |
|------|-----------|-------------------------------------|--|--|
| 250. | 1.3.3(b) | | Which of the following is/are the exclusion(s) of a travel policy? | |
| | | <input checked="" type="checkbox"/> | A | Suicide during the trip |
| | | <input type="checkbox"/> | B | Traffic accident during the trip |
| | | <input type="checkbox"/> | C | Incurring personal liability during the trip |
| | | <input type="checkbox"/> | D | All of the above |

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| 251. | 1.3.3(b) | | Which of the following is not a cover of a travel policy? | |
| | | A | Loss of personal money | |
| | | B | Loss or damage of luggage | |
| | | C | Personal liability | |
| | | <input checked="" type="checkbox"/> | D | Cancellation of trip by the insured on his own |
| 252. | 1.3.3(b) | | Which of the following is likely to be an exclusion for travel insurance issued in Hong Kong? | |
| | | A | Death of the insured in a plane crash | |
| | | <input checked="" type="checkbox"/> | B | The insured commits suicide during the holiday |
| | | C | Theft of the insured's baggage in a hotel room | |
| | | D | Medical expense arising from a fall of insured during the holiday | |
| 253. | 1.3.3(c) | | Which of the following is/are consideration when calculating the premium of travel insurance? | |
| | | i | Geographical area of cover | |
| | | ii | Trip duration | |
| | | iii | Number of people insured | |
| | | iv | Sex of the insured | |
| | | A | i and iii | |
| | | B | ii and iii | |
| | | <input checked="" type="checkbox"/> | C | i, ii and iii |
| D | i, ii and iv | | | |
| 254. | 1.3.3(c) | | Which of the following is not considered when calculating the premium of travel insurance? | |
| | | A | Duration of trip | |
| | | B | Number of people covered | |
| | | <input checked="" type="checkbox"/> | C | Gender of insured |
| | | D | Geographic area of travel destination | |
| 255. | 1.3.3(c) | | Which of the following is not the basis for calculating premiums in travel insurance? | |
| | | A | Range of tourist destinations | |
| | | B | Travel days | |
| | | <input checked="" type="checkbox"/> | C | Sex of the insured (Male/Female) |
| | | D | Number of companions | |
| 256. | 1.3.3(d) | | Master policies are: | |
| | | A | Policies paying for a single premium | |
| | | B | Original copies of policies | |
| | | <input checked="" type="checkbox"/> | C | Policies issued to travel agents who arrange package holidays |
| | | D | Based on all risks | |
| 257. | 1.3.3(d) | | Master policy is: | |
| | | A | The original copy of a policy document | |
| | | B | Related to marine travel | |
| | | C | A policy paying a master premium | |
| | | <input checked="" type="checkbox"/> | D | A policy document issuing to travel agents, who arrange package holidays |
| 258. | 1.3.3(d) | | The underwriting of travel insurance by insurers: | |
| | | A | Has same standard as underwriting life policies | |
| | | <input checked="" type="checkbox"/> | B | There is little individual underwriting of risks |
| | | C | Is more stringent than underwriting personal accident policies | |
| | | D | Is the most stringent of all insurance products | |

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| 259. | 1.3.3(d) | | Which of the following is a correct description of underwriting in travel insurance? |
| | | A | The underwriting of a travel insurance is as detail as a life insurance |
| | | ✓ B | It will not underwrite every risk individually |
| | | C | Same as the personal accident policy, it requires full underwriting |
| | | D | It requires full underwriting as travelling will face many kinds of risk |

| Q# | Reference | Mock Questions | |
|------|-----------|----------------|---|
| 260. | 1.3.4 | | The cover of commercial combined policies includes: |
| | | A | Liability insurance |
| | | B | Property insurance |
| | | C | Pecuniary insurance |
| | | ✓ D | All of the above |
| 261. | 1.3.4 | | What is/are the benefit(s) of commercial combined policies? |
| | | A | Policies will have overall savings in premiums |
| | | B | Policies are individually designed to meet the specific needs of the insureds |
| | | C | One single policy can cover the risks of property, pecuniary interest and liability |
| | | ✓ D | All of the above |
| 262. | 1.3.4 | | Which of the following is/are the feature(s) of commercial combined policies? |
| | | A | It can have a certain savings on premium |
| | | B | It can provide a certain level of convenience on documentation |
| | | C | The loss of property is covered on an all risks basis |
| | | ✓ D | All of the above |
| 263. | 1.3.4 | | Commercial combined policies usually offer cover for property in what basis? |
| | | ✓ A | All risks |
| | | B | Agreed value policy |
| | | C | Specified risk policy |
| | | D | Fire and theft |
| 264. | 1.3.4 | | Which of the following is not a characteristic of combined umbrella policies offering to large organizations? |
| | | A | Provide all risks cover to the property |
| | | ✓ B | Only provide cover for property and liability |
| | | C | Can individually design to meet the specific needs of the insured |
| | | D | Can cover most of the insurance risks, such as property and liability |
| 265. | 1.3.4 | | The cover of a typical commercial combined liability policy is likely to include: |
| | | A | Motor vehicle, public liability and products liability |
| | | B | Public liability, products liability and pecuniary liability |
| | | C | Professional indemnity, pecuniary liability and property liability |
| | | ✓ D | Public liability, products liability and employees' compensation liability |
| 266. | 1.3.4 | | Which of the following is not a feature of Combined Umbrella type cover for large organizations? |
| | | ✓ A | Only provides cover for property and pecuniary interest risks |
| | | B | Can be tailor-made to fit the requirements of the organization |
| | | C | Covers for property loss on an all risks basis |
| | | D | Includes most of the insurance types (property, liability) |

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| 267. | 1.3.4 | | Which of the following is a correct description of commercial combined policies? |
| | | A | It is common already nowadays |
| | | B | It can have a certain savings on premium |
| | | C | It can cover various types of insurance risks |
| | | ✓ D | All of the above |
| 268. | 1.3.4 | | Which of the following cover(s) can be found in commercial combined policies? |
| | | A | Property risk |
| | | B | Liability risk |
| | | C | Pecuniary interest risk |
| | | ✓ D | Two or more of the above |
| 269. | 1.3.4(a) | | Which of the following is/are correct to describe combined property and pecuniary policy? |
| | | A | It usually provides cover for property on all risk basis |
| | | B | It covers property loss and business interruption |
| | | C | Convenient enrolment to the commercial customers |
| | | ✓ D | All of the above |

| Q# | Reference | Mock Questions | |
|------|-----------|----------------|--|
| 270. | 1.3.4(a) | | Large organizations will buy combined property and pecuniary policy which is likely to include: |
| | | i | Fire Business Interruption Insurance |
| | | ii | Directors' and Officers' Liability Insurance |
| | | iii | Theft Insurance |
| | | iv | Fidelity Guarantee Insurance |
| | | A | i and ii |
| | | ✓ B | i, iii and iv |
| | | C | ii, iii and iv |
| | | D | i, ii, iii and iv |
| 271. | 1.3.4(b) | | Which of the following liability policies can be included in a combined liability policy? |
| | | i | Public liability |
| | | ii | Products liability |
| | | iii | Negligence liability |
| | | iv | Employees' Compensation Liability |
| | | A | i and iii |
| | | B | ii and iv |
| | | C | i, ii and iii |
| | | ✓ D | i, ii and iv |
| 272. | 1.3.4(b) | | Manufacturers and big organizations usually will buy commercial combined liability insurance which is likely to provide: |
| | | A | Public liability Insurance |
| | | B | Directors' and Officers' Liability Insurance |
| | | C | Products Liability Insurance |
| | | ✓ D | All or most of the above |
| 273. | 1.3.4(b) | | Manufacturers and big organizations usually will buy commercial combined liability insurance which is likely to provide: |
| | | A | Public liability Insurance |
| | | B | Professional Indemnity Insurance |
| | | C | Products Liability Insurance |

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| | | <input checked="" type="checkbox"/> | D | All of the above |
| 274. | 1.3.4(b) | | Which of the following is not covered by combined liability policies? | |
| | | | A | Public liability |
| | | <input checked="" type="checkbox"/> | B | Motor vehicle liability |
| | | | C | Products liability |
| | | | D | Employees' compensation liability |
| 275. | 1.3.4(c) | | Which of the following cover(s) can be found in the combined umbrella policy? | |
| | | | A | Fire and Extra Perils Insurance |
| | | | B | Fidelity Guarantee Insurance |
| | | | C | Public liability Insurance |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 276. | 1.3.4(c) | | Which of the following combined policy can cover property, pecuniary interest and liability risks? | |
| | | | A | Multiple risks policy |
| | | | B | Named perils policy |
| | | <input checked="" type="checkbox"/> | C | Combined umbrella policy |
| | | | D | Commercial risks combined policy |
| 277. | 1.3.4(c) | | Which of the following cover(s) can be found in the combined umbrella policy? | |
| | | | A | Property risks |
| | | | B | Liability risks |
| | | | C | Pecuniary interest risks |
| | | <input checked="" type="checkbox"/> | D | All of the above |

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| 278. | 1.3.4(c) | | The covers of combined umbrella policy will include: | |
| | | | A | The risk of excessive precipitation only |
| | | | B | The risk of liability only |
| | | | C | The risk of property only |
| | | <input checked="" type="checkbox"/> | D | Any cover (including property, pecuniary interest and liability) |
| 279. | 1.4.1(a) | | A Chinese restaurant was on fire and the fire spread to the floor above and damaged Mr. Lam's flat seriously. Mr. Lam has a fire policy, and do you think his loss can be covered by the policy? | |
| | | | A | No. The origin of fire was not in the flat |
| | | | B | No. In the insured flat there is not any fire as mentioned in the policy |
| | | <input checked="" type="checkbox"/> | C | Yes. The policy can cover Mr. Lam's loss |
| | | | D | If the policy has fire and extra perils cover, then Mr. Lam can be compensated |
| 280. | 1.4.1(a) | | Which of the following is/are correct to describe fire and extra perils insurance? | |
| | | | A | Fire means actual ignition of something that should not be on fire |
| | | | B | The loss due to fire set up by business competitor is covered |
| | | | C | Damage reasonably due to the fire brigade or others in the course of fighting a fire is also covered |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 281. | 1.4.1(a) | | In a fire insurance policy, loss due to explosion: | |
| | | | A | Must be excluded |
| | | | B | All losses due to explosion are basically covered by the policy |

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| | | <input type="checkbox"/> | C | All losses due to explosion can be covered by paying additional premium |
| | | <input checked="" type="checkbox"/> | D | Under certain circumstances, the losses due to explosion can be covered (e.g. explosion of gas used for domestic purpose) |
| 282. | 1.4.1(a) | | Which of the following is not an extra peril of fire insurance policy? | |
| | | <input checked="" type="checkbox"/> | A | Lightning |
| | | <input type="checkbox"/> | B | Earthquake |
| | | <input type="checkbox"/> | C | Cyclone |
| | | <input type="checkbox"/> | D | Riot |
| 283. | 1.4.1(a) | | Which of the following is not very likely to be within the standard cover of a commercial fire insurance policy? | |
| | | <input type="checkbox"/> | A | Fire |
| | | <input type="checkbox"/> | B | Lightning |
| | | <input checked="" type="checkbox"/> | C | Earthquake |
| | | <input type="checkbox"/> | D | Explosion of gas used for domestic purposes |
| 284. | 1.4.1(a) | | Which of the following is correct to describe lightening in a fire and extra perils insurance? | |
| | | <input type="checkbox"/> | A | Lightening is an exclusion in a fire and extra perils insurance |
| | | <input type="checkbox"/> | B | Lightening is covered in a fire and extra perils insurance if a fire is following |
| | | <input checked="" type="checkbox"/> | C | Lightening is covered in a fire and extra perils insurance, whether following by fire or not |
| | | <input type="checkbox"/> | D | Lightening is not covered by fire and extra perils insurance but it can be covered by paying extra premium |
| 285. | 1.4.1(a) | | Which of the following are the examples of extra perils in a fire and extra perils insurance? | |
| | | <input type="checkbox"/> | i | Riot |
| | | <input type="checkbox"/> | ii | Explosion |
| | | <input type="checkbox"/> | iii | Impact by vehicle |
| | | <input type="checkbox"/> | iv | Storms and typhoon |
| | | <input type="checkbox"/> | A | i and ii |
| | | <input checked="" type="checkbox"/> | B | i, iii and iv |
| | | <input type="checkbox"/> | C | ii, iii and iv |
| | | <input type="checkbox"/> | D | i, ii, iii and iv |

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| 286. | 1.4.1(a) | | In a fire and extra perils insurance, the fire arising from the explosion of gas: | |
| | | <input type="checkbox"/> | A | All losses are not covered because explosion of gas is an exclusion in the policy |
| | | <input type="checkbox"/> | B | All losses will be compensated |
| | | <input checked="" type="checkbox"/> | C | It will cover the losses arising from the explosion of gas used for domestic purposes |
| | | <input type="checkbox"/> | D | It will cover losses due to explosion but will exclude any losses due to the fire as a result of the explosion of gas |
| 287. | 1.4.1(a) | | In a fire and extra perils insurance, which of the following is correct to describe the fire due to lightening? | |
| | | <input type="checkbox"/> | A | It is an exclusion |
| | | <input checked="" type="checkbox"/> | B | It is not an exclusion |
| | | <input type="checkbox"/> | C | It is a special peril but can be added as an extra peril with extra premiums |
| | | <input type="checkbox"/> | D | It is a fundamental risk and will not be covered by the policy |
| 288. | 1.4.1(a) | | According to the commercial fire insurance policy in Hong Kong, the scope of cover includes which of the following? | |

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| | | i | Loss arising from lightning but not followed by fire |
| | | ii | Property loss directly due to a fire |
| | | iii | Damage due to the firemen in the course of fighting a fire |
| | | iv | Property damage due to the fire smoke |
| | | A | i and ii |
| | | B | i and iii |
| | | C | ii, iii and iv |
| | | ✓ D | i, ii, iii and iv |
| 289. | 1.4.1(a) | | In a commercial fire policy, the definition of fire is: |
| | | A | Limited to the fire caused by the insured |
| | | ✓ B | Not limited to the fire within the insured premises |
| | | C | Excluding the fire intentionally caused by others |
| | | D | Limited to the fire burnt within the insured premises |
| 290. | 1.4.1(a) | | Which of the following is not a description of fire in a fire insurance policy? |
| | | A | Actual ignition |
| | | B | Something should not be on fire but now on fire |
| | | ✓ C | The fire has to burn within the insured premises |
| | | D | The fire is not deliberately caused or arranged by the insured |
| 291. | 1.4.1(a) | | The definition of fire: |
| | | A | Actual ignition of something |
| | | B | Burning of something that should not be on fire |
| | | C | Not deliberately caused or arranged by the insured |
| | | ✓ D | All of the above |
| 292. | 1.4.1(a) | | Which of the following is/are covered by fire insurance policy? |
| | | A | Fire due to lightning |
| | | B | Loss caused by lightning but no fire is involved |
| | | C | Loss due to firemen when using water to fight against the fire |
| | | ✓ D | All of the above |
| 293. | 1.4.1(a) | | Which of the following is a basic cover of fire insurance policy? |
| | | A | The bread is burnt during baking |
| | | B | Fire due to war |
| | | C | Fire that is caused deliberately by insured |
| | | ✓ D | Property loss due to the firemen in the course of fighting a fire |
| 294. | 1.4.1(a) | | Which of the following is correct in describing fire due to lightning? |
| | | A | It is an exclusion |
| | | ✓ B | It is not an exclusion |
| | | C | It is a fundamental risk and can be covered |
| | | D | It is special peril but this exclusion can be added as extra cover |

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| 295. | 1.4.1(a) | | The damage due to water, heat and smoke of a fire will be covered by a general fire insurance policy in which of the following? |
| | | A | If all the losses are related to third parties |
| | | ✓ B | If the peril of the losses is fire |
| | | C | If all the losses are not related to third parties |
| | | D | If the fire is caused by the building |

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| 296. | 1.4.1(a) | | According to basic fire insurance policy, which of the following is correct? |
| | | A | Explosion due to fire only is insurable |
| | | B | Explosion which it not due to fire is insurable |
| | | ✓ C | Explosion of gas used for domestic purposes only is excluded |
| | | ✓ D | Explosion of gas used for domestic purposes is not applicable to exclusion |
| 297. | 1.4.1(a) | | For general commercial fire insurance policies, which of the following is incorrect about the peril of explosion? |
| | | A | It is an excluded peril |
| | | B | Explosion of gas used domestic purposes is covered |
| | | ✓ C | It is impossible to be covered even by paying additional premium |
| | | D | All of the above |
| 298. | 1.4.1(a) | | Which of the following is not the alternative name for extra perils in a commercial fire policy? |
| | | ✓ A | Supplement perils |
| | | B | Allied perils |
| | | C | Special perils |
| | | D | Extended perils |
| 299. | 1.4.1(a) | | The loss in an explosion due to fire: |
| | | A | Will not be compensated |
| | | B | Will be fully compensated |
| | | ✓ C | Will be compensated if explosion of gas which is used for domestic purposes |
| | | D | Will be compensated except the loss due to fire after the explosion |
| 300. | 1.4.1(a) | | In a commercial fire policy, cover can be extended with extra premiums and it is called: |
| | | A | Extended perils |
| | | B | Extra perils |
| | | ✓ C | Special perils |
| | | D | All of the above |
| 301. | 1.4.1(a) | | Which of the following is not covered by fire business interruption insurance? |
| | | A | Net profit |
| | | B | Gross profit |
| | | ✓ C | Loss of insured premises |
| | | D | All of the above |
| 302. | 1.4.1(a) | | A typical business interruption policy states that property damage resulting from the business interruption must be covered by another policy. This policy provision is commonly referred to as: |
| | | A | Fire damage guarantee |
| | | ✓ B | Conditions attached to loss in kind |
| | | C | Property damage insurance requirements |
| | | D | Compulsory property insurance conditions |
| 303. | 1.4.1(a) (ii) | | Which of the following meets the definition of "Fire" in fire insurance? |
| | | ✓ A | Damage caused by fire directly caused by lightning |
| | | B | The bread in the bread oven is accidentally burnt |
| | | C | Intentionally caused or arranged by the insured |
| | | D | All of the above are incorrect |

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| 304. | 1.4.1(b) | | In fire insurance policies, excesses are applicable to: |
| | | A | Loss due to fire |
| | | B | Loss due to lightning and followed by fire |
| | | <input checked="" type="checkbox"/> C | Loss due to extra perils |
| | | D | Loss due to lightning but without any fire |
| 305. | 1.4.1(b) | | In general, most of the fire insurance policies compensate on a pro rata average condition, which means: |
| | | A | The property value is based on its market value |
| | | B | The policy premium is based on the average premium in the market |
| | | C | The policy will be voided in the case of under-insurance |
| | | <input checked="" type="checkbox"/> D | The insured will not receive full loss compensation in the case of under-insurance |
| 306. | 1.4.1(c) | | The premium rate of the fire policy is \$0.10 for every \$100. If the sum insured is \$5,000,000, then the premium will be: |
| | | A | \$50 |
| | | B | \$500 |
| | | <input checked="" type="checkbox"/> C | \$5,000 |
| | | D | \$50,000 |

| Q# | Reference | Mock Questions | |
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| 307. | 1.4.1(c) | | Which of the following is a basis for the calculation of fire insurance policy? |
| | | A | Wages paid by the insured |
| | | B | Business volume |
| | | C | Period of cover |
| | | <input checked="" type="checkbox"/> D | Value of the sum insured |
| 308. | 1.4.1(d) | | Which of the following insurance is not expected to issue the certificate of insurance? |
| | | <input checked="" type="checkbox"/> A | Fire insurance |
| | | B | Motor insurance |
| | | C | Travel insurance |
| | | D | Marine cargo insurance |
| 309. | 1.4.1(d) | | Which of the following is not a subject matter of commercial fire insurance? |
| | | A | Machinery |
| | | B | Building |
| | | C | Stock in trade |
| | | <input checked="" type="checkbox"/> D | Office furniture |
| 310. | 1.4.1a(a) | | Which of the following is covered by fire business interruption insurance? |
| | | A | Net profit |
| | | <input checked="" type="checkbox"/> B | Gross profit |
| | | C | Damage to the external wall of the building |
| | | D | All of the above |
| 311. | 1.4.1a(a) | | Which of the following is/are covered by the fire business interruption insurance? |
| | | A | Gross profit |
| | | B | Wages |
| | | C | Additional expenses necessarily incurred |
| | | <input checked="" type="checkbox"/> D | All of the above |

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| 312. | 1.4.1a(a) | | A fire business interruption insurance policy is primarily intended to cover losses: |
| | | A | Buildings destroyed by a fire |
| | | B | The contents of building destroyed by a fire |
| | | C | The insured in respect of legal liability to third parties |
| | | ✓ D | Arising after an fire or other insured event, which are not material, such as loss of profit |
| 313. | 1.4.1a(a) | | Which of the following is correct in describing fire business interruption insurance? |
| | | i | Is a pecuniary insurance |
| | | ii | Will cover all income losses |
| | | iii | The premium calculation is based on the rate charged for the fire insurance and then loaded according to the time factor involved |
| | | iv | Must have the fire insurance policy issued from the same insurer |
| | | A | i and ii |
| | | ✓ B | i and iii |
| | | C | ii and iii |
| 314. | 1.4.1a(a) | | A kind of policy which is closely connected with a fire insurance and it covers the aftereffects of a fire? |
| | | A | Extra perils insurance |
| | | ✓ B | Business interruption insurance |
| | | C | Profit interruption insurance |
| | | D | All of the above |
| 315. | 1.4.1a(a) | | Which of the following is not covered by a fire business interruption insurance? |
| | | ✓ A | Property loss due to the fire |
| | | B | Wages paid during an interruption period |
| | | C | Loss of gross profit |
| | | D | Additional expenses incurred as a result of an insured peril |

| Q# | Reference | Mock Questions | |
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| 316. | 1.4.1a(a) | | Which of the following are covered by fire business interruption insurance? |
| | | i | Damage of property due to fire |
| | | ii | Additional expenses incurred by insured peril |
| | | iii | Wages paid during the interruption period |
| | | iv | Loss of gross profit due to insured peril |
| | | A | i and ii |
| | | B | i, iii and iv |
| | | ✓ C | ii, iii and iv |
| 317. | 1.4.1a(a) | | A fire business interruption insurance policy will cover: |
| | | A | Loss of net profit |
| | | ✓ B | Loss of gross profit |
| | | C | Loss of insured premises |
| | | D | All of the above |
| 318. | 1.4.1a(b) | | For a fire business interruption insurance claim to be effective, there should be another policy warranty which is called: |
| | | ✓ A | Fire loss warranty |
| | | B | Property damage warranty |
| | | C | Property loss warranty |

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| | | D | All of the above |
| 319. | 1.4.1a(c) | | The calculation of premium for fire business interruption insurance is based on insured period and what else? |
| | | A | Rental value |
| | | B | Value of the building |
| | | ✓ C | Premium rate of fire insurance policy |
| | | D | Contents value inside the building |
| 320. | 1.4.1a(c) | | Which of the following is one of the factors to calculate the premium of a fire business interruption insurance? |
| | | ✓ A | Insured period |
| | | B | Business turnover |
| | | C | Value of the insured property |
| | | D | Wages paid by the insured |
| 321. | 1.4.1a(c) | | The premium calculation is basing on the interruption period and: |
| | | A | The sum insured of the loss of gross profit |
| | | B | The wages paid during the interruption period |
| | | C | The premium of the fire policy of the insured building |
| | | ✓ D | The premium of the fire policy of insured building and property |
| 322. | 1.4.1a(d) | | Business interruption insurance provides cover for profit, it is also called: |
| | | A | Interruption compensation insurance |
| | | B | Profit protection insurance |
| | | ✓ C | Consequential loss insurance |
| | | D | Interruption period insurance |
| 323. | 1.4.1a(d) | | A pecuniary insurance policy was first described as profit insurance and was later called: |
| | | A | Loss of profits |
| | | B | Consequential loss |
| | | C | Business interruption |
| | | ✓ D | All of the above |
| 324. | 1.4.1a(d) | | An insurance is closely linked with fire insurance but covering the financial effects after a fire. It is known as which one or more of the following? |
| | | A | Business loss insurance |
| | | B | Consequential fire insurance |
| | | ✓ C | Business interruption insurance |
| | | D | All of the above |

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| 325. | 1.4.1a(d) | | Under the fire business interruption insurance, if the insured peril happens, there will be a cover period which is called: |
| | | A | Protection period |
| | | B | Policy period |
| | | ✓ C | Indemnity period |
| | | D | Post-incident cover period |
| 326. | 1.4.1a(d) | | Under the fire business interruption insurance, if the insured peril happens, there will be a cover period which is called: |
| | | i | Indemnity period |
| | | ii | Protection period |

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| | | <input type="checkbox"/> | iii | Interruption period |
| | | <input type="checkbox"/> | iv | Insured period after event |
| | | <input type="checkbox"/> | A | i and ii |
| | | <input checked="" type="checkbox"/> | B | i and iii |
| | | <input type="checkbox"/> | C | ii and iii |
| | | <input type="checkbox"/> | D | iii and iv |
| 327. | 1.4.1a(d) | | Under the policy provision of fire business interruption insurance, if the insured peril happens, there will be a cover period which is called: | |
| | | <input type="checkbox"/> | A | Policy period |
| | | <input checked="" type="checkbox"/> | B | Interruption period |
| | | <input type="checkbox"/> | C | Protection period |
| | | <input type="checkbox"/> | D | Insured period after event |
| 328. | 1.4.1a(d) | | Fire business interruption insurance will cover the insured loss within a certain period after the fire and this period is called: | |
| | | <input checked="" type="checkbox"/> | A | Interruption period |
| | | <input type="checkbox"/> | B | Loss insured period |
| | | <input type="checkbox"/> | C | Cover period |
| | | <input type="checkbox"/> | D | Post-accident insurance period |
| 329. | 1.4.1a(d) | | Which of the following description about the loss calculation of fire business interruption policy is not correct? | |
| | | <input type="checkbox"/> | A | Has to measure the loss during the interruption period |
| | | <input checked="" type="checkbox"/> | B | Claims payment must not exceed the actual loss |
| | | <input type="checkbox"/> | C | Comparing income during the indemnity period with the same period in the previous year |
| | | <input type="checkbox"/> | D | It is a very complex matter, usually requiring the help of professional accountants |
| 330. | 1.4.2 | | Most property insurance policies will cover loss caused by specified perils. On top of that, what is another kind of common cover? | |
| | | <input checked="" type="checkbox"/> | A | All risks |
| | | <input type="checkbox"/> | B | Specified perils |
| | | <input type="checkbox"/> | C | Single peril |
| | | <input type="checkbox"/> | D | Non-specified perils |
| 331. | 1.4.2 | | According to all risk insurance policies, which of the following will be covered? | |
| | | <input type="checkbox"/> | A | Loss due to accidental fire |
| | | <input type="checkbox"/> | B | Accidental loss of a piece of jewelry |
| | | <input type="checkbox"/> | C | Loss of a watch when the insured is under the threat of an armed robber |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 332. | 1.4.2 | | Some property insurance policies will use all risk for cover. All risks means: | |
| | | <input type="checkbox"/> | A | There are not any exclusions |
| | | <input type="checkbox"/> | B | All perils will be covered |
| | | <input type="checkbox"/> | C | Only specified perils are covered while the others are excluded |
| | | <input checked="" type="checkbox"/> | D | All loss or damage are covered unless specifically excluded |

| Q# | Reference | Mock Questions | | |
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| 333. | 1.4.2 | | According to all risk insurance policies, which of the following will be covered? | |
| | | <input checked="" type="checkbox"/> | A | Loss due to accidental fire |
| | | <input type="checkbox"/> | B | Insured original painting was lack of routine care and damaged by vermin |

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| | | <input type="checkbox"/> | C | The insured property was confiscated by customs while participating in illegal activities |
| | | <input type="checkbox"/> | D | All of the above |
| 334. | 1.4.2(b) | | Which of the following is not an exclusion of property all risks insurance? | |
| | | <input type="checkbox"/> | A | Machinery breakdown due to wear and tear |
| | | <input type="checkbox"/> | B | Machinery breakdown due to rusting |
| | | <input checked="" type="checkbox"/> | C | Accidentally dropped a camera into the sea at the starboard |
| | | <input type="checkbox"/> | D | The value of the computer dropped due to depreciation |
| 335. | 1.4.2(b) | | Property all risks insurance cannot cover all risks because there are exclusions. Which of the following is likely to be an exclusion of property all risks insurance? | |
| | | <input type="checkbox"/> | A | An expensive watch was stolen |
| | | <input type="checkbox"/> | B | An expensive watch was dropped into the sea by accident |
| | | <input checked="" type="checkbox"/> | C | An expensive watch was damaged by the high humidity |
| | | <input type="checkbox"/> | D | All of the above scenarios are covered under the property all risks insurance |
| 336. | 1.4.2(b) | | Which of the following is an exclusion of property all risks insurance? | |
| | | <input type="checkbox"/> | A | An expensive antique vase was stolen |
| | | <input type="checkbox"/> | B | An expensive watch was dropped into the sea by accident |
| | | <input type="checkbox"/> | C | An expensive antique furniture was burnt in a fire by accident |
| | | <input checked="" type="checkbox"/> | D | An expensive old paint was damaged due to the heavy exposure of direct sunlight |
| 337. | 1.4.2(b) | | The exclusion(s) of property all risks insurance include(s): | |
| | | <input type="checkbox"/> | A | Wear and tear |
| | | <input type="checkbox"/> | B | Depreciation |
| | | <input type="checkbox"/> | C | Gradually operating causes |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 338. | 1.4.2(b) | | Which of the following is/are very likely to be excluded from property all risk insurance policies? | |
| | | <input type="checkbox"/> | A | Wear and tear |
| | | <input type="checkbox"/> | B | War and similar risks |
| | | <input type="checkbox"/> | C | Confiscation of property by customs authorities |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 339. | 1.4.2(b) | | Which of the following is not an exclusion of all risks insurance? | |
| | | <input type="checkbox"/> | A | Wear and tear |
| | | <input type="checkbox"/> | B | Depreciation |
| | | <input checked="" type="checkbox"/> | C | Loss due to the carelessness of the insured |
| | | <input type="checkbox"/> | D | Loss due to the gradual operation (e.g. rusting) |
| 340. | 1.4.2(b) | | Average in a property all risks insurance is: | |
| | | <input type="checkbox"/> | A | Always applicable |
| | | <input type="checkbox"/> | B | Totally not applicable |
| | | <input type="checkbox"/> | C | Usually applicable to specified items |
| | | <input checked="" type="checkbox"/> | D | Usually applicable to unspecified items |
| 341. | 1.4.2(b) | | Which of the following are the exclusions of property all risks insurance? | |
| | | <input type="checkbox"/> | i | Inevitable losses like wear and tear, depreciation |
| | | <input type="checkbox"/> | ii | Foreseeable loss due to lack of routine care |
| | | <input type="checkbox"/> | iii | The loss in a theft caused under the threat of an armed robber |

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| | | iv | The loss due to the confiscation of property by customs authorities during an illegal activity |
| | | A | i, ii and iii |
| | | ✓ B | i, ii and iv |
| | | C | i, iii and iv |
| | | D | ii, iii and iv |
| 342. | 1.4.2(b) | | In "All Risks", what are the general exclusions? |
| | | A | Loss |
| | | B | Depreciation |
| | | C | Based on gradual operation reasons |
| | | ✓ D | All of the above |

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| 343. | 1.4.2(b) | | According to the property all risks insurance, which of the following will be covered? |
| | | A | Loss due to war and terrorism |
| | | B | Loss due to wear and tear, depreciation |
| | | ✓ C | The loss in a theft caused under the threat of an armed robber |
| | | D | The loss due to the confiscation of property by customs authorities during an illegal activity |
| 344. | 1.4.2(c) | | The premium calculation of all risk insurance policies is based on two factors. One of them is the sum insured and the other is: |
| | | A | Gender of the insured |
| | | B | Age of the insured |
| | | ✓ C | Geographical area of cover |
| | | D | Geographical area of residence of the insured |
| 345. | 1.4.2(d) | | Which of the following statements about agreed value policies is correct? |
| | | A | It usually provides protection for valuables |
| | | B | Will pay the sum insured in case of total loss |
| | | C | An independent professional valuation by an expert is required |
| | | ✓ D | All of the above |
| 346. | 1.4.2(d) | | The characteristic of an agreed value policy: |
| | | A | Suitable for all property insurance policies |
| | | B | Suitable for partial loss |
| | | C | No sum insured |
| | | ✓ D | The agreed value is likely to be the result of an independent professional valuation |
| 347. | 1.4.2(d) | | Property all risks insurance provide cover to high-value items on an agreed value basis, which means: |
| | | ✓ A | The indemnity amount in a total loss claim is agreed beforehand |
| | | B | Part of the indemnity amount in a claim is agreed beforehand |
| | | C | The indemnity amount of various items is agreed beforehand |
| | | D | For each and every claim, the sum insured and the minimum indemnity amount will be the same |
| 348. | 1.4.2(d) | | The agreed values in a property all risks insurance means: |
| | | A | It can insure any risk |
| | | B | It does not have any exclusions |

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| | | <input checked="" type="checkbox"/> | C | When there is a total loss, insurer will pay the claim according to the agreed value of the policy |
| | | | D | When there is a total loss and, under the agreement, the insurer will pay the claim according to the actual market value of the loss |
| 349. | 1.4.2(d) | | | Which of the following is/are correct to describe the agreed value in a property all risks policy? |
| | | | A | Sum insured is payable for a total loss |
| | | | B | A professional valuation is usually involved when arranging the policy |
| | | | C | It usually involves high-value item (e.g. antique vase) |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 350. | 1.4.2(d) | | | Which of the following statement(s) is/are correct in describing the terms of agreed value for all risks insurance policies? |
| | | <input checked="" type="checkbox"/> | A | It will usually involve high value subject matter (e.g. antique vase) |
| | | | B | Actual value will be payable for total losses |
| | | | C | It will usually involve professional valuation when there is a claim |
| | | | D | All of the above |
| 351. | 1.4.3 | | | Which of the following would be covered by a theft insurance policy? |
| | | | A | Money stolen by colluding staff |
| | | | B | The loss of the thief entering the house through unlocked and unlocked doors |
| | | | C | Damage caused by thieves setting fire to destroy evidence |
| | | <input checked="" type="checkbox"/> | D | None of the above |
| 352. | 1.4.3(a) | | | In theft insurance policies, the damage due to the robbers: |
| | | | A | Is a basic exclusion |
| | | | B | Can be insured if extra premium is paid |
| | | | C | Will be covered automatically |
| | | <input checked="" type="checkbox"/> | D | Is an insured peril (involved damage due to fire is excluded) |
| 353. | 1.4.3(a) | | | A commercial office wants to have an insurance policy to cover the risk of theft to its office properties. This policy should be: |
| | | | A | Household insurance |
| | | <input checked="" type="checkbox"/> | B | Theft insurance |
| | | | C | Property all risks insurance |
| | | | D | Consequential loss Insurance |

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| 354. | 1.4.3(a) | | | Which of the following will be covered in basic theft insurance policies? |
| | | | A | Theft with the collusion of staff members |
| | | | B | Damage due to arson in order to destroy evidence of theft |
| | | | C | Loss due to theft by breaking into an unlocked or opened premises |
| | | <input checked="" type="checkbox"/> | D | All of the above are incorrect |
| 355. | 1.4.3(a) | | | Most theft insurance policies are limited to cover commercial risks, the scope of cover includes: |
| | | | A | Damage due to theft |
| | | | B | Actual loss due to theft |
| | | | C | Forcible and violent entry to or exit from the insured premises |
| | | <input checked="" type="checkbox"/> | D | All of the above |

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| 356. | 1.4.3(a) | | In a theft insurance, a theft loss (without any fire involved) in an insured office will be treated as: |
| | | A | An exclusion |
| | | B | It will not be covered unless the insured has named this peril |
| | | ✓ C | It is covered by the policy and no extra premium is required |
| | | D | It can be covered by the policy if the insured has named this peril and has paid extra premium |
| 357. | 1.4.3(a) | | The cover of theft insurance policy is belonging to: |
| | | A | Personal risks |
| | | B | Household risks |
| | | ✓ C | Commercial risks |
| | | D | All of the above |
| 358. | 1.4.3(a) | | Commercial theft insurance policies issued in Hong Kong will provide which of the following cover? |
| | | A | Damage in fire due to theft |
| | | ✓ B | Damage in non-fire incident due to theft |
| | | C | Personal accident benefit for staff being hurt in theft |
| | | D | All of the above |
| 359. | 1.4.3(a) | | Most of the theft insurance policies will cover: |
| | | A | Personal risks |
| | | B | Third party risks |
| | | ✓ C | Commercial risks |
| | | D | Household risks |
| 360. | 1.4.3(a) | | Which two of the following circumstances are covered by the usual form of commercial theft insurance policies in Hong Kong? |
| | | i | Theft after entry is gained by smashing a window |
| | | ii | Theft of stock by members of the insured's own staff |
| | | iii | Theft after thieves clash a vehicle into the insured shop |
| | | iv | Damage due to thieves setting fire to the insured premises |
| | | A | i and ii |
| | | ✓ B | i and iii |
| | | C | ii and iii |
| | | D | iii and iv |
| 361. | 1.4.3(a)&(b) | | Commercial theft insurance involves which of the following? |
| | | A | All risks insurance category |
| | | B | Damage due to arson after theft is an exclusion |
| | | C | Forcible and violent entry to or exit from the insured premises |
| | | ✓ D | All of the above |
| 362. | 1.4.3(a)&(b) | | Which of the following is not a correct description of theft insurance? |
| | | A | Previously it is known as burglary insurance |
| | | B | Insurer is expecting full value insurance from the insured |
| | | ✓ C | It covers the loss due to fire, so as to destroy evidence of the theft |
| | | D | The theft shall make forcible and violent entry to or exit from the insured premises |

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| 363. | 1.4.3(b) | | Which of the following is incorrect in describing theft insurance policies? |
| | | A | It was known as burglary insurance previously |
| | | <input checked="" type="checkbox"/> B | Damage by fire can be covered |
| | | C | Provides cover for insured property damage in theft |
| | | D | Forcible and violent entry to or exit from the insured premises |
| 364. | 1.4.3(b) | | Which of the following is/are the exclusion(s) of theft insurance? |
| | | A | Theft by staff |
| | | B | Loss due to fire during the theft |
| | | C | No trace of forcible and violent entry to or exit from the insured premises |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 365. | 1.4.3(c) | | Which of the following is/are the factor(s) to calculate the premium of theft insurance? |
| | | <input checked="" type="checkbox"/> A | Sum insured |
| | | B | The value of the premises of insured item |
| | | C | The fire policy premium rate of the premises of insured item |
| | | D | All of the above |
| 366. | 1.4.3(d) | | Previously, theft insurance in Hong Kong was known as: |
| | | A | Theft protection |
| | | <input checked="" type="checkbox"/> B | Burglary insurance |
| | | C | Criminal theft |
| | | D | Fidelity protection insurance |
| 367. | 1.4.4 | | Which of the following is not correct to describe glass insurance? |
| | | A | It provides cover on an all risks basis |
| | | B | Glass damaged in a fire is excluded |
| | | <input checked="" type="checkbox"/> C | Premium can always be adjusted |
| | | D | It covers the breakage of the fixed glass |
| 368. | 1.4.4(a) | | Which of the following is/are correct description(s) of glass insurance? |
| | | A | The claim is usually handled by repairing |
| | | B | Breakage of glass is an exclusion |
| | | <input checked="" type="checkbox"/> C | It provides cover on an all risks basis |
| | | D | All of the above |
| 369. | 1.4.4(a) | | The shop's show window was broken by accident and the shop owner arranged temporary boarding-up of the premises concerned. Which of the following is correct to describe the cover of a glass insurance? |
| | | A | The extra expenses of the temporary boarding-up is a policy exclusion |
| | | <input checked="" type="checkbox"/> B | The extra expenses of the temporary boarding-up is covered by the policy |
| | | C | The extra expenses of the temporary boarding-up will be covered only when you raise such request to the insurer |
| | | D | The extra expenses of the temporary boarding-up will be covered only when you have paid extra premium |
| 370. | 1.4.4(a) | | In general, glass insurance policies provide which of the following cover(s)? |
| | | A | Damage of the glass in a fire |
| | | <input checked="" type="checkbox"/> B | The necessary temporary boarding-up of the premises |
| | | C | Provide personal accident benefit to staff who was hurt by the broken glass |
| | | D | All of the above |

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| 371. | 1.4.4(a) | | Which of the following is covered by the glass insurance? |
| | | A | Loss due to fire |
| | | <input checked="" type="checkbox"/> B | All risks |
| | | C | Loss due to fire and extra perils |
| | | D | Covers the accidental loss or breakage of the glass only |

| Q# | Reference | Mock Questions | |
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| 372. | 1.4.4(b) | | Which of the following is/are description(s) of glass insurance? |
| | | A | Loss related to war |
| | | B | Loss due to fire |
| | | <input checked="" type="checkbox"/> C | The glass was smashed by a stone thrown up by a car |
| | | D | The thief had broken the window to steal the stock |

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| 373. | 1.4.4(b) | | Which of the following is/are not exclusion(s) of glass insurance? |
| | | A | Fire |
| | | B | Nuclear war |
| | | <input checked="" type="checkbox"/> C | Hit by a vehicle |
| | | D | All of the above |

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| 374. | 1.4.4(b) | | Which of the following incidents that caused the breakage of glass will not be covered in glass insurance policies? |
| | | A | Glass was carelessly broken by the insured |
| | | B | Glass was smashed by a vehicle |
| | | C | Glass was smashed by a drunken man with a bottle |
| | | <input checked="" type="checkbox"/> D | Glass was broken by firemen when searching for fire escape |

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| 375. | 1.4.4(b) | | The exclusion(s) of the glass insurance will include: |
| | | A | Wear and tear |
| | | B | Scratching of the glass |
| | | C | Loss due to fire |
| | | <input checked="" type="checkbox"/> D | All of the above |

| | | | |
|------|----------|---------------------------------------|--|
| 376. | 1.4.4(c) | | Which of the following is/are the factor(s) to calculate the premium of glass insurance? |
| | | A | Sum insured of the glass |
| | | B | Quality of the glass only |
| | | C | Area of the glass only |
| | | <input checked="" type="checkbox"/> D | Quality and area of the glass |

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| 377. | 1.4.4(d) | | Glass insurance was known as: |
| | | A | Property insurance |
| | | B | Perishable item insurance |
| | | <input checked="" type="checkbox"/> C | Plate glass |
| | | D | Public liability |

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| 378. | 1.4.5(a) | | Which of the following is covered in the money insurance policies? |
| | | A | Theft committed by staff |
| | | <input checked="" type="checkbox"/> B | The money was robbed during the money transit to the bank by a staff |
| | | C | Keeping money in the home of staff for a few weeks |
| | | D | After the office hours, large amount of money was left outside of the safe |

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| 379. | 1.4.5(a) | | Money insurance policies will cover: |
| | | A | Loss of money in a fire |
| | | ✓ B | Loss of money by theft when in money transit |
| | | C | Accidental loss of money before depositing it to the bank |
| | | D | All of the above |
| 380. | 1.4.5(a) | | Which of the following is/are incorrect about money insurance policies? |
| | | A | The cover is provided on an all risks basis |
| | | ✓ B | Money is only limited to bank notes and coins |
| | | C | Loss of money due to theft committed by staff is not covered |
| | | D | All of the above |
| 381. | 1.4.5(a) | | Which of the following is/are correct about money insurance? |
| | | A | It covers fire only |
| | | B | All policies will cover the homes of staff automatically |
| | | ✓ C | It covers subject more than legal tender, including cheques, bank draft, etc. |
| | | D | All of the above |

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| 382. | 1.4.5(a) | | Which of the following is/are correct about money insurance? |
| | | ✓ A | The cover is on an all risks basis |
| | | B | Damage to safes and strong-rooms are excluded |
| | | C | Cover will include legal tender (but excluding cheques, bank draft) |
| | | D | It covers cash in transit only |
| 383. | 1.4.5(c) | | Which of the following is a basis for calculating the premium of money insurance policies? |
| | | A | Usually have a fixed sum insured |
| | | B | Based on the largest amount of money in the year carried by the insured |
| | | C | Based on the largest amount of money kept in the safe by the insured |
| | | ✓ D | Usually is based on the total annual carryings of money to and from the bank |
| 384. | 1.4.5(d) | | The cover of extended money insurance policies includes which of the following? |
| | | A | Loss created by accepting counterfeit money |
| | | B | Loss of money during the transit |
| | | C | Loss of property during the robbery |
| | | ✓ D | Injuries of staff caused by the thieves |
| 385. | 1.4.6(a) | | Which of the following is/are incorrect to describe fidelity guaranteed insurance policies? |
| | | ✓ A | Must be strictly and definitely related to money |
| | | B | General errors and omissions are not covered |
| | | C | Blanket cover policy covers all the insured's staff |
| | | D | All of the above |

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| 386. | 1.4.6(a) | | Which of the following is/are correct to describe fidelity guaranteed insurance policies? | |
| | | A | General errors and omissions are not covered | |
| | | B | It can cover a specific employee | |
| | | C | It can be an unnamed cover | |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 387. | 1.4.6(a) | | Fidelity guarantee insurance can cover which of the following type(s) of employees? | |
| | | A | A specific employee | |
| | | B | A specific group of employees | |
| | | C | Unnamed cover for all employees | |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 388. | 1.4.6(a) | | Fidelity guarantee insurance can cover all employees, this cover is called: | |
| | | A | Guarantee cover | |
| | | <input checked="" type="checkbox"/> | B | Blanket cover |
| | | C | Comprehensive cover | |
| | | D | Umbrella cover | |
| 389. | 1.4.6(a) | | Fidelity guarantee insurance can cover which of the following type(s) of employees? | |
| | | A | A specific employee | |
| | | B | A specific group of employees | |
| | | C | Includes all employees | |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 390. | 1.4.6(b) | | A staff under the cover of fidelity guarantee insurance policy committed theft but the employer got back the stolen money and had not reported the incident to the insurer. Later, the same staff stole another sum of money again and the insured submitted a claim to the insurer. This claim: | |
| | | <input checked="" type="checkbox"/> | A | The whole sum will not be compensated |
| | | B | Can receive compensation on an ex-gratis basis | |
| | | C | The whole sum can be compensated as a normal claim | |
| | | D | Can receive compensation, depending on if the premium has been paid | |
| 391. | 1.4.6(a)&(b) | | Which of the following is correct to describe a fidelity guarantee insurance? | |
| | | A | Fidelity guarantee insurance is under the classification of property insurance | |
| | | B | It will cover general errors and omissions of the insured staff | |
| | | <input checked="" type="checkbox"/> | C | The insurer must be notified if a defrauded employee was given the second chance |
| | | D | System of check and supervision are internal operations and so they can be revised without the need of the written consent of the insurer | |

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| 392. | 1.4.6(d) | | Which of the following is incorrect describing fidelity guarantee insurance policies? | |
| | | <input checked="" type="checkbox"/> | A | Only compensates for embezzlement |
| | | B | System of check and supervision is very important | |
| | | C | The insured has the right to claim the dishonest employee on the account of his default | |
| | | D | Must report the dishonest behavior of the guaranteed staff | |
| 393. | 1.4.6(d) | | Which of the following is not a correct description of fidelity guarantee insurance policies? | |
| | | <input checked="" type="checkbox"/> | A | It will strictly cover loss of money only |
| | | B | The policy covers dishonesty acts of staff | |
| | | C | Blanket cover will cover all staff | |
| | | D | System of check and supervision is an underwriting consideration | |

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| 394. | 1.4.7 | | Which of the following is not correct to describe surety bonds? |
| | | A | The surety usually requires personal counter guarantees in its favor from the directors of the principal |
| | | B | Surety provides financial guarantee to the obligee |
| | | C | If the principal fails to fulfil its obligations, the obligee can seek compensation (penalties) from the surety |
| | | ✓ D | The renewal of the surety bonds is the same as other general insurance policies |
| 395. | 1.4.7(a) | | Surety bonds will involve: |
| | | A | Principal |
| | | B | Obligee |
| | | C | Surety |
| | | ✓ D | All of the above |
| 396. | 1.4.7(b) | | Which of the following is not a correct description of surety bonds? |
| | | A | It must be issued in writing |
| | | B | It must be under sealed and signed |
| | | ✓ C | Its claims procedure is very complicated |
| | | D | Insurer acquires rights of recovery for the compensation |
| 397. | 1.4.7(b) | | Which of the following is a correct description of the claim of surety bonds? |
| | | A | Its handling is easier than the other general insurance claims |
| | | ✓ B | Its handling is more complicated than the other general insurance claims |
| | | C | Must be ruled by the court of law |
| | | D | None of the above |
| 398. | 1.4.7(d) | | Surety bonds has a counter guarantee feature which means: |
| | | A | Buying the reinsurance |
| | | B | This cover can be covered with an extra premium |
| | | C | Check with the agent for further information |
| | | ✓ D | The surety usually requires personal counter guarantees in its favour from the directors of the principal to safeguard recovery prospects in the event of a bond claim |
| 399. | 1.4.7(d) | | Surety bonds is issued by which of the following departments? |
| | | i | Fidelity department |
| | | ii | Financial insurance department |
| | | iii | Accident insurance department |
| | | iv | Money insurance department |
| | | A | i and ii |
| | | ✓ B | i and iii |
| | | C | ii and iii |
| D | iii and iv | | |
| 400. | 1.4.7(d) | | Counter guarantees mean: |
| | | A | Additional premium |
| | | B | Risk re-assessment |
| | | C | Premium rate for independent reference person |
| | | ✓ D | Mortgage cover by the personal guarantee of the director of the contractor |

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| 401. | 1.5.1 | Boiler explosion insurance provides two types of cover which include explosion and: |

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| | | <input checked="" type="checkbox"/> | A | Collapse of the boiler |
| | | | B | Boiler was damaged by others maliciously |
| | | | C | Wholly or partly of the boiler has been stolen |
| | | | D | A fire loss of the insured building and boiler |
| 402. | 1.5.1 | | Which of the following is not correct to describe boiler explosion insurance? | |
| | | <input checked="" type="checkbox"/> | A | Covers the property loss of the insured only |
| | | | B | Covers liability for damage to third party property |
| | | | C | Covers the property loss of the insured and the third party |
| | | | D | Loss due to the boiler explosion happened whilst in the course of ordinary working |
| 403. | 1.5.1 | | Boiler explosion insurance basically covers: | |
| | | | A | The loss due to the explosion of the boiler at any time |
| | | | B | The loss due to the collapse of the boiler outside working hours |
| | | <input checked="" type="checkbox"/> | C | The loss due to the explosion or collapse of the boiler whilst in the course of ordinary working |
| | | | D | The loss due to the explosion or collapse of the boiler within working hours |
| 404. | 1.5.1 | | Which of the following is not within the usual basic cover of a boiler explosion insurance? | |
| | | | A | Damage to the insured boiler |
| | | | B | Liability for third party injuries |
| | | | C | Liability for damage to third party property |
| | | <input checked="" type="checkbox"/> | D | Personal accident benefits for the insured and his employees |
| 405. | 1.5.1(a) | | Which of the following is/are covered by boiler explosion insurance policies? | |
| | | | A | Boiler in a hotel has been stolen |
| | | | B | Consequential loss of collapse of a boiler |
| | | <input checked="" type="checkbox"/> | C | Bodily injury to the third parties due to the explosion of boiler |
| | | | D | All of the above |
| 406. | 1.5.1(a) | | The basic cover of boiler explosion insurance: | |
| | | | A | Specifically covers the loss of explosion or collapse of a boiler |
| | | | B | Covers damage of property and legal liability claims |
| | | | C | Covers explosion damage of the boiler whilst in the course of ordinary working |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 407. | 1.5.1(a) | | Boiler explosion insurance provides two types of covers which includes explosion and: | |
| | | <input checked="" type="checkbox"/> | A | Boiler collapse |
| | | | B | Theft of the boiler |
| | | | C | Intentional damage made to the boiler |
| | | | D | All of the above |
| 408. | 1.5.1(a) | | Which of the following is likely to be covered by the boiler explosion insurance policies? | |
| | | | A | Liability of property damage only |
| | | | B | Liability of death of third parties only |
| | | | C | Liability of injury of third parties only |
| | | <input checked="" type="checkbox"/> | D | Damage of property and liability of third parties |
| 409. | 1.5.1(a) | | Boiler explosion insurance basically covers: | |
| | | | A | Loss due to war |
| | | | B | Cover the property loss of the insured only |
| | | | C | Any loss and third party liability due to the damaged boiler |

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| | | <input checked="" type="checkbox"/> | D | The loss due to an explosion or collapse of a boiler whilst in the course of ordinary working |
| 410. | 1.5.1(b) | | | Which of the following is an exclusion of boiler explosion insurance? |
| | | | A | Risks insured in a fire insurance policy |
| | | | B | Loss due to war or related incidents |
| | | | C | Loss due to willful neglect by the insured |
| | | <input checked="" type="checkbox"/> | D | All of the above |

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| 411. | 1.5.2(a) | | | Machinery breakdown insurance provides cover for unforeseen and sudden physical loss of or damage to insured items. It is belonging to which of the following type of cover? |
| | | | A | Liability insurance |
| | | | B | Pecuniary insurance |
| | | <input checked="" type="checkbox"/> | C | Property insurance |
| | | | D | Consequential loss insurance |
| 412. | 1.5.2(a) | | | Machinery breakdown insurance provides cover for physical loss of or damage to insured machinery. Which of the following is covered? |
| | | | A | Due to a fire accident |
| | | <input checked="" type="checkbox"/> | B | Unforeseen and sudden |
| | | | C | Loss caused by insured |
| | | | D | Loss which is not covered by other insurers |
| 413. | 1.5.2(a) | | | Which of the following is/are correct to describe the machinery breakdown insurance? |
| | | <input checked="" type="checkbox"/> | A | Provides an all risks cover for unforeseen and sudden physical loss of or damage to the insured machinery |
| | | | B | The loss of the insured machinery was caused by the insured |
| | | | C | It is not common to have policy deductible |
| | | | D | All of the above |
| 414. | 1.5.2(a) | | | Machinery breakdown Insurance covers: |
| | | | A | Consequential loss |
| | | | B | War and nuclear risks |
| | | | C | Risks insured under a fire policy, e.g. fire |
| | | <input checked="" type="checkbox"/> | D | None of the above |
| 415. | 1.5.2(b) | | | Exclusion(s) of machinery breakdown insurance include(s): |
| | | | A | Loss which is lower than the policy deductible |
| | | | B | Loss due to war or related matter |
| | | | C | The consequential loss after the breakdown of the machinery |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 416. | 1.5.2(b) | | | Which of the following is not an exclusion of general machinery breakdown insurance policies? |
| | | | A | War and related risks |
| | | | B | Policy deductible |
| | | <input checked="" type="checkbox"/> | C | Breakdown of the insured machinery itself |
| | | | D | Consequential loss arising from machinery breakdown |
| 417. | 1.5.2(b) | | | Exclusion(s) of machinery breakdown insurance include(s): |
| | | | A | War, nuclear risks and terrorism |

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|------|----------|-------------------------------------|---|--|
| | | <input type="checkbox"/> | B | Policy deductible |
| | | <input checked="" type="checkbox"/> | C | Both A and B |
| | | <input type="checkbox"/> | D | Neither A nor B |
| 418. | 1.5.3 | | Which of the following is not correct to describe contractors' all risk insurance? | |
| | | <input type="checkbox"/> | A | Losses only discovered on taking an inventory is an exclusion |
| | | <input type="checkbox"/> | B | Both Section I and Section II have deductibles |
| | | <input checked="" type="checkbox"/> | C | Section I is covered on an all risks basis, such as faulty design |
| | | <input type="checkbox"/> | D | Weakening or removal of support is an exclusion but can be covered under an endorsement to the policy for an extra premium |
| 419. | 1.5.3(a) | | Government has a contraction project and realizes that the construction work may incur a liability to third party injury or property damage. Which of the following insurance cover is likely to help government handle the risk? | |
| | | <input type="checkbox"/> | A | Erection All Risks Insurance |
| | | <input type="checkbox"/> | B | Contractors' All Risks Insurance (Section I) |
| | | <input checked="" type="checkbox"/> | C | Contractors' All Risks Insurance (Section II) |
| | | <input type="checkbox"/> | D | Contractors' All Risks Insurance and Erection All Risks Insurance |

| Q# | Reference | Mock Questions | | |
|------|-----------|-------------------------------------|---|---|
| 420. | 1.5.3(a) | | Which of the following is not correct to describe Contractors' All Risks Insurance (Section I) | |
| | | <input checked="" type="checkbox"/> | A | Insured cover includes faulty design |
| | | <input type="checkbox"/> | B | Insured cover includes clearing of debris cost |
| | | <input type="checkbox"/> | C | Insured cover includes construction plant |
| | | <input type="checkbox"/> | D | Insured cover includes equipment and construction machinery |
| 421. | 1.5.3(a) | | Which of the following is/are exclusion(s) of Contractors' All Risks Insurance? | |
| | | <input type="checkbox"/> | A | Deductible |
| | | <input type="checkbox"/> | B | Loss due to faulty design |
| | | <input type="checkbox"/> | C | Weakening or removal of support |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 422. | 1.5.3(a) | | The Section I of Contractors' All Risks Insurance provides property insurance on an all risks basis and the Section II: | |
| | | <input type="checkbox"/> | A | Does not have any deductible |
| | | <input type="checkbox"/> | B | Provides pecuniary insurance cover |
| | | <input checked="" type="checkbox"/> | C | Provides liability insurance for third party injury or property damage arising out of the construction work |
| | | <input type="checkbox"/> | D | All of the above |
| 423. | 1.5.3(a) | | The Contractors' All Risks Insurance policy provided in Hong Kong includes: | |
| | | <input type="checkbox"/> | A | Pecuniary insurance |
| | | <input type="checkbox"/> | B | Property insurance |
| | | <input type="checkbox"/> | C | Liability insurance |
| | | <input checked="" type="checkbox"/> | D | A combination of property and liability insurance |
| 424. | 1.5.3(a) | | The Section I of Contractors' All Risks Insurance will provide which of the following? | |
| | | <input type="checkbox"/> | A | Losses only discovered on taking an inventory |
| | | <input type="checkbox"/> | B | Loss due to faulty design |
| | | <input checked="" type="checkbox"/> | C | Loss of the project in progress due to typhoon |
| | | <input type="checkbox"/> | D | All of the above |

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| 425. | 1.5.3(a) | | Contractors' All Risks Insurance includes two sections, and they are: |
| | | A | Section I provides property insurance and Section II provides damage compensation |
| | | ✓ B | Section I provides property insurance and Section II provides liability insurance |
| | | C | Section I provides liability insurance and Section II provides pecuniary insurance |
| | | D | Section I provides compulsory insurance and Section II provides voluntary insurance |
| 426. | 1.5.3(a) | | Government has a land reclamation project and provides materials to the principal. Government can insure such materials with: |
| | | ✓ A | Contractors' All Risks Insurance (Section I) |
| | | B | Contractors' All Risks Insurance (Section II) |
| | | C | Erection All Risks Insurance |
| | | D | Installation and Erection All Risks Insurance |
| 427. | 1.5.3(a) | | Which of the following is covered by Contractors' All Risks Insurance (Section I)? |
| | | A | War |
| | | B | Loss due to wear and tear |
| | | C | Loss due to faulty design |
| | | ✓ D | Damage to the construction materials by an aggrieved staff |
| 428. | 1.5.3(b) | | Which of the following is incorrect in describing Contractors' All Risks Insurance? |
| | | A | Weakening the support to other buildings is an exclusion but can be added to the policy for extra premium |
| | | ✓ B | The Section I cover is on an all risks basis, including faulty design |
| | | C | Both Section I and Section II have deductible |
| | | D | All of the above |

| Q# | Reference | Mock Questions | |
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| 429. | 1.5.3(b) | | The cover of Section I of Contractors' All Risks Insurance includes: |
| | | A | Defective material |
| | | B | Normal wear and tear |
| | | C | Faulty design |
| | | ✓ D | Damage caused by a staff of grievance intentionally |
| 430. | 1.5.3(b) | | A contractor who has a contractors' all risks insurance policy works on a site, a few metres away from Bank of China Tower. Which of the following is not covered by the insurance policy but can be added for extra premium? |
| | | A | Explosion |
| | | B | Own damage due to the weakening of support |
| | | ✓ C | Liability due to weakening of support |
| | | D | Liability of own damage due to the weakening of support |
| 431. | 1.5.3(b) | | Which of the following is not covered by Contractors' All Risks Insurance? |
| | | A | Loss caused by a typhoon |
| | | ✓ B | Theft losses only discovered on taking an inventory |
| | | C | Fire damage during the construction period |
| | | D | Water damage during the construction period |
| 432. | 1.5.3(b) | | Which of the following is/are likely to be the exclusion(s) of Contractors' All Risks Insurance? |
| | | A | Losses only discovered on taking an inventory |
| | | B | Liability due to weakening or removal of support |
| | | C | The deductible set in the liability section |

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| | | <input checked="" type="checkbox"/> D | All of the above |
| 433. | 1.5.3(b) | | Weakening or removal of support of the building usually: |
| | | <input checked="" type="checkbox"/> A | Is the exclusion of Contractors' All Risks Insurance |
| | | <input type="checkbox"/> B | Is the cover of Contractors' All Risks Insurance under the liability section |
| | | <input type="checkbox"/> C | Is the cover of Contractors' All Risks Insurance under the property section |
| | | <input type="checkbox"/> D | It is covered in Contractors' All Risks Insurance if the loss is greater than the deductible |
| 434. | 1.5.3(b) | | The cover of Section II for contractors' all risks insurance is: |
| | | <input type="checkbox"/> A | Liability caused by the cover in Section I |
| | | <input type="checkbox"/> B | Weakening of support to other buildings |
| | | <input checked="" type="checkbox"/> C | Loss of property of third parties |
| | | <input type="checkbox"/> D | All of the above |
| 435. | 1.5.3(b) | | Which of the following is not covered by Contractors' All Risks Insurance? |
| | | <input type="checkbox"/> A | Materials supplied by the principal |
| | | <input type="checkbox"/> B | Clearing of the debris |
| | | <input type="checkbox"/> C | Property damage of the third party |
| | | <input checked="" type="checkbox"/> D | Losses only discovered on taking an inventory |
| 436. | 1.5.4 | | An engineering company receives an engineering project for installation of machinery and realizes that the work may incur a liability to third party. Which of the following insurance policy can help the engineering? |
| | | <input type="checkbox"/> A | Contractors' All Risks Insurance |
| | | <input checked="" type="checkbox"/> B | Erection All Risks Insurance |
| | | <input type="checkbox"/> C | Fire and extra perils insurance |
| | | <input type="checkbox"/> D | Installation and Erection All Risks Insurance |
| 437. | 1.6 | | Which of the following is not a mandatory liability insurance? |
| | | <input type="checkbox"/> A | Employers' Liability Insurance |
| | | <input checked="" type="checkbox"/> B | Public liability |
| | | <input type="checkbox"/> C | Third party motor insurance |
| | | <input type="checkbox"/> D | None of the above |

| Q# | Reference | Mock Questions | |
|------|-----------|---------------------------------------|---|
| 438. | 1.6 | | Which of the following is not likely to be insured by liability insurance? |
| | | <input type="checkbox"/> A | Liability arising from statute |
| | | <input type="checkbox"/> B | Liability arising from negligence |
| | | <input checked="" type="checkbox"/> C | Contractual liability |
| | | <input type="checkbox"/> D | The legal liability arising from an employer to its employees |
| 439. | 1.6 | | Which of the following is/are not covered under a statutory liability policy? |
| | | <input type="checkbox"/> A | Obligation |
| | | <input type="checkbox"/> B | Fault |
| | | <input checked="" type="checkbox"/> C | Contractual liability |
| | | <input type="checkbox"/> D | All of the above |
| 440. | 1.6 | | In liability insurance, liability assumed under a contract: |
| | | <input checked="" type="checkbox"/> A | Is a specific exclusion |
| | | <input type="checkbox"/> B | Must be executed by insurer |
| | | <input type="checkbox"/> C | Must be executed by the insured |

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| | | D | Must be executed as required by law |
| 441. | 1.6 | | Which two of the following are covered in liability insurance? |
| | | i | Liability arising from statute |
| | | ii | Liability arising under Common Law (not intentional) |
| | | iii | Liability arising from intentional violence |
| | | iv | Liability voluntarily admitted under insurance policy |
| | | ✓ A | i and ii |
| | | B | i and iii |
| | | C | ii and iii |
| | | D | iii and iv |
| 442. | 1.6 | | Liability may arise from statute requirement (law made by the legislature) and common law (negligence) and contract (agreement). Which of the following liability is/are covered under a liability insurance? |
| | | A | Common law only |
| | | B | Statutory requirement only |
| | | ✓ C | Statutory requirement and common law only |
| | | D | Statutory requirement, common law and contract |
| 443. | 1.6 | | Which of the following is/are not covered by liability insurance? |
| | | A | Liability arising from negligence |
| | | B | Liability arising from an offence in law |
| | | ✓ C | Liability arising from non-compliance of contractual content |
| | | D | All of the above |
| 444. | 1.6 | | Which of the following is not a long-tail business? |
| | | ✓ A | Fire insurance |
| | | B | Employers' liability |
| | | C | Products liability |
| | | D | Public liability |
| 445. | 1.6 | | Which of the following liability policies are issued on a claims-made basis? |
| | | i | Employers' Liability Insurance |
| | | ii | Professional Indemnity Insurance |
| | | iii | Directors' and Officers' Liability Insurance |
| | | iv | Public Liability Insurance |
| | | A | i and ii |
| | | ✓ B | ii and iii |
| | | C | i, ii and iv |
| | | D | i, iii and iv |

| Q# | Reference | Mock Questions | |
|------|-----------|----------------|---|
| 446. | 1.6 | | A claims-made cover in liability insurance means that claims are only admissible if they: |
| | | A | Occurred during the policy year |
| | | B | Were made before the policy began |
| | | C | Are actually paid during the policy period |
| | | ✓ D | Are made during the period of insurance or a specified period thereafter |
| 447. | 1.6 | | Which of the following liability policies are issued on a claims-occurring basis? |
| | | i | Public Liability Insurance |
| | | ii | Products Liability Insurance |

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| | | <input type="checkbox"/> | iii | Professional Indemnity Insurance |
| | | <input type="checkbox"/> | iv | Employers' Liability Insurance |
| | | <input checked="" type="checkbox"/> | A | i and iv |
| | | <input type="checkbox"/> | B | ii and iii |
| | | <input type="checkbox"/> | C | i, ii and iii |
| | | <input type="checkbox"/> | D | ii, iii and iv |
| 448. | 1.6 | | Which of the following liability policies are issued on a claims-made basis? | |
| | | <input type="checkbox"/> | i | Employers' Liability Insurance |
| | | <input type="checkbox"/> | ii | Professional Indemnity Insurance |
| | | <input type="checkbox"/> | iii | Directors' and Officers' Liability Insurance |
| | | <input type="checkbox"/> | iv | Products Liability Insurance |
| | | <input type="checkbox"/> | A | i and iv |
| | | <input type="checkbox"/> | B | ii and iii |
| | | <input type="checkbox"/> | C | i, ii and iii |
| | | <input checked="" type="checkbox"/> | D | ii, iii and iv |
| 449. | 1.6(a) | | Liability insurance is long-tail business, which means: | |
| | | <input type="checkbox"/> | A | Claims must be reported within the period of policy |
| | | <input type="checkbox"/> | B | Claim result will affect the yearly profit |
| | | <input type="checkbox"/> | C | Every claim will take a long time to get paid |
| | | <input checked="" type="checkbox"/> | D | Claims may arise and develop over a long period of time |
| 450. | 1.6(a) | | Which of the following is not a long-term liability business? | |
| | | <input type="checkbox"/> | A | Product liability |
| | | <input type="checkbox"/> | B | Neglect of duty |
| | | <input type="checkbox"/> | C | Public responsibility |
| | | <input checked="" type="checkbox"/> | D | Fire insurance |
| 451. | 1.6(b) | | In a claims-made policy: | |
| | | <input type="checkbox"/> | A | The occurring date of the accident is a critical factor |
| | | <input checked="" type="checkbox"/> | B | The submission date when the claim raised is a critical factor |
| | | <input type="checkbox"/> | C | All claims shall be settled before the policy expires |
| | | <input type="checkbox"/> | D | Claim settlement can be paid only if the policy is enforced by law |
| 452. | 1.6(b) | | In a claims-occurring policy: | |
| | | <input checked="" type="checkbox"/> | A | The occurring date of the accident is a critical factor |
| | | <input type="checkbox"/> | B | The submission date when the claim raised is a critical factor |
| | | <input type="checkbox"/> | C | All claims shall be settled before the policy expires |
| | | <input type="checkbox"/> | D | Claim settlement can be paid only if the policy is enforced by law |
| 453. | 1.6(b) | | The limitations or exclusions of a claims-made policy may include: | |
| | | <input type="checkbox"/> | A | Claims occurred before the retroactive date |
| | | <input type="checkbox"/> | B | Known circumstances |
| | | <input type="checkbox"/> | C | Know prior acts |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 454. | 1.6.1 | | Which three of the following are correct in describing Employees' Compensation Ordinance? | |
| | | <input type="checkbox"/> | i | Covers the insured's contractor to its employees |
| | | <input type="checkbox"/> | ii | Employees are covered under Common Law |
| | | <input type="checkbox"/> | iii | Covers the liability arising under Employees' Compensation Ordinance |

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| | | iv | Premium is calculated by applying a rate per cent or per mille to the annual payroll of the employer |
| | | A | i, ii and iii |
| | | B | i, ii and iv |
| | | C | i, iii and iv |
| | | ✓ D | ii, iii and iv |

| Q# | Reference | Mock Questions | |
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| 455. | 1.6.1 | | Which of the following is/are not the cover of employees' compensation plan issued in Hong Kong? |
| | | A | Contractual liability to the third party |
| | | B | Legal liability of the insured's contractor to its employees |
| | | C | Does not belong to the employees as specified in the employees' compensation plan of Hong Kong |
| | | ✓ D | All of the above |
| 456. | 1.6.1 | | Common law cover is normally given under Employees' Compensation policies. This means that cover is applicable: |
| | | A | In respect of benefits under the Employees' Compensation legislation only |
| | | B | Only when liability has been incurred in a common law jurisdiction |
| | | C | Only in respect of liability applicable under Hong Kong law |
| | | ✓ D | When the insured has incurred employers' liability otherwise than under the Employees' Compensation Ordinance |
| 457. | 1.6.1 | | Which of the following is/are belonging to compulsory insurance? |
| | | A | Public Liability Insurance |
| | | B | Products Liability Insurance |
| | | ✓ C | Employers' Liability Insurance |
| | | D | All of the above |
| 458. | 1.6.1(a) | | Which of the following is covered in employers' liability insurance? |
| | | A | Liability arising from contract |
| | | B | Employees of the contractors |
| | | C | Liability not caused by employees |
| | | ✓ D | Liability arising from employers' mistakes |
| 459. | 1.6.1(a) | | Which of the following is incorrect in describing Employees' Compensation Ordinance? |
| | | ✓ A | Most prove the negligence of employers |
| | | B | Usually only applies to injury or death |
| | | C | Compensation amount is usually less than an offence in Common Law |
| | | D | Injury or death arising out of and in the course of employment |
| 460. | 1.6.1(a) | | Employers' liability insurance usually covers: |
| | | ✓ A | The legal liability of employers to employees |
| | | B | The legal liability of employers to themselves |
| | | C | The legal liability of employers to non-employees |
| | | D | The legal liability of the employers to their family members |
| 461. | 1.6.1(a) | | Which of the following is applicable according to Employees' Compensation Ordinance? |
| | | A | No matter the injury is arising out of the employment or not, must be compensated |
| | | B | Injury due to negligence of employers, must be compensated |

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| | | <input checked="" type="checkbox"/> C | No matter the injury is due to negligence of the employers or not, must be compensated |
| | | D | Injury not due to negligence of employers, must be compensated |
| 462. | 1.6.1(a) | | Under the Employees' Compensation Ordinance, employees will receive compensation. Which of the following is a correct description? |
| | | A | The employer has to prove that the employee does not have any negligence |
| | | <input checked="" type="checkbox"/> B | The employee does not need to prove that the employer has negligence or fault |
| | | C | The employee has to prove that the employer has negligence or fault |
| | | D | Both the employer and the employee have to prove both parties have not any negligence |
| 463. | 1.6.1(a) | | The liability compensation according to common law (negligence of employers) and not Employees' Compensation Ordinance: |
| | | A | Amount is the same |
| | | B | Belongs to the criminal liability of the employer |
| | | <input checked="" type="checkbox"/> C | Amount of compensation is usually higher |
| | | D | Amount of compensation is usually lower |

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| 464. | 1.6.1(a) | | The employees' compensation policy issued in Hong Kong covers statutory liability and liability incurred in common law. Liability incurred in common law means: |
| | | <input checked="" type="checkbox"/> A | Liability arising from fault |
| | | B | Claim amount is small |
| | | C | Circumstances not belonging to serious injury |
| | | D | Compensation for third party injury due to the insured employees |
| 465. | 1.6.1(a) | | Which of the following is not correct to describe Employees' Compensation Ordinance? |
| | | A | The injury of the employee should occur in the course of employment |
| | | B | The employees' compensation policy premium can be adjusted |
| | | <input checked="" type="checkbox"/> C | Compensation will be paid if the employer has certain negligence |
| | | D | The compensation under the Employees' Compensation Ordinance is usually lower than that of under common law |
| 466. | 1.6.1(b) | | Employees' compensation policy is a compulsory insurance and there are little exclusions which include: |
| | | A | Contractual liability |
| | | B | Injured or deceased persons who are not employees within the meaning of the Employees' Compensation Ordinance |
| | | C | Liability to the employees of the insured's contractors |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 467. | 1.6.1(b) | | Which of the following is the exclusion of an employees' compensation policy? |
| | | A | Liability to common law |
| | | B | Liability to negligence |
| | | C | Liability to employees' compensation |
| | | <input checked="" type="checkbox"/> D | Liability to the employees of the insured's contractors |
| 468. | 1.6.1(b) | | Which of the following is/are exclusion(s) of employees' compensation insurance? |
| | | A | Legal liability assumed under an agreement |
| | | B | Liability of the insured to the employees of the insured's contractors |
| | | C | Employees who are not within the meaning of the employees under the Employees' Compensation Ordinance |

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| | | <input checked="" type="checkbox"/> | D | All of the above |
| 469. | 1.6.1(c) | | The premium calculation of employees' compensation policy is likely based on: | |
| | | | A | Limitation of liability provide by the policy |
| | | <input checked="" type="checkbox"/> | B | Annual payroll of the insured |
| | | | C | Property value owned by the insured |
| | | | D | Maximum benefits to be paid to the employees |
| 470. | 1.6.1(c) | | Premium of employees' compensation insurance: | |
| | | | A | Is never based in adjustment |
| | | | B | Is sometimes based on adjustment |
| | | <input checked="" type="checkbox"/> | C | Is always based on adjustment |
| | | | D | Can be adjusted according to individual insured |
| 471. | 1.6.1(d) | | The insurer declines a claim as the insured breaks the warranty but there is a kind of claims which can overrule the insurer's decision, this is: | |
| | | | A | Personal accident insurance |
| | | | B | Related to insured's property insurance |
| | | <input checked="" type="checkbox"/> | C | Related to compulsory insurance |
| | | | D | All of the above |
| 472. | 1.6.1(d) | | The insurer declines a claim as the insured breaks the warranty but there is a kind of claims which can overrule the insurer's decision, this is: | |
| | | | A | Related to personal accident insurance |
| | | | B | Related to long term insurance |
| | | | C | Related to insured's property insurance |
| | | <input checked="" type="checkbox"/> | D | Related to compulsory insurance |

| Q# | Reference | Mock Questions | | |
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| 473. | 1.6.2 | | Which of the following is correct in describing products liability insurance? | |
| | | | A | Has aggregate limit for claims in the same year |
| | | | B | Mainly covers defective products |
| | | | C | Some countries are claim-conscious which are called dangerous market |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 474. | 1.6.2 | | A consumer product (e.g. electric fan) became a defective product due to an error in the production process, and the consumer claimed the manufacturer's liability as she got hurt in the electric shock. The insurance involved will be: | |
| | | | A | Professional indemnity insurance |
| | | | B | Public liability insurance |
| | | <input checked="" type="checkbox"/> | C | Products liability insurance |
| | | | D | Error and omission cover |
| 475. | 1.6.2 | | Which of the following is incorrect in describing products liability insurance? | |
| | | | A | Mainly covers defective products |
| | | | B | Some countries in North America are called dangerous market |
| | | | C | Usually has an aggregate limit for claims in the same year |
| | | <input checked="" type="checkbox"/> | D | Its scope of cover is exactly the same as public liability |
| 476. | 1.6.2 | | Which of the following exclusion can be found in the products liability insurance? | |
| | | | A | Legal liability arising from the repair, alteration or replacement of any goods |
| | | | B | Legal liability arising from the design, plan, formula or specification of the goods |

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| | | <input checked="" type="checkbox"/> | C | Liability in respect of injury or damage caused by goods sold, supplied or repaired, services rendered |
| | | | D | Liability arising from instruction, advice or information given on the characteristics, use, storage or application of the goods |
| 477. | 1.6.2 | | | Manufacturers and sellers each owes a duty of care to his consumers not to cause them injury or damage by making or selling to them defective products. Which of the following insurance product can insure such risk? |
| | | | A | Public liability insurance |
| | | | B | Professional indemnity insurance |
| | | <input checked="" type="checkbox"/> | C | Products liability insurance |
| | | | D | Employees' compensation insurance |
| 478. | 1.6.2 | | | The cover of products liability insurance includes: |
| | | | i | Problem of the product designs themselves |
| | | | ii | Usually it is claims-made policy |
| | | | iii | Same as public liability |
| | | | iv | Some markets are claim-conscious |
| | | | A | i, ii and iii |
| | | | B | i, ii and iv |
| | | | C | i, iii and iv |
| | | <input checked="" type="checkbox"/> | D | ii, iii and iv |
| 479. | 1.6.2 | | | A third party was injured by an electric shock when he was using the product and he claimed the manufacturer's liability. This will involve the insurance of: |
| | | | A | Third party insurance |
| | | | B | Faulty design insurance |
| | | <input checked="" type="checkbox"/> | C | Products liability insurance |
| | | | D | Professional indemnity insurance |
| 480. | 1.6.2 | | | Which of the following is/are covered by a products liability insurance? |
| | | <input checked="" type="checkbox"/> | A | Liability in respect of injury or damage arising from selling or supplying defective products |
| | | | B | The contractual liability of the manufacturer |
| | | | C | All legal liabilities related to the product |
| | | | D | All of the above |

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| 481. | 1.6.2(a) | | | The liability insurance combination for manufacturers or industrial organizations is likely to provide: |
| | | | A | Public liability only |
| | | <input checked="" type="checkbox"/> | B | Products liability only |
| | | | C | Professional liability only |
| | | | D | All of the above |
| 482. | 1.6.2(a) | | | Under a products liability insurance, people who may incur products liability include: |
| | | | i | Manufacturers |
| | | | ii | Assemblers |
| | | | iii | Repairers |
| | | | iv | Suppliers |
| | | | A | i and iv |
| | | | B | i, ii and iii |
| | | | C | ii, iii and iv |
| | | <input checked="" type="checkbox"/> | D | i, ii, iii and iv |

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| 483. | 1.6.2(c) | | Which of the following is not covered in products liability insurance? |
| | | ✓ A | Dangerous and faulty design of a product |
| | | B | A child is hurt by a defective toy |
| | | C | Crops destroyed by insecticide which had gone wrong in the production process |
| | | D | Medical supplies had an error during the manufacturing process |
| 484. | 1.6.3 | | Which of the following is correct in describing professional indemnity insurance? |
| | | A | It is usually issued on a claims-made basis |
| | | B | It can be issued as a medical malpractice insurance |
| | | C | It will protect against mistakes in professional acts and omission |
| | | ✓ D | All of the above |
| 485. | 1.6.3 | | Which of the following is not correct to describe professional indemnity insurance? |
| | | ✓ A | Cover all the third party liabilities |
| | | B | May issue the cover on a claims-made basis |
| | | C | Professional indemnity insurance providing to doctor is also known as medical malpractice insurance |
| | | D | Protecting against mistakes in professional acts and omissions, including the giving of incompetent advice |
| 486. | 1.6.3 | | A lawyer does not take immediate action and causes his client to suffer huge financial loss. This incident can be compensated by which of the following insurance of the lawyer? |
| | | A | Products liability insurance |
| | | B | Public liability insurance |
| | | C | Consequential liability insurance |
| | | ✓ D | Professional indemnity insurance |
| 487. | 1.6.3 | | Medical malpractice is belonging to: |
| | | A | Employees' compensation insurance |
| | | ✓ B | Professional indemnity insurance |
| | | C | Professional malpractice insurance |
| | | D | White collar third party insurance |
| 488. | 1.6.3 | | Which of the following shall have a professional indemnity insurance? |
| | | A | Insurance agent |
| | | ✓ B | Insurance broker |
| | | C | Professional football player |
| | | D | All of the above |
| 489. | 1.6.3(b) | | Which of the following is/are exclusion(s) of indemnity insurance? |
| | | A | Fines, penalties and punitive damages |
| | | B | Liability arising from dishonesty, fraudulent, criminal or malicious act or omission |
| | | C | Pollution and contamination |
| | | ✓ D | All of the above |

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| 490. | 1.6.3 Note | | People who intend to conduct insurance broker business in Hong Kong must purchase which of the following insurance policy? |
| | | A | Negligence indemnity insurance |
| | | ✓ B | Professional indemnity insurance |
| | | C | Employees' compensation insurance |

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| | | D | Public liability insurance |
| 491. | 1.6.3 Note | | Which of the following is likely to have a professional indemnity insurance? |
| | | A | Bank manager |
| | | ✓ B | Insurance broker |
| | | C | Insurance agent |
| | | D | Professional football player |
| 492. | 1.6.4 | | The claimants of Directors' and Officers' Liability Insurance may include: |
| | | i | Shareholders of the company |
| | | ii | Employees of the company |
| | | iii | Customers |
| | | iv | Creditors |
| | | A | i and ii |
| | | B | i and iii |
| | | C | ii, iii and iv |
| | | ✓ D | i, ii, iii and iv |
| 493. | 1.6.4 | | A Directors' and Officers' Liability Insurance will cover the liability arising from the directors' and officers' alleged wrongful acts, which include: |
| | | i | Breach of duty |
| | | ii | Discrimination or harassment |
| | | iii | Wrongful termination of employment |
| | | iv | Misleading statement |
| | | A | i and ii |
| | | B | i and iii |
| | | C | ii, iii and iv |
| | | ✓ D | i, ii, iii and iv |
| 494. | 1.6.4(b) | | Which of the following is/are the limitation(s) or the exclusion(s) of a Directors' and Officers' Liability Insurance? |
| | | A | Know circumstances |
| | | B | Fines, penalties and punitive damages |
| | | C | Liability arising from dishonesty, fraudulent, criminal or malicious act or omission |
| | | ✓ D | All of the above |
| 495. | 1.6.5 | | Which of the following is not correct to describe public liability insurance? |
| | | A | It does not cover employees |
| | | ✓ B | It covers both the public and the employees |
| | | C | It covers the actual claim loss and legal expenses |
| | | D | The premium is provisional and can be adjustable |
| 496. | 1.6.5 | | Public liability insurance is: |
| | | A | Covering legal liability arising from employees |
| | | ✓ B | Covering legal liability arising from the public |
| | | C | Covering legal liability arising from motor accidents |
| | | D | Covering loss and damage arising from the public |
| 497. | 1.6.5(a) | | Which of the following is correct in describing public liability insurance? |
| | | A | It covers legal expenses of related claims |
| | | B | It covers claims arising from injury and property damage |
| | | C | The claim may be raised in a later stage |
| | | ✓ D | All of the above |

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| 498. | 1.6.5(a) | Which of the following is incorrect in describing public liability insurance? |
| | | A Premium is usually provisional and adjustable |
| | | ✓ B Mainly covers the public and employees |
| | | C The scope of cover excludes employees |
| | | D Covers actual loss and legal expenses |
| 499. | 1.6.5(a) | The concept of public liability insurance is: |
| | | A Providing cover for employees' injury |
| | | B Providing cover for property damage of employees |
| | | C Providing cover for employees' injury and property damage |
| | | ✓ D Providing cover for non-employees' injury and property damage |
| 500. | 1.6.5(a) | Which of the following is correct in describing public liability insurance? |
| | | A Covers the injury of the insured's employee related to work |
| | | ✓ B Premium is adjustable |
| | | C Covers property loss and legal expenses |
| | | D Covers the insured's employees and third parties related to work |
| 501. | 1.6.5(b) | Which of the following is/are exclusion(s) of public liability? |
| | | A Contractual liability |
| | | B Accident happened outside the specified geographic area of cover |
| | | C Other types of policies may be more appropriate to cover the risks |
| | | ✓ D All of the above |
| 502. | 1.6.5(b) | Which of the following is unlikely to be an exclusion of public liability? |
| | | A Liability arising from outside the specified area of cover |
| | | B Insurer's liability arising from contractual terms |
| | | ✓ C Liability arising from the negligence of insured or its employees |
| | | D Other policies (e.g. motor policy) are more appropriate to provide the cover |
| 503. | 1.6.5(b) | Which of the following are the exclusions of public liability insurance? |
| | | i Contractual liability |
| | | ii Accidental liability of third party |
| | | iii Liability arising from outside the specified area of cover |
| | | iv Other types of policies may be more appropriate to cover the risks (such as motor) |
| | | A i, ii and iii |
| | | B i, ii and iv |
| | | ✓ C i, iii and iv |
| | | D ii, iii and iv |
| 504. | 1.6.5(c) | The premium of public liability insurance can be based in the annual payroll and is adjustable. Adjustable means: |
| | | A Premium can be refunded if there is no claim |
| | | B If the payroll is larger than expected, the premium of the following year will be increased |
| | | ✓ C If the payroll is larger than expected, extra premium will be adjusted |
| | | D All of the above |
| 505. | 1.6.5(c) | Which of the following is incorrect in describing the premiums of public liability insurance? |
| | | A Premiums are adjustable |

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| | | <input checked="" type="checkbox"/> B | Premiums shall only be paid in the policy year |
| | | <input type="checkbox"/> C | The premium rate is based on the industry and occupation |
| | | <input type="checkbox"/> D | The premium rate is based on the annual payroll paid by the insured |
| 506. | 1.6.5(c) | | Which of the following is not correct description of public liability? |
| | | <input type="checkbox"/> A | Premium is adjustable |
| | | <input checked="" type="checkbox"/> B | All premiums will be settled after the policy year |
| | | <input type="checkbox"/> C | Premium calculation will depend on the occupation or business |
| | | <input type="checkbox"/> D | Premium calculation will be based on the insured's wages |

| Q# | Reference | Mock Questions | |
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| 507. | 1.6.5(c) | | Which of the following is incorrect in describing the premiums of public liability insurance? |
| | | <input type="checkbox"/> A | Can be adjustable |
| | | <input type="checkbox"/> B | Sometimes cannot be adjustable |
| | | <input type="checkbox"/> C | Adjustable basing on the annual payroll or business turnover |
| | | <input checked="" type="checkbox"/> D | The premium rate for all categories of insurance is standard |
| 508. | 1.6.5(c) | | Which of the following is incorrect in describing the premium basis of public liability insurance? |
| | | <input type="checkbox"/> A | Annual payroll can be a premium basis |
| | | <input type="checkbox"/> B | Annual turnover can be a premium basis |
| | | <input type="checkbox"/> C | Premiums can be non-adjustable |
| | | <input checked="" type="checkbox"/> D | Premiums are paid at the later stage of the policy year |
| 509. | 1.6.5(d) | | A fast-food restaurant has a public liability policy in 2015 and in 2016. In 2017, a customer launched a third-party liability claim against the restaurant for his bodily injury happened in 2015. In this scenario whether 2015 (the first policy) or 2016 (the second policy) shall be responsible for the claim and why? |
| | | <input type="checkbox"/> A | The customer cannot have any compensation because the benefit of doubt goes to the insurer |
| | | <input type="checkbox"/> B | It must be the second policy because a public liability policy is usually issued on a claims-occurring basis |
| | | <input type="checkbox"/> C | It must be the first policy because a public liability policy is usually issued on a claims-made basis |
| | | <input checked="" type="checkbox"/> D | It is very likely to be the first policy because a public liability policy is issued on a claims-occurring basis |
| 510. | 1.6.5(d) | | A fast-food restaurant has a public liability policy in 2018 and in 2019. In 2020, a customer launched a third-party liability claim against the restaurant for his bodily injury happened in 2018. In this scenario whether 2018 (the first policy) or 2019 (the second policy) shall be responsible for the claim and why? |
| | | <input type="checkbox"/> A | It must be the public liability policy of 2018 because a public liability insurance must be issued on a claims-occurring basis |
| | | <input type="checkbox"/> B | It must be the public liability policy of 2019 because a public liability insurance must be issued on a claims-made basis |
| | | <input checked="" type="checkbox"/> C | It is likely to be the public liability policy of 2018 because a public liability insurance is usually issued on a claims-occurring basis |
| | | <input type="checkbox"/> D | It is likely to be the public liability policy of 2019 because a public liability insurance is usually issued on a claims-made basis |
| 511. | 1.6.5(d) | | A fast-food restaurant has a public liability policy in 2018 and in 2019. In 2020, a customer launched a third-party liability claim against the restaurant for his bodily injury happened in 2018. In this scenario whether 2018 (the first policy) or 2019 (the second policy) shall be responsible for the claim and why? |

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| | | A | The customer cannot have any compensation because the 2018 policy had already expired |
| | | B | It must be the public liability policy of 2019 because a public liability insurance must be issued on a claims-made basis |
| | | ✓ C | It is likely to be the public liability policy of 2018 because a public liability insurance is usually issued on a claims-occurring basis |
| | | D | It is likely to be the public liability policy of 2019 because a public liability insurance is usually issued on a claims-made basis |
| 512. | 1.6.5(e) | | Incorporated owners of the building is required to insure the common parts of the building against its liability for the death of, or the bodily injury to any person. The limit of indemnity of the policy should not be less than: |
| | | A | HK\$1,000,000 |
| | | B | HK\$5,000,000 |
| | | ✓ C | HK\$10,000,000 |
| | | D | HK\$100,000,000 |

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| 513. | 1.6.5(f) | | When hotel operator applies for a business license, he is required to take out a public liability policy and the limit of indemnity of the policy should not be less than: |
| | | A | HK\$1,000,000 |
| | | B | HK\$5,000,000 |
| | | ✓ C | HK\$10,000,000 |
| | | D | HK\$100,000,000 |
| 514. | 1.7(a) | | Which of the following is incorrect in describing marine Average? |
| | | ✓ A | It is usually related to under insurance |
| | | B | It means partial loss but not total loss |
| | | C | General average means sharing the loss |
| | | D | Particular average means loss of hull or part of the cargoes |
| 515. | 1.7(a) | | In general, there are two types of Average in marine insurance, one is General Average and other one is: |
| | | A | Specified Average |
| | | ✓ B | Particular Average |
| | | C | Special Average |
| | | D | Named Average |
| 516. | 1.7(a) | | Which of the following is correct to describe the particular average? |
| | | A | Collision of two ships incurring a total loss |
| | | B | The wool are all burnt out during the transit |
| | | ✓ C | Part of the cargo on a container was washed overboard and fell into the sea during a storm |
| | | D | All of the above |
| 517. | 1.7(a) | | Which of the following is/are belonging to particular average in marine insurance? |
| | | A | Fire as a result of electricity leakage cause the damage of the steering |
| | | B | The cargo loss incurred by the theft |
| | | C | Collision of ships incurring a minor loss |
| | | ✓ D | All of the above |
| 518. | 1.7(a) | | Which of the following is incorrect in describing General Average? |
| | | ✓ A | It is not sacrifice in nature |

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| | | B | The entire business adventure is saved |
| | | C | The loss is subject to the rateable contribution |
| | | D | A crisis occurred in the entire business adventure |
| 519. | 1.7(a) | | Saving the adventure business by sacrifice, the party with loss can seek for contribution from the parties interested. This practice is called: |
| | | A | Contribution |
| | | B | Subrogation |
| | | ✓ C | General Average |
| | | D | Pro-rata Average |
| 520. | 1.7(a) | | In marine insurance, a general average is: |
| | | i | The marine adventure must finally be free from a total loss |
| | | ii | The whole marine adventure is facing the same peril |
| | | iii | Voluntary sacrifice to preserve the property |
| | | iv | The loss incurred by voluntary sacrifice is not an accident and it will not be indemnified |
| | | A | i and iv |
| | | ✓ B | i, ii and iii |
| | | C | ii, iii and iv |
| | | D | i, ii, iii and iv |

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| 521. | 1.7(a) | | Which of the following comments regarding general average contributions are true? |
| | | i | The general average act must have been deliberately done |
| | | ii | The sacrifice must have achieved its desired objective |
| | | iii | The loss is to be shared by all interests in the marine adventure |
| | | iv | The loss is to be shared by all except the owners of the goods sacrificed |
| | | A | i and ii |
| | | B | ii and iii |
| | | ✓ C | i, ii and iii |
| | | D | i, iii and iv |
| 522. | 1.7(a) | | Which of the following is incorrect in describing General Average? |
| | | A | The whole marine adventure is facing the same peril |
| | | B | The marine adventure must finally be free from a total loss |
| | | C | The sacrifice is voluntary |
| | | ✓ D | Not applicable to the owners of the goods sacrificed |
| 523. | 1.7(a) | | In marine insurance, there are two types of average, namely particular average and: |
| | | A | Residual average |
| | | B | Partial average |
| | | ✓ C | General average |
| | | D | Common average |
| 524. | 1.7(b) | | A party has saved a vessel or other maritime property from perils of the seas, pirates or enemies, a sum of money is payable by the property owners and it is called: |
| | | A | Sue and Labour Charges |
| | | B | Particular indemnity |
| | | C | Constructive total loss indemnity |
| | | ✓ D | Salvage |

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| 525. | 1.7(d) | | In marine insurance, total loss includes Actual Total Loss and: |
| | | A | Expected Total Loss |
| | | <input checked="" type="checkbox"/> B | Constructive Total Loss |
| | | C | Hypothetical Total Loss |
| | | D | Assumed Total Loss |
| 526. | 1.7(d) | | In marine insurance, constructive total loss means: |
| | | A | The total loss of the hull |
| | | B | The loss incurred after a fire |
| | | C | The loss incurred by the shipowner deliberately |
| | | <input checked="" type="checkbox"/> D | The repairing cost is higher than the total loss |
| 527. | 1.7(d) | | For marine insurance policies, which three of the following reasons of the loss are not Constructive Total Loss but Actual Total Loss? |
| | | i | Vessel lost in a storm |
| | | ii | Vessel is burnt and totally destroyed |
| | | iii | Vessel is stolen and cannot be found |
| | | iv | Vessel is seriously damaged, technically it is repairable but uneconomical to do so |
| | | <input checked="" type="checkbox"/> A | i, ii and iii |
| | | B | i, ii and iv |
| C | i, iii and iv | | |
| D | ii, iii and iv | | |
| 528. | 1.7(f) | | Which of the following is/are correct to describe the valued policies? |
| | | <input checked="" type="checkbox"/> A | The value of the insured property is subject to valuation |
| | | B | Valued policies do not have any sum insured |
| | | C | Valued policies are designed for covering partial loss |
| | | D | All of the above |

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| 529. | 1.7(f) | | The valued policies in marine insurance: |
| | | <input checked="" type="checkbox"/> A | The insured's cargo shall require a valuation before the transit begins |
| | | B | There is no sum insured |
| | | C | Designed for covering partial loss only |
| | | D | All of the above |
| 530. | 1.7(g) | | In marine insurance, Protection and Indemnity Associations will be responsible for which type of insurance? |
| | | A | Marine cargo insurance |
| | | <input checked="" type="checkbox"/> B | Liability insurance |
| | | C | Hull insurance |
| | | D | All of the above |
| 531. | 1.7(g) | | Which of the following is correct in describing Protection and Indemnity Associations? |
| | | A | Belongs to mutual compensation organizations |
| | | B | Provides self-insurance plans representing the operation of shipowners |
| | | C | Mainly responsible for the liability of collision of ships |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 532. | 1.7(g) | | Protection and Indemnity Associations is: |
| | | <input checked="" type="checkbox"/> A | Mutual compensation organization |
| | | B | Patented (partnership) company |

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| | | <input type="checkbox"/> C | Registered charity organization |
| | | <input type="checkbox"/> D | Sole proprietor trading organization |
| 533. | 1.7(g) | | The liability insurance of marine insurance: |
| | | <input type="checkbox"/> A | Usually includes in a marine insurance policy |
| | | <input type="checkbox"/> B | Is a mandatory statutory requirement |
| | | <input type="checkbox"/> C | Cannot be found in a marine insurance policy |
| | | <input checked="" type="checkbox"/> D | Partly provided by Protection and Indemnity Associations |
| 534. | 1.7(h) | | In marine insurance, a set of Institute clauses is widely used as the policy wording and this Institute is: |
| | | <input type="checkbox"/> A | Institute of America Underwriters |
| | | <input checked="" type="checkbox"/> B | Institute of London Underwriters |
| | | <input type="checkbox"/> C | Institute of Hong Kong Underwriters |
| | | <input type="checkbox"/> D | Institute of Marine Underwriters |
| 535. | 1.7.1(a) | | Which of the following is correct to describe the marine cargo insurance? |
| | | <input type="checkbox"/> A | It includes General Average but not Salvage |
| | | <input type="checkbox"/> B | It includes Salvage but not General Average |
| | | <input checked="" type="checkbox"/> C | It includes both General Average and Salvage |
| | | <input type="checkbox"/> D | It does not include General Average and Salvage |
| 536. | 1.7.1(a) | | Which of the following is not correct to describe the marine cargo insurance? |
| | | <input type="checkbox"/> A | The cover is on warehouse to warehouse basis |
| | | <input type="checkbox"/> B | Marine cargo is substantially property insurance, usually in the form of a set of Institute Cargo Clauses |
| | | <input checked="" type="checkbox"/> C | Can pay extra premium to extend the cover to General Average and Salvage |
| | | <input type="checkbox"/> D | Institute Cargo Clauses A covers all risks and Institute Cargo Clauses B and C covers specified risks |
| 537. | 1.7.1(a) | | A cargo is insured in a Marine Cargo policy, under the Institute Cargo Clauses A (ICC(A)). The cargo was on fire at the custom. Which of the following is the correct description? |
| | | <input type="checkbox"/> A | The cargo loss can be indemnified because the policy is issued on harbour to harbour and on all risks basis |
| | | <input checked="" type="checkbox"/> B | The cargo loss can be indemnified because the policy is issued on warehouse to warehouse and on all risks basis |
| | | <input type="checkbox"/> C | The cargo loss cannot be indemnified because the policy is issued on warehouse to warehouse and on specified risks basis |
| | | <input type="checkbox"/> D | The cargo loss cannot be indemnified because the policy is issued on harbour to harbour and on specified risks basis |

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| 538. | 1.7.1(a) | | A cargo is insured in a Marine Cargo policy, under the Institute Cargo Clauses A (ICC(A)). The cargo has been delivered to the buyer's warehouse and then it was on fire. Which of the following is the correct description? |
| | | <input type="checkbox"/> A | The cargo loss can be indemnified because the policy is issued on harbour to harbour and on all risks basis |
| | | <input type="checkbox"/> B | The cargo loss can be indemnified because the policy is issued on warehouse to warehouse and on all risks basis |
| | | <input type="checkbox"/> C | The cargo loss cannot be indemnified because the cover should be provided by a fire policy |
| | | <input checked="" type="checkbox"/> D | The cargo loss cannot be indemnified because the policy will expire once the cargo reaches the buyer's warehouse |
| 539. | 1.7.1(a) | | Under the cover of Institute Cargo Clauses, the cover of Warehouse to Warehouse is: |

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| | | <input type="checkbox"/> | A | Involves with land transits only |
| | | <input type="checkbox"/> | B | Involves with sea transits only |
| | | <input type="checkbox"/> | C | Involves transportation process from port to warehouse only |
| | | <input checked="" type="checkbox"/> | D | Entire transportation process, including land and sea transits |
| 540. | 1.7.1(a) | | Which of the following provides the widest scope of cover for marine insurance? | |
| | | <input type="checkbox"/> | A | Agreed values policy |
| | | <input checked="" type="checkbox"/> | B | Institute Cargo Clauses (A) |
| | | <input type="checkbox"/> | C | Institute Cargo Clauses (B) |
| | | <input type="checkbox"/> | D | Institute Cargo Clauses (C) |
| 541. | 1.7.1(a) | | Which three of the following marine insurance policies are based on specified risks? | |
| | | <input type="checkbox"/> | i | Institute Cargo Clauses (A) |
| | | <input type="checkbox"/> | ii | Institute Cargo Clauses (B) |
| | | <input type="checkbox"/> | iii | Institute Cargo Clauses (C) |
| | | <input type="checkbox"/> | iv | Institute Yacht Clauses |
| | | <input type="checkbox"/> | A | i, ii and iii |
| | | <input type="checkbox"/> | B | i, ii and iv |
| | | <input type="checkbox"/> | C | i, iii and iv |
| | | <input checked="" type="checkbox"/> | D | ii, iii and iv |
| 542. | 1.7.1(a) | | Institute Cargo Clauses (A) is issued on all risks basis and so which of the following will be covered? | |
| | | <input type="checkbox"/> | A | The cargo was damaged in a fire |
| | | <input type="checkbox"/> | B | The cargo was stolen during the transit |
| | | <input type="checkbox"/> | C | The cargo was washed overboard during the voyage |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 543. | 1.7.1(a) | | Which of the following marine insurance is/are issued on an all risks basis? | |
| | | <input type="checkbox"/> | i | Hull Insurance |
| | | <input type="checkbox"/> | ii | Institute Cargo Clauses (A) |
| | | <input type="checkbox"/> | iii | Institute Cargo Clauses (B) |
| | | <input type="checkbox"/> | iv | Pleasure Craft Insurance |
| | | <input checked="" type="checkbox"/> | A | ii only |
| | | <input type="checkbox"/> | B | i and ii |
| | | <input type="checkbox"/> | C | ii and iii |
| | | <input type="checkbox"/> | D | i, iii and iv |
| 544. | 1.7.1(a) | | Which of the following is/are covered under Institute Cargo Clauses (A)? | |
| | | <input type="checkbox"/> | A | Fire |
| | | <input type="checkbox"/> | B | Theft |
| | | <input type="checkbox"/> | C | Washing overboard |
| | | <input checked="" type="checkbox"/> | D | All of the above |

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| Q# | Reference | Mock Questions | |
|------|-----------|--|---|
| 545. | 1.7.2 | Average and Salvage in the hull insurance: | |
| | | A | Are exclusions |
| | | <input checked="" type="checkbox"/> B | Are insured perils |
| | | C | Are insurable perils but need to pay an extra premium |
| | | D | Are insurable perils but need to make a request to insurer |
| 546. | 1.7.2 | The premium calculation of hull insurance is based on: | |
| | | A | Type of the cargo |
| | | B | The nationality of the shipowner |
| | | C | The age of the insured |
| | | <input checked="" type="checkbox"/> D | Claims experience of the insured |
| 547. | 1.7.2 | The Marine Hull Insurance covers liability arising from the insured vessel's collision with another vessel, but the policy will only cover 75% of such liability, the remaining 25%: | |
| | | A | The shipowner will not buy the insurance cover |
| | | B | Can insure the risk with another insurer |
| | | <input checked="" type="checkbox"/> C | Can be insured by Protection and Indemnity Associations |
| | | D | Can be insured by another independent Hull Insurance |
| 548. | 1.7.2(a) | Which of the following are the standard features of cover for marine hull insurance? | |
| | | i | Sue and Labour Charges |
| | | ii | General Average and Salvage Charges |
| | | iii | All liabilities which arising from the insured |
| | | iv | Covers the loss of the hull of the insured vessel and its equipment |
| | | A | i and ii |
| | | B | iii and iv |
| | | <input checked="" type="checkbox"/> C | i, ii and iv |
| | | D | i, ii, iii and iv |
| 549. | 1.7.2(a) | In hull insurance, the cover for valued insurance includes: | |
| | | A | Compensates part of the loss only |
| | | B | There is no insured sum for this policy |
| | | <input checked="" type="checkbox"/> C | Claims are payable without deduction for wear and tear |
| | | D | Provides cover only when total loss happens |
| 550. | 1.7.2(a) | In terms of hull collision liability, which of the following organizations may provide the biggest liability cover? | |
| | | A | Protection and Indemnity Associations |
| | | <input checked="" type="checkbox"/> B | Related insurer |
| | | C | Institute of London Underwriters |
| | | D | Responsible insurance agent |
| 551. | 1.7.2(a) | In hull insurance, the policy only covers collision liability: | |
| | | A | 10% |
| | | B | 25% |
| | | <input checked="" type="checkbox"/> C | 75% |
| | | D | 90% |
| 552. | 1.7.2(a) | In hull insurance, the Protection and Indemnity Associations covers collision liability: | |
| | | A | 10% |
| | | <input checked="" type="checkbox"/> B | 25% |
| | | C | 75% |

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| | | D | 90% |
| 553. | 1.7.2(a) | | When damage occurs in hull collision, hull insurance will provide part of the cover, the percentage of hull insurance usually is: |
| | | A | One tenth |
| | | B | Half |
| | | C | One quarter |
| | | ✓ D | Three quarters |

| Q# | Reference | Mock Questions | |
|------|-----------|----------------|---|
| 554. | 1.7.2(b) | | The deductible in hull insurance is: |
| | | ✓ A | Applying to partial loss claims |
| | | B | Applying to total loss claims |
| | | C | Applying to both partial loss claims and total loss claims |
| | | D | Not applying to both partial loss claims and total loss claims |
| 555. | 1.7.2(b) | | The deductible in the Hull Insurance is not applicable to: |
| | | ✓ A | Total loss |
| | | B | Partial loss |
| | | C | Small loss |
| | | D | Big loss |
| 556. | 1.7.2(b) | | The deductible in the Hull Insurance is applicable to: |
| | | A | Total loss |
| | | ✓ B | Partial loss |
| | | C | Small loss |
| | | D | Big loss |
| 557. | 1.7.2(c) | | The premium basis for marine hull insurance is: |
| | | A | Age of the shipowner |
| | | B | Size of the ship |
| | | C | Cargo value of the ship |
| | | ✓ D | Claims experience of the insured |
| 558. | 1.7.3 | | Which of the following is incorrect in describing Yacht Clauses? |
| | | ✓ A | Excluding liability benefits |
| | | B | Deductible is not applying to a total loss claim |
| | | C | Speedboat (17 knots) requires speedboat contract terms |
| | | D | According to the Institute of London Underwriters, it is based on specified risks |
| 559. | 1.7.3 | | Which of the following is not correct to describe Pleasure Craft Insurance? |
| | | A | It provides cover for specified perils |
| | | B | Deductible is not applicable to total loss |
| | | ✓ C | Liability cover is provided by Protection and Indemnity Associations |
| | | D | The speed boat (speed exceeds 17 knots) shall use speedboat contract terms |
| 560. | 1.7.3(b) | | Which of the following is an exclusion of pleasure craft insurance? |
| | | A | Fishing gear on the pleasure craft |
| | | B | Outboard motors falling overboard |
| | | C | A ship's boat not marked with parent boat's name |
| | | ✓ D | All of the above |

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| 561. | 1.7.3(e) | | The indemnity in pleasure craft insurance is usually not subject to any depreciation, but certain specified items can be made for depreciation with deduction up to one third, such as: |
| | | i | Sails |
| | | ii | Outboard motors |
| | | iii | Ship's boat |
| | | iv | Personal effects |
| | | ✓ A | i and ii |
| | | B | i and iii |
| | | C | ii, iii and iv |
| D | i, ii, iii and iv | | |
| 562. | 1.7.4 | | According to the Merchant Shipping (Local Vessels) Ordinance, owner, charterer or coxswains of a local vessel must have an in force a liability insurance policy in respect of the death of or bodily injury to any person caused by or arising out of use of vessel. If there are more than 12 passengers, the third-party sum insured: |
| | | A | HK\$1,000,000 |
| | | B | HK\$5,000,000 |
| | | ✓ C | HK\$10,000,000 |
| | | D | HK\$100,000,000 |

| Q# | Reference | Mock Questions | |
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| 563. | 1.7.4 | | According to the Merchant Shipping (Local Vessels) Ordinance, owner, charterer or coxswains of a local vessel must have an in force a liability insurance policy in respect of the death of or bodily injury to any person caused by or arising out of use of vessel. If there are 12 passengers or less, the third-party sum insured: |
| | | A | HK\$1,000,000 |
| | | ✓ B | HK\$5,000,000 |
| | | C | HK\$10,000,000 |
| | | D | HK\$100,000,000 |
| 564. | 2 | | In the process of underwriting, the basic difference between life and general insurance is: |
| | | A | General insurance involves actual risks only |
| | | B | General insurance usually involves relatively lower sum insured |
| | | ✓ C | Underwriting of life insurance is a one-off exercise |
| D | Underwriting of general insurance is a one-off exercise | | |
| 565. | 2 | | The process of underwriting involves: |
| | | A | Risk categories |
| | | B | Selection of risks |
| | | ✓ D | All of the above |
| 566. | 2 | | The person who usually decides if a risk is insurable and the terms of contract are: |
| | | A | Agent |
| | | ✓ B | Underwriter |
| | | C | Insurance broker |
| D | Chief executive officer of the insurer | | |
| 567. | 2 | | The process of underwriting involves: |

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|------|-----|-------------------------------------|--|---|
| | | | A | Calculation of premiums only |
| | | <input checked="" type="checkbox"/> | B | Selection of risks undertaken and terms of the contract |
| | | | C | Selection of risks but not the terms of the contract |
| | | | D | None of the above |
| 568. | 2 | | The process of underwriting involves: | |
| | | | A | Issue policy |
| | | | B | Determine the premium only |
| | | <input checked="" type="checkbox"/> | C | Selection of risks and terms of contract |
| | | | D | Ensure the facts in the proposal form are true |
| 569. | 2 | | Selecting the risks and deciding the terms of contracts, this is: | |
| | | | A | Insurance |
| | | | B | Risk Management |
| | | <input checked="" type="checkbox"/> | C | Underwriting |
| | | | D | Insurance Invitation |
| 570. | 2 | | Underwriting process involves selection of risks and: | |
| | | | A | Paying commission to agents |
| | | | B | Preparation work before issuing the policy |
| | | <input checked="" type="checkbox"/> | C | Deciding the terms of contract |
| | | | D | Ensuring the premiums are properly received |
| 571. | 2.1 | | A duty to reveal all material facts is belonging to which insurance principle? | |
| | | | A | Indemnity |
| | | | B | Proximate Cause |
| | | | C | Insurable Interest |
| | | <input checked="" type="checkbox"/> | D | Utmost Good Faith |

| Q# | Reference | Mock Questions | | |
|------|-----------|-------------------------------------|---|--|
| 572. | 2.1 | | Proposal is an important document for the insured to the insurer, which is used for disclosure of material facts to the insurer. Disclosure of material facts belongs to which insurance principle? | |
| | | | A | Insurable interest |
| | | | B | Proximate cause |
| | | | C | Indemnity |
| | | <input checked="" type="checkbox"/> | D | Utmost good faith |
| 573. | 2.1 | | Which of the following is correct to describe proposal forms? | |
| | | | A | Proposal forms are also known as applications |
| | | | B | Applications is more commonly used in life insurance |
| | | | C | Proposal forms are documents in the form of a questionnaire that the proposer completes when making an application for insurance cover |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 574. | 2.1 | | Another name for proposal form in the Hong Kong insurance market is: | |
| | | <input checked="" type="checkbox"/> | A | Application |
| | | | B | Insurance request note |
| | | | C | Insurance proposition form |
| | | | D | Insurance procurement form |
| 575. | 2.1(a) | | In general insurance, which of the following term has the same meaning as application? | |

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|------|----------|-------------------------------------|-----|--|
| | | <input type="checkbox"/> | A | Cover notes |
| | | <input checked="" type="checkbox"/> | B | Proposal |
| | | <input type="checkbox"/> | C | Certificate of insurance |
| | | <input type="checkbox"/> | D | Renewal request form |
| 576. | 2.1(a) | | | Proposal is also known as: |
| | | <input type="checkbox"/> | i | Application |
| | | <input type="checkbox"/> | ii | Proposal Form |
| | | <input type="checkbox"/> | iii | Request Form |
| | | <input checked="" type="checkbox"/> | A | i and ii |
| | | <input type="checkbox"/> | B | i and iii |
| | | <input type="checkbox"/> | C | ii and iii |
| | | <input type="checkbox"/> | D | i, ii and iii |
| 577. | 2.1(a) | | | A term used in general insurance to mean the same as "application" in life insurance. This term is: |
| | | <input type="checkbox"/> | A | Certificate of insurance |
| | | <input type="checkbox"/> | B | Cover note |
| | | <input checked="" type="checkbox"/> | C | Proposal |
| | | <input type="checkbox"/> | D | Renewal requirements |
| 578. | 2.1.1 | | | The court will decide if a fact is important or not but who shall decide whether the fact is a material fact? |
| | | <input checked="" type="checkbox"/> | A | Insurer |
| | | <input type="checkbox"/> | B | Loss adjuster |
| | | <input type="checkbox"/> | C | Insured |
| | | <input type="checkbox"/> | D | Insurance agent |
| 579. | 2.1.1(a) | | | A farmer is going to buy a fire policy and which of the following is a non-material fact? |
| | | <input checked="" type="checkbox"/> | A | Fact that decreases the risk |
| | | <input type="checkbox"/> | B | Risk had happened before but was not covered by the policy |
| | | <input type="checkbox"/> | C | Involving risk which is higher than expectation |
| | | <input type="checkbox"/> | D | Involving potential loss which is higher than expectation |
| 580. | 2.1.1(a) | | | Any information that could adversely affect the insurability of the risks insured or the terms to be used can be described as: |
| | | <input checked="" type="checkbox"/> | A | Material facts |
| | | <input type="checkbox"/> | B | Necessary facts |
| | | <input type="checkbox"/> | C | Fundamental facts |
| | | <input type="checkbox"/> | D | Underwriting requirements |
| 581. | 2.1.1(a) | | | Which of the following is not a material fact of insurance policy? |
| | | <input checked="" type="checkbox"/> | A | The insured who is 55 years old (public liability) |
| | | <input type="checkbox"/> | B | An office storing large volume of fuel (fire insurance) |
| | | <input type="checkbox"/> | C | A home which had been robbed for many times (home insurance) |
| | | <input type="checkbox"/> | D | Both legs are permanently disable in an accident (personal accident insurance) |
| 582. | 2.1.1(a) | | | Which of the following is a material fact? |
| | | <input type="checkbox"/> | A | Facts that increase risk |
| | | <input type="checkbox"/> | B | Involves previous loss or claim history |
| | | <input type="checkbox"/> | C | Involves previous bad insurance experience |
| | | <input checked="" type="checkbox"/> | D | All of the above |

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| 583. | 2.1.1(b) | | Which of the following is an immaterial fact? |
| | | A | Improve or reduce the facts about the risk |
| | | B | Past experience of loss |
| | | C | Previous experience with claims |
| | <input checked="" type="checkbox"/> | D | All of the above |

| Q# | Reference | Mock Questions | | |
|------|-----------|-------------------------------------|--|---|
| 584. | 2.1.1(b) | | Which of the following is/are non-material fact(s)? | |
| | | A | Previous loss experience | |
| | | B | Previous claim experience | |
| | | <input checked="" type="checkbox"/> | C | Facts which improve or decrease the risk |
| | | D | All of the above | |
| 585. | 2.1.1(b) | | Which of the following is a material fact which does not need to be disclosed? | |
| | | A | Risks are greater than expected | |
| | | B | Potential loss is greater than expected | |
| | | <input checked="" type="checkbox"/> | C | Facts which decrease the risk |
| | | D | Facts relating to previous claims and losses | |
| 586. | 2.1.1(b) | | For the application of agriculture insurance, which of the following is not a material fact? | |
| | | <input checked="" type="checkbox"/> | A | Facts that decrease the risk of flooding |
| | | | B | Facts related to risks which are greater than normal |
| | | | C | The potential loss is greater than standard level |
| | | D | Facts related to the risks which were not covered by a policy due to previous water damage claims experience | |
| 587. | 2.1.1(b) | | Under normal circumstances, to prove the importance of a fact is: | |
| | | | A | Judged by the court |
| | | <input checked="" type="checkbox"/> | B | The insurer's responsibility |
| | | | C | The insured's responsibility |
| | | D | Both the insurer's and the insured's responsibility | |
| 588. | 2.1.1(b) | | Under Utmost Good Faith, which of the following is/are not the material fact(s)? | |
| | | | A | Facts of past loss experience |
| | | | B | Facts of past claims experience |
| | | <input checked="" type="checkbox"/> | C | Facts of common knowledge |
| | | D | All of the above | |
| 589. | 2.1.1(b) | | Which of the following can be deemed as non-material fact? | |
| | | <input checked="" type="checkbox"/> | A | Age of the insured (Personal accident insurance) |
| | | | B | Insured premises had had theft for four times in the past (Theft insurance) |
| | | | C | Insured premises contains a large amount of flammable item (Fire and extra risks insurance) |
| | | D | A motor vehicle has replaced a high performance engine to increase the speed (Motor insurance) | |
| 590. | 2.1.1(c) | | Which of the following is not correct to describe the risk assessment of general insurance? | |
| | | | A | Risk assessment is usually found in the application stage |

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|------|----------|---------------------------------------|--|
| | | <input type="checkbox"/> B | Risk assessment may give risk to a second thought when there is a claim |
| | | <input checked="" type="checkbox"/> C | Same as the life insurance, risk assessment will only find in the application stage |
| | | <input type="checkbox"/> D | Risk assessment is an on-going or at least a repeatable process |
| 591. | 2.1.1(c) | | In general insurance, the assessment of risk to ensure the insurability is: |
| | | <input type="checkbox"/> A | It arises only when there is a claim |
| | | <input type="checkbox"/> B | It arises only when the policy begins |
| | | <input type="checkbox"/> C | It arises only at policy renewal |
| | | <input checked="" type="checkbox"/> D | It arises repeatedly at policy renewal or at some other time |
| 592. | 2.1.1(c) | | The feature of underwriting is: |
| | | <input checked="" type="checkbox"/> A | Requiring continuous underwriting and to renew or revise policy terms every year |
| | | <input type="checkbox"/> B | Similar to life insurance but do not involve the consideration of insurable interest |
| | | <input type="checkbox"/> C | Policy terms are the same as life insurance and cannot be changed after underwriting |
| | | <input type="checkbox"/> D | Same as life insurance, insurable interest must exist at the policy inception |

| Q# | Reference | Mock Questions | |
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| 593. | 2.1.1(d) | | In underwriting, the risk assessment shall consider: |
| | | <input type="checkbox"/> A | Insurability of the risk |
| | | <input type="checkbox"/> B | If the standard wordings are appropriate |
| | | <input type="checkbox"/> C | If any amendments are required for policy wording |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 594. | 2.1.1(d) | | During the general insurance underwriting, which of the following factors will be considered by the underwriter? |
| | | <input type="checkbox"/> A | Insurability of a risk |
| | | <input type="checkbox"/> B | Whether standard premium is appropriate |
| | | <input type="checkbox"/> C | Whether deductible or excess is required |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 595. | 2.1.1(d) | | During the general insurance underwriting, which of the following factors will be considered by the underwriter? |
| | | <input type="checkbox"/> i | Use standard premium or need to adjust the premium higher or lower than the norm |
| | | <input type="checkbox"/> ii | Use the standard wordings or if any amendments (or even tailor-made) are required for policy wordings |
| | | <input type="checkbox"/> iii | Excess |
| | | <input type="checkbox"/> iv | May assign a surveyor to obtain more technical information |
| | | <input type="checkbox"/> A | i and iii |
| | | <input type="checkbox"/> B | i, ii and iv |
| | | <input type="checkbox"/> C | ii, iii and iv |
| | | <input checked="" type="checkbox"/> D | i, ii, iii and iv |
| 596. | 2.1.1(d) | | During the general insurance underwriting, which of the following factors will be considered by the underwriter? |
| | | <input type="checkbox"/> i | Use standard premium or need to adjust the premium higher or lower than the norm |
| | | <input type="checkbox"/> ii | Use the standard wordings or if any amendments (or even tailor-made) are required for policy wordings |
| | | <input type="checkbox"/> iii | Must be claims free in the past |
| | | <input type="checkbox"/> iv | Deductible |
| | | <input type="checkbox"/> A | i and iii |
| | | <input checked="" type="checkbox"/> B | i, ii and iv |
| | | <input type="checkbox"/> C | ii, iii and iv |

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| | | D | i, ii, iii and iv |
| 597. | 2.1.1(d) | | Insurance underwriters may be involved in the risk assessment process: |
| | | A | Risk insurability |
| | | B | The standard premium is/ is not suitable |
| | | C | Whether to apply an excess or deductible |
| | | ✓ D | All of the above |
| 598 | 2.1.2 | | In accessing a risk, an insurer will consider the proposal in two aspects, usually named as physical hazards and: |
| | | A | Invisible hazards |
| | | ✓ B | Moral hazards |
| | | C | Psychological hazards |
| | | D | Non-physical hazards |
| 599. | 2.1.2 | | When considering moral hazards and physical hazards: |
| | | A | There is no difference between the two terms |
| | | B | Physical hazards relate to the human factors concerned |
| | | ✓ C | Physical hazards are less subjective, relating to objective facts |
| | | D | Moral hazards are easier to determine, as they relate to objective facts |
| 600. | 2.1.2 | | The assessment of risk is an integration of the physical nature and related facts, which can be called: |
| | | A | Insured quotient |
| | | B | Moral hazards |
| | | ✓ C | Physical hazards |
| | | D | Factors considered by the underwriter |
| 601. | 2.1.2 | | Which of the following is not a material hazard affecting a risk under normal circumstances? |
| | | A | Attraction to theft (theft insurance) |
| | | B | Unsatisfactory claims experience |
| | | ✓ C | Dishonesty on the part of the insured |
| | | D | Physical condition of the insured (personal accident insurance) |

| Q# | Reference | Mock Questions | |
|------|-----------|----------------|---|
| 602. | 2.1.2(a) | | Which of the following hazard is easy to understand and differentiate as well as has objective characteristics? |
| | | A | Moral hazards |
| | | ✓ B | Physical hazards |
| | | C | Non-moral hazards |
| | | D | Non-physical hazards |
| 603. | 2.1.2(a) | | The answers to the questions in a proposal may lead the insurer to make further enquiry (investigation), for example: |
| | | A | Theft insurance has a large sum insured |
| | | B | Fire insurance has a large sum insured |
| | | C | Motor insurance has several accidental collision records |
| | | ✓ D | All of the above |

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| 604. | 2.1.2(a) | | Which of the following risks are related to physical hazards? |
| | | i | Occupation of the Insured (public liability insurance) |
| | | ii | Structure of the insured building (fire insurance) |
| | | iii | Actual value of the insured item (theft insurance) |
| | | iv | The carelessness and recklessness of the insured and its employees (personal accident insurance) |
| | | ✓ A | i, ii and iii |
| | | B | i, ii and iv |
| | | C | i, iii and iv |
| D | ii, iii and iv | | |
| 605. | 2.1.2(a) | | During underwriting, insurer will consider the physical hazards of the insured. Which of the following is not belonging to physical hazards? |
| | | A | Building materials of the building (Fire insurance) |
| | | B | Job nature of the employees (Employees' compensation insurance) |
| | | C | Attractiveness and value of the subject matter (Theft insurance) |
| | | ✓ D | Carelessness of the employee (Personal accident insurance) |
| 606. | 2.1.2(a) | | When assessing the physical hazards of a fire insurance, what factors will be considered? |
| | | ✓ A | Material of the structure |
| | | B | Age of the insured |
| | | C | Code of conduct of the insured |
| | | D | All of the above |
| 607. | 2.1.2(a) | | When assessing the physical hazards of the insured, which of the following is not correct to describe physical hazards? |
| | | A | Physical hazards indicate it has objective and material characteristics |
| | | ✓ B | Physical hazards are more difficult than moral hazards to be understood and revealed |
| | | C | Physical hazards assessment is one of the factors to decide the premium |
| | | D | Physical hazards concerns matter of common sense |
| 608. | 2.1.2(a) | | Answers to questions in the proposal may lead to further inquiries (inspection) by the insurer such as: |
| | | A | Is taking out theft insurance for large sums of money |
| | | B | Has made multiple claims on auto insurance for accidental crashes |
| | | C | Is taking out a large amount of construction fire insurance |
| | | ✓ D | All of the above |
| 609. | 2.1.2(a)(i) | | Which of the following will not affect the risk of a moral hazard? |
| | | ✓ A | Construction materials of the building |
| | | B | Dishonesty of the insured |
| | | C | Unreasonable attitude of the insured in claims |
| | | D | Carelessness and recklessness of the insured |
| 610. | 2.1.2(b) | | When evaluating a particular policy, successor policyholders gain a comprehensive understanding of the risks. These include two major categories, namely physical hazards and: |
| | | ✓ A | Moral hazard |
| | | B | Non-substantial danger |
| | | C | Invisible danger |
| | | D | Psychological danger |

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| 611. | 2.1.2(b) | | Some subjective factors, such as attitude, behavior and conduct may be considered in the risk assessment. These factors are also called: |
| | | | A Survey report |
| | | ✓ | B Moral hazards |
| | | | C Material facts |
| | | D | Physical (material) hazards |

| Q# | Reference | Mock Questions | |
|------|-----------|----------------|---|
| 612. | 2.1.2(b) | | Which of the following risk(s) will have moral hazards? |
| | | | A Type of building (Property insurance) |
| | | | B Personal health condition (Medical insurance) |
| | | ✓ | C Unreasonableness during a claim (Motor insurance) |
| | | D | All of the above |

| | | | |
|------|----------|---|--|
| 613. | 2.1.2(b) | | Under normal circumstances, which of the following is not belonging to physical hazards? |
| | | | A Type of building (Property insurance) |
| | | ✓ | B Unreasonableness of the insured in a claim |
| | | | C Attractiveness of the insured subject matter (Theft insurance) |
| | | D | Personal health condition (Medical insurance) |

| | | | |
|------|----------|-----|--|
| 614. | 2.1.2(b) | | Which of the following is incorrect in describing moral hazards? |
| | | | A Involves the features of human behavior |
| | | | B There are good and bad moral hazards |
| | | | C Involves dishonesty and other subjective features |
| | | ✓ D | More easily to be discovered than physical hazards |

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| 615. | 2.1.2(b) | | Which of the following risk(s) will have moral hazards? |
| | | | A Dishonesty of the insured |
| | | ✓ | B Building materials of the building |
| | | | C Carelessness and recklessness of the insured |
| | | D | Unreasonableness of the insured |

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|------|-------|---|---|
| 616. | 2.1.3 | | Which of the following is not the key question found in a proposal? |
| | | | A Name of the insured |
| | | ✓ | B Age of the insured |
| | | | C Address of the insured |
| | | D | Claim experience of the insured |

| | | | |
|------|-------|-----|--|
| 617. | 2.1.3 | | Which of the following aspect(s) will be based on when drafting the questions in a proposal? |
| | | | A Details of the insured |
| | | | B Insurance history of the insured |
| | | | C Loss and claims history of the insured |
| | | ✓ D | All of the above |

| | | | |
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| 618. | 2.1.3 | | Proposal is a document which the insured can use it to submit the details of the risk to be insured. This belongs to which of the following insurance principles? |
| | | | A Proximate cause |
| | | | B Subrogation |
| | | ✓ | C Utmost good faith |
| | | D | Insurable interest |

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|------|-------|-----|--|
| 619. | 2.1.3 | | Which of the following are important aspects when applying a motor insurance? |
| | | i | Occupation of the insured |
| | | ii | Age of the insured |
| | | iii | Claims history of the insured |
| | | iv | Name of the insured |
| | | A | i and iii |
| | | B | i, ii and iv |
| | | ✓ D | i, ii, iii and iv |
| 620. | 2.1.3 | | Can a policy issued under a VHIS approved product be attached or attached to other insurance products? |
| | | A | In any case |
| | | B | Under no circumstances |
| | | ✓ D | General and long-term insurance products can be added as long as they do not conflict with the goals of voluntary health insurance and do not reduce the coverage available to policyholders for approved products under the same policy |

| Q# | Reference | Mock Questions | |
|------|-----------|----------------|---|
| 621. | 2.1.3 | | Which of the following are important aspects when purchasing a motor insurance? |
| | | i | Sum insured (comprehensive motor insurance) |
| | | ii | Age of the insured |
| | | iii | Losses history of the insured |
| | | iv | Insurance history |
| | | A | i and iii |
| | | B | i, ii and iv |
| | | ✓ D | i, ii, iii and iv |
| 622. | 2.1.4 | | Which of the following is/are method(s) of obtaining material facts? |
| | | A | Application |
| | | B | Medical report |
| | | ✓ D | All of the above |
| 623. | 2.1.4 | | Where can the insurer obtain the information of the insured? |
| | | A | Enquiries with previous insurers |
| | | B | Insurance intermediaries |
| | | ✓ D | All of the above |
| 624. | 2.1.4 | | Which of the following is/are method(s) of obtaining material facts? |
| | | A | Confidential market information exchanges among insurers |
| | | B | Medical report |
| | | ✓ D | All of the above |
| 625. | 2.1.4 | | Where can the insurer obtain the information of the insured? |

Insurance Intermediaries Quality Assurance Scheme



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|------|----------|---|---|--|
| | | | A | Proposal |
| | | | B | Professional evaluation by inspector |
| | | | C | Medical report by medical personnel |
| | | ✓ | D | All of the above |
| 626. | 2.1.4(a) | | Which of the following general insurance policy basically can only obtain underwriting information from the proposal? | |
| | | | A | Money insurance |
| | | | B | Theft insurance |
| | | ✓ | C | Motor vehicle (private car) |
| | | | D | Fire and extra perils insurance |
| 627. | 2.1.4(a) | | A completed proposal may be the only source of information for which of the following general insurance business? | |
| | | | A | Fire insurance |
| | | | B | Public liability insurance |
| | | | C | Third party liability insurance |
| | | ✓ | D | Motor insurance (private vehicle) |
| 628. | 2.1.4(a) | | For which of the following general insurance business, the completed application form is the only source of information? | |
| | | | A | Fire insurance |
| | | | B | Theft insurance |
| | | ✓ | C | Motor insurance (private car) |
| | | | D | Public responsibility |
| 629. | 2.1.4(f) | | Where can the insurer gather the material facts of the insured? | |
| | | | A | Enquiries with previous insurers |
| | | | B | Enquiries with professional enquiry agents |
| | | | C | Confidential market information exchanges among insurers |
| | | ✓ | D | All of the above |
| 630. | 2.2.1 | | Which of the following is incorrect in describing a quotation of general insurance? | |
| | | | A | Must be in writing |
| | | ✓ | B | Content may involve related the premium or policy terms |
| | | | C | Legally, quotation is deemed to be an offer of contract |
| | | | D | All of the above |
| 631. | 2.2.1 | | Responding to the client's enquiry, the insurer issues a written reply, but it does not represent the actual premium is called: | |
| | | ✓ | A | Quotation |
| | | | B | Policy |
| | | | C | Proposal |
| | | | D | Application form |

| Q# | Reference | Mock Questions | | |
|------|-----------|----------------|--|---|
| 632. | 2.2.1 | | Which of the following is/are correct to describe quotation? | |
| | | | A | It concerns premium and contract terms |
| | | | B | It may be in writing or verbal |
| | | | C | If there is not any specific declaration, it can be taken as an offer |
| | | ✓ | D | All of the above |

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| 633. | 2.2.1 | | In general insurance, quotation is: |
| | | | A Given to the insured by the insurer |
| | | | B Represents the insurer accepts the off of the insured |
| | | ✓ | D Legally represents the insurer issues a formal offer |
| 634. | 2.2.1 | | Which of the following is not correct to describe quotation? |
| | | | A Can be in writing or verbal |
| | | ✓ | B A quotation is normally given to the insurer by the insurance intermediary |
| | | | D If an insurer does not want to be bounded by a quotation, it shall remark for reference only |
| 635. | 2.2.1 | | Which of the following is not correct to describe quotation? |
| | | ✓ | A It must be in writing |
| | | | B It can be used for reference |
| | | | D It represents an offer from the insurer in the court |
| 636. | 2.2.1 | | Which of the following is incorrect in describing quotation? |
| | | | A It can be in writing or by verbal |
| | | | B It represents an offer from the insurer |
| | | ✓ | D The premium involved is finalized |
| 637. | 2.2.1 | | Which of the following is/are correct to describe quotation? |
| | | | A Quotation can be in writing or verbal |
| | | | B Quotation concerns the envisaged premium |
| | | ✓ | D All of the above |
| 638. | 2.2.1 | | Which of the following statements is incorrect about general insurance quotes? |
| | | ✓ | A Must appear in writing |
| | | | B Can relate to premiums and/or contract terms |
| | | | D None of the above is correct |
| 639. | 2.2.1 | | Which of the following statements about insurance quotes is correct? |
| | | | A It must be in writing |
| | | ✓ | B It can relate to premiums and/or contractual terms |
| | | | D All of the above |
| 640. | 2.2.1(c)&(d) | | In an insurance application, the insurer's quotation: |
| | | | A Is bound immediately |
| | | ✓ | C May or may not be constrained |
| | | | D Is only an "invitation to negotiate" and therefore will not be bound |
| 641. | 2.2.2 | | Which of the following is incorrect in describing proposals? |
| | | | B The information and declaration in the proposal will form the basis of contract clause |

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| | | | C | Experts' reports are deemed to be the supplementary information to the proposal |
| | | ✓ | D | There is no need to keep the proposal after the policy is approved |
| 642. | 2.2.2 | | Which of the following is correct in describing proposals? | |
| | | | A | Is useful only at renewal |
| | | | B | Is completely useless and can be discarded at any time |
| | | | C | Will lose its function after underwriting |
| | | ✓ | D | Is an important document and any supplementary information will be deemed part of the proposal |
| 643. | 2.2.2 | | Which of the following is incorrect in describing proposals? | |
| | | | A | Proposal is designed by insurance agents |
| | | | B | Proposal is never used in general insurance |
| | | ✓ | C | Proposal may be the only source of underwriting information |
| | | | D | Proposal is always the only source of underwriting information |
| 644. | 2.2.2 | | During underwriting, insurer may assign a surveyor for further enquiries and such surveyor report: | |
| | | | A | Will not constituent as part of the policy |
| | | | B | Fees are payable by insured |
| | | | C | Is just a formality and not useful to underwriting |
| | | ✓ | D | Will constituent as part of the policy and have to notify the insured accordingly |

| Q# | Reference | Mock Questions | | |
|------|-----------|----------------|--|--|
| 645. | 2.2.2(c) | | The proposal in general insurance: | |
| | | ✓ | A | Is the basic of the policy |
| | | | B | Is only important in the compulsory insurance |
| | | | C | Is not important to most of the insurance business |
| | | | D | Is a temporary document and can be thrown away after the policy issuance |
| 646. | 2.2.2(c) | | The major source of information leading to the issuance of insurance policy and the basis for the promise of insurer is: | |
| | | | A | Policy |
| | | | B | Cover Note |
| | | | C | Warranty |
| | | ✓ | D | Completed proposal |
| 647. | 2.2.2(c) | | Once a proposal is issued to the insurer: | |
| | | | A | Policy is binding |
| | | | B | Insurer cannot ask for further information |
| | | | C | The function of proposal is completed and can be discarded |
| | | ✓ | D | Insurer should keep the document properly for future reference |
| 648. | 2.2.2(e) | | In general insurance, apart from the proposal there are supplementary documents (e.g. experts' reports) and they are: | |
| | | | A | Not part of the proposal |
| | | | B | Submitted and paid by the insured |
| | | ✓ | C | Part of the proposal and shall notify the insured |
| | | | D | Routine tasks and not useful to the underwriting of the policy |
| 649. | 2.2.3(a) | | Which of the following is/are correct to describe a cover note? | |

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| | | <input type="checkbox"/> | A | A cover note binds the insurer |
| | | <input type="checkbox"/> | B | The primary function of a cover note and a certificate of insurance is the same |
| | | <input type="checkbox"/> | C | A cover note is a temporary document and will be replaced by a policy |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 650. | 2.2.3(a) | | | Cover notes are: |
| | | <input type="checkbox"/> | A | Used to have cancellation provisions |
| | | <input type="checkbox"/> | B | Confirming the insurance cover |
| | | <input type="checkbox"/> | C | To be replaced by policy later on |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 651. | 2.2.3(a) | | | Which of the following is/are correct to describe a cover note? |
| | | <input type="checkbox"/> | A | A written confirmation given to the insured by the insurer that the policy does exist |
| | | <input type="checkbox"/> | B | A cover note is a temporary document but it binds the insurer |
| | | <input type="checkbox"/> | C | A cover note frequently has cancellation provision, so that the insurer may come off cover, by giving notice in a prescribed manner |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 652. | 2.2.3(a) | | | Which of the following is correct to describe a cover note? |
| | | <input type="checkbox"/> | A | Can replace a policy |
| | | <input type="checkbox"/> | B | Is a permanent insurance document |
| | | <input checked="" type="checkbox"/> | C | Is temporary and will be replaced by a policy |
| | | <input type="checkbox"/> | D | Once issued, an insurer cannot ask for further information from the insured |
| 653. | 2.2.3(a) | | | An insurance cover note: |
| | | <input type="checkbox"/> | A | Usually has a cancellation provision |
| | | <input type="checkbox"/> | B | Is a temporary document, normally replaced by a policy |
| | | <input type="checkbox"/> | C | Is not conditional; it binds the insurer to provide cover |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 654. | 2.2.3(a) | | | Which of the following is correct in describing cover notes? |
| | | <input checked="" type="checkbox"/> | A | Cover note is a temporary document which will be replaced by policy |
| | | <input type="checkbox"/> | B | It has the same nature as certificate of insurance |
| | | <input type="checkbox"/> | C | It depends whether proposal has sufficient information |
| | | <input type="checkbox"/> | D | All of the above |

| Q# | Reference | Mock Questions | | |
|------|-----------|-------------------------------------|---|---|
| 655. | 2.2.3(a) | | | Which of the following document is an evidence to the insured that an insurance cover does exist? |
| | | <input checked="" type="checkbox"/> | A | Cover note |
| | | <input type="checkbox"/> | B | Policy |
| | | <input type="checkbox"/> | C | Proposal |
| | | <input type="checkbox"/> | D | Certificate of insurance |
| 656. | 2.2.3(b) | | | Which of the following is correct in describing policies? |
| | | <input checked="" type="checkbox"/> | A | It is the evidence of the contract |
| | | <input type="checkbox"/> | B | Once it is issued, it cannot be cancelled |
| | | <input type="checkbox"/> | C | It is issued by seal |
| | | <input type="checkbox"/> | D | All of the above |
| 657. | 2.2.3(b) | | | In general insurance, the basic document for evidence of insurance is: |

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|------|----------|-------------------------------------|--|---|
| | | <input checked="" type="checkbox"/> | A | Policy |
| | | | B | Cover note |
| | | | C | Proposal |
| | | | D | Certificate of insurance |
| 658. | 2.2.3(b) | | Insurance policy issued: | |
| | | | A | Will replace the cover note |
| | | | B | Will be deemed to be an evidence of the contract |
| | | | C | Can integrate with other supplementary documents (proposal) to form part of the entire contract |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 659. | 2.2.3(b) | | Insurance policy: | |
| | | | A | Is the real contract of insurance |
| | | | B | Must be issued in a simple contract |
| | | <input checked="" type="checkbox"/> | C | Is the visible evidence of an insurance contract |
| | | | D | All of the above |
| 660. | 2.2.3(c) | | Which of the following is correct in describing the certificate of insurance? | |
| | | | A | It is used to replace policy |
| | | | B | It provides detailed information about the policy benefits |
| | | <input checked="" type="checkbox"/> | C | It is required by law as a proof of the existence of compulsory insurance cover |
| | | | D | All of the above |
| 661. | 2.2.3(c) | | In general insurance, a permanent document within the contract period can prove the existence of a compulsory insurance and it is: | |
| | | <input checked="" type="checkbox"/> | A | Certificate of insurance |
| | | | B | Policy |
| | | | C | Cover note |
| | | | D | Proposal |
| 662. | 2.2.3(c) | | Which of the following will provide certificate of insurance? | |
| | | | A | Motor insurance |
| | | | B | Travel insurance |
| | | | C | Marine cargo insurance |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 663. | 2.2.3(c) | | Which of the following is correct in describing about certificate of insurance? | |
| | | | A | Its functions are similar to cover note |
| | | | B | It is a proof of compulsory insurance |
| | | | C | It is a separate and permanent document |
| | | <input checked="" type="checkbox"/> | D | All of the above |

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| 664. | 2.2.3(c) | | Which of the following insurance is not expected to issue the certificate of insurance? | |
| | | <input checked="" type="checkbox"/> | A | Fire insurance |
| | | | B | Motor insurance |
| | | | C | Travel insurance |
| | | | D | Marine cargo insurance |
| 665. | 2.2.3(c) | | Which of the following is/are correct to describe a motor car certificate of insurance? | |

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|------|----------|-------------------------------------|--|---|
| | | <input type="checkbox"/> | A | It will replace the cover note |
| | | <input type="checkbox"/> | B | It is an evidence of a policy contract and will show the concerned cover |
| | | <input checked="" type="checkbox"/> | C | It is required by statute |
| | | <input type="checkbox"/> | D | All of the above |
| 666. | 2.2.3(c) | | In some insurance types, the certificate of insurance needs to be recovered if the policy is cancelled. It is: | |
| | | <input type="checkbox"/> | A | Travel insurance |
| | | <input checked="" type="checkbox"/> | B | Motor insurance |
| | | <input type="checkbox"/> | C | Public liability insurance |
| | | <input type="checkbox"/> | D | Marine cargo insurance |
| 667. | 2.2.3(c) | | Which of the following policy is essential for the insurer to recover the certificate of insurance once the policy is cancelled? | |
| | | <input type="checkbox"/> | A | Travel insurance |
| | | <input checked="" type="checkbox"/> | B | Motor insurance |
| | | <input type="checkbox"/> | C | Theft insurance |
| | | <input type="checkbox"/> | D | Marine cargo insurance |
| 668. | 2.2.3(c) | | Which of the following is/are correct to describe the certificate of insurance in a motor insurance? | |
| | | <input type="checkbox"/> | A | It is an evidence of a policy contract |
| | | <input type="checkbox"/> | B | It is statutory required |
| | | <input type="checkbox"/> | C | It is an evidence that the compulsory insurance does exist |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 669. | 2.2.3(c) | | Which two of the following statements regarding certificates of insurance are true? | |
| | | <input type="checkbox"/> | i | Certificates in due time are replaced by the policy |
| | | <input type="checkbox"/> | ii | Certificates are quite separate documents from the policy |
| | | <input type="checkbox"/> | iii | Certificates of insurance will give full details of policy cover |
| | | <input type="checkbox"/> | iv | Certificates are often used to provide formal proof of compulsory insurance |
| | | <input type="checkbox"/> | A | i and ii |
| | | <input type="checkbox"/> | B | ii and iii |
| | | <input checked="" type="checkbox"/> | C | ii and iv |
| | | <input type="checkbox"/> | D | iii and iv |
| 670. | 2.2.4(a) | | During underwriter, distinguishing the features of individual risks falling within the same risk category, so that adjustment up or down to the broad classification premium can be Made. This is called risk: | |
| | | <input type="checkbox"/> | A | Classification |
| | | <input type="checkbox"/> | B | Underwriting |
| | | <input type="checkbox"/> | C | Assessment |
| | | <input checked="" type="checkbox"/> | D | Discrimination |
| 671. | 2.2.4(a) | | The risk discrimination mentioned by insurers means: | |
| | | <input type="checkbox"/> | A | Selecting good risks |
| | | <input type="checkbox"/> | B | Having a preference of good or bad about a proposal |
| | | <input checked="" type="checkbox"/> | C | Adjusting premium to reflect the good or bad features of an individual risk |
| | | <input type="checkbox"/> | D | Declining the application of dangerous business risks |

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| 672. | 2.2.4(a) | | Risk discrimination means: |
| | | A | Distinguishing the risks to be insured |
| | | B | Determining the premium to be adjusted higher or lower |
| | | C | Determining the terms of insurance contract |
| | | ✓ D | All of the above |
| 673. | 2.2.4(a) | | With many types of insurance, the risk is assigned to a particular category, to which predetermined average premium rates will apply. This is: |
| | | ✓ A | Risk classification |
| | | B | Risk assessment |
| | | C | Risk management |
| | | D | Risk discrimination |
| 674. | 2.2.4(a) | | The premium base will differ between various classes. Frequently, a designated rate (usually per cent or per mille) is applied to the following factors, except: |
| | | A | Sum insured |
| | | B | Annual turnover |
| | | C | Annual wage roll |
| | | ✓ D | The actual value of the insured subject matter |
| 675. | 2.2.4(a) | | The premium base will differ between various classes. Frequently, a designated rate (usually per cent or per mille) is applied to the following factor(s), including: |
| | | A | Sum insured |
| | | B | Annual turnover |
| | | C | Annual wage roll |
| | | ✓ D | All of the above, depending on which type of insurance business |
| 676. | 2.2.4(b) | | In general insurance, which of the following is/are correct to describe the premium payment? |
| | | A | Never need to pay the premium first before the cover is valid |
| | | B | Must need to pay the premium first before the cover is valid |
| | | ✓ C | Sometimes the policy wordings strictly provide that cover is conditional upon the premium having been received |
| | | D | None of the above |
| 677. | 2.2.4(b) | | According to the terms of general insurance policy: |
| | | A | Premium must be paid before commencement of cover |
| | | B | Premium is never required to be paid before the policy is in force |
| | | C | Premium payment is not an essential element of policy contract |
| | | ✓ D | Premium may be required to be paid before the policy is in force |
| 678. | 2.2.4(b) | | Which of the following is incorrect in describing the importance of premium payment in general insurance? |
| | | ✓ A | Premium must be paid before commencement of cover |
| | | B | Even the premium has not yet paid, the cover can be in effect |
| | | C | The premium paid to the agent is deemed to be legally paid to the insurer |
| | | D | Premium payment is a condition precedent to the contract and it can be found in some policy terms |
| 679. | 2.2.4(b) | | The policy wordings strictly provide that premium: |
| | | ✓ A | Must be paid before commencement of cover |
| | | B | Sometimes may be paid before commencement of cover |
| | | C | Is never required to be paid before commencement of cover |

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| | | D | Must be paid within thirty days after commencement of cover |
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| Q# | Reference | Mock Questions | |
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| 680. | 2.2.4(b) | | A customer makes the premium payment to the insurance agent. Which of the following is a correct description? |
| | | <input checked="" type="checkbox"/> | A Customer has paid the premium to the insurer |
| | | <input type="checkbox"/> | B The insurance agent will have extra commission as a reward |
| | | <input type="checkbox"/> | C This is not proper as insurance agents has no authority to collect premium on behalf of insurer |
| | | <input type="checkbox"/> | D It constitutes a completed premium payment only when premium has been handed over to insurer |
| 681. | 2.2.4(b) | | Premium is usually paid before the commencement of cover but if the insurer has a credit arrangement that contract can be effective even the premium has not been paid yet. This principle is called: |
| | | <input type="checkbox"/> | A Ex-gratia |
| | | <input type="checkbox"/> | B Grace period |
| | | <input checked="" type="checkbox"/> | C Estoppel |
| | | <input type="checkbox"/> | D Utmost good faith |
| 682. | 2.2.4(b) | | In general insurance, when the premium is paid to the intermediaries: |
| | | <input type="checkbox"/> | A It is not legal under the law |
| | | <input type="checkbox"/> | B The agent can have double amount of commission |
| | | <input type="checkbox"/> | C Not considered the premium has been paid until the sum has reached the insurer |
| | | <input checked="" type="checkbox"/> | D The premium has been legally paid to the insurer |
| 683. | 2.2.4(b) | | According to general insurance policy, which of the following is correct to describe premium payment? |
| | | <input type="checkbox"/> | A May not need to pay at any time |
| | | <input type="checkbox"/> | B Must be paid before commencement of cover |
| | | <input type="checkbox"/> | C Must be paid within 30 days after commencement of cover |
| | | <input checked="" type="checkbox"/> | D Under common law, payment of the premium is not a condition precedent to policy |
| 684. | 2.2.5(a) | | Which of the following is/are correct to describe levies of Motor Insurers' Bureau of Hong Kong? |
| | | <input type="checkbox"/> | A Levy is imposed in additional to the motor policy premium |
| | | <input type="checkbox"/> | B Levy does not belong to insurer and must be passed to the Motor Insurers' Bureau of Hong Kong |
| | | <input type="checkbox"/> | C Levy is 1% of motor premiums |
| | | <input checked="" type="checkbox"/> | D All of the above |
| 685. | 2.2.5(a) | | Organizations or schemes which impose premium levies on insurance include Motor Insurers' Bureau of Hong Kong and: |
| | | <input type="checkbox"/> | A Employees' Compensation Ordinance |
| | | <input type="checkbox"/> | B Employees Compensation Bureau |
| | | <input type="checkbox"/> | C Employees Compensation Protection Scheme |
| | | <input checked="" type="checkbox"/> | D Employees Compensation Assistance Scheme |
| 686. | 2.2.5(a) | | Motor Insurers' Bureau of Hong Kong adds levies to motor policies for the purpose of protecting: |
| | | <input type="checkbox"/> | A Passengers of the insured motor car |
| | | <input type="checkbox"/> | B Property loss in the motor car |
| | | <input type="checkbox"/> | C Property loss caused by the motor car |

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| | | <input checked="" type="checkbox"/> D | Bodily injury or death of a victim in an accident |
| 687. | 2.2.5(a) | | Motor Insurers' Bureau of Hong Kong adds levies to motor policies. Which of the following is correct? |
| | | <input checked="" type="checkbox"/> A | 1% of motor premium |
| | | <input type="checkbox"/> B | 2% of motor premium |
| | | <input type="checkbox"/> C | 3% of motor premium |
| | | <input type="checkbox"/> D | 4% of motor premium |

| Q# | Reference | Mock Questions | |
|------|-----------|---------------------------------------|--|
| 688. | 2.2.5(a) | | Levies are imposed on the premiums of motor insurance and employees' compensation insurance and the purpose is: |
| | | <input type="checkbox"/> A | To increase the tax revenue of Hong Kong |
| | | <input type="checkbox"/> B | To provide extra cover for the insured |
| | | <input type="checkbox"/> C | To help the insurer to deal with large claims amount |
| | | <input checked="" type="checkbox"/> D | To execute the compulsory insurance objectives, when necessary |
| 689. | 2.2.5(a) | | Levies are collected by Motor Insurers' Bureau of Hong Kong adds levies to motor policies for the purpose of compensating a traffic accident victim in respect of hit and run or driving without compulsory insurance cover. Regarding these levies, which of the following is/are correct statement(s)? |
| | | <input type="checkbox"/> A | This levy will be cancelled in the near future |
| | | <input checked="" type="checkbox"/> B | The levy is 1% of the motor premium |
| | | <input type="checkbox"/> C | The levy will help the insured settle the claim to the victim |
| | | <input type="checkbox"/> D | All of the above |
| 690. | 2.2.5(a) | | Which of the following is correct to describe Motor Insurers' Bureau of Hong Kong? |
| | | <input type="checkbox"/> A | Levies are paid by government |
| | | <input type="checkbox"/> B | Levies are voluntary donation by public and insurance industry |
| | | <input type="checkbox"/> C | Levies are paid by insurers, excluding any insured |
| | | <input checked="" type="checkbox"/> D | Levies are collected together with the policy premium |
| 691. | 2.2.5(b) | | Motor Insurers' Bureau of Hong Kong supports the principle of levies when there is a nonexistence of compulsory insurance. Which of the following relating to employees' compensation insurance has the same objective as compulsory motor insurance? |
| | | <input type="checkbox"/> A | The Hong Kong Federation of Insurers |
| | | <input type="checkbox"/> B | Employees Compensation Bureau |
| | | <input type="checkbox"/> C | Employers Liability Assistance Scheme |
| | | <input checked="" type="checkbox"/> D | Employees Compensation Assistance Scheme |
| 692. | 2.2.5(b) | | Employees Compensation Assistance Fund in the Employees Compensation Assistance Scheme is financed by the levies on employees' compensation policies, at the current rate of: |
| | | <input type="checkbox"/> A | 3.8% |
| | | <input type="checkbox"/> B | 4.8% |
| | | <input checked="" type="checkbox"/> C | 5.8% |
| | | <input type="checkbox"/> D | 6.8% |
| 693. | 2.2.5(c) | | Which of the following is/are correct to describe Employees Compensation Insurer Insolvency Bureau? |
| | | <input type="checkbox"/> A | Is an organization of all EC insurers in Hong Kong |
| | | <input type="checkbox"/> B | Income coming from the contribution from insurers |
| | | <input type="checkbox"/> C | A rate of 2% of gross EC premium income |

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| | | <input checked="" type="checkbox"/> | D | All of the above |
| 694. | 2.2.5(d) | | Employees' compensation insurers in Hong Kong encountered immense difficulty in seeking reinsurance cover for terrorism risks. Hong Kong government establishes a facility to cater for terrorism risks in respect of employees' compensation insurance and this facility amount is: | |
| | | | A | HK\$ 100 million |
| | | | B | HK\$ 1 billion |
| | | <input checked="" type="checkbox"/> | C | HK\$ 10 billion |
| | | | D | HK\$ 100 billion |

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| 695. | 2.2.5(d) | | When employees' compensation insurers participate the Government Facility for Terrorism Risks, they are required to pay to the Government a monthly charge calculated at a rate of a certain percentage of the gross premiums of the employees' compensation policies they underwrite in Hong Kong for the month and it is: | |
| | | | A | 2% |
| | | <input checked="" type="checkbox"/> | B | 3% |
| | | | C | 4% |
| | | | D | 5% |
| 696. | 2.2.5(e) | | Starting from April 2021, the Insurance Authority collects a levy (fourth phase) on insurance premiums from policyholders through insurance companies. The levy rate is: | |
| | | | A | 0.04% |
| | | | B | 0.06% |
| | | | C | 0.08% |
| | | <input checked="" type="checkbox"/> | D | 0.1% |
| 697. | 2.3 | | Policy: | |
| | | | A | Has terms which cannot be changed freely |
| | | <input checked="" type="checkbox"/> | B | Is the written evidence of an insurance contract |
| | | | C | Must be sealed before it becomes effective |
| | | | D | Is a necessary certificate of a simple contract |
| 698. | 2.3 | | In Hong Kong, the policy wording: | |
| | | <input checked="" type="checkbox"/> | A | Is not regulated |
| | | | B | Is regulated and stipulated by Hong Kong government |
| | | | C | Is regulated in the compulsory insurance only |
| | | | D | Is regulated in the liability insurance only |
| 699. | 2.3 | | Which of the following is correct to describe policy wordings? | |
| | | | A | Insurers will use a set of standardized policy wording |
| | | <input checked="" type="checkbox"/> | B | Policy wording is freely written by insurers |
| | | | C | Policy wording is written by insureds |
| | | | D | Policy wording is written by insurance intermediaries |
| 700. | 2.3 | | Which of the following is correct to describe policy wordings? | |
| | | | A | Policy wording is strictly regulated by Insurance Authority |
| | | | B | Policy wording is agreed by various insurers |
| | | | C | Policy wording of the same insurance type will be the same |
| | | <input checked="" type="checkbox"/> | D | Policy wording is freely written by insurers |
| 701. | 2.3 | | In Hong Kong, the policy wording: | |

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| | | <input checked="" type="checkbox"/> A | Is not regulated |
| | | <input type="checkbox"/> B | Is regulated and stipulated by Insurance Authority |
| | | <input type="checkbox"/> C | Is regulated in the commercial liability insurance only |
| | | <input type="checkbox"/> D | Is regulated in the compulsory insurance only |
| 702. | 2.3.1(a) | | Plain English policy form can be found in which of the following type of of insurance business? |
| | | <input checked="" type="checkbox"/> A | Personal insurance |
| | | <input type="checkbox"/> B | Liability insurance |
| | | <input type="checkbox"/> C | Commercial insurance |
| | | <input type="checkbox"/> D | Compulsory insurance |
| 703. | 2.3.1(a) | | The so-called plain-English policy wording, used to make policy wording easier to understand, is very likely to be found with: |
| | | <input checked="" type="checkbox"/> A | Personal lines of insurance |
| | | <input type="checkbox"/> B | Commercial lines of insurance |
| | | <input type="checkbox"/> C | Marine insurance policy wording |
| | | <input type="checkbox"/> D | Compulsory classes of insurance only |

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| 704. | 2.3.1(a) | | In general insurance, which of the following is/are included in the policy schedule? |
| | | <input type="checkbox"/> A | Policy number |
| | | <input type="checkbox"/> B | Description of the subject matter |
| | | <input type="checkbox"/> C | Name of the insured |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 705. | 2.3.1(a) | | General insurance policy terms are written in plain English. Which of the following is correct in describing plain English policy form? |
| | | <input type="checkbox"/> A | For user-friendly |
| | | <input type="checkbox"/> B | Mostly found in personal lines insurance but not commercial risks insurance |
| | | <input type="checkbox"/> C | Using the wordings such as we or you |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 706. | 2.3.1(a) | | Which of the following is/are the correct description about plain English policy form? |
| | | <input checked="" type="checkbox"/> A | The intention is for user-friendly |
| | | <input type="checkbox"/> B | Mostly found in commercial risks insurance but not personal line insurance |
| | | <input type="checkbox"/> C | It is not written in legal wordings and so there will be no legal effect |
| | | <input type="checkbox"/> D | All of the above |
| 707. | 2.3.1(a) | | Policies are using plain English policy form because: |
| | | <input checked="" type="checkbox"/> A | User-friendly |
| | | <input type="checkbox"/> B | To align with the formal and traditional legal terms |
| | | <input type="checkbox"/> C | To facilitate the use of third party to express the policy content |
| | | <input type="checkbox"/> D | It is only applicable to commercial risks insurance but not personal line insurance |
| 708. | 2.3.1(a) | | One category of general insurance business which provides cover to individuals but not to commercial clients, and it is called: |
| | | <input checked="" type="checkbox"/> A | Personal lines insurance |
| | | <input type="checkbox"/> B | Private business insurance |
| | | <input type="checkbox"/> C | Non-company business insurance |
| | | <input type="checkbox"/> D | Private policyholder insurance |

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| 709. | 2.3.1(a) | | There is a kind of general insurance business which its policy wording is designed to satisfy the personal needs instead for commercial needs, it is: |
| | | A | Private insurance |
| | | B | Non-corporate policy |
| | | <input checked="" type="checkbox"/> C | Personal insurance |
| | | D | Private policy of the insured |
| 710. | 2.3.1(b) | | Which of the following will not be included in policy schedules? |
| | | A | Sum insured |
| | | <input checked="" type="checkbox"/> B | Arbitration condition |
| | | C | Description of subject matter |
| | | D | Name, address and age of insured |
| 711. | 2.3.1(b) | | Which of the following information is not included in the policy schedule? |
| | | A | Premium |
| | | <input checked="" type="checkbox"/> B | Making reference to the contracting parties |
| | | C | Benefits of the policy |
| | | D | Description of the subject matter of insurance |
| 712. | 2.3.1(b) | | The recital clause of a scheduled policy is likely to include: |
| | | A | The name and address of the insured |
| | | B | A full description of the insured subject matter |
| | | <input checked="" type="checkbox"/> C | A statement saying proposal and declaration will be deemed to be part of the contract |
| | | D | All of the above |

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| 713. | 2.3.1(b) | | In general insurance, which of the following information is/are included in the recital clause of the scheduled policy forms? |
| | | A | Name and address of the insured |
| | | B | Full description of the subject matter of insurance |
| | | <input checked="" type="checkbox"/> C | Making a reference to the contracting parties but not mentioning by name |
| | | D | All of the above |
| 714. | 2.3.1(b) | | In an insurance policy, the section that contains information like name, address, occupation, and age of the insured is called: |
| | | <input checked="" type="checkbox"/> A | Policy schedule |
| | | B | Recital clause |
| | | C | Operative clause |
| | | D | Policy conditions |
| 715. | 2.3.1(b) | | The general exception in the scheduled policy forms means: |
| | | A | Provisos |
| | | B | Also known as Exclusions |
| | | C | Exceptions applying to the whole contract |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 716. | 2.3.1(b) | | Operative clause in the scheduled policy forms includes: |
| | | <input checked="" type="checkbox"/> A | Circumstances under which cover is operative |
| | | B | Signature provided on behalf of the insurer |

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| | | <input type="checkbox"/> C | Policy effective date and expiry date |
| | | <input type="checkbox"/> D | All of the above |
| 717. | 2.3.1(b) | | In a general insurance policy, operative clause indicates the circumstances under which the cover can be indemnified. This is: |
| | | <input type="checkbox"/> A | Attestation clause |
| | | <input type="checkbox"/> B | Recital clause |
| | | <input checked="" type="checkbox"/> C | Operative clause |
| | | <input type="checkbox"/> D | Policy condition |
| 718. | 2.3.1(b) | | In a schedule policy, the part that indicates the circumstances under which the cover is operative (sometimes may include the exclusions) is called: |
| | | <input type="checkbox"/> A | Policy appendix |
| | | <input checked="" type="checkbox"/> B | Insuring clause |
| | | <input type="checkbox"/> C | Recital clause |
| | | <input type="checkbox"/> D | Common exclusions |
| 719. | 2.3.1(b) | | The general exceptions in a policy are: |
| | | <input checked="" type="checkbox"/> A | Applicable to the whole insurance contract |
| | | <input type="checkbox"/> B | Applicable to the cover of recital clause only |
| | | <input type="checkbox"/> C | Applicable to a certain part of related cover |
| | | <input type="checkbox"/> D | Applicable to the restricted operative clause only |
| 720. | 2.3.1(b) | | Which part of the policy confirms that the policy will not provide any cover for every section of the policy? |
| | | <input type="checkbox"/> A | Schedule |
| | | <input type="checkbox"/> B | Recital clause |
| | | <input type="checkbox"/> C | Operative clause |
| | | <input checked="" type="checkbox"/> D | General exceptions |
| 721. | 2.3.1(b) | | Which of the following is/are correct to describe recital clause? |
| | | <input type="checkbox"/> A | An introduction to the contract |
| | | <input type="checkbox"/> B | Making reference to the contracting parties and premium payment |
| | | <input type="checkbox"/> C | Remarking the proposal form and declaration will be deemed as the basis of the contract |
| | | <input checked="" type="checkbox"/> D | All of the above |

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| 722. | 2.3.1(b) | | Signature clause is also known as: |
| | | <input checked="" type="checkbox"/> A | Attestation clause |
| | | <input type="checkbox"/> B | Operative clause |
| | | <input type="checkbox"/> C | Recital clause |
| | | <input type="checkbox"/> D | Insuring clause |
| 723. | 2.3.1(b) | | Policy number, insured name, address, occupation and age can be found in which of the following area in the scheduled policy forms? |
| | | <input checked="" type="checkbox"/> A | Schedule |
| | | <input type="checkbox"/> B | Recital clause |
| | | <input type="checkbox"/> C | Operative clause |
| | | <input type="checkbox"/> D | General exception |

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| 724. | 2.3.2(a) | | Policy limitations which are applicable to every part of the policy, are likely to be found in: |
| | | A | Recital clause |
| | | B | Policy schedule |
| | | ✓ C | Attestation clause |
| | | ✓ D | General exceptions |
| 725. | 2.3.2(a) | | Which of the following is/are description(s) of policy exceptions? |
| | | A | Will always not appear in the policy |
| | | B | Will always appear in every section of the policy |
| | | C | Will appear in one of the sections of the policy |
| | | ✓ D | None of the above |
| 726. | 2.3.2(a) | | Which of the following is the correct description of policy exceptions? |
| | | A | Implied clause and specified clause are not applicable |
| | | B | Specified clause is more important than implied clause |
| | | C | Implied clause and specified clause are listed out in the policy |
| | | ✓ D | Implied clause is applicable but it is not listed out in the policy |
| 727. | 2.3.2(a) | | Exceptions which apply to the whole of the contract: |
| | | A | Policy conditions |
| | | ✓ B | General exceptions |
| | | C | Implied exceptions |
| | | D | Sectional exceptions |
| 728. | 2.3.2(a) | | Exceptions can exclude only part of the cover from individual policy sections, they are: |
| | | A | Policy conditions |
| | | B | General exceptions |
| | | ✓ C | Sectional exceptions |
| | | D | Implied exceptions |
| 729. | 2.3.2(a) | | Which of the following is deemed to be the implied exception to medical insurance? |
| | | A | Self-inflicted injury |
| | | ✓ B | Fraud |
| | | C | Congenital conditions |
| | | D | Pre-existing conditions |
| 730. | 2.3.2(b) | | In general insurance, the policy conditions: |
| | | A | Are always implied |
| | | ✓ B | Can usually be found in the policy |
| | | C | Are the same among all insurers |
| | | D | Can be express or implied |
| 731. | 2.3.2(b) | | Which of the following is not a policy condition? |
| | | A | Arbitration clause |
| | | B | Cancellation clause |
| | | C | Claims clause |
| | | ✓ D | Requirement of insurable interest |

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| 732. | 2.3.2(b) | | The policy condition relating to adjustable premium: |
| | | A | It is usually related to premium of property insurance |
| | | <input checked="" type="checkbox"/> B | Requires the insured to keep adequate relevant records |
| | | C | Strictly speaking, it is not enforceable in law |
| | | D | Is relating to the no claim discount in motor insurance |
| 733. | 2.3.2(b) | | Which of the following policy conditions is/are likely to appear in the general insurance policies issued in Hong Kong? |
| | | A | Arbitration clause |
| | | B | Cancellation clause |
| | | C | Claims clause |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 734. | 2.3.2(b) | | Under-insurance will be subject to the application of average principle, which means: |
| | | A | Will compensate the sum insured |
| | | B | Will compensate the premium paid |
| | | <input checked="" type="checkbox"/> C | Will reduce the compensation according to the ratio of under-insurance existing at the time of loss |
| | | D | Will compensate the two policies at the same time |
| 735. | 2.3.2(b) | | Which of the following is a common condition in policies issued in Hong Kong? |
| | | <input checked="" type="checkbox"/> A | Arbitration |
| | | B | Utmost good faith |
| | | C | Insurable interest |
| | | D | Policy exception |
| 736. | 2.3.2(b) | | The principles of utmost good faith and insurable interest are belonging to which of the following policy terms? |
| | | A | Operative clause |
| | | B | Recital clause |
| | | <input checked="" type="checkbox"/> C | Implied clause |
| | | D | Specified clause |
| 737. | 2.3.2(b) | | Which of the following is not a policy condition? |
| | | A | Claims |
| | | B | Arbitration |
| | | C | Cancellation |
| | | <input checked="" type="checkbox"/> D | Time requirement of the need of insurable interest |
| 738. | 2.3.2(b) | | Which of the following policy condition(s) can be found in the general insurance policies? |
| | | A | Claims or quantum requested |
| | | B | Cancellation clause |
| | | C | Average |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 739. | 2.3.2(b) | | In Hong Kong, the policy conditions in non-marine insurance policies: |
| | | <input checked="" type="checkbox"/> A | Are expressly in written |
| | | B | Are legally regulated |
| | | C | Are always implied |
| | | D | Will be the same among policies issued by all insurers |
| | 2.3.2(b) | | In general insurance policies, which of the following clause(s) can be found? |
| | | A | Cancellation clause |

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| 740. | | <input type="checkbox"/> B | Average clause |
| | | <input type="checkbox"/> C | Arbitration clause |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 741. | 2.3.3(a) | | In motor insurance, the insurer may request an excess for certain specified risks and it is: |
| | | <input type="checkbox"/> A | Imposed excess |
| | | <input checked="" type="checkbox"/> B | Standard excess |
| | | <input type="checkbox"/> C | Voluntary excess |
| | | <input type="checkbox"/> D | Discrimination excess |

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| 742. | 2.3.3(a) | | In motor insurance policies, there is an excess for young driver. It is called: |
| | | <input type="checkbox"/> A | Common excess |
| | | <input checked="" type="checkbox"/> B | Standard excess |
| | | <input type="checkbox"/> C | Voluntary excess |
| | | <input type="checkbox"/> D | Individual excess |
| 743. | 2.3.3(a) | | Which of the following is not an excess in general insurance? |
| | | <input type="checkbox"/> A | Imposed excess |
| | | <input type="checkbox"/> B | Standard excess |
| | | <input type="checkbox"/> C | Voluntary excess |
| | | <input checked="" type="checkbox"/> D | Personal excess |
| 744. | 2.3.3(a) | | Excesses usually include which of the following? |
| | | <input type="checkbox"/> i | Standard excess |
| | | <input type="checkbox"/> ii | Discrimination excess |
| | | <input type="checkbox"/> iii | Imposed excess |
| | | <input type="checkbox"/> iv | Voluntary excess |
| | | <input type="checkbox"/> A | i, ii and iii |
| | | <input type="checkbox"/> B | i, ii and iv |
| | | <input checked="" type="checkbox"/> C | i, iii and iv |
| <input type="checkbox"/> D | ii, iii and iv | | |
| 745. | 2.3.3(a) | | Which of the following is correct in describing standard excess? |
| | | <input type="checkbox"/> A | It is a method used by the insured to obtain a premium deduction |
| | | <input checked="" type="checkbox"/> B | It is applicable to all policies in that class (e.g. young driver excess) |
| | | <input type="checkbox"/> C | It is imposed by the insurer to counteract adverse features |
| | | <input type="checkbox"/> D | All of the above |
| 746. | 2.3.3(a) | | Which of the following is incorrect in describing excess of the general insurance? |
| | | <input type="checkbox"/> A | Imposed excess is additionally assigned by the insurer |
| | | <input type="checkbox"/> B | Standard excess is applicable to all policies in the same class |
| | | <input type="checkbox"/> C | Voluntary excess is requested by the insured |
| | | <input checked="" type="checkbox"/> D | The insured can request to apply excess in every policy type in order to reduce the premium |
| 747. | 2.3.3(a) | | Which of the following excess is used by the underwriters to counteract adverse features but the insured will not have any premium discount? |
| | | <input checked="" type="checkbox"/> A | Imposed excess |
| | | <input type="checkbox"/> B | Standard excess |

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| | | <input type="checkbox"/> | C | Voluntary excess |
| | | <input type="checkbox"/> | D | High risks excess |
| 748. | 2.3.3(a) | | In a motor insurance, which of the following excess(es) can have a premium discount? | |
| | | <input type="checkbox"/> | A | Standard excess |
| | | <input checked="" type="checkbox"/> | B | Voluntary excess |
| | | <input type="checkbox"/> | C | Excess which is imposed by the insurer |
| | | <input type="checkbox"/> | D | All of the above |
| 749. | 2.3.3(b) | | If an insurance policy is subject to deductible, it means: | |
| | | <input checked="" type="checkbox"/> | A | Claim amount below deductible will not be compensated |
| | | <input type="checkbox"/> | B | Insurer can offer premium discount for related policies |
| | | <input type="checkbox"/> | C | If there is an under-insurance, the compensated claim amount will be reduced |
| | | <input type="checkbox"/> | D | All of the above |
| 750. | 2.3.3(b) | | Deductible means: | |
| | | <input type="checkbox"/> | A | A policy provision which can only be found in property insurance |
| | | <input checked="" type="checkbox"/> | B | Part of the loss shall be borne by the insured |
| | | <input type="checkbox"/> | C | The intention to reduce large claims and try to pay the small claims in full |
| | | <input type="checkbox"/> | D | All of the above |

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| 751. | 2.3.3(b) | | Which of the following is a correct in describing deductible? | |
| | | <input type="checkbox"/> | A | Deductible and franchise are meaning the same |
| | | <input checked="" type="checkbox"/> | B | Any claim amount below deductible will not be compensated |
| | | <input type="checkbox"/> | C | Any claim amount above deductible will be fully compensated |
| | | <input type="checkbox"/> | D | None of the above |
| 752. | 2.3.3(c) | | Franchise means: | |
| | | <input type="checkbox"/> | A | Hoping to eliminate small claims |
| | | <input type="checkbox"/> | B | Any claim amount below franchise will not be compensated |
| | | <input type="checkbox"/> | C | Any claim amount above franchise will be fully compensated |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 753. | 2.3.3(c) | | If the policy has a franchise of HK\$500 and now the claim amount is HK\$500, how much will the insurer pay for the claim? | |
| | | <input type="checkbox"/> | A | HK\$300 |
| | | <input type="checkbox"/> | B | HK\$400 |
| | | <input checked="" type="checkbox"/> | C | HK\$500 |
| | | <input type="checkbox"/> | D | The insurer does not need to settle the claim |
| 754. | 2.3.3(c) | | Franchise means: | |
| | | <input type="checkbox"/> | A | A sum that will be deducted in every claim |
| | | <input type="checkbox"/> | B | To eliminate large claims and pay the small claims |
| | | <input type="checkbox"/> | C | Applicable to all property insurance policies |
| | | <input checked="" type="checkbox"/> | D | None of the above |
| 755. | 2.3.4(a) | | Which of the following is/are correct to describe warranty? | |
| | | <input type="checkbox"/> | A | Warranty can be express, implied and neutral |

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| | | <input type="checkbox"/> B | A breach of warranty will automatically discharge policy liability as from the date of inception |
| | | <input checked="" type="checkbox"/> C | Under normal circumstances, warranty are expressly written in the policy |
| | | <input type="checkbox"/> D | All of the above |
| 756. | 2.3.4(a) | | Which of the following descriptions means that the insured will make an absolute promise to take or to avoid taking certain actions? |
| | | <input type="checkbox"/> A | Terms |
| | | <input checked="" type="checkbox"/> B | Warranties |
| | | <input type="checkbox"/> C | Conditions |
| | | <input type="checkbox"/> D | Representations |
| 757. | 2.3.4(a) | | The Code of Conduct for Insurers suggests not to decline a claim because of a breach of warranty unless: |
| | | <input type="checkbox"/> A | The claim amount is huge |
| | | <input type="checkbox"/> B | It is involving a compulsory insurance claim |
| | | <input checked="" type="checkbox"/> C | There is a causal relationship between the breach of the warranty and the claim situation |
| | | <input type="checkbox"/> D | It is not the first time the insured submits the claim for this policy |
| 758. | 2.3.4(a) | | Which of the following is correct in describing the insurance warranties? |
| | | <input type="checkbox"/> i | The insure request the insured to affirm the existence of certain facts |
| | | <input type="checkbox"/> ii | If there is a breach in warranty, the insurer can refuse to pay for the claim |
| | | <input type="checkbox"/> iii | The insurer can request the insured to do something (setting burglar alarm) |
| | | <input type="checkbox"/> iv | The insurer can request the insured to refrain from doing something (must not store flammable liquid) |
| | | <input type="checkbox"/> A | i and ii |
| | | <input type="checkbox"/> B | iii and iv |
| | | <input type="checkbox"/> C | i, ii and iii |
| | | <input checked="" type="checkbox"/> D | i, ii, iii and iv |

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| 759. | 2.3.4(a) | | If the insured committed a breach in warranty that mentioned in the proposal, the insurer will follow the Code of Conduct for Insurers to request a relationship to refuse the claims. Such relationship means: |
| | | <input type="checkbox"/> A | The relationship between the insurer and the warranty |
| | | <input type="checkbox"/> B | The relationship between the insured and the warranty |
| | | <input checked="" type="checkbox"/> C | The loss situation is relevant to the breach in warranty |
| | | <input type="checkbox"/> D | The loss situation and the breach of warranty do not need to have any connection |
| 760. | 2.3.4(a) | | When a fair insurer uses the breach in warranty as a reason to refuse a potential valid claim, it will consider if the breach has any relationship with the claim. This relationship means: |
| | | <input type="checkbox"/> A | Involving any fraudulent nature |
| | | <input type="checkbox"/> B | Same breach of warranty had happened before |
| | | <input type="checkbox"/> C | The breach of warranty is a deliberate act |
| | | <input checked="" type="checkbox"/> D | The loss situation is relevant to the breach in warranty |
| 761. | 2.3.4(a) | | According to the Code of Conduct for Insurers issued by Hong Kong Federation of Insurers, only where a causal connection between a breach of warranty and a loss exists, or under what kind of breach situation will it be used to refuse a claim? |
| | | <input type="checkbox"/> A | The breach is intentional |
| | | <input checked="" type="checkbox"/> B | The breach is fraudulent |

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| | | C | The breach is unwitting |
| | | D | Normally the breach is intentional or unintentional |
| 762. | 2.3.4(a) | | A manufacturer has a fire policy covering the building and the stock. After a fire, there was a substantial loss and the insurer's loss adjuster found some debris in an open area. Loss adjuster highlighted that there is a warranty in the policy saying stock cannot be placed in an open area. What is the impact of this warranty on this incident? |
| | | A | Depending on if the building has any damage because the warranty protects the property |
| | | B | Depending on if the breach in warranty is deliberate as Hong Kong law allows nonmalicious breach in warranty |
| | | ✓ C | If the breach of warranty has not caused any loss, according to the Code of Conduct for Insurers, the concerned insurer cannot use it as an excuse to escape its liability |
| | | D | Depending on whether the insurer, before the loss happened, has drawn the insured's attention to the impact on breach in warranty, if not then the insurer cannot apply this warranty |
| 763. | 2.3.4(a) | | Which of the following is/are correct to describe warranty? |
| | | A | If the insured breach the warranty, the policy will be cancelled |
| | | B | Warranty can be express, implied and neutral |
| | | ✓ C | A causal connection exists between a breach of warranty and a loss, then the insurer can use the breach to refuse a claim |
| | | D | All of the above |
| 764. | 2.3.4(a) | | Which of the following is correct to describe breach of warranty? |
| | | A | In law, if there is a causal connection exists between a breach of warranty and a loss, then insurer does not need to pay the claims |
| | | ✓ B | If there is a causal connection exists between a breach of warranty and a loss, then insurer has a chance to decline the claims |
| | | C | A warranty cannot be breached as it is in connection with statutory law and equity law |
| | | D | Warranty must be express |

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| 765. | 2.3.4(a) | | Which of the following is correct to describe breach of warranty? |
| | | A | Warranty must be express |
| | | B | Warranty can be written, oral or a combination of both |
| | | ✓ C | If there is a causal connection exists between a breach of warranty and a loss, then insurer has a chance to decline the claims |
| | | D | In law, if there is a causal connection exists between a breach of warranty and a loss, then insurer does not need to pay the claims |
| 766. | 2.3.4(a) | | Implied warranties: |
| | | ✓ A | Do not appear in the policy wording |
| | | B | Do not actually have the full force of law |
| | | C | Must be written or printed in the policy |
| | | D | Are exactly the same as express warranties |
| 767. | 2.3.4(b) | | Under certain circumstances, policyholder has delayed his claim submission and so the insurer decline the claim but the policy is still valid. This is belonging to: |
| | | A | Condition subsequent to the contract |
| | | B | Condition precedent to the contract |
| | | ✓ C | Condition precedent to liability |
| | | D | Avoidance of certain conditions and recovery clause |

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| 768. | 2.3.4(b) | | Which of the following is correct in describing conditions in a policy? |
| | | i | It is a fundamental term in a policy |
| | | ii | Breaching of the condition subsequent to the contract will make the contract invalid |
| | | iii | Breaching of the condition precedent to liability will make the claim invalid |
| | | iv | Condition precedent to the contract must be complied with in order for the contract to commence |
| | | A | i and iii |
| | | B | ii and iv |
| | | ✓ D | i, ii, iii and iv |
| 769. | 2.3.4(b) | | Fire policies issued in Hong Kong have included a condition related to misrepresentation, it is: |
| | | A | Warranty |
| | | B | Condition subsequent to the contract |
| | | ✓ C | Condition precedent to the contract |
| D | Condition precedent to liability | | |
| 770. | 2.3.4(b) | | The personal accident insurance policies will usually specify that the insured must notify the insurer upon subsequent change of occupation. If there is a breach in this condition, the policy will be void. This condition is: |
| | | A | Implied clause |
| | | ✓ B | Condition subsequent to the contract |
| | | C | Condition precedent to the contract |
| D | Condition precedent to liability | | |
| 771. | 2.3.4(b) | | A breach of which of the following conditions will invalidate a claim but the policy is still in effect? |
| | | A | Condition subsequent to the contract |
| | | B | Condition precedent to the contract |
| | | ✓ C | Condition precedent to liability |
| D | All of the above | | |
| 772. | 2.3.4(b) | | The condition of claims for most general insurance policies requires the prompt claim notification. Failure to do so will invalidate that claim but the policy is still in force, this is called: |
| | | A | Implied clause |
| | | B | Condition subsequent to the contract |
| | | C | Condition precedent to the contract |
| ✓ D | Condition precedent to liability | | |

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| 773. | 2.3.4(b) | | Policy conditions found in the policies in Hong Kong are: |
| | | ✓ A | Standard written policy provisions |
| | | B | Implied in the policies |
| | | C | Legally regulated |
| D | The same, no matter who the insurers are or what the insurance types are | | |
| 774. | 2.3.4(b) | | There is a condition in the policy which must be complied with in order for the policy to commence, and it is called: |
| | | A | Condition precedent to the policy |
| | | B | Condition subsequent to the contract |

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| | | <input checked="" type="checkbox"/> C | Condition precedent to the contract |
| | | <input type="checkbox"/> D | Condition precedent to liability |
| 775. | 2.3.4(b) | | Policy conditions as found in non-marine insurance policies in Hong Kong: |
| | | <input checked="" type="checkbox"/> A | Are printed provisions |
| | | <input type="checkbox"/> B | Are legally regulated |
| | | <input type="checkbox"/> C | Are always implied |
| | | <input type="checkbox"/> D | Are identical with all policies issued by all insurers |
| 776. | 2.3.4(b) | | The condition of misrepresentation in an insurance policy is: |
| | | <input type="checkbox"/> A | Representation |
| | | <input type="checkbox"/> B | Condition subsequent to the contract |
| | | <input checked="" type="checkbox"/> C | Condition precedent to the contract |
| | | <input type="checkbox"/> D | Condition precedent to liability |
| 777. | 2.3.4(c) | | Which of the following is incorrect in describing the representations in a proposal? |
| | | <input type="checkbox"/> A | Representations in a proposal can be verbal |
| | | <input type="checkbox"/> B | Representations need to be true if they are material to the risk |
| | | <input checked="" type="checkbox"/> C | Representations must appear in the policy terms |
| | | <input type="checkbox"/> D | All of the above |
| 778. | 2.3.4(c) | | When providing important facts of the insured risk in proposal, such information needs to be true, but this requirement may not be written in the policy wordings. This is: |
| | | <input checked="" type="checkbox"/> A | Representation |
| | | <input type="checkbox"/> B | Declaration |
| | | <input type="checkbox"/> C | Disclaimer |
| | | <input type="checkbox"/> D | Implied clause |
| 779. | 2.3.4(c) | | Representations regarding material facts, made by the proposer in connection with an intended insurance, in the absence of specific contract provisions: |
| | | <input checked="" type="checkbox"/> A | Must be substantially correct |
| | | <input type="checkbox"/> B | Must always be expressed in writing |
| | | <input type="checkbox"/> C | Must be absolutely true and accurate |
| | | <input type="checkbox"/> D | Can be true or untrue without affecting the contract |
| 780. | 2.3.5 | | There are three types of exclusions in the policy terms. Which of the following description(s) is/are correct? |
| | | <input type="checkbox"/> A | General exclusions are applicable to all policies within the particular class |
| | | <input type="checkbox"/> B | Specific exclusions are applied by the underwriter to counteract particular risks |
| | | <input type="checkbox"/> C | Market exclusion are common to policies issued by virtually all insurers operating in the market |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 781. | 2.3.5 | | Which of the following is/are exclusion(s) found in the policies? |
| | | <input type="checkbox"/> A | General exclusion |
| | | <input type="checkbox"/> B | Market exclusion |
| | | <input type="checkbox"/> C | Specific exclusion |
| | | <input checked="" type="checkbox"/> D | All of the above |

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| 782. | 2.3.5(a) | | Which of the following is /are general exclusion(s) of motor insurance? |
| | | <input type="checkbox"/> A | Car racing |

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| | | <input type="checkbox"/> | B | Motor trade |
| | | <input type="checkbox"/> | C | Speed testing |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 783. | 2.3.5(c) | | In general insurance, which of the following is/are the market exclusion(s)? | |
| | | <input type="checkbox"/> | A | War risks |
| | | <input type="checkbox"/> | B | Nuclear risks |
| | | <input type="checkbox"/> | C | Radioactive risks |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 784. | 2.3.5(d) | | Which of the following is correct in describing the concept of public policy? | |
| | | <input type="checkbox"/> | A | It is not a written condition |
| | | <input type="checkbox"/> | B | Breaching public policy, the claim will be invalid |
| | | <input type="checkbox"/> | C | Breaching public policy, the insurance contract cannot provide cover |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 785. | 2.3.5(d) | | Which of the following is not correct in describing public policy? | |
| | | <input checked="" type="checkbox"/> | A | Is protecting the risks of government |
| | | <input type="checkbox"/> | B | Is an implied clause |
| | | <input type="checkbox"/> | C | Policy will not honor the claim if it is contrary to the public policy |
| | | <input type="checkbox"/> | D | Society thinks that a particular claim should not be enforceable under such insurance policy |
| 786. | 2.4.1 | | Which of the following is correct in describing about renewal? | |
| | | <input type="checkbox"/> | A | The policy will be renewed automatically at policy expiry date |
| | | <input checked="" type="checkbox"/> | B | Both the insurer and insured are not bound to renew the policy |
| | | <input type="checkbox"/> | C | The insurer proactively reminds the insured to renew the policy at policy expiry date |
| | | <input type="checkbox"/> | D | The insured proactively reminds the insurer to renew the policy at policy expiry date |
| 787. | 2.4.1 | | Which of the following is incorrect in describing renewals? | |
| | | <input type="checkbox"/> | A | The insurer is not bound to accept the renewal |
| | | <input checked="" type="checkbox"/> | B | The renewal conditions must not be changed |
| | | <input type="checkbox"/> | C | The renewal is deemed to be a new contract |
| | | <input type="checkbox"/> | D | A policy without renewal shall not deem to be a cancellation of policy |
| 788. | 2.4.1 | | General insurance policies normally have a policy term of 12 months. If both contracting parties are dissatisfied with the conditions and do not renew after 12 months, it is called: | |
| | | <input type="checkbox"/> | A | Termination of contract |
| | | <input type="checkbox"/> | B | Cancellation of contract |
| | | <input checked="" type="checkbox"/> | C | Lapsation of contract |
| | | <input type="checkbox"/> | D | Non-renewal of contract |
| 789. | 2.4.1 | | The renewal of general insurance is: | |
| | | <input checked="" type="checkbox"/> | A | Not compulsory |
| | | <input type="checkbox"/> | B | Compulsory for all policies |
| | | <input type="checkbox"/> | C | Compulsory for long term agreement |
| | | <input type="checkbox"/> | D | Compulsory for motor insurance |
| 790. | 2.4.1 | | Which three of the following statements regarding general insurance policy renewals are true in Hong Kong? | |
| | | <input type="checkbox"/> | i | At renewal, the duty of utmost good faith revives |
| | | <input type="checkbox"/> | ii | The renewal technically constitutes the making of a new contract |
| | | <input type="checkbox"/> | iii | Terms of the renewal are freely negotiable between the parties |

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| | | iv | If the insurer does not intend to renew, he must inform the insured |
| | ✓ A | i, ii and iii | |
| | B | i, ii and iv | |
| | C | i, iii and iv | |
| | D | ii, iii and iv | |

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| 791. | 2.4.1 | | Policy lapse means: |
| | | ✓ A | The insured takes no action at the policy expiry |
| | | B | The insurer cancels the policy before the policy expiry |
| | | C | The insured cancels the policy before the policy expiry |
| | | D | The insurer is under liquidation and the policy has to be cancelled |
| 792. | 2.4.1(d) | | Which of the following is best describing the meaning of policy lapse? |
| | | ✓ A | Policy has not renewed |
| | | B | Insurer cancels the policy |
| | | C | Insured cancels the policy |
| | | D | A new policy has replaced the existing policy |
| 793. | 2.4.1(d) | | Which of the following is a lapse of policy but not cancellation of policy? |
| | | A | Policy has been terminated by the insurer |
| | | ✓ B | The period of policy cover expires but the policy is not renewed |
| | | C | Due to the insurer's liquidation, the policy has to be cancelled |
| | | D | The policy contract has been terminated before the expiry date |
| 794. | 2.4.2 | | According to the cancellation clause, which of the following description is correct? |
| | | ✓ A | The insurer and the insured have the right to cancel the policy |
| | | B | If the insurer cancels the policy, short-period premium will be refunded |
| | | C | If the insured cancels the policy, pro-rata premium will be refunded |
| | | D | All of the above |
| 795. | 2.4.2 | | Most general insurance has the cancellation clause. Which two of the following are correct? |
| | | i | No reason is required |
| | | ii | The insurer and the insured can cancel the policy at any time |
| | | iii | If the insurer cancels the policy, pro-rata premium shall be refunded |
| | | iv | If the insurer cancels the policy, the insured can receive the short-period premium |
| | | A | i and ii |
| | | ✓ B | i and iii |
| | | C | ii and iv |
| | | D | iii and iv |
| 796. | 2.4.2 | | In general, under the cancellation clause: |
| | | A | The insurer has the right to cancel the policy |
| | | B | If the policy is cancelled, pro-rata premium will be refunded |
| | | C | In many circumstances, the insured has the right to cancel the policy |
| | | ✓ D | All of the above |
| 797. | 2.4.2 | | Which of the following is correct to describe the cancellation of policy? |
| | | A | All general insurance policies have this clause |
| | | B | This clause is not mandatory as it is declared in common law |
| | | ✓ C | If the insurer cancels the policy, pro-rata premium has to be refunded |

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| | | D | Both the insurer and the insured always have this cancellation right |
| 798. | 2.4.2 | | According to the cancellation clause of general insurance policies, which of the following description(s) is/are correct? |
| | | A | The insurer has the right to cancel a policy |
| | | B | The policies are usually cancelled by the insured |
| | | C | If the policy is cancelled by the insurer, the paid premium will be refunded on pro-rata basis |
| | | ✓ D | All of the above |
| 799. | 2.4.2(a) | | If an insurer cancels a policy, it will usually: |
| | | A | Refund the short-period premium |
| | | B | Refund the paid premium |
| | | C | No refund of any premium |
| | | ✓ D | Refund the premium on a pro-rate basis |

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| 800. | 3.1.1 | | During the claims handling, which of the following is not a proper handling method? |
| | | A | Shall avoid undue delay |
| | | B | Shall avoid unreasonable explanation of the policy |
| | | C | Shall pay the claim as soon as possible if the claim is valid |
| | | ✓ D | When there is a fraud, should refuse the claim at an early stage |
| 801. | 3.1.1 | | If it is necessary to refuse a claim, which of the following is/are good insurance practice? |
| | | i | In normal circumstances, should provide the reason for refusing the claim |
| | | ii | Claims staff should only refuse the claims after serious consideration |
| | | iii | Should refuse all claims at an early stage in order to eliminate small claims |
| | | iv | A senior member of the insurer's staff should review the case before refusing a claim |
| | | A | i and iii |
| | | B | ii and iii |
| | | ✓ C | i, ii and v |
| | | D | i, ii, iii and iv |
| 802. | 3.1.1 | | A valid claim must meet which of the following requirement(s)? |
| | | A | There is no fraud in the claim |
| | | B | The loss must be due to an insured peril |
| | | C | The event giving rise to the claim must occur when the policy is in force |
| | | ✓ D | All of the above |
| 803. | 3.1.1 | | Refusing a claim, which of the following good insurance practice should be followed? |
| | | A | The claim is refused after a thorough claim investigation and consideration |
| | | B | The claim is refused with the confirmation of a senior member of the insurer |
| | | C | Shall give a full explanation to the claimant why the claim has to be refused |
| | | ✓ D | All of the above |
| 804. | 3.1.1 | | Which of the following is/are legal requirement(s) for a valid claim? |
| | | A | Must not breach the public policy |
| | | B | The policy is in force when the accident happens |
| | | C | The claim meets the requirements of implied and express terms of the policy |
| | | ✓ D | All of the above |

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| 805. | 3.1.1 | | Which of the following is/are the standard(s) for a valid claim? |
| | | A | The policy must be in force |
| | | B | There is no fraudulent behavior of the insured |
| | | C | The cause of a loss must be an insured peril |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 806. | 3.1.1 | | Which of the following is/are legal requirement(s) to be satisfied before a valid claim arises under a general insurance policy? |
| | | A | The absence of fraud |
| | | B | The cause of the loss must be covered |
| | | C | The loss occurrence must normally arise within the policy dates |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 807. | 3.1.1 | | Claims disputes involve liability and quantum, and the latter means: |
| | | A | Insured amount |
| | | <input checked="" type="checkbox"/> B | Amount of the claim |
| | | C | Schedule of the claim payment |
| | | D | None of the above |

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| 808. | 3.1.1 | | Which of the following is/are legal requirement(s) for a valid claim? |
| | | i | The policy must not violate the public policy |
| | | ii | The policy is in force when the accident happens |
| | | iii | The proximate cause for the loss must be the insured peril |
| | | iv | The claim meets the requirements of implied and express terms of the policy |
| | | A | i and ii |
| | | B | ii and iii |
| | | <input checked="" type="checkbox"/> D | i, ii, iii and iv |
| 809. | 3.1.1 | | Which of the following will invalidate a claim? |
| | | i | The fraudulent behavior of the insured |
| | | ii | The breach of public policy |
| | | iii | The accident falls into an exclusion |
| | | iv | The insured incident happens after the effective period of the policy |
| | | A | i and iii |
| | | B | ii and iv |
| | | <input checked="" type="checkbox"/> D | i, ii, iii and iv |
| 810. | 3.1.1 | | As suggested by good insurance practice, a breach of warranty in policy should: |
| | | <input checked="" type="checkbox"/> A | To interpret that a claim can be refused |
| | | B | To interpret that an ex gratia payment can be paid |
| | | C | Only when the related warranty appears, then the claim is invalid |
| | | D | Only when there is a fraudulent behavior of the insured, then the claim is invalid |
| 811. | 3.1.1 | | An insurance claim involves two elements which are called Liability and Quantum and, the latter means: |
| | | A | The sum insured of the policy |
| | | <input checked="" type="checkbox"/> B | The compensation amount paid by the insurer |
| | | C | The time for the insurer to make the payment |
| | | D | To confirm if the loss is related to proximate cause |

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| 812. | 3.1.2(c) | | Honoring a claim payment, without any legal liability: |
| | | A | It is illegal |
| | | B | Technical speaking, called sympathy payment |
| | | <input checked="" type="checkbox"/> C | Technical speaking, called ex gratia payment |
| | | D | It is never reasonable because it will penalize other policyholders |
| 813. | 3.1.2(c) | | An ex gratia claim payment is one which: |
| | | <input checked="" type="checkbox"/> A | It is not legally required |
| | | B | It is legally required under the policy |
| | | C | It relates to a benefit rather than an indemnity |
| | | D | It concerns liability under compulsory insurance requirements |
| 814. | 3.1.3 | | A delay in the claim notification: |
| | | <input checked="" type="checkbox"/> A | The benefit of the insurer will be damaged |
| | | B | The insurer is unable to make the relevant compensation |
| | | C | The insured will definitely be unable to receive any compensation |
| | | D | All of the above |
| 815. | 3.1.3(c) | | When an accident happens, the insured should notify the insurer promptly, otherwise the claim will not be accepted. This requirement is related to: |
| | | A | Implied clause |
| | | <input checked="" type="checkbox"/> B | Condition precedent to liability |
| | | C | Condition precedent to the contract |
| | | D | Condition subsequent to the contract |

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| 816. | 3.1.3(c) Note | | An insurer may refuse a claim because the insured has breached the policy terms. However, there is a claim that can be overruled the reason to refuse, which is: |
| | | A | Personal accident insurance |
| | | B | Concerning the insured's property insurance |
| | | <input checked="" type="checkbox"/> C | Concerning the insured's compulsory insurance |
| | | D | All of the above |
| 817. | 3.1.3(f) | | The standard fire insurance policy issued in Hong Kong is subject to Average, which means: |
| | | A | Premium is calculated according to the average property value of the year |
| | | B | Property value is calculated according to the average market value |
| | | C | The policy will be invalid if the sum insured is insufficient when a loss occurs |
| | | <input checked="" type="checkbox"/> D | If the sum insured is insufficient when a loss occurs, the insured will be deemed to be the co-insurers |
| 818. | 3.1.3(f) | | Which of the following change(s) of the insurance terms will affect the legal status? |
| | | A | Contribution |
| | | B | Subrogation |
| | | C | Average |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 819. | 3.1.3(f) | | In Average, if the sum insured of a fire policy is HK\$1 million, the actual value of the insured property is HK\$2 million and the amount of damage in fire is HK\$1 million, then the compensation should be: |
| | | <input checked="" type="checkbox"/> A | HK\$500,000 |

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| | | B | HK\$1,000,000 |
| | | C | HK\$2,000,000 |
| | | D | No compensation will be paid because the sum insured does not match with the actual value of the property |
| 820. | 3.1.3(f) | | In an Average policy, if the sum insured of a policy is HK\$10 million, the actual value of the insured property is HK\$20 million and now the amount of damage is HK\$12 million, then the compensation should be: |
| | | ✓ A | HK\$ 6 million |
| | | B | HK\$ 10 million |
| | | C | HK\$ 12 million |
| | | D | HK\$ 0 because the sum insured is much less than the actual value of the insured property |
| 821. | 3.1.3(f) | | Which of the following change(s) of insurance terms will affect the terms of common law? |
| | | A | Average |
| | | B | Subrogation |
| | | C | Contribution |
| | | ✓ D | All of the above |
| 822. | 3.1.3(f) | | A fire policy has an average clause and which of the following is a correct description? |
| | | A | It will pay 50% of the fire loss |
| | | B | There is a maximum limit to cover an individual loss |
| | | C | The insurer will not settle any claim if the policy is under-insurance |
| | | ✓ D | If the policy is under-insurance, the insured is deemed to be the co-insurer |
| 823. | 3.1.3(f) | | A fire policy has an average clause and which of the following is a correct description? |
| | | A | It will pay 50% of the fire loss |
| | | B | There is a maximum limit to cover an individual loss |
| | | C | The insurer will not settle any claim if the policy is under-insurance |
| | | ✓ D | If the policy is under-insurance, the insured can only receive the partial claim payment |

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| 824. | 3.1.3(f) | | A fire policy has an average clause and which of the following is a correct description? |
| | | A | It will pay 50% of the fire loss |
| | | B | There is a maximum limit to cover an individual loss |
| | | C | The insurer will not settle any claim if the policy is under-insurance |
| | | ✓ D | If the policy is under-insurance, the insured cannot receive the full claim payment |
| 825. | 3.1.4 | | When an accident has occurred, which of the following is/are the responsibility(ies) of the insured? |
| | | A | Preservation of damaged property |
| | | B | Provide the quantum |
| | | C | Disclosure of any other similar insurances |
| | | ✓ D | All of the above |
| 826. | 3.1.4(d) | | Which of the following is not the responsibility of the insured after a loss has occurred? |
| | | A | Providing the reasonable proof of a valid claim |
| | | B | Preservation of damaged property |
| | | ✓ C | Admitting liability to third parties |
| | | D | Disclosure of any other similar insurances |

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| 827. | 3.1.5 | | The fees of the claim documents: |
| | | A | Pay by insurer only |
| | | B | Pay by insured only |
| | | ✓ C | Must be paid by both insurer and insured |
| | | ✓ D | Can be paid by insurer or insured |
| 828. | 3.1.5 | | During a claim, who is responsible to provide the proof of quantum? |
| | | A | Law court |
| | | B | Insurer |
| | | ✓ C | Loss adjuster |
| | | ✓ D | Insured |
| 829. | 3.1.5 | | For general insurance claim, the insurer will usually ask for which of the following document(s) for evidence? |
| | | A | Medical reports |
| | | B | Receipts or other proof of quantum |
| | | ✓ C | Police or other relevant authority reports |
| | | ✓ D | All of the above |
| 830. | 3.1.5(a) | | Producing a receipt for property lost or destroyed is: |
| | | A | Never insisted upon by insurers |
| | | B | Always insisted upon with every type of claim |
| | | ✓ C | A legal requirement that the insurer has no right to waive |
| | | ✓ D | A requirement sometimes waived with minor personal insurance claims |
| 831. | 3.1.5(c) | | Which of the following document is not a required document for marine insurance claims? |
| | | A | Survey report |
| | | B | Original policy |
| | | ✓ C | Bill of landing |
| | | ✓ D | Police report |
| 832. | 3.1.5(c) | | Which of the following documents may be used as evidence for marine insurance claim? |
| | | i | Bill of landing |
| | | ii | Survey report |
| | | iii | Police report |
| | | iv | Original policy |
| | | A | i, ii and iii |
| | | ✓ B | i, ii and iv |
| C | i, iii and iv | | |
| D | ii, iii and iv | | |

| Q# | Reference | Mock Questions | |
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| 833. | 3.1.5(d) | | Which of the following medical report(s) will be paid by the insured? |
| | | A | Report related to the employees' compensation insurance |
| | | ✓ B | Report related to the loss of function for personal accident insurance |
| | | C | Any reports related to the finding of the reason of death |
| | | D | All of the above |
| 834. | 3.1.6 | | Which of the following professional(s) can assist insurers to handle marine policy claims? |
| | | A | Engineers |
| | | ✓ B | Surveyors |
| | | C | Loss adjusters |

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| | | D | All of the above |
| 835. | 3.1.6 | | Which of the following professional(s) can assist insurers to handle non-marine policy claims? |
| | | A | Settling agents |
| | | B | Surveyors |
| | | C | Average adjusters |
| | | <input checked="" type="checkbox"/> D | Loss adjusters |
| 836. | 3.1.6(a) | | When comparing the handling of marine claim and fire claim by surveyors and loss adjusters respectively: |
| | | A | Loss adjusters are appointed by the insured |
| | | B | Insurers do not need to pay for the surveyors |
| | | <input checked="" type="checkbox"/> C | Loss adjusters are appointed and paid by the insurers |
| | | D | Surveyors are appointed by the insurers at the beginning stage |
| 837. | 3.1.6(a) | | When comparing the appointment of surveyors and loss adjusters handling marine claim and fire claim respectively: |
| | | A | Surveyors are appointed by the insurers at the beginning stage |
| | | B | Loss adjusters must be appointed by the insured |
| | | <input checked="" type="checkbox"/> C | Loss adjusters are appointed and paid by the insurers |
| | | D | The insure does not need to pay for the surveyors regardless of anytime |
| 838. | 3.1.6(b) | | Which of the following statement(s) about loss adjusters are correct? |
| | | A | They are appointed by the insurers |
| | | B | Their fees are calculated based on a scale |
| | | C | They are independent experts in their aspects |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 839. | 3.1.6(b) | | Which of the following statement about loss adjusters is incorrect? |
| | | A | They are paid by the insurer |
| | | B | They will provide settlement recommendations |
| | | C | They are independent experts handling property and liability claims |
| | | <input checked="" type="checkbox"/> D | Their remuneration is based on the scale of the Hong Kong Federation of Insurers |
| 840. | 3.1.6(b) | | Which of the following statement about loss adjusters is incorrect? |
| | | A | They are paid by the insurer |
| | | B | They will provide settlement recommendations |
| | | C | They are independent experts, offering impartial advice and services |
| | | <input checked="" type="checkbox"/> D | Their remuneration is based on the market standard scale |
| 841. | 3.1.6(b) | | Which of the following statement(s) about loss adjusters are correct? |
| | | i | They are appointed by the insurer |
| | | ii | They are the specialists in such area |
| | | iii | Their fees are based on a scale |
| | | iv | Their settlement recommendations will have binding power on the insurer but not on the insured |
| | | A | i, and iv |
| | | <input checked="" type="checkbox"/> B | i, ii and iii |
| | | C | ii, iii and iv |
| | | D | i, ii, iii and iv |

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| Q# | Reference | Mock Questions | |
|------|-----------|----------------|--|
| 842. | 3.1.6(b) | | Which of the following is correct to describe the loss adjusters? |
| | | ✓ A | Loss adjuster's remuneration is paid by the insurer |
| | | B | Loss adjuster's remuneration is paid equally by the insurer and the insured |
| | | C | Loss adjuster's remuneration will be deducted from the claim settlement receiving by the insured |
| | | D | If the claim is settled, loss adjuster's remuneration will be paid by the insured |
| 843. | 3.1.6(b) | | Which of the following is incorrect to describe the loss adjusters? |
| | | A | Loss adjuster is appointed by the insurer but he will offer impartial advice |
| | | B | Loss adjuster will offer settlement recommendations |
| | | C | Loss adjuster will comment on the circumstances of the loss and the liability of the insurer |
| | | ✓ D | Loss adjuster's remuneration is subject to the regulations of Insurance Society |
| 844. | 3.1.6(b) | | Which of the following are correct to describe loss adjusters? |
| | | i | They are appointed by insurers |
| | | ii | They are independent experts, offering impartial advice and services |
| | | iii | Their remuneration is based on a scale according to the amount of the claim settlement |
| | | iv | Their recommendations will have binding power on the insurer and the insured |
| | | ✓ A | i, ii and iii |
| | | B | i, ii and iv |
| | | C | i, iii and iv |
| | | D | ii, iii and iv |
| 845. | 3.1.6(c) | | Which of the following are correct to describe the engineers? |
| | | i | Using their specialist knowledge to investigate the causes of losses |
| | | ii | Engaged on a consultancy basis |
| | | iii | Paid by the insurer at an agreed fee or rate |
| | | A | i and ii |
| | | B | i and iii |
| | | C | ii and iii |
| | | ✓ D | i, ii and iii |
| 846. | 3.1.6(d) | | Which of the following insurance policy will employ settling agents? |
| | | A | Fire insurance |
| | | ✓ B | Marine cargo insurance |
| | | C | Employees' compensation insurance |
| | | D | Business interruption insurance |
| 847. | 3.1.6(e) | | Survey agents usually: |
| | | ✓ A | Handle marine claims |
| | | B | Handle property claims |
| | | C | Specialized in liability claims |
| | | D | All of the above |
| 848. | 3.1.6(e) | | Survey agents usually: |
| | | i | Handle marine claims |
| | | ii | Usually appointed by the insured at an early stage during a claim |
| | | iii | Usually appointed by the insurer at an early stage during a claim |
| | | iv | The survey may be arranged by individual or company |

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| | | A | i, ii and iii |
| | | B | i, ii and iv |
| | | ✓ C | i, iii and iv |
| | | D | ii, iii and iv |

| Q# | Reference | Mock Questions | |
|------|-----------|----------------|---|
| 849. | 3.1.6(f) | | Which of the following statement concerning average adjusters is incorrect? |
| | | A | They specialize in general average claims |
| | | B | A general average claim may take years to settle |
| | | ✓ C | They specialize in handling the under insurance claim (average) |
| | | D | They have detailed knowledge of international law of the sea and the law of various countries |
| 850. | 3.1.6(f) | | Average adjusters specialize in: |
| | | A | Hull claims |
| | | B | General average claims |
| | | C | Complicated marine cargo loss claims |
| | | ✓ D | All of the above |
| 851. | 3.1.6(f) | | Which of the following statement concerning average adjusters is incorrect? |
| | | A | They specialize in general average claims |
| | | B | A general average claim may take years to settle |
| | | ✓ C | They are appointed only when the general average arises |
| | | D | They have detailed knowledge of international law of the sea and the law of various countries |
| 852. | 3.2.1 | | As the arbitration clause in general insurance applies to quantum. However, some policies do not contain an arbitration clause and the quantum will be determined by the terms and, which of the following is/are the example(s)? |
| | | A | Fire insurance policy |
| | | B | Burglary insurance policy |
| | | ✓ C | Personal accident insurance policy |
| | | D | All of the above |
| 853. | 3.2.1(a) | | Under the policy provision, who is given the option of deciding whether the claim to be settled by cash or replacement? |
| | | ✓ A | Insurer |
| | | B | Insured |
| | | C | Insurance intermediary |
| | | D | Arbitrator |
| 854. | 3.2.1(a) | | Which of the following method of settlement is appropriate for policy providing benefit but not damage compensation? |
| | | A | Replacement |
| | | B | Reinstatement |
| | | ✓ C | Cash payment |
| | | D | Paying for the repairs directly |
| 855. | 3.2.1(a) | | Cash payment is more appropriate for which of the following settlement(s)? |
| | | A | Death benefit in personal accident insurance |
| | | B | Settling medical bill (medical insurance) |
| | | C | Settling the third party injury claim (motor insurance) |
| | | ✓ D | All of the above |

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| 856. | 3.2.1(a) | Which of the following can decide the method for damage compensation? | |
| | | <input checked="" type="checkbox"/> | A Insurer |
| | | <input type="checkbox"/> | B Umpire |
| | | <input type="checkbox"/> | C Intermediary |
| | | <input type="checkbox"/> | D Insured |
| 857. | 3.2.1(a) | Which of the following can decide the method for damage compensation? | |
| | | <input type="checkbox"/> | A Insurance agent |
| | | <input type="checkbox"/> | B Insurance broker |
| | | <input type="checkbox"/> | C Umpire |
| | | <input checked="" type="checkbox"/> | D Insurer |

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| Q# | Reference | Mock Questions | |
|------|-----------|---------------------------------------|---|
| 858. | 3.2.1(a) | | Which of the following will use payment of money as the only method of settlement? |
| | | A | Damage of vehicle |
| | | <input checked="" type="checkbox"/> B | Personal accident |
| | | C | Loss of property |
| | | D | All of the above |
| 859. | 3.2.1(c) | | Which of the following are appropriate to use replacement as the method of settlement? |
| | | i | Total loss of a vessel (marine insurance) |
| | | ii | Breakage of glass (glass insurance) |
| | | iii | Loss of jewelry (property all risks insurance) |
| | | iv | Stolen of a new video camera (travel insurance) |
| | | A | i, ii and iii |
| | | <input checked="" type="checkbox"/> B | i, ii and iv |
| | | C | i, iii and iv |
| 860. | 3.2.1(c) | | Which of the following is/are appropriate to use replacement as the method of settlement? |
| | | A | Glass insurance |
| | | B | Items which are not subject to depreciation |
| | | C | New or virtually new items |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 861. | 3.2.1(d) | | Which of the following is/are appropriate method(s) of settlement for a damaged building? |
| | | A | Reinstatement of the building |
| | | B | Replacement of the machinery damaged in the fire |
| | | C | Restoration or repair of damaged building |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 862. | 3.2.2 | | If there is a dispute in claims, which of the following can request an arbitration? |
| | | A | Insurer only |
| | | B | Insured only |
| | | <input checked="" type="checkbox"/> C | Both the insurer and the insured |
| | | D | Neither the insurer nor the insured can request |
| 863. | 3.2.2 | | The difference between arbitration and litigation: |
| | | i | Arbitration is simpler than litigation |
| | | ii | The cost of litigation is less expensive than arbitration |
| | | iii | Arbitration does not need legally qualified persons to represent the parties |
| | | iv | Both have binding power on any parties |
| | | A | i and ii |
| | | <input checked="" type="checkbox"/> B | i and iii |
| | | C | ii and iii |
| 864. | 3.2.2 | | Which of the following is the formal procedure for court hearing and verdict in resolving disputes? |
| | | <input checked="" type="checkbox"/> A | Litigation |
| | | B | Mediation |
| | | C | Arbitration |
| | | D | Negotiation |

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| 865. | 3.2.2 | | Which of the following is incorrect to describe arbitration? |
| | | A | Arbitration is less formal than litigation |
| | | B | Is binding on third parties |
| | | C | Is concerning the claim amount only |
| | | ✓ D | All claims need arbitration to settle |

| Q# | Reference | Mock Questions | |
|------|-----------|----------------|--|
| 866. | 3.2.2 | | The legal process which involves cases hearing in court is called: |
| | | A | Arbitration |
| | | B | Mediation |
| | | ✓ C | Litigation |
| | | D | Disputes |

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| 867. | 3.2.2 | | Why does the personal accident insurance do not contain arbitration clause? |
| | | A | This type of policy is illegal |
| | | ✓ B | Personal accident insurance does not have dispute on quantum |
| | | C | It is because the insured is likely to decease during the claim |
| | | D | The claim amount of this type of policy is too small to justify for the arbitration |

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| 868. | 3.2.2 | | Which of the following is/are the characteristic(s) of arbitration in a general insurance claim? |
| | | A | No binding power on the third parties |
| | | B | Usually only applicable to disputes on quantum |
| | | C | The format and procedure are less formal than litigation |
| | | ✓ D | All of the above |

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| 869. | 3.2.2 | | Arbitration clause will appear in which of the following insurance policy(ies)? |
| | | A | Liability insurance |
| | | ✓ B | Property insurance |
| | | C | Personal accident insurance |
| | | D | All of the above |

| | | | |
|------|-------|-----|---|
| 870. | 3.2.2 | | Which of the following is incorrect about arbitration? |
| | | A | Usually there is one arbitrator in a claim |
| | | B | Each party can appoint an arbitrator if necessary |
| | | ✓ C | The umpire will determine the premium related to the claim |
| | | D | If there are two arbitrators, an umpire can be appointed to supersede the arbitrators |

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| 871. | 3.2.2 | | In a claim situation, the disputing parties can arrange an independent arbitrator. If they cannot agree in a single arbitrator, each party will appoint an arbitrator. These arbitrators in turn will appoint which of the following to be present in the discussion? |
| | | ✓ A | Umpire |
| | | B | Notary |
| | | C | Litigant |
| | | D | Judge |

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| 872. | 3.2.3 | | Which of the following is/are not correct to describe the Insurance Complaints Bureau? |
| | | A | The complaint is not subject to legal proceedings or arbitration |
| | | ✓ B | The complaint is filed within 6 months from the day of the claim submission |
| | | C | The insurer has made its final decision on the claim and notify insured accordingly |
| | | D | All of the above |

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| 873. | 3.2.3 | | Which of the following is/are the scope(s) of Insurance Complaints Bureau? |
| | | A | Insurance Complaints Bureau can handle complaints of any type of insurance policies |
| | | B | Insurance Complaints Bureau can handle complaints of insurance policies of any insured amount |
| | | C | Insurance Complaints Bureau's decision has binding power on the insured |
| | | <input checked="" type="checkbox"/> D | None of the above |
| 874. | 3.2.3 | | Which of the following complaints is likely to be handled by Insurance Complaints Bureau? |
| | | A | Commercial insurance and third party insurance |
| | | B | The complaint is filed within 12 months from the day of notification by the insurer of its final decision |
| | | <input checked="" type="checkbox"/> C | The complaint of a claim of HK\$25,000 |
| | | D | The complaint is subject to legal proceedings |

| Q# | Reference | Mock Questions | |
|------|-----------|---------------------------------------|---|
| 875. | 3.2.3 | | Which of the following is not under the scope of Insurance Complaints Bureau? |
| | | i | Complaint which is under litigation |
| | | ii | The outboard motor was stolen (pleasure craft insurance of an individual) |
| | | iii | Boiler explosion |
| | | iv | The death benefit of HK\$250,000 (individual personal accident) |
| | | A | i and ii |
| | | <input checked="" type="checkbox"/> B | i and iii |
| | | C | ii and iv |
| 876. | 3.2.3 | | Which of the following is/are the scope(s) of Insurance Complaints Bureau? |
| | | A | Insurance Complaints Bureau can handle complaints of commercial insurance policies |
| | | B | Insurance Complaints Bureau can handle complaints of insurance policies of any insured amount |
| | | C | Insurance Complaints Bureau's decision has binding power on the insured |
| | | <input checked="" type="checkbox"/> D | None of the above |
| 877. | 3.2.3 | | Which of the following is/are under the scope of Insurance Complaints Bureau? |
| | | A | Policy for explosion of boiler in a hotel |
| | | B | The case is currently under arbitration or litigation |
| | | <input checked="" type="checkbox"/> C | Personal accident policy of sum insured of HK\$550,000 |
| | | D | All of the above |
| 878. | 3.2.3 | | Which of the following is not a feature of Insurance Complaints Bureau? |
| | | <input checked="" type="checkbox"/> A | Applicable to any kinds of claim |
| | | B | The claim is limited to HK\$1,000,000 |
| | | C | No matter the complaint case is win or lose, the complainant does not need to pay any fees |
| | | D | Applicable to the members of Insurance Complaint Bureau |
| 879. | 3.2.3 | | Which of the following is incorrect to describe Insurance Complaints Bureau? |
| | | A | Can handle the claims of personal insurance |
| | | <input checked="" type="checkbox"/> B | Can accept all kinds of complaints |

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| | | C | Can handle the claims up to HK\$1,000,000 |
| | | D | No matter the complaint case is win or lose, the complainant does not need to pay any fees |
| 880. | 3.2.3 | | Which of the following claim complaints could be handled by Insurance Complaints Bureau? |
| | | i | The complaint is under arbitration |
| | | ii | Damage of the boiler in a hotel (boiler insurance) |
| | | iii | Damage of the outboard motor (pleasure craft insurance) |
| | | iv | The death benefit of HK\$250,000 (individual personal accident) |
| | | A | i and ii |
| | | B | i and iv |
| | | C | ii and iii |
| | | ✓ D | iii and iv |
| 881. | 3.2.3 | | Which of the following statements regarding the claims adjudication service of the Insurance Complaints Bureau are true? |
| | | i | The service only applies to personal insurance claims |
| | | ii | The complainant is never charged a fee for this service |
| | | iii | Either the insured or the insurer may appeal against an award |
| | | iv | The maximum amount of a claim under dispute is limited to HK\$1,000,000 |
| | | A | i, ii and iii |
| | | ✓ B | i, ii and iv |
| | | C | i, iii and iv |
| | | D | ii, iii and iv |

| Q# | Reference | Mock Questions | |
|------|-----------|----------------|---|
| 882. | 3.2.3 | | Which of the following is likely to be handled by Insurance Complaints Bureau? |
| | | A | A theft loss of HK\$100,000 at the cashier counter |
| | | ✓ B | A third party claim due to car accident |
| | | C | A claim of a watch under property all risks policy for HK\$3,000,000 |
| | | D | All of the above |
| 883. | 3.2.3 | | Which of the following is likely to be handled by Insurance Complaints Bureau? |
| | | A | A personal accident insurance claim of HK\$1,500,000 |
| | | ✓ B | A watch claim of HK\$200,000 |
| | | C | A business interruption insurance claim of HK\$800,000 |
| | | D | A home insurance claim of HK\$500,000 and it is under legal proceedings |
| 884. | 3.2.3 | | Which of the following is/are under the scope of Insurance Complaints Bureau? |
| | | A | A claim of medical expenses for HK\$250,000 |
| | | B | A claim of personal accident for HK\$550,000 |
| | | C | A claim of damaged home appliance for HK\$75,000 |
| | | ✓ D | All of the above |
| 885. | 3.2.3b | | Which of the following is not a correct description of Insurance Complaints Bureau's mediation service? |
| | | A | Complaint must be made by written, within six months after the insurer's final decision |
| | | B | The insured had made the final decision on the claim disputes |
| | | C | The complaint is not related to the performance of investment |
| | | ✓ D | The complaint is related to the dispute on premium |

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| 886. | 3.2.3b | | Which of the following is not a correct description of Insurance Complaints Bureau's mediation service? |
| | | <input checked="" type="checkbox"/> | A The complaint is filed within 12 months from the day of notification by the insurer of its final decision |
| | | <input type="checkbox"/> | B The complaint is not subject to legal proceedings or arbitration |
| | | <input type="checkbox"/> | C The complaint is not related to investment performance |
| | | <input type="checkbox"/> | D The complaint is not related to disputes concerning fee |
| 887. | 3.2.3b | | Which of the following is not a correct description of Insurance Complaints Bureau's mediation service? |
| | | <input type="checkbox"/> | A The complaint concerns a dispute of up to HK\$1,000,000 |
| | | <input type="checkbox"/> | B Not related to the quality of service |
| | | <input checked="" type="checkbox"/> | C The insurer has not made its final decision yet |
| | | <input type="checkbox"/> | D Not related to investment performance |
| 888. | 3.2.3b | | Which of the following is not a correct description of Insurance Complaints Bureau's mediation service? |
| | | <input type="checkbox"/> | A The complaint concerns a dispute of up to HK\$1,000,000 |
| | | <input checked="" type="checkbox"/> | B The complaint concerned, the insured has given a writ of summons to the insurer |
| | | <input type="checkbox"/> | C The complaint concerns the misrepresentation of agent |
| | | <input type="checkbox"/> | D The complaint concerned, not related to premium |
| 889. | 4 | | Customer service has become an important consideration for the business of an insurer. Which of the following will be interested in this topic? |
| | | <input type="checkbox"/> | A Insurance Authority |
| | | <input type="checkbox"/> | B Insurance industry |
| | | <input type="checkbox"/> | C Insurer |
| | | <input checked="" type="checkbox"/> | D All of the above |
| 890. | 4 | | Customer service is an issue which is the concern of: |
| | | <input type="checkbox"/> | A Individual companies |
| | | <input type="checkbox"/> | B Insurance associations |
| | | <input type="checkbox"/> | C The Hong Kong insurance regulator |
| | | <input checked="" type="checkbox"/> | D All of the above |

| Q# | Reference | Mock Questions | |
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| 891. | 4 | | Which of the following provide information and guidelines to encourage the insurer and its employees on customer service? |
| | | <input type="checkbox"/> | i Individual insurer |
| | | <input type="checkbox"/> | ii Policyholder body |
| | | <input type="checkbox"/> | iii Insurance industry |
| | | <input type="checkbox"/> | iv Insurance Authority |
| | | <input type="checkbox"/> | A i, ii and iii |
| | | <input type="checkbox"/> | B i, ii and iv |
| | | <input checked="" type="checkbox"/> | C i, iii and iv |
| <input type="checkbox"/> | D ii, iii and iv | | |
| 892. | 4 | | Which of the following is incorrect to describe customer service? |
| | | <input checked="" type="checkbox"/> | A Customer service is only the in-house policy of the insurer |
| | | <input type="checkbox"/> | B For various aspects of customer service, insurance industry cooperates with regulator to establish guidelines for monitoring |
| | | <input type="checkbox"/> | C Insurance industry has appreciated the importance of customer service, to raise public confidence in the industry |

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| | | D | Many insurers have produced guidelines and policy statements on customer service, for the instruction of their staff and information of their customers |
| 893. | 4 | | Which of the following will monitor the customer service of the insurer? |
| | | i | The insurance industry |
| | | ii | The Insurance Authority |
| | | iii | The policyholder and public |
| | | iv | The insurer (in-house monitoring) |
| | | A | i and iii |
| | | B | i, ii and iv |
| | | C | ii, iii and iv |
| | | ✓ D | i, ii, iii and iv |
| 894. | 4 | | Insurers are producing guidelines and policy statements of customer service for which of the following parties? |
| | | i | Insurer's own staff |
| | | ii | Insurance intermediaries |
| | | iii | Insurance Authority |
| | | iv | The Hong Kong Federation of Insurers |
| | | ✓ A | i and ii |
| | | B | i and iv |
| | | C | ii and iii |
| | | D | iii and iv |
| 895. | 4.1 | | Which of the following is incorrect in describing customer service? |
| | | ✓ A | Insurance Authority forwards the issues to insurance industry for handling |
| | | B | If the performance is poor, it may lose the customers |
| | | C | If the performance is poor, it may lose the support from intermediaries |
| | | D | If the performance is good, it will bring in positive results |
| 896. | 4.1 | | The negative impact of customer service is: |
| | | ✓ A | Loss of the support of intermediaries |
| | | B | Increase the customer productivity by word of mouth |
| | | C | Can retain the customer and increase loyalty |
| | | D | Reduction of time to handle complaints will then mean increasing in profitability |

| Q# | Reference | Mock Questions | |
|------|-----------|----------------|---|
| 897. | 4.1 | | Poor customer service of an insurer will bring in negative impact, including: |
| | | i | Loss of business |
| | | ii | Involvement of Insurance Authority |
| | | iii | Loss of market prestige |
| | | iv | Loss of insurance intermediaries' support |
| | | A | i and iii |
| | | B | i, ii and iv |
| | | C | ii, iii and iv |
| | | ✓ D | i, ii, iii and iv |
| 898. | 4.1 | | If customer service is not taken seriously, it is expected to bring in which of the following negative result(s)? |
| | | ✓ A | Loss of business |
| | | B | Increase customer productivity by word of mouth |
| | | C | Reduction of time to handle complaints will then mean increasing in profitability |
| | | D | All of the above |

Insurance Intermediaries Quality Assurance Scheme



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|------|-------|-------------------------------------|---|-----------------------|
| 899. | 4.1 | | If an insurer does not take customer service seriously and after several complaints, which of the following may happen? | |
| | | A | May lose the customers | |
| | | B | Insurance Authority may get involved | |
| | | C | May not be supported by intermediaries | |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 900. | 4.1 | | Customer service is very important because it relates to: | |
| | | i | Efficiency | |
| | | ii | Courtesy | |
| | | iii | Business ethics | |
| | | A | i and ii | |
| | | B | i and iii | |
| | | C | ii and iii | |
| | | <input checked="" type="checkbox"/> | D | i, ii and iii |
| 901. | 4.1 | | The bad insurer and staff may adopt a take it or leave it approach to customers. This approach will create a bad image for the industry and it also definitely will include which of the following? | |
| | | A | The insurance agents and insurance brokers will lose their confidence in their insurers | |
| | | B | Losing the confidence in the integrity and efficiency of insurers | |
| | | C | Bad service will sooner or later be the subject of the insurance regulator's concern and, if necessary, action | |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 902. | 4.1.1 | | Which of the following is an impact of good customer service? | |
| | | A | Increases profitability | |
| | | B | Increases customer loyalty | |
| | | C | Increases customer productivity by recommendations and word of mouth | |
| | | <input checked="" type="checkbox"/> | D | All of the above |
| 903. | 4.1.1 | | General insurance normally will focus on continuity, which means: | |
| | | A | Intensive marketing promotion | |
| | | B | The word of mouth can encourage new business | |
| | | <input checked="" type="checkbox"/> | C | Retention of business |
| | | <input type="checkbox"/> | D | All of the above |
| 904. | 4.1.1 | | Customer service relates to: | |
| | | A | Courtesy | |
| | | B | Business ethics | |
| | | C | Efficiency of business operations | |
| | | <input checked="" type="checkbox"/> | D | All of the above |

| Q# | Reference | Mock Questions | | |
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| 905. | 4.2 | | A public declaration about the intention and service standard of an insurer will include: | |
| | | A | A guarantee of not refusing any claims | |
| | | <input checked="" type="checkbox"/> | B | A guarantee of the commitment to quality and service |
| | | C | A guarantee to provide the most favoured premium in the market | |
| | | <input type="checkbox"/> | D | All of the above |

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| 906. | 4.2 | | Which of the following will not appear in an insurer's business standard declaration? |
| | | A | A commitment to quality and service |
| | | B | A guarantee of efficiency and business ethics |
| | | C | Specific information about business conduct and certain practice |
| | | ✓ D | A guarantee to provide the most favoured premium in the market |
| 907. | 4.2 | | The policies and codes of conduct are major motivational forces behind the insurer, as well as a standard of declared intentions. The principle of such declaration: |
| | | A | It is legally required |
| | | B | Every insurer must set the same principles |
| | | ✓ C | Every insurer can set its own principles |
| | | D | None of the above |
| 908. | 4.2 | | Many companies in Hong Kong have already published their corporate principles and business practice. Which of the following such publication is incorrect? |
| | | ✓ A | It is legally required |
| | | B | It is more common nowadays |
| | | C | It has its own style of presentation and content |
| | | D | It will disclose the service standard and practice |
| 909. | 4.2 | | Which of the following is/are expected in a public declaration of an insurer's service standard? |
| | | ✓ A | Commitment of the insurer |
| | | B | Reminder of the customer's obligations |
| | | C | Both of the above are true |
| | | D | Both of the above are not true |
| 910. | 4.2 | | Insurers sometimes will publish policies to remind the code of conduct of certain people to whom include: |
| | | i | Policyholder |
| | | ii | Insurance intermediaries |
| | | iii | The Hong Kong Federation of Insurers |
| | | iv | Insurance Authority |
| | | ✓ A | i and ii |
| | | B | i and iii |
| | | C | ii and iii |
| D | iii and iv | | |
| 911. | 4.2 | | Which of the following will not appear in the business standard declaration? |
| | | A | The obligation of a commitment to quality and service |
| | | B | The offering a dedication to high professional standard |
| | | ✓ C | Paying the claim once the claim is submitted |
| | | D | The promise of high business ethics |
| 912. | 4.3 | | The standards for customer service declared by insurer may include: |
| | | A | Identification of customer needs |
| | | B | A commitment to supply required documents promptly |
| | | C | A guarantee to keep the provided information confidential |
| | | ✓ D | All of the above |
| 913. | 4.3 | | The declared standards of customer service: |
| | | A | Must be kept confidential |
| | | ✓ B | It may be slightly different from insurer to insurer |
| | | C | Is inappropriate nowadays and many insurers do not adopt it |

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| | | D | Must follow the requirements of Insurance Ordinance |
|--|--|---|---|

| Q# | Reference | Mock Questions | |
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| 914. | 4.3 | Which of the following are likely to be included in the declared standards for customer service issued by insurers in Hong Kong? | |
| | | i | Identification of customer needs |
| | | ii | Provision of desired cover of customers |
| | | iii | Claims will be handled promptly and fairly |
| | | iv | A guarantee to pay all claims |
| | | ✓ A | i, ii and iii |
| | | B | i, ii and iv |
| | | C | i, iii and iv |
| | | D | ii, iii and iv |
| 915. | 4.3 | Some declaration may remind the insured and the insurance intermediaries about certain obligations they have, including: | |
| | | A | Insurance intermediaries are bound by the code of practice |
| | | B | Insureds have to pay the premium timely |
| | | C | Applying the duty of utmost good faith principle on material facts |
| | | ✓ D | All of the above |
| 916. | 4.3.1 | Regarding the customer service standard, an openness to conduct and practice should be adopted. Such policy needs: | |
| | | A | Honesty |
| | | B | Honor |
| | | ✓ C | Transparency |
| | | D | Accountability |
| 917. | 4.3.1 | Which of the following organizations will issue guidance notes to help insurer and staff to fulfill good insurance practice? | |
| | | i | Insurance industry associations |
| | | ii | Insurance regulator |
| | | iii | Policyholder organization |
| | | iv | Insurers |
| | | A | i, ii and iii |
| | | ✓ B | i, ii and iv |
| | | C | i, iii and iv |
| | | D | ii, iii and iv |
| 918. | 4.3.1 | Which of the following will monitor the insurer's policy statement? | |
| | | i | Insurer |
| | | ii | Insurance Authority |
| | | iii | The Hong Kong Federation of Insurers |
| | | iv | Insurance Complaint Bureau |
| | | ✓ A | i, ii and iii |
| | | B | i, ii and iv |
| | | C | i, iii and iv |
| | | D | ii, iii and iv |
| 919. | 4.3.1 | Which of the following will monitor the insurer's policy statement? | |
| | | i | Insurance Authority |
| | | ii | Internal auditor of insurer |

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| | | iii | Public |
| | | iv | The Hong Kong Federation of Insurers |
| | A | i and iii | |
| | B | i, ii and iv | |
| | C | ii, iii and iv | |
| | ✓ D | i, ii, iii and iv | |

| Q# | Reference | Mock Questions | |
|------|-----------|----------------|--|
| 920. | 4.4(c) | | According to the Code of Conduct for Insurers, which of the following is/are the expected standard of good insurance practice? |
| | | A | Product understanding |
| | | B | Underwriting and claims |
| | | C | Customer's rights and interest |
| | | ✓ D | All of the above |
| 921. | 4.4(c) | | According to the Code of Conduct for Insurers, which of the following is/are the expected standard of good insurance practice? |
| | | A | Product understanding |
| | | B | Underwriting and claims |
| | | C | Customer's rights and obligations |
| | | ✓ D | All of the above |
| 922. | 4.4(c) | | According to the Code of Conduct for Insurers, which of the following is/are the expected standard of good insurance practice? |
| | | i | Product understanding |
| | | ii | Underwriting and claims |
| | | iii | Customer's rights and obligation |
| | | iv | Customer's rights and interest |
| | | A | i and iii |
| | | B | i, ii and iv |
| | | C | ii, iii and iv |
| | | ✓ D | i, ii, iii and iv |
| 923. | 4.4 | | Which of the following is/are important to insurance companies? |
| | | A | The law of contract |
| | | B | The law of agency |
| | | C | Regulated ordinance |
| | | ✓ D | All of the above |
| 924. | 4.4 | | Which of the following is/are important to insurers? |
| | | A | Insurance Ordinance |
| | | B | The law of contract |
| | | C | The law of agency |
| | | ✓ D | All of the above |
| 925. | 4.4(b) | | In accordance with the Insurance Ordinance, which of the following are the strict requirements regarding insurance companies? |
| | | i | Capital requirements of insurers |
| | | ii | Authorization of insurers |
| | | iii | Solvency margin requirements |
| | | iv | Adequate reinsurance |
| | | A | i and iii |

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| | | B | i, ii and iv |
| | | C | ii, iii and iv |
| | | <input checked="" type="checkbox"/> D | i, ii, iii and iv |
| 926. | 4.4(b) | | In accordance with the Insurance Ordinance, which of the following is not the strict requirement regarding insurance companies? |
| | | A | Authorization of insurers |
| | | B | Solvency margin requirements |
| | | <input checked="" type="checkbox"/> C | Profitability capacity |
| | | D | Fit and proper requirement for controllers, directors, key persons in control functions and appointed actuaries |

| Q# | Reference | Mock Questions | |
|------|-----------|---------------------------------------|--|
| 927. | 4.4(b) | | According to the Insurance Ordinance, which of the following is not related to the regulation of insurers? |
| | | A | Adequate reinsurance |
| | | B | Solvency margin requirements |
| | | <input checked="" type="checkbox"/> C | Return of capital requirements |
| | | D | Fit and proper requirement for controllers, directors, key persons in control functions and appointed actuaries |
| 928. | 4.4(b) | | Which of the following is not one of the areas with specific requirements for insurance companies in Hong Kong, under the Insurance Ordinance? |
| | | A | Authorization of insurers |
| | | B | Capital requirements |
| | | C | Existing reinsurance arrangements |
| | | <input checked="" type="checkbox"/> D | Profitability each year of operation |
| 929. | 4.4(b) | | The Insurance Ordinance regulates the insurers in Hong Kong must: |
| | | <input checked="" type="checkbox"/> A | Have adequate reinsurance |
| | | B | Have 50% profit coming from reinsurance |
| | | C | Have arranged reinsurance for at least 50% of the risk portfolio |
| | | D | Have arranged reinsurance to retain the profits of the precedent year |
| 930. | 4.4(b) | | The strict requirements of Insurance Ordinance for the insurers do not include: |
| | | A | Capital requirement |
| | | <input checked="" type="checkbox"/> B | Profit index |
| | | C | Authorization of insurers |
| | | D | Solvency margin requirement |
| 931. | 4.4(c) | | Which of the following introduce(s) the Code of Conduct of Insurers? |
| | | A | Insurance Authority |
| | | B | Insurance Ordinance |
| | | <input checked="" type="checkbox"/> C | The Hong Kong Federation of Insurers |
| | | D | All of the above |
| 932. | 4.4(c) | | Which of the following is incorrect in describing the Code of Conduct for Insurers? |
| | | <input checked="" type="checkbox"/> A | It applies to commercial insurance policies |
| | | B | It was issued by the Hong Kong Federation of Insurers |
| | | C | It applies to personal insurance policies effected in Hong Kong by individual policyholders |
| | | D | All of the above |

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| 933. | 4.4(c) | | The Code of Conduct for Insurers was issued by the Hong Kong Federation of Insurers, which applies to: |
| | | | A Insurance policies effected by individual and corporate policyholders |
| | | ✓ | B Insurance policies effected in Hong Kong and in private capacity by individual policyholders |
| | | | C Insurance policies effected anywhere in the world and in private capacity by individual policyholders |
| | | | D Insurance policies effected in Hong Kong and in private capacity by individual and corporate policyholders |
| 934. | 4.4(c) | | Which of the following is incorrect in describing the Code of Conduct for Insurers? |
| | | | A It was issued by the Hong Kong Federation of Insurers |
| | | | B It applies to personal insurance policies effected in Hong Kong by individual policyholders |
| | | ✓ | C It applies to all personal insurance policies |
| | | | D All of the above |

| Q# | Reference | Mock Questions | |
|------|-----------|---|--|
| 935. | 4.4(c) | | Which of the following is/are incorrect in describing the Code of Conduct for Insurers? |
| | | i | It was issued by the Insurance Authority |
| | | ii | It applies to commercial insurance policies |
| | | iii | It applies to personal insurance policies of Hong Kong residents effected anywhere in the world |
| | | A | i only |
| | | B | i and ii |
| | | C | ii and iii |
| | | ✓ | D i, ii and iii |
| 936. | 4.4(c) | | Which of the following relates to advising and selling practice? |
| | | A | Insurance Ordinance |
| | | B | Model Agency Agreement |
| | | ✓ | C The Code of Conduct for Insurers |
| | D | The Code of Practice for the Administration of Insurance Agents | |
| 937. | 4.4(c) | | The Code of Conduct for Insurers includes the expected standards of good insurance practice. Which of the following is/are the practice(s) included? |
| | | A | Underwriting and claims |
| | | B | Customers' rights and obligations under insurance contracts |
| | | C | Customers' rights and interests generally |
| | | ✓ | D All of the above |
| 938. | 4.4(c) | | Which of the following issued The Code of Conduct for Insurers? |
| | | A | Insurers |
| | | B | Insurance Authority |
| | | ✓ | C The Hong Kong Federation of Insurers |
| | D | Insurance Ordinance | |
| 939. | 4.4(c) | | Which of the following is incorrect in describing the Code of Conduct for Insurers? |
| | | ✓ | A Applicable to all kinds of policies |
| | | B | Providing advice and selling practice |
| | | C | It applies to personal insurance policies effected in Hong Kong by individual policyholders |
| | D | It is issued by the Hong Kong Federation of Insurers | |

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| 940. | 4.4(c) | | In the claim section of the Code of Conduct for Insurers, which of the following is not included? |
| | | A | General handling methods |
| | | B | Criteria with the denial of claims |
| | | <input checked="" type="checkbox"/> C | Ex-gratia payment guideline |
| | | D | Claim forms, communication |
| 941. | 4.4(c) | | The Code of Conduct for Insurers outlines the expected standards of good insurance practice in certain areas. Which of the following areas are covered by the Code? |
| | | i | Underwriting and claims |
| | | ii | Customers' rights and obligations |
| | | iii | Customers' rights and interests generally |
| | | iv | The industry's public image as a good corporate citizen |
| | | A | i and iii |
| | | B | i, ii and iv |
| | | C | ii, iii and iv |
| | | <input checked="" type="checkbox"/> D | i, ii, iii and iv |
| 942. | 4.4(c) | | Which of the following is incorrect to describe the Code of Conduct for Insurers? |
| | | A | It provides advice and selling practice |
| | | B | It was introduced by the Hong Kong Federation of Insurers |
| | | C | It aims at performing the good insurance practice |
| | | <input checked="" type="checkbox"/> D | It is part of the Insurance Ordinance |
| 943. | 4.4(c) | | Which of the following issued the Code of Conduct for Insurers? |
| | | A | Insurance Ordinance |
| | | B | Insurers Association |
| | | <input checked="" type="checkbox"/> C | The Hong Kong Federation of Insurers |
| | | D | Insurer Federation |
| 944. | 4.4(d) | | Which of the following publishes the roles and responsibilities of insurance agents and insurance brokers, and their definitions with prescribed penalties for anyone illegally claiming to be one or the other? |
| | | A | Model Agency Agreement |
| | | <input checked="" type="checkbox"/> B | Insurance Ordinance |
| | | C | The Code of Conduct for Insurers |
| | | D | The Code of Practice for the Administration of Insurance Agents |
| 945. | 4.4(d) | | Which of the following includes the definitions, roles and responsibilities of insurance agents and insurance brokers, and penalties for anyone illegally claiming to be one or the other? |
| | | A | Modal Agency Agreement |
| | | B | The Code of Conduct for Insurers |
| | | <input checked="" type="checkbox"/> C | Insurance Ordinance |
| | | D | The Code of Practice for the Administration of Insurance Agents |
| 946. | 4.4(e) | | The Code of Practice for the Administration of Insurance Agents is issued in accordance with the provisions of the Insurance Ordinance and to be approved by which of the following body? |
| | | A | Hong Kong Government |
| | | <input checked="" type="checkbox"/> B | Insurance Authority |
| | | C | The Hong Kong Federation of Insurers |

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| | | D | The Insurance Complaint Bureau |
| 947. | 4.4(e) | | The seven parts of The Code of Practice for the Administration of Insurance Agents include: |
| | | i | Interpretations |
| | | ii | Procedures |
| | | iii | General Principles |
| | | iv | Fit and proper criteria |
| | | A | i and iii |
| | | B | i, ii and iv |
| | | C | ii, iii and iv |
| | | ✓ D | i, ii, iii and iv |
| 948. | 4.4(e) | | The seven parts of The Code of Practice for the Administration of Insurance Agents include: |
| | | i | General principles |
| | | ii | Commission guidelines |
| | | iii | Fit and proper criteria |
| | | iv | In Model Agency Agreement, expected conduct in connection with completion of proposal form |
| | | A | i and iii |
| | | B | ii and iv |
| | | ✓ C | i, iii and iv |
| | | D | ii, iii and iv |
| 949. | 4.4(f) | | Which of the following issued the guideline for insurance agents' compliance on misconduct and handling of premium? |
| | | A | Insurance companies |
| | | B | Hong Kong government |
| | | C | Insurance Authority |
| | | ✓ D | Insurance Agents Registration Board |

| Q# | Reference | Mock Questions | |
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| 950. | 4.4(f) | | The guidelines provided by The Hong Kong Federation of Insurers / Insurance Agents Registration Board specify the misconduct of agents and: |
| | | A | Handling of premiums |
| | | B | Registration of the insurance agents |
| | | C | Compliance with the requirements of the Continuing Professional Development Programme |
| | | ✓ D | All of the above |
| 951. | 4.4(f) | | The two guidelines issued by The Hong Kong Federation of Insurers/ Insurance Agents Registration Board are targeting: |
| | | i | Money laundering |
| | | ii | Misconduct |
| | | iii | Improper act |
| | | iv | Handling of premiums |
| | | A | i and ii |
| | | B | i and iii |
| | | ✓ C | ii and iv |
| | | D | iii and iv |

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| 952. | 4.4(f) | | The Guidance Notes issued by the Insurance Agents Registration Board includes: |
| | | i | Misconduct |
| | | ii | How to handle premiums |
| | | iii | Compliance with the requirements of the Continuing Professional Development Programme |
| | | iv | Effective date of registration of insurance agents, responsible officers and technical representatives |
| | | A | i and iii |
| | | B | i, ii and iv |
| | | ✓ D | i, ii, iii and iv |
| 953. | 4.4(g) | | The minimum requirements specified for insurance broker were established in accordance with which of the following? |
| | | A | Model Agency Agreement |
| | | ✓ B | Insurance Ordinance |
| | | C | The Code of Conduct for Insurers |
| | D | The Code of Practice for the Administration of Insurance Agents | |
| 954. | 4.4(g) | | Insurance Ordinance has specified minimum requirements for insurance brokers. Which of the following minimum requirement is not correct? |
| | | A | Must be fit and proper for the role of a broker |
| | | ✓ B | Always be an agent of the insurer |
| | | C | Must be a member of the approved bodies of insurance brokers |
| | D | An individual entity established in the name of a company | |
| 955. | 4.4(g) | | In accordance with the relevant provisions of the Insurance Ordinance, a framework for the supervision of self-regulation by the insurance broking industry is introduced and it is called: |
| | | A | The Basic Law |
| | | ✓ B | Minimum Requirements Specified for Insurance Brokers |
| | | C | Basic Requirements Specified for Insurance Brokers |
| | D | Basic Guidelines Specified for Insurance Brokers | |

| Q# | Reference | Mock Questions | |
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| 956. | 4.4(g) | | The minimum requirements for insurance broker set by the Insurance Ordinance involve: |
| | | i | Capital and net assets |
| | | ii | Professional indemnity insurance |
| | | iii | Keeping of separate client accounts |
| | | iv | Keeping proper books and accounts |
| | | A | i only |
| | | B | i and iii |
| | | ✓ D | i, ii, iii and iv |
| 957. | 4.4(i) | | Which of the following can be used directly or indirectly applicable to customer service? |
| | | i | Disability Discrimination Ordinance |
| | | ii | Sex Discrimination Ordinance |
| | | iii | Personal Data (Privacy) Ordinance |
| | | iv | Occupation Status Discrimination Ordinance |
| | | A | i and iii |
| B | ii and iv | | |

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| | | <input checked="" type="checkbox"/> C | i, ii and iii |
| | | <input type="checkbox"/> D | i, ii, iii and iv |
| 958. | 4.4(i) | | Which of the following can be directly or indirectly applied to customer service? |
| | | <input type="checkbox"/> A | Personal Data (Privacy) Ordinance |
| | | <input type="checkbox"/> B | Sex Discrimination Ordinance |
| | | <input type="checkbox"/> C | Disability Discrimination Ordinance |
| | | <input checked="" type="checkbox"/> D | All of the above |
| 959. | 4.4(i) | | Which of the following can be directly or indirectly applied to customer service? |
| | | <input type="checkbox"/> i | Drug Trafficking (Recovery of Proceeds) Ordinance |
| | | <input type="checkbox"/> ii | Organized and Serious Crimes Ordinance |
| | | <input type="checkbox"/> iii | Personal Data (Privacy) Ordinance |
| | | <input type="checkbox"/> iv | Family Status Discrimination Ordinance |
| | | <input type="checkbox"/> A | i and iii |
| | | <input type="checkbox"/> B | i, ii and iv |
| | | <input type="checkbox"/> C | ii, iii and iv |
| | | <input checked="" type="checkbox"/> D | i, ii, iii and iv |
| 960. | 4.5 | | Rebating commission means: |
| | | <input type="checkbox"/> A | Conducting an improper behavior and therefore no commission can be received |
| | | <input type="checkbox"/> B | Refund of premium to the client if the policy is cancelled |
| | | <input checked="" type="checkbox"/> C | Giving part of his commission to the client in return for business |
| | | <input type="checkbox"/> D | Telling the insurer that he is not going to take any commission |
| 961. | 4.5 | | To solicit business, an insurance intermediary gives part of his commission to his client. This is called: |
| | | <input type="checkbox"/> A | Misinterpretation |
| | | <input type="checkbox"/> B | Commission reward |
| | | <input type="checkbox"/> C | Premium discount |
| | | <input checked="" type="checkbox"/> D | Rebating commission |
| 962. | 4.5 | | Use commission as an inducement to increase productivity and securing business is a grave matter. Which of the following is/are correct? |
| | | <input type="checkbox"/> i | Undermining the basis of rating of insurance intermediaries |
| | | <input type="checkbox"/> ii | Breaching the Agency Agreement |
| | | <input type="checkbox"/> iii | Constituting bribery and corruption |
| | | <input type="checkbox"/> iv | Illegal in Insurance Ordinance |
| | | <input type="checkbox"/> A | i and iii |
| | | <input type="checkbox"/> B | i, ii and iv |
| | | <input type="checkbox"/> C | ii, iii and iv |
| | | <input checked="" type="checkbox"/> D | i, ii, iii and iv |