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01	A	B	C	**D**	E	14	**A**	B	C	D	E	27	A	**B**	C	D	E
02	A	B	**C**	D	E	15	A	B	C	D	**E**	28	A	B	C	**D**	E
03	A	**B**	C	D	E	16	A	**B**	C	D	E	29	A	B	C	D	**E**
04	A	B	C	**D**	E	17	A	B	C	**D**	E	30	A	B	C	**D**	E
05	A	B	**C**	D	E	18	**A**	B	C	D	E	31	A	B	**C**	D	E
06	**A**	B	C	D	E	19	**A**	B	C	D	E	32	A	B	C	**D**	E
07	A	B	**C**	D	E	20	A	B	C	**D**	E	33	A	B	C	D	**E**
08	A	B	C	D	**E**	21	**A**	B	C	D	E	34	A	B	C	**D**	E
09	A	B	C	D	**E**	22	A	B	**C**	D	E	35	A	B	C	D	**E**
10	A	**B**	C	D	E	23	**A**	B	C	D	E	36	A	B	C	**D**	E
11	A	B	C	D	**E**	24	A	**B**	C	D	E	37	A	**B**	C	D	E
12	A	**B**	C	D	E	25	A	B	C	D	**E**	38	A	**B**	C	D	E
13	A	B	**C**	D	E	26	**A**	B	C	D	E	39	A	B	C	**D**	E

PRACTICE QUESTIONS

Chartered Insurance Institute (CII)

G953MR3B

IF4 - Insurance claims handling process

EDITION	QUESTIONS	FORMAT
Demo	9	Limited Edition PDF

WEB www.mometrix.net

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Before you begin

What this is

9 practice questions for Chartered Insurance Institute (CII) `G953MR3B`, each with its answer key and an explanation. Answer a question before you read its key — the explanation is worth more once you have committed.

If something looks wrong

Send us three things and we will check it:

- the exam code, `G953MR3B`
- the question number
- the email address on your order

Write to **support@mometrix.net**. We reply within one business day.

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QUESTION 1 SINGLE CHOICE

Which of the following best describes the role of the 'first notification of loss' (FNOL) in an insurance claim?

A It is the formal admission of liability by the insurer.

B **It is the initial report made by the policyholder to the insurer alerting them that a loss has occurred.**

C It is the final settlement figure agreed between the insurer and the claimant.

D It is the legal document issued to commence court proceedings.

ANSWER **B**

WHY First notification of loss (FNOL) is the initial report made by the policyholder (or their representative) to the insurer to advise that an insured event has occurred. It triggers the claims process but is not itself an admission of liability or a settlement.

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QUESTION 2 SINGLE CHOICE

Why is the claims handling process often described as the 'moment of truth' for an insurer?

A Because it is the stage at which the insurer calculates the premium for the next renewal.

B **Because it is the point at which the policyholder experiences the practical benefit of the insurance contract they have purchased.**

C Because it is the only stage at which underwriters are involved.

D Because it determines whether the insurer will pay dividends to shareholders.

ANSWER **B**

WHY The claims stage is commonly called the 'moment of truth' because it is when the customer experiences the tangible value of the cover they have bought. A smooth, fair claims experience builds loyalty and trust, whereas poor claims handling is the most common reason customers switch insurers.

QUESTION 3 SINGLE CHOICE

Which of the following typically occurs FIRST in the standard claims handling process?

A Settlement and payment

B **Notification of the loss**

C Subrogation recovery

D Review of claims handler performance

ANSWER **B**

WHY The claims process begins when the loss is notified to the insurer (FNOL). All subsequent steps — recording, verification, investigation, validation, and settlement — flow from that initial notification.

QUESTION 4 SINGLE CHOICE

At the notification stage, which piece of information is it MOST important for the claims handler to capture accurately?

A The claimant's favourite colour

B **The policy number, date, time and circumstances of the loss**

C The claimant's social media handles

D The underwriter's annual bonus

ANSWER **B**

WHY At FNOL the claims handler must accurately record the policy number plus the date, time, location and circumstances of the loss. These core facts are essential for policy verification, coverage decisions and subsequent investigation. The other options are either irrelevant or inappropriate to capture.

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QUESTION 5 SINGLE CHOICE

A claims handler is required to verify cover under a policy. Which of the following is the principal reason for this step?

A To calculate the insurer's marketing spend for the year.

B **To confirm that the loss falls within the scope of the policy wording, including any conditions, exclusions and excesses.**

C To decide whether to cancel the policyholder's other unrelated policies.

D To publicise the claim on social media.

ANSWER **B**

WHY Verification of cover confirms that the loss is covered under the specific wording of the policy, taking account of insuring clauses, conditions, exclusions, limits and excesses. Without this step the insurer would have no defensible basis for either accepting or declining the claim.

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QUESTION 6 SINGLE CHOICE

Under the FCA's Treating Customers Fairly (TCF) outcomes, what is the key expectation placed on insurers when handling claims?

A Claims must be paid within 24 hours of notification, regardless of evidence.

B **Customers must be kept informed, treated fairly and have their claims processed promptly and transparently.**

C Insurers should always minimise payouts, even if this disadvantages the customer.

D Insurers should only communicate with claimants through their solicitor.

ANSWER **B**

WHY TCF requires insurers to handle claims fairly, transparently and promptly, keeping the customer informed throughout and ensuring the outcome reflects the customer's reasonable expectations under the policy. The other options are either unrealistic or contrary to TCF.

QUESTION 7 SINGLE CHOICE

Which of the following is a recognised indicator of a potentially fraudulent insurance claim?

A The claimant providing a clear, consistent account supported by independent evidence.

B **The claimant being reluctant to provide information or documentary evidence.**

C The loss occurring during normal business hours in a low-risk area.

D The claim being reported promptly after the event.

ANSWER **B**

WHY Reluctance to provide information or evidence, or attempts to obstruct the investigation, are common behavioural indicators of potential fraud. Prompt reporting, consistency and supporting evidence are generally signs of a genuine claim.

QUESTION 8 MULTIPLE CHOICE

Which TWO of the following are legitimate considerations when negotiating the settlement of a claim?

A **The extent of cover provided by the policy wording.**

B **The strength of the evidence supporting the quantum of the loss.**

C The colour of the claimant's house.

D Applicable law, including any statutory limitation periods.

ANSWER **A · B**

WHY Settlement must be based on the policy wording (which defines what is payable), the evidence supporting the loss amount, and applicable law such as limitation periods. Personal preferences about the claimant's house colour are not a legitimate factor.

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QUESTION 9 MULTIPLE CHOICE

Which TWO of the following are recognised functions of an insurance intermediary (such as a broker) in the claims process?

- **A** **Notifying the loss to the insurer on behalf of the client.**
- **B** Paying the claim directly from their own funds.
- **C** **Assisting the client with the completion of claim forms and supporting evidence.**
- **D** Replacing the insurer's claims decision with their own.

ANSWER **A · C**

WHY Brokers commonly notify losses to the insurer on the client's behalf and help the claimant assemble forms and supporting evidence. Brokers do not pay claims themselves — that is the insurer's role — and they cannot override the insurer's decision on cover.

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