



# Insurance & OHS التأمين والسلامة المهنية

Grade 12 | Banking

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حضرة صاحب السموّ

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قَسَمًا بِمَنْ رَفَعَ السَّمَاءَ	قَسَمًا بِمَنْ نَشَرَ الضِّيَاءَ
قَطَرٌ سَتَبَقَى حُرَّةً	تَسْمُو بِرُوحِ الْأَوْفِيَاءِ
سِيرُوا عَلَى نَهْجِ الْأَلَى	وَعَلَى ضِيَاءِ الْأَنْبِيَاءِ
قَطَرٌ بِقَلْبِي سِيرَةٌ	عِزٌّ وَأَمْجَادُ الْإِبَاءِ
قَطَرُ الرِّجَالِ الْأَوَّلِينَ	حُمَاتُنَا يَوْمَ النِّدَاءِ
وَحُمَائِمُ يَوْمِ السَّلَامِ	جَوَائِحُ يَوْمِ الْفِدَاءِ

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DOHA QATAR

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## About this Learner Resource

The purpose of this Learner Resource is to provide you with the underpinning knowledge required to assist you in completing assessment/s in Issue contract of insurance.

This Learner Resource also contains activities for you to test your knowledge and examples of skills application.

Throughout this Learner Resource you will see icons that identify important information, provide opportunities to test your knowledge and practice skills as well as suggested times to begin a formal assessment. These icons are displayed as follows:



**Inform**

This icon is used to highlight important information, notes, research or training and assessment tips.



**Practice**

This icon is used to highlight an ideal time to test your knowledge or practise what you have learnt.

## How will I be assessed?

In order to achieve competency in Issue contract of insurance. you will need to demonstrate the skills and knowledge required for the unit.

Your teacher will decide with you how and when you will be assessed.

## Your Copyright

Parts of this Learner Resource (text and graphics) may have been obtained from other sources and are reproduced within the laws and rights of copyright.

## About this unit:

Welcome to the Learner Resource for Issue contract of insurance. In this Learner Resource you will be learning about the performance outcomes, skills and knowledge required to gather necessary information and issue a new policy/contract of insurance in response to requests for quotes, new policies, or interim cover (cover note) in standard situations. It also covers canceling a policy at the customer's request.

It is suggested that to meet all the requirements of Contribute to Health and Safety of Self and Others you will need to complete the following tasks:

- Read the information contained in this Learner Resource.
- Complete the activities.
- Complete all the required assessment/s for this unit.

## The topics in this Learner Resource are:

- identify and clarify the customer's request
- issue an insurance contract.





## Introduction



You are about to commence a vocational course where you will be required to demonstrate your competency in gathering the necessary information and issuing a new policy or contract of insurance in response to requests for quotes, new policies, or interim cover in standard situations. It also covers cancelling a policy at the customer's request.

**Insurance** is a general term for products offered to consumers to **mitigate risk** and provide financial compensation in the event of adverse, unforeseen circumstances.

Many companies offer a range of general insurance products to consumers. Every insurer has different products that adhere to different **exclusions and policy requirements**.

Insurance companies purchase their own form of insurance from other companies, this is called **reinsurance**. Reinsurance provides risk management for insurers and allows them to meet the terms of their policies. Through an agreement with the insurer, reinsurers are able to negotiate the terms upon which the insurer will be covered.

To receive insurance cover, consumers must purchase a **policy** from an individual company. As long as consumers meet the requirements of the insurer and pay their policy fees, they will be eligible for cover. Several policies have **minimum requirements** for cover, such as good health for travel insurance and building standards for home insurance.

When a **policyholder** is affected by an event covered by their policy, they must contact their insurer and lodge a **claim**. The insurer will then determine whether the claim is covered by the policy, if it is legitimate or fraudulent, and how much **compensation** is required. All insurance companies are required to meet the terms of their policies.

In Australia, if consumers have **disputes** that were not resolved with their insurance company, they should contact the **Financial Ombudsman Service**.

General insurance is one of the most regulated industries in Australia. The government agency that oversees the industry is the **Australian Prudential Regulation Authority**.

The industry operates under the **General Insurance Code of Practice**, which is regularly reviewed and updated. The code is also monitored by the Financial Ombudsman Service. (Insurance Council of Australia).

In Qatar, overseas insurance companies operating within the Qatar Financial Centre are subject to the rules and regulations of the Qatar Financial Centre **Regulatory Authority (QFCRA)** and consumers with disputes should refer to the **Customer Dispute Resolution Scheme**. Local insurance companies are subject to similar rules and regulations operated by the **Qatar Central Bank**.

The process of obtaining insurance commences with a meeting between the client and a representative for the insurance company.

Insurance companies employ their own staff as well as use the services of an **insurance broker**. This broker works independently and will be registered to work on behalf of many insurance companies. He will secure the best deal for his client in terms of cost and which insurance policy best suits the needs of the client.

After the interview, the insurance representative will require the client to complete insurance **proposal forms** for each insurance policy. This document should be completed accurately and truthfully.

The insurance company will then **assess the proposal form and the risk**. It will consult with **underwriters** to determine what **terms and conditions** will be applied to the policy.

If the insurance company agrees to accept the risk, they will prepare the insurance policy and inform the client what the **premium** will be.

If it will take some time to prepare the policy document, **a cover note** can be issued as a temporary protection for the client.

As soon as the client pays the premium, the risk is insured and protection is provided to the client.

At the end of the term of insurance, **a renewal notice** will be issued to the client. This informs him of the premium for the next year.

There are many types of insurance policies. They generally come under the following headings:

- Motor Vehicle
- Home and contents
- Life
- Travel
- Health
- Business

There are three components to vehicle insurance in Australia. **Compulsory third party** insurance is the most important type of car insurance. It covers death and injury to people if you are involved in an accident. It is generally payable when you register the vehicle. **Third party property** insurance covers damage to other people's property (eg their car or home) and your own legal costs. Comprehensive insurance covers damage to your own car and other people's property if your car is involved an accident (including fire) as well as theft.

In Qatar, **third party insurance** covers both death and/or injury to people who are involved in an accident as well as damage to other people's property (eg other cars). **Comprehensive insurance** covers damage to your own car.

**Home** insurance helps protect you against things that are out of your control, such as damage from fire and natural disasters such as storms and flooding. Contents insurance covers the cost of replacing or repairing your damaged or stolen household items and possessions. This includes furniture, clothes, appliances and jewellery.

There are different types of cover that fall under the broad heading of life insurance. Depending on your circumstances you may need one or more of these:

- **Life cover** – also known as term life insurance or death cover, pays a set amount of money when the insured person dies. The money will go to the people you nominate as beneficiaries on your policy.
- **Total and permanent disability (TPD) cover** – covers the costs of rehabilitation, debt repayments and the future cost of living if you are totally and permanently disabled. TPD cover is often bundled together with life cover.
- **Trauma cover** – provides cover if you are diagnosed with a specified illness or injury. These policies include the major illnesses or injuries that will make a significant impact on a person's life, such as cancer or a stroke. It is also referred to as 'critical illness' cover or 'recovery' insurance.
- **Income protection** – replaces the income lost through your inability to work due to injury or sickness.

## Travel insurance policies typically cover the following:

- Medical expenses from personal injury or illness while on holidays
- Loss of goods in transit
- Theft from hotel rooms etc
- Disruptions to your travel plans (eg cancelled flights)

The most important aspect of travel insurance relates to the need for urgent medical treatment or if your flights get cancelled.

**Health** insurance can help you pay hospital and medical costs not covered by the government system. If you don't have private health insurance, it can cost you a lot of money if something goes wrong and you have to undergo prolonged medical treatment. Ancillary events such as physiotherapy, dental, optometry etc can also be covered with health insurance.

**Business** insurance covers damage to business premises caused by fire and other natural disasters. Loss of profits while the business is not able to operate can also be covered. **Worker's compensation** is a compulsory insurance that all business owners in Australia must have to protect their employees.





# Practice

## Practice activity 1

Insurance

Reinsurance

Premium

Proposal form

Cover note

Renewal notice

Group A



## Practice

### Practice activity 2

Prepare a diagram showing the flow of documents between the customer and the insurance company. The flow of documents should be correctly sequenced and include the following:

- Renewal notice
- Proposal
- Cover note
- Premium
- Claim form





## Practice

### Practice activity 3

*In Australia what is the name of the regulatory authority that oversees the insurance industry?*

*What industry code applies to the insurance industry in Australia?*

*If a customer in Australia cannot resolve a dispute with an insurance company who should they contact?*

*In Qatar what are the names of the two regulatory authorities that oversee the insurance industry?*

*What should a customer in Qatar refer to if they cannot resolve a dispute with an overseas owned insurance company?*

*What is the role of an insurance broker?*

*List the type of events covered by life insurance.*

*List the type of events covered by general insurance*

*List the events covered by health insurance*



## Practice

### Practice activity 4

#### **Qatar: Streamlining insurance regulation**

*Qatar Financial Services*

*Economic News*

*19 Mar 2013*

*The Qatar Central Bank's (QCB) February takeover of responsibility for licensing and supervising insurance companies, reinsurance companies and insurance intermediaries, part of an effort to streamline doing business in the country, should enhance regulation and level the playing field for insurance companies.*

*The reforms will bring regulation for insurance companies operating in the country in line with international industry standards and the Insurance Core Principles set by the International Association of Insurance Supervisors (IAIS). Insurance firms operating in the Qatar Financial Centre (QFC) are already subject to a regulatory regime that meets this IAIS framework. Previously, local insurance companies set up outside the QFC were regulated by the statutes of a law that has been on the books since 1966.*

*The new law replaces the older one, which was widely seen as antiquated, and brings companies operating outside the QFC under the QCB's regulatory oversight. However, companies based inside the QFC will remain under the supervision of the Qatar Financial Centre Regulatory Authority (QFCRA). Michael Ryan, the CEO of the QFCRA, told OBG the new law is "a welcome development that is extremely dynamic for the financial services industry of Qatar".*



*Another reason to expect growth is that there are very few compulsory insurance rules in Qatar. Third-party motor liability and professional liability for engineers are the only two categories currently obligatory, far fewer than in many other countries. It is expected that the next few years will see more categories added to this list – the most widely anticipated being mandatory health insurance for Qataris and expatriates.*

*However, there are “gaps in the market”, according to Ryan, “particularly in product innovation, reinsurance and captive insurance”. Reinsurance has traditionally been an area in which Qatari companies have gone outside the country to access.*

*The appointment of the QCB’s governor to the chairmanship of the QFCRA in March 2012 marked the beginning of the two organisations’ harmonisation. That same month, Yousef Hussein Kamal, the minister of economy and finance, announced that plans were in motion to set up high-level regulatory coordination under the umbrella of the QCB.*

*The announcement of the new law in December 2012 and its implementation in February has fulfilled long-held hopes for streamlining Qatar’s regulatory architecture. It has also brought about the enhanced regulation of the insurance sector, and opportunities to level the playing field for all insurance companies -- whether located in the QFC or not.*

**What is the name of the international body that establishes global insurance standards?**

*What is the name of the organisation that supervises companies registered inside the Qatar Financial Centre?*

*What is the name of the organisation that supervises companies operating outside the Qatar Financial Centre?*

*What are the categories of insurance that are compulsory in Qatar?*

*List one of the identified 'gaps in the market'?*

Local insurance companies	International insurance companies



## Practice

### Practice activity 5

Locate the Doha Insurance Company website and answer the following questions.

*List the insurance policies offered by Doha Insurance Company.*


*What events are covered by travel insurance?*




*What is the business ownership structure of Doha Insurance Company?*

*What was the share price of the last trade?*



## Practice

### Practice activity 6

Prepare a poster advertising either life, general or health insurance policies. Include a drawing to highlight the insurable risk.





## Identify and clarify the customer's request

### Customer's requirements are identified

Clients are an organisation's most valuable asset. All employees have a role to play in building a professional relationship with their clients to ensure they remain loyal to the organisation. Communicating clearly and effectively with clients is the key to good customer relationships.

Active listening and appropriate questioning will assist in maintaining this relationship

#### Active listening means:

- Asking questions – try to engage with the client by asking questions. Show interest in what they are saying and try to build a positive relationship. Use questioning to seek clarification on any issues.
- Paraphrasing – summarise or recap what the client has told you. This confirms that you understand what has been said and lets the client know that you have been listening to them.
- Verbal prompts – use words and phrases such as 'yes', 'I understand' and 'OK' while the other person is talking. This shows that you are engaged in the discussion.
- Eye contact – maintaining eye contact lets the client know you are listening to them and that they have your full attention-.



*Maintaining eye contact assures the client that you are listening to them*

***Client questioning will generally involve both open and closed questions.***

**Closed questions can be used to gather facts about your client eg:**

- How old are you?
- Are you married?
- Do you have children?
- What ages are your children?

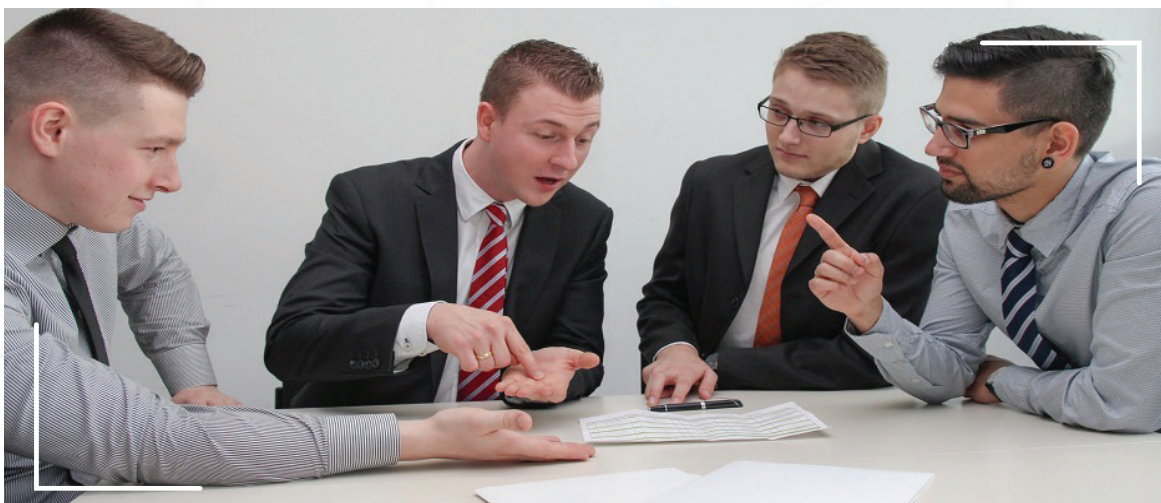
Open questions will be asked to allow the client to talk in more detail eg:

- What is important to you when comparing insurance policies?
- What features are you looking for in an insurance policy?

The insurance industry is a specialised sector of the business environment and requires specialist staff. Employees in this field need to have significant knowledge of not only the products they are selling, but also the process and regulations surrounding the sale of insurance products.

Customers may have no knowledge of insurance products and it will be your task to ensure you are aware of their circumstances and make them aware of risks and what products can cover them against such risks.

'Know your client' is an important phrase in the financial services world. It is not only important from a regulatory point of view but also in terms of how you can best serve your customers.



*Use client meetings and interviews to 'know your client'*

The 'know your client' rule is embedded in ASIC regulations. Before offering any financial product advice, (including insurance), insurance advisers need to demonstrate that they have an understanding of the client's personal, business and financial circumstances.

### **The type of information you need to know about your client includes the following:**

- Age of client
- Marital status
- Number and age of dependents
- Type of employment
- If self-employed, the type of business, size of business, number of employees etc
- Income
- Assets
- Superannuation
- Financial commitments and repayments
- Existing insurance cover

Employees will use the client meeting to assist them to identify their client's insurance requirements.



## Practice

### Practice activity 7

Prepare three open and three closed questions you could use to assist you to get to know your client during a client interview discussing their insurance requirements.





## Practice activity 8

Refer to the completed client meeting form below.

Client interview form			
<b>PART A - Personal details</b>			
Client name	Mushtaq Ibrahim		
Address	Residential	Postal	
	Bustan St Al Dafna	PO Box 1484 Doha	
Age	40	Marital status	Married
Number of dependents	4	Age of dependents	12, 10, 7 and 5
Occupation	HR Manager		
<b>Name of employer</b> (If self employed, go to part B)	Ministry of Interior		
Annual Salary	QR 285, 000		
Other Income	Dividends QR 10,500		
Income of spouse	QR N/A		
<b>PART B - Self-employment details</b>			
Name of business	N/A		
Location of business	N/A		
Type of business	N/A		
No of employees	N/A		



### Part C – Assets and Liabilities

Principal residence	Approx value QR 850,000			
Other residences	Approx value QR N/A			
Vehicles	No.	2	Approx value	QR 150,000
Mortgage	QR 425,000		Bank	Doha Bank
Other loans	QR 60,000		Bank	Doha Bank
Superannuation	QR 380,000			
Investments	Shares		QR 55,000	
	Property		QR	
	Other		QR	

*Indicate which insurance products would be appropriate to Mushtaq's personal situation.*

--

*What other products would be suitable if he was self-employed rather than working as an employee?*

--



## Practice

### Practice activity 9

Review the following completed client interview form. Indicate what insurance products would be appropriate based on the client's individual circumstances.

Client interview form			
<b>PART A - Personal details</b>			
Client Name	Mustafa Abdulrahman		
Address	Residential	Postal	
	Al Waab Compound	PO Box4567 Doha	
Age	30	Marital Status	Married
Number of dependents	2	Age of dependents	3 & 5
Occupation	Pharmacist		
<b>Name of employer</b> (If self employed, go to part B)	Self employed		
Annual Salary	QR 425,000		
Other Income	Rental QR 110,500		
Income of spouse	QR 175,000		
<b>PART B - Self-employment details</b>			
Name of business	Gulf Pharmacy Supplies		
Location of business	Industrial Area		
Type of business	Retail pharmacy supplies		
No of employees	20		

## PART C - Assets and Liabilities

Principal residence	Approx value QR 720,000		
Other residences-	Approx value QR		
Vehicles	No.	2	Approx value QR 250,000
Mortgage	QR 525,000		Bank Commercial Bank
Other Loans	QR 460,000		Bank Commercial Bank
Superannuation	QR 250,000		
Investments	Shares		QR
	Property		QR 550,000
	Other		QR

## Insurance recommendation

Life Insurance		General Insurance	
Death		Fire (House)	
Trauma		Motor Vehicle	
Sickness and accident		Travel	
Other		Other	
Health Insurance		Business	
Hospital		Fire (Property)	
Ancillary		Theft	
Other		Other	



## Practice

### Practice activity 10

In pairs role play a client interview. One person is to be the interviewer (working for an insurance company) and the other person is to be the client. The client should make up their own personal details. At the end of the interview, the interviewer should indicate on the form provided the most appropriate types of insurance that the client should consider. When you have finished, change roles and repeat the process.

#### Client interview form

##### PART A - Personal details

Client Name

Address

Residential

Postal

Age

Marital Status

Number of dependents

Age of dependents

Occupation

**Name of employer**

(If self employed, go to part B)

Annual Salary

Other Income

Income of spouse

## Client interview form

### PART B - Self-employment details

Name of business

Location of business

Type of business

No of employees

### PART C - Assets and Liabilities

Principal residence

Other residences-

Vehicles

No.

Approx value

Mortgage

Bank

Other Loans

Bank

Superannuation

Investments

Shares

QR

Property

QR

Other

QR

Insurance recommendation			
Life Insurance		General Insurance	
Death		Fire (House)	
Trauma		Motor Vehicle	
Sickness and accident		Travel	
Other		Other	
Health Insurance		Business	
Hospital		Fire (Property)	
Ancillary		Theft	
Other		Other	





## Practice

### Practice activity 11

In pairs role play a client interview. In the first scenario, the client is a single 22 year old Qatari national, full time employment with a car and car loan. In the second scenario, the client is a 45 year old American expat employee. The client should make up their own personal details in each scenario. At the end of the interview, the interviewer should indicate on the form provided the most appropriate types of insurance that the client should consider. When you have finished, change roles and repeat the process for scenario 2.

Client interview form			
<b>PART A - Personal details</b>			
Client Name			
Address	Residential	Postal	
Age		Marital Status	
Number of dependents		Age of dependents	
Occupation			
<b>Name of employer</b> (If self employed, go to part B)			
Annual Salary	QR		
Other Income	QR		
Income of spouse	QR		

## Client interview form

### PART B - Self-employment details

Name of business

Location of business

Type of business

No of employees

### PART C - Assets and Liabilities

Principal residence      Approx value QR

Other residences-      Approx value QR

Vehicles	No.		Approx value	QR
----------	-----	--	--------------	----

Mortgage	QR	Bank	
----------	----	------	--

Other Loans	QR	Bank	
-------------	----	------	--

Superannuation      QR

Investments	Shares	QR
-------------	--------	----

	Property	QR
--	----------	----

	Other	QR
--	-------	----

Insurance recommendation			
Life Insurance		General Insurance	
Death		Fire (House)	
Trauma		Motor Vehicle	
Sickness and accident		Travel	
Other		Other	
Health Insurance		Business	
Hospital		Fire (Property)	
Ancillary		Theft	
Other		Other	



## Practice

### Practice activity 12

Explain the meaning and importance of the 'know your client' rule.


#### **All necessary information is elicited from the customer**

After the client interview form has been completed, you will have to determine which insurance products are appropriate for the client. If the client decides to go ahead and purchase insurance products, you will have to obtain more specific information from the client about what is being insured.

A proposal form will be used to gain this information from the client. The insurance proposal must be filled in accurately. The client has a 'duty of disclosure'. This means they must tell the truth when they apply for insurance.

## Information required on the proposal form will include the following:

- Name of insured
- Contact details of insured
- Location of property etc being insured
- Specific details about the property insured eg if a house is to be insured, the company will want to know what materials the house is constructed from, size of the house, number of rooms etc or if it is a motor vehicle being insured, they will want to know the make and model of the vehicle together with the engine number, where the vehicle is parked overnight etc.
- Any special additions to the property insured eg sports kits installed on cars etc
- Whether the insured has ever made insurance claims previously
- Whether the insured has ever been denied insurance or had an insurance claim denied

The information on the proposal form will be used to assess the risk and determine whether the insurance company is prepared to insure the client. The insurance proposal may also be sent to the underwriter for confirmation of whether the risk will be accepted. If acceptable to both the underwriter and the insurance company, an insurance policy will be offered to the client.

It is therefore most important that the information supplied by the client is accurate and truthful. If it is demonstrated at some time later that the information supplied is not honest or accurate, the insurance company can cancel the insurance contract and will not pay any subsequent insurance claims.

Refer to Appendix 1 for an example of a fire proposal form used by Qatar Insurance Company (QIC).



## Practice

### Practice activity 13

Read the article about common lies or misrepresentations told to insurance companies and answer the following questions.



#### 'Millions' lie on car insurance to cut costs

Research has revealed the lies being offered up by millions of British drivers in order to cut the cost of premiums. As many as 2.4 million car insurance policies are invalid because of mistakes made by drivers in the information they give insurers, according to research. One in 12 drivers - or 8pc - admit to giving incorrect details to insurers, according to study conducted by Consumer Intelligence. When asked why they gave the wrong information, 60pc said they did it to get a lower premium. One in five said they made a mistake or did not know the answer. One in 20 said they lied to "reclaim money paid previously for expensive premiums". The research asked what drivers lied about and found that 9pc changed their home address and 10pc gave a lower annual mileage estimate. Around 15pc weren't truthful about where they park their vehicle overnight and 14pc didn't disclose the correct number of points or convictions they had on their licence. The cost of car insurance is influenced not only by the type of car and age of the driver but also by job title and whether the car is used for commuting or for business. The study found that one in 10 drivers had given the wrong information

*because the insurer's system forced them to give an incorrect response. This can happen with restrictive lists of job titles and employment industries offered in dropdown menus on insurer's websites.*

*Ian Hughes of Consumer Intelligence said: "Many consumers are struggling financially and it is understandable that they would want to try and cut their bills wherever they can. However, if they do not provide the right information to insurers they are putting themselves at risk. If they make a claim they may find that the policy won't pay out because the information they provided doesn't add up.*

*"One of the key principles of insurance is 'utmost good faith'. That isn't just for insurers; it is really important that consumers play their part in this."*

*He warned that insurance could be partially or completely invalidated and that an insurance company could cancel their insurance, making it almost impossible to buy insurance in the future.*

***What are four common types of lies that consumers made when communicating with their insurance companies?***






## Practice

### Practice activity 14

Locate the following link from the QIIC website.

➤ [www.qiic.com.qa/proposal-download-forms/](http://www.qiic.com.qa/proposal-download-forms/)

Download and print two copies of the motor vehicle proposal form. Complete the proposal form as though you were applying for motor vehicle insurance.



## Practice

### Practice activity 15

In pairs, role play a client interview. One person is to assume they are working for QIIC and the other person is a client wanting to take out motor vehicle insurance.

The QIIC employee is to ask the client for answers to all the questions on the proposal form.



## Practice

### Practice activity 16

A client has submitted the following proposal for motor vehicle insurance. Your supervisor has asked you to read over the document to check for accuracy and to ensure it is fully completed. Circle any errors or omissions.

## PROPOSAL FOR VEHICLE INSURANCE

THE LIABILITY OF THE COMPANY DOES NOT COMMENCE UNTIL THE PROPOSAL HAS  
BEEN ACCEPTED AND FIRST PREMIUM PAID

Particulars of the proposer								
Name in full (Mr/Mrs/Miss/Ms):	Mr Joel Mendes							
Address:								
Telephone details								
Home:		Mobile:	6610 4192	Work:				
Occupation:	Mechanic							
Particulars of insurance cover								
Period of insurance:	From:	1 - 4 - 2013	To:	1 - 4 - 2013				
Type of vehicle:	Saloon/Pickup/Truck/Other (describe)					Saloon		
Use:	Private/Commercial/Taxi/Rent a Car/Driving School/Others					Private		
Cover required:	Comprehensive/Third Party (delete which is inapplicable)							
Do you require Personal Accident Insurance to:	Owner/Unpaid Driver/Family Members/Passengers					Yes/No		
Geographical area:	State of Qatar							
Previous claims history								
How long have you owned the vehicle	1 Year(s)							
Name of current Insurance Company	QIC	Policy No	E94211	Expiry date	31-3-2013			
Name of previous Insurance Company		Policy No		Expiry date				
Number of accidents, if any, made on this vehicle during the last three years	NIL			Amount				
Particulars of vehicle to be insured								
Make of vehicle/ year type of body	Chassis No Engine No	Regn. No	CC/Cyl tonnage	Licensed seating capacity	Price paid (if new)	Insured's estimated value		
Nissan 4WD 2010	E29510623	12915				QR 120,000		
III	III	III	III	III	III	III		
Insured's estimated value =		Cash purchase price when new less depreciation =			Value for insurance ie Sum insured			

Excess agreed on each and every claim for third Party and Own Damage RO .

### Undertaking

I, ..... **Joel Mendes** ..... HEREBY CONFIRM THAT THE Estimated Value give by me for my vehicle, **QR 120,000**, ie sum Insured is based on the original cash purchase price (less discounts) less depreciation as per the scale of Ministry of Commerce and Industry. In case this value is found to be over-insured/over-valued, I/We hereby confirm that the Insurance Company's liability for Total Loss or Constructive Total Loss will not be the sum insured but the lesser value based on the original cash price less applicable depreciation as per the standard scale approved by the Ministry of Commerce.

Name ..... Signature: .....

### Declaration

I/We desire to insure with QATAR ISLAMIC INSURANCE COMPANY, in respect of the vehicle(s) described in the above proposal as per terms and conditions of the relevant policy.

I/We warrant that the above statements and particulars are true and correct in every respect.

I/We agree that this proposal and declaration shall be the basis of the contract between me/us and QATAR ISLAMIC INSURANCE COMPANY and shall therefore be considered to be an integral part of the policy.

Date ..... Time: ..... Signature: .....



## Practice

### Practice activity 17

Assume you are working for an insurance company. You have already had an interview with a client and completed the client interview form on the next page. The client has decided to take out insurance on his car.

Complete as much of the proposal form as you can from the details on the client interview form.

You will have to organise another meeting to be able to complete all the required details of the proposal form

With a partner, role play the meeting you would have with the client to obtain the missing information.

CLIENT INTERVIEW FORM				
<b>PART A - Personal details</b>				
Client Name	Rafi Al Dhani			
Address	Residential	Postal		
	No 6 Somerset Compound	PO Box 4598 Doha		
Age	35	Marital Status	Married	
Number of dependents	3	Age of dependents		
Occupation	Mechanic			
<b>Name of employer</b> (If self employed, go to part B)	Doha Hydraulics			
Annual Salary	QR 235,000			
Other Income	QR			
Income of spouse	QR 65,000			
<b>PART B - Self-employment details</b>				
Name of business				
Location of business				
Type of business				
No of employees				
<b>PART C - Assets and Liabilities</b>				
Principal residence	Approx value QR			
Other residences-	Approx value QR			
Vehicles	No.	2	Approx value	QR 155,000
Mortgage	QR		Bank	
Other Loans	QR 125,000		Bank	QIIB
Superannuation	QR			
Investments	Shares		QR	
	Property		QR	
	Other		QR	



## PROPOSAL FOR MOTOR VEHICLE INSURANCE

THE LIABILITY OF THE COMPANY DOES NOT COMMENCE UNTIL THE PROPOSAL HAS BEEN  
ACCEPTED AND FIRST PREMIUM PAID

### PARTICULARS OF THE PROPOSER

Name in Full (Mr/Mrs/Miss) \_\_\_\_\_

Address \_\_\_\_\_

Tel No. (Office) \_\_\_\_\_ Res. \_\_\_\_\_ GSM \_\_\_\_\_ Pager \_\_\_\_\_

Occupation/Trade \_\_\_\_\_

**PARTICULARS OF INSURANCE COVER** Period of Insurance : From \_\_\_\_\_ To \_\_\_\_\_

Type of Vehicle : Saloon/Pickup/Truck/Others (describe) \_\_\_\_\_

Use : Private / Commercial / Taxi / Rent - a - car / Driving School / Others \_\_\_\_\_

Cover Required Comprehensive/Third Party (Delete which is inapplicable)

Do you require Personal Accident Insurance to : Owner / Unpaid Driver / Family Members / Passengers (Yes / No)

Geographical Area : **State of QATAR.**

### PREVIOUS CLAIMS HISTORY

How long have you owned the vehicle \_\_\_\_\_ Years

1. Name of current insurance company \_\_\_\_\_ Policy No. \_\_\_\_\_ Expiry Date \_\_\_\_\_

2. Name of previous insurance company \_\_\_\_\_ Policy No. \_\_\_\_\_ Expiry Date \_\_\_\_\_

Number of Accidents, if any, made on this vehicle during the last 3 years \_\_\_\_\_ Amount RO \_\_\_\_\_

### PARTICULARS OF VEHICLE TO BE INSURED

Make of Vehicle/ Year Type of Body	Chassis No. Engine No.	Regn. Number	CC/Cyl Tonnage	Licensed Seating Capacity	Price Paid (If new)	Insured's Estimated Value <sup>***</sup>
Insured's Estimated Value =	Cash Purchase Price When New less Depreciation =				Value for Insurance i.e. Sum Insured	

Excess agreed on each and every claim for Third Party and Own Damage RO \_\_\_\_\_

### UNDERTAKING

I, \_\_\_\_\_ hereby confirm that the Estimated Value given by me for my vehicle, \_\_\_\_\_ i.e. Sum Insured is based on the Original cash purchase price (less discounts) less depreciation as per the scale of Ministry of Commerce & Industry. In Case this value is found to be over-insured/over-valued, I/We hereby confirm that the Insurance Company's liability for Total Loss or Constructive Total Loss will not be the Sum Insured but the lesser value based on the original Cash Price less applicable depreciation as per the standard scale approved by the Ministry of Commerce.

NAME : \_\_\_\_\_ SIGNATURE : \_\_\_\_\_

### DECLARATION

I/We desire to insure with **QATAR ISLAMIC INSURANCE COMPANY.** in respect of the vehicle(s) described in the above proposal as per terms and conditions of the relevant policy.

I/We warrant that the above statements and particulars are true and correct in every material respect.

I/We agree that this proposal and declaration shall be the basis of the contract between me/us and

**QATAR ISLAMIC INSURANCE COMPANY;** and shall, therefore, be considered to be an integral part of the policy.

DATE : \_\_\_\_\_ TIME : \_\_\_\_\_ SIGNATURE OF INSURED \_\_\_\_\_

**FOR OFFICIAL USE ONLY** POLICY No. \_\_\_\_\_ Date \_\_\_\_\_

Vehicle inspected on \_\_\_\_\_ Time : \_\_\_\_\_

CONDITIONS : External Damages \_\_\_\_\_

Maintenance \_\_\_\_\_ Tyres \_\_\_\_\_ KM Run \_\_\_\_\_

## ***Data on insurance proposal is gathered within timelines required by the organisation***

The contract of insurance between the insured and the insurer is not valid until the insurer has provided the insured with a policy contract and the insured has paid the first premium. This may not occur for some time after the proposal form has been submitted.

The representative of the insurance company should check their internal timelines and advise the client accordingly.

It is essential that the insurance proposal form has been fully and correctly completed. Any errors or omissions will only further delay this process.

In some circumstances, the insured may urgently require cover. If this is the case, the representative of the insurance company should seek advice from their supervisor and arrange for a cover note to be issued. The cover note will give the insured temporary protection from risk until such time as the insurance policy is prepared, signed and the premium or first instalment paid.





## Practice

### Practice activity 18

Assume that you work for an insurance company and one of your duties is to process proposal forms. Today is the 28th September.

Your task is to ensure that all proposal forms are fully completed. You are also required to check the dates that the insurance is required by.

Company's policy and procedures require you to send the proposal form back to the customer if they are incomplete. You are also required to contact your supervisor when required dates for insurance fall within the next week so the company can issue a cover note to prospective customers.

Check the proposal form to ensure that it has been completed fully. If not, prepare an email to be sent to the customer with the proposal form attached. In the email indicate to the customer what is incomplete and request them to return as soon as possible. Remind them that the proposal cannot be processed until it is complete. Remind the customer that this is urgent because of the requested period of insurance.

Prepare an email to your supervisor informing him of the situation and requesting that a cover note be issued as soon as the fully completed proposal form is received from the customer.



## PROPOSAL FOR MOTOR VEHICLE INSURANCE

THE LIABILITY OF THE COMPANY DOES NOT COMMENCE UNTIL THE PROPOSAL HAS  
BEEN ACCEPTED AND FIRST PREMIUM PAID

### **PARTICULARS OF THE PROPOSER**

Name in Full (Mr/Mrs/Miss/Ms) Mr Jose Allandes  
Address Unit 34, Al Raya Tower, Mshereib  
Tel No Home \_\_\_\_\_ Mob \_\_\_\_\_ Work \_\_\_\_\_  
Occupation \_\_\_\_\_

### **PARTICULARS OF INSURANCE COVER** Period of Insurance: From 1 - 4 - 2013 To 31 - 3 - 2014

Type of vehicle: Saloon/Pickup/Truck/Other (describe) Saloon

Use: Private/Commercial/Taxi/Rent a Car / Driving School/ Others Private

Cover required: Comprehensive/ ~~Third Party~~ (delete which is inapplicable)

Do you require Personal Accident Insurance to: Owner / Unpaid Driver / Family Members / Passengers  
(Yes / No)

Geographical area: **State of Qatar**

### **PREVIOUS CLAIMS HISTORY**

How long have you owned the vehicle 2 Years

1 Name of current Insurance Company Doha Insurance Co Policy No 25841 Expiry Date 31-3-2013

2 Name of previous Insurance Company \_\_\_\_\_ Policy No \_\_\_\_\_ Expiry Date \_\_\_\_\_

Number of accidents, if any, made on this vehicle during the last 3 years NIL Amount \_\_\_\_\_

### **PARTICULARS OF VEHICLE TO BE INSURED**

Make of vehicle/ Year Type of body	Chassis No Engine No	Regn. No	CC/Cyl Tonnage	Licensed Seating Capacity	Price paid (if new)	Insured's Estimated Value
Mitsub Paj 4WD 2010	E29510623	35841				QR130,000
Insured's Estimated Value  =		Cash Purchase price When New Less Depreciation  =			Value for insurance ie Sum insured	

Excess agreed on each and every claim for third Party and Own Damage RO \_\_\_\_\_

### **UNDERTAKING**

I, Jose Allendes HEREBY CONFIRM THAT THE Estimated Value give by me for my vehicle, QR130,000, ie sum Insured is based on the original cash purchase price (less discounts) less depreciation as per the scale of Ministry of Commerce & Industry. In case this value is found to be over-insured/over-valued, I/We hereby confirm that the Insurance Company's liability for Total Loss or Constructive Total Loss will not be the sum insured but the lesser value based on the original cash price less applicable depreciation as per the standard scale approved by the Ministry of Commerce.

Name: \_\_\_\_\_ SIGNATURE: \_\_\_\_\_

### **DECLARATION**

I/We desire to insure with **QATAR ISLAMIC INSURANCE COMPANY**, in respect of the vehicle(s) described in the above proposal as per terms and conditions of the relevant policy.

I/We warrant that the above statements and particulars are true and correct in every respect.

I/We agree that this proposal and declaration shall be the basis of the contract between me/us and **QATAR ISLAMIC INSURANCE COMPANY** and shall therefore be considered to be an integral part of the policy.

Date: \_\_\_\_\_ Time: \_\_\_\_\_ Signature: \_\_\_\_\_

## EMAIL

*To*

*Subject*



EMAIL
To
Subject
<div></div>



### ***Underwriter's terms and conditions are applied***

Insurance companies use underwriters to reinsure their risk and potential liability. Reinsurance is the transfer of the risk of a loss from an insurer to a reinsurer. As natural disaster and catastrophes become more common, it is necessary for insurance companies to be able to share the risk with underwriters.

Underwriters charge the insurance company a premium to accept the risk. They will also insist on terms and conditions to the insurance policy.

Therefore, the insurance company has to inform the insured what the terms and conditions of the policy will be. They also have to inform the insured of limitations and exclusions to the policy.



## Practice

### Practice activity 19

Use the Internet to research the role of an underwriter. Describe the tasks that an underwriter performs.

- .....
- .....
- .....
- .....



## Practice

### Practice activity 20

Underwriters may impose terms and conditions on the risk. What does this mean?

List one limitation and one exclusion that may be imposed on the following:

- *Travel insurance on a trip to Syria*

- *Custom-made vehicle*

- *Health insurance for a family. One of the children has a pre-existing medical condition.*

## Risk information advised by client is verified

People seeking to reduce or minimise their insurance premiums often ‹forget› or intentionally misrepresent their previous claims history. Therefore, as soon as the insurance company receives the insurance proposal they will verify that all the details included in the proposal are accurate.

**Insurance Reference Services (IRS)** is a member based organisation that aggregates general insurance claims information on individuals across Australia. Its members promote industry wide collaboration in the fight against insurance fraud and misrepresentation. Claims data is used by the insurance industry to validate the disclosures made by applicants and policyholders. It helps to ensure policyholders pay the right premium and that pricing and risk models are based on accurate information.

The IRS database holds over 22.7 million insurance claims contributed by the major insurers nationally and is estimated to capture over 98% of the general insurance claims in Australia.

The database holds information on over 11 million individuals and 700,000 organisations. The IRS database holds insurance claims information on an individual or organisation for ten years and includes:

- Insurance enquiries – footprint left by Insurer on a file at point of underwriting or claim
- Type of insurance – household, motor vehicle, CTP
- Reason for enquiry – claim, cover note, new business, quotation, renewal
- Enquiry amount – dollar amount related to the enquiry
- Relationship to insured – insured, co-insured, driver, third party, witness
- Enquiry amount – dollar amount related to the enquiry
- Amount of claim – dollar amount of claim
- Claim type – accidental damage, flood, fire, collision, storm damage, at fault collision, windscreen
- Status – current, withdrawn, ex-gratia, finalised, fraud, declined
- Loss assessor enquiries – similar to an insurance enquiry, however, added when a loss assessor is assessing a claim

An IRS search on the client allows the insurance company to automatically flag insurance applicants which show anomalies in the insurance information they provide. The insurance company is then entitled to charge premiums which reflect the real risk. IRS can establish non disclosed insurance history, verify applicant addresses and assess the validity of stated no claim bonus entitlements.

Searches can be undertaken to determine whether it is likely that a young driver resides at an address and whether the young driver has been disclosed as a nominated driver on a policy. The use of IRS is the first step insurers can take in the correction of rating errors and the recovery of premium leakage.

You can use the IRS database to confirm whether an applicant has disclosed their past insurance history or whether they have disclosed all their previous insurance claims. This information can be used to determine the likelihood of fraudulent behaviour.

**The Qatar Credit Bureau** will provide a similar service for insurance companies operating in Qatar. At present the Credit Bureau serves the financial and telecommunications sector. The insurance sector will be the next to be served by the bureau.

Its role will be to provide information to insurance companies to assist them in making decisions on how to deal with customers, thus reducing their risks.





## Practice

### Practice activity 21

*What is the name of the organisation that aggregates general insurance claims information on individuals across Australia?*

➤ .....

*What is the name of the equivalent organisation that will perform a similar role in Qatar?*

➤ .....

Locate the following website: <http://insurancereferenceservices.com.au/about>

*An individual can check their insurance history at this website. What two types of insurance policies are included in the report?*

➤ .....

➤ .....

➤ .....

*What is included in your historical claims report?*

➤ .....

➤ .....

➤ .....



## Practice

### Practice activity 22

Read 'Jack's story' and answer the questions below.

#### **Jack's story**

*Jack (25) found out the hard way how important it is to include car modifications in the certificate of insurance. Jack wrote off his dad's car in an accident. His Dad had comprehensive insurance and Jack was insured as a driver. They both felt they had done everything right. The insurance Company's website said if you wrote your car off within the first 12 months, they'd replace it with a brand new car. As the car was only six months old we told the insurer that's what we wanted to do.*

*The insurer told us that they wouldn't replace the car with the all the extras that the first car had– alloy wheels, spoiler, tinted windows. They would only replace it with the base model, with no extras. Now we have to pay more money to get a new car of the same value.*

*Instead of getting a brand new car to replace the car that was wrecked, we had to take a cheque instead for the amount we had the car insured for. And now we have to pay more money to get a new car of the same value.*

*We thought we'd done the right thing - we'd asked on the phone about any conditions or reasons why we wouldn't get a car exactly the same, we'd read the product disclosure statement (PDS) to make sure that there were no loopholes, but we didn't get what we thought we'd been promised.*

*Next time we'll make sure that every single modification is reflected on the Certificate of Insurance.*

**What type of insurance did Jack and his father have?**

➤ .....

***What did the insurance company offer to do if the vehicle was written off in the first 12 months?***

➤ .....

➤ .....

➤ .....

➤ .....

***What mistake did Jack's father make when he insured the vehicle?***

➤ .....

➤ .....

➤ .....

➤ .....



## Practice

### Practice activity 23

Refer to the <http://insurancereferenceservices.com.au/about> website and answer the following questions.

*Explain the service provided to consumers by the Insurance Reference Services (IRS).*

- .....
- .....
- .....

*Explain the service provided to insurers by IRS.*

- .....
- .....
- .....

*List the information that is provided about an individual by IRS.*

- .....
- .....
- .....

*Why would insurers be interested in this information?*

- .....
- .....
- .....



## Practice

### Practice activity 24

Review the client interview form and insurance recommendation on the following pages. The customer has agreed with your recommendation and asked you to prepare the appropriate documentation.

Company's policy requires an IRS search of every insurance application prior to accepting the risk. List the information you would look for on the customer's IRS file.

- .....
- .....
- .....
- .....
- .....
- .....
- .....

CLIENT INTERVIEW FORM				
<b>PART A - Personal details</b>				
Client Name	Khalid Bashier			
Address	Residential		Postal	
	Al Khor		PO Box 4109 Doha	
Age	51	Marital Status		Married
Number of dependents	3	Age of dependents		14, 17 & 20
Occupation	Business Manager			
<b>Name of employer</b> (If self employed, go to part B)				
Annual Salary	QR 550,000			
Other Income	QR 130,000			
Income of spouse	QR			
<b>PART B - Self-employment details</b>				
Name of business	Qatar Office Supplies			
Location of business	Doha			
Type of business	Retail			
No of employees	12			
<b>PART C - Assets and Liabilities</b>				
Principal residence	Approx value QR 745,000			
Other residences-	Approx value QR			
Vehicles	No.	2	Approx value	QR 180,000
Mortgage	QR	Bank		
Other Loans	QR 125,000	Bank		IQB
Superannuation	QR			
Investments	Shares		QR	
	Property		QR 480,000	
	Other		QR	

Insurance recommendation			
Life Insurance		General Insurance	
Death	✓	Fire (House)	✓
Trauma	✓	Motor Vehicle	✓
Sickness & Accident	✓	Travel	
Other		Other	
Health Insurance		Business	
Hospital	✓	Fire (Property)	✓
Ancillary	✓	Theft	✓
Other		Other	





## Practice

### Practice activity 25

*What can the insurer do if they discover by way of an IRS report that an insurance application has not disclosed previous claims?*

- .....
- .....
- .....

Refer to the IRS website and research insurance fraud. (Hint, go to the 'news' link).

*What are common examples of insurance fraud?*

- .....
- .....
- .....

### ***Survey requirements are implemented if applicable***

A risk survey refers to the identification, analysis and control of those risks that can threaten the operations and assets of a business organisation.

When an insurance company receives an application for insurance, the insurer will want to assess the risk involved in accepting the policy proposal.

This assessment will involve physically inspecting the property and the business organisation. Fire and security systems will be checked for efficiency and effectiveness. Council and government regulations will be consulted to ensure the business conforms to these regulations. The geographic location of the premises will be viewed to establish the likelihood of fire, flooding, burglary etc.



## Practice

### Practice activity 26

Refer to Appendix 2 and read the comprehensive summary of risk surveying.



## Practice

### Practice activity 27

Explain the role of an insurance surveyor.

- .....
- .....

Under what circumstances would an insurance survey be undertaken?

- .....
- .....

If you were processing an insurance proposal against the risk of fire for an upholsterer working in the industrial area, what aspects would an insurance survey review?

- .....
- .....
- .....

## Issuing an insurance contract

*Terms and conditions of a contract are specified in line with the organisation's guidelines, policies and procedure*

After the insurance company has assessed the risk, consulted with underwriters and calculated the premium, the policy document will be prepared. The policy will include all standard terms and conditions that the company normally attaches to the type of policy as well as any additional terms and conditions imposed by the underwriters. A list of exclusions will also be attached to the document. These specific events are not covered by the policy.

It is important that the insurance representative makes the client aware of these conditions and exclusions. This should all be revealed in the Product Disclosure Statement.

The following are examples of where policyholders have not been fully aware of the conditions or exclusions attached to their policy.

- The driver was not authorised by the vehicle owner. Sometimes a friend can borrow a motor vehicle without permission. In those circumstances cover may be denied altogether by an exclusion clause.
- Driver was under the influence of alcohol but was not tested for blood alcohol content by the Police. It is common for the exclusion clause in a motor vehicle policy to deny cover where the driver is under the influence of alcohol without any specific reference to having been tested by the police.
- The motor vehicle was 'only a little bit un-roadworthy'. Even though a motor vehicle may be in a less than roadworthy condition and the relevant un-roadworthy part may not have any direct connection with the motor vehicle collision occurring, the exclusion clause for un-roadworthiness of a vehicle may apply. If the vehicle has an 'un-roadworthy' part, even if it may not be the cause of the accident, an exclusion clause for an un-roadworthy vehicle may apply.

- The car was carrying more passengers than its design. If a driver is controlling a vehicle where the amount of persons inside it exceeds the number of seatbelts, there may be no insurance cover. Cars are only designed to safely carry a certain number of passengers, so if there is more, the insurer may validly say the vehicle was not capable of being controlled properly.

The above examples are only some of the many exclusions which may apply to an insurance policy. These will be included in the wording of the Product Disclosure Statement – which is a legally binding contract.



## Practice

### Practice activity 28

Using the Internet locate the following link:

- [www.bingle.com.au/sites/default/files/fm/pdf/comprehensive-car-insurance-pds.pdf](http://www.bingle.com.au/sites/default/files/fm/pdf/comprehensive-car-insurance-pds.pdf).

If this does not work, search for [www.bingle.com.au](http://www.bingle.com.au) and download and print a copy of their PDS.

This is an example of a Comprehensive Motor Vehicle policy.

Note in particular the information on pages 10 and 11. This indicates specifically what is and what is not covered.

You will be required to answer other questions about this policy document in other class activities.



## Practice

### Practice activity 29

Go to the following website: <http://www.axa-gulf.com/qatar/en/car-insurance>

Locate the terms and conditions of AXA's car insurance policies and answer the questions below.

*List three general exceptions.*

- .....
- .....
- .....

*What is the meaning of general condition number 2?*

- .....
- .....
- .....

*What is the meaning of general condition number 5?*

- .....
- .....
- .....

## ***If a request falls outside the organisation's guidelines, decision is referred to the appropriate person***

From time to time requests for insurance that fall outside the normal range of insurable risk will be received from clients. When this situation arises the insurance representative needs to consult with the appropriate person within the organisational structure.

### **Some examples of these requests could be:**

- A proposal for motor vehicle insurance shows that the vehicle is custom made and does not fit standard regulations
- A proposal for family health insurance indicates that a member of the family has a pre-existing medical condition
- A proposal for property and contents insurance indicates that the property is in a geographic location that your company does not accept

Just because it is outside the normal scope of operations does not necessarily mean that the application for insurance will be declined. The company may be prepared to take on the insurance with an increase in premiums. They may also decide to impose additional conditions or exclusions. The underwriters may also have an input and impose additional clauses to the insurance contract.

Where the insurance proposal lies outside the normal business operations of the insurance company, the representative may be asked to submit additional evidence to support the request for insurance.



## Practice

### Practice activity 30

Your client has approached you to organise travel insurance for him. He and his family have booked tickets from Qatar to Kenya and return. The only return flights he could organise meant a stopover in Somalia and a change of plane. He would not be exiting the airport in Somalia and would only be on the ground for approximately three hours.

Your company has a policy of not accepting travel insurance to and from Somalia. However, because this is just a stopover, you decide to refer the request to your supervisor. You are aware of other situations where this has occurred and your company has increased the insurance premium or imposed an excess on any claims.

Prepare an email to your supervisor requesting him to review the application for travel insurance. You have a copy of the client's flight itinerary.

***The email address of your supervisor is mohamed@qinsure.com.qa***

New Message	
Recipients:	
Subject:	







## Practice

### Practice activity 31

A client has approached you to get a quote for insuring his car.

The vehicle is 60 years old and has been restored. It has passed its roadworthy tests and is registered. However, your company has a policy of not insuring cars more than 30 years old. Because this vehicle is restored and is in such good condition, you believe your company may be prepared to make an exception.

Company policy requires that before an assessment of the risk can be undertaken, you must send an email to your supervisor explaining the situation, describing the property to be insured and identifying reasons why the company should consider accepting the risk.

Prepare an email to your supervisor requesting him to review the application for vehicle insurance. You have a photograph of the vehicle.

***The email address of your supervisor is mohamed@qinsure.com.qa***

New Message	
Recipients:	
Subject:	
<div></div>	



## ***Contract documentation is completed and reviewed to ensure it meets legislative requirements***

Once the insurance proposal has been accepted and the premium and terms and conditions of the policy have been explained to the client, the company will draw up the final policy document. The client will review the policy document and seek assistance and answers to any questions they have. The client will indicate their acceptance of this insurance offer by paying the appropriate premium. The contract and terms and conditions of the policy will be effective from that point in time.

Legislative requirements ensure that many documents must be completed and supplied to the client. Following is a summary of these documents. Examples of some of these documents are supplied in Appendix 3.

**The Financial Services Guide is a statement** that must be given to a retail client when, or before, a Financial Service or Financial Product is provided. It contains information about the service provider, who he/she is working on behalf of, remuneration, dispute resolution and other information required by the Financial Services Reform Act (FSRA).

**A Product Disclosure Statement (PDS)** is a document provided by an insurer to a consumer outlining the terms of the policy, payments to be made under the policy, exclusions and fees.

All insurers are required by law to provide a PDS before a consumer purchases a product. Consumers are also required to acknowledge that they have received, read and understood the PDS before entering into an agreement with an insurer. Consumers should read the PDS before purchasing a product to ensure that they understand how the product operates and what their entitlements are to make a claim.

If a broker provides personal advice, they must provide a written **Statement of Advice (SOA)**. Personal advice is financial advice that takes into account the personal objectives and financial situation or needs of the client. The information in an SOA is required to be presented clearly and concisely, with enough detail for the insured to make an informed decision about whether to act on the advice.

**General Advice** is any advice that is not personal advice. Personal advice requires the issuing of a Statement of Advice (SOA).

A **General Advice Warning** will indicate that the advice has been prepared without taking into account the client's objectives, financial situation and needs. Therefore, before acting on the advice, the client should consider the appropriateness of the advice. The client should also request a product disclosure statement relating to the product that is the subject of the interview or discussion.

*Other documentation that could be prepared includes the following:*

- Amendments
- Certificate of Insurance
- Cover notes
- Invoices
- Policy renewal notices



## Practice

### Practice activity 32

*Explain the difference between a Financial Services Guide and a Product Disclosure Statement.*

- .....
- .....
- .....

*When should a Statement of Advice be provided to a client and what information should it contain?*

- .....
- .....
- .....

*How is a General Advice Warning different to a Statement of Advice?*

- .....
- .....
- .....



## Practice

### Practice activity 33

Explain the meaning of the following:

#### *Amendment*

- .....
- .....
- .....

#### *Certificate of insurance*

- .....
- .....
- .....

### Cover note

- .....
- .....
- .....

### Policy renewal notice

- .....
- .....
- .....



## Practice

### Practice activity 34

You will be required to work in groups to prepare a summary presentation of an insurance policy. The insurance policy is to be broken up so that each group is required to research only one aspect of the policy.

The team leader is responsible for ensuring that the presentation is completed on time.

Locate the CGU motor vehicle insurance policy and download the PDS.

*Refer to the contents page. Groups will be responsible for each of the following:*

- 'About this insurance' and 'How to resolve a complaint'
- 'What this policy covers' (2 groups)
- 'Exclusions to your cover'
- 'Your responsibilities to us' and 'Our commitment to you'
- 'How to take out insurance' and 'How to make a claim'

## ***Contract is checked for accuracy and omissions according to operating procedures***

As the company's representative it will be your task to check all documentation for accuracy and omissions before supplying it to the client. As you will be the person explaining the documents, terms, conditions, exclusions etc, you need to know that everything is accurate and complete.

If you detect an error or omission, you should ensure the document is corrected and old or incorrect copies should be destroyed in a manner as outlined in your organisation's policy and procedures. You should also make certain that both hard and electronic copies of the new documentation are filed correctly.



## Practice

### Practice activity 35

A client has just completed the following motor vehicle proposal form. You retrieve the client interview form so that you can check the details on the proposal form. Review both documents and circle any errors or omissions on the proposal form.

CLIENT INTERVIEW FORM			
<b>PART A - Personal details</b>			
Client Name	Waleed Abdulrahman		
Address	Residential	Postal	
	Roses Compound Al Wabb	PO Box 3985 Doha	
Age	20	Marital Status	Single
Number of dependents	0	Age of dependents	
Occupation	Administration Officer		
<b>Name of employer</b> (If self employed, go to part B)	Ministry of Interior		
Annual Salary	QR 120,000		
Other Income	N/A		
Income of spouse	N/A		
<b>PART B - Self-employment details</b>			
Name of business	N/A		
Location of business	N/A		
Type of business	N/A		
No of employees	N/A		
<b>PART C - Assets and Liabilities</b>			
Principal residence	N/A		
Other residences-	N/A		
Vehicles	No	1	Approx value QR 50,000
Mortgage	Bank		
Other Loans	40,000	Bank	Barwa Bank
Superannuation			
Investments	Shares	QR	
	Property	QR	
	Other	QR	



## PROPOSAL FOR MOTOR VEHICLE INSURANCE

THE LIABILITY OF THE COMPANY DOES NOT COMMENCE UNTIL THE PROPOSAL HAS BEEN ACCEPTED AND FIRST PREMIUM PAID

Particulars of the proposer						
Name in full (Mr/Mrs/Miss/Ms):			Mr Waleed Abdulrahman			
Address:		Le Roses Compound, Al Wabb St, AL WABB				
Telephone details						
Home:		Mobile:	5541 2391	Work:		
Occupation:		Admin Officer				
Particulars of insurance cover						
Period of insurance:		From:	15/04/13	To:	14/04/14	
Type of vehicle:	Saloon/Pickup/Truck/Other (describe)					Saloon
Use:	Private/Commercial/Taxi/Rent a Car/Driving School/Others					
Cover required:	Comprehensive/Third Party (delete which is inapplicable)					
Do you require Personal Accident Insurance to:		Owner/Unpaid Driver/Family Members/Passengers				Yes/No
Geographical area:		State of Qatar				
Previous claims history						
How long have you owned the vehicle		Year(s)				
Name of current Insurance Company			Policy No		Expiry date	
Name of previous Insurance Company			Policy No		Expiry date	
Number of accidents, if any, made on this vehicle during the last three years					Amount	
Particulars of vehicle to be insured						
Make of vehicle/ year type of body	Chassis No Engine No	Regn. No	CC/Cyl tonnage	Licensed seating capacity	Price paid (if new)	Insured's estimated value
2009 Chev. Cruz		51992		5		QR 60,000
0	0	0	0	0	0	0
Insured's estimated value =		Cash purchase price when new less depreciation =			Value for insurance ie Sum insured	

Excess agreed on each and every claim for third Party and Own Damage RO .

### Undertaking

I, ..... HEREBY CONFIRM THAT THE Estimated Value give by me for my vehicle,, ie sum Insured is based on the original cash purchase price (less discounts) less depreciation as per the scale of Ministry of Commerce and Industry. In case this value is found to be over-insured/over-valued, I/We hereby confirm that the Insurance Company's liability for Total Loss or Constructive Total Loss will not be the sum insured but the lesser value based on the original cash price less applicable depreciation as per the standard scale approved by the Ministry of Commerce..

Name..... *Waleed Abdul* ..... Signature:..... *WAbdulrahman* .....

### Declaration

I/We desire to insure with QATAR ISLAMIC INSURANCE COMPANY, in respect of the vehicle(s) described in the above proposal as per terms and conditions of the relevant policy.

I/We warrant that the above statements and particulars are true and correct in every respect.

I/We agree that this proposal and declaration shall be the basis of the contract between me/us and QATAR ISLAMIC INSURANCE COMPANY and shall therefore be considered to be an integral part of the policy.

Date..... Time:..... Signature:.....



## Practice

### Practice activity 36

A client has asked you the following questions about a CGU comprehensive motor vehicle insurance policy.

Locate the PDS and fully explain how you would answer these questions.

***I have a son who is 20 who will be driving the car. Do excesses apply if he is driving and the car is involved in an accident?***

- .....
- .....
- .....
- .....

***What other excesses apply?***

- .....
- .....
- .....
- .....

***Is vandalism covered and what must I do if my car is vandalised?***

- .....
- .....
- .....
- .....

***Are my personal items covered if they are stolen from the vehicle?***

- .....
- .....
- .....
- .....



## Practice

### Practice activity 37

A client has asked you the following questions about a CGU comprehensive motor vehicle insurance policy.

Locate the PDS and fully explain how you would answer these questions.

***How do I renew my insurance and how can I pay the premium?***

- .....
- .....
- .....
- .....

***What do I do if my car is damaged and I need to make a claim?***

- .....
- .....
- .....
- .....



## Practice

### Practice activity 38

A client has asked you the following questions about a Bingle comprehensive motor vehicle insurance policy.

Locate the PDS and fully explain how you would answer these questions.

***What do I have to do if I want to cancel my policy?***

- .....
- .....
- .....
- .....

***What is the cooling off period?***

- .....
- .....
- .....
- .....

*I am self-employed and often collect supplies for my business. Is my car covered if it is involved in an accident while collecting these supplies?*

- .....
- .....
- .....
- .....



## Practice

### Practice activity 39

A client has asked you the following questions about a Bingle comprehensive motor vehicle insurance policy.

Locate the PDS and fully explain how you would answer these questions.

*Am I covered for towing?*

- .....
- .....
- .....
- .....



*Will new parts always be used in the repair of my vehicle?*

- .....
- .....
- .....
- .....

*What is the meaning of an excess?*

- .....
- .....
- .....
- .....

***Cover note, quote, or new insurance contract is issued following the organisation's operating procedures and dispatched to customer***

When you can be certain that all the documentation is correct and free of error or omissions and that all the documentation meets legislative requirements, you need to get the client to sign the documents appropriately.

The client may prefer to have some time to read over the documents on their own or even take them to a third party to get advice. If this is the case, you will need to set a time when you can collect the documents from the client.

When the client is finally satisfied that they understand everything that is in the documentation you should ask them to sign in the appropriate places.

In some cases, a cover note will be provided while the formal documentation is being prepared. This enables the client to be sure that they are covered in the event of any loss or damage. The cover note provides the same level of protection as the final insurance certificate or policy.



## Practice

### Practice activity 40

Explain the difference between a cover note, quote and the insurance quote.

- .....
- .....
- .....
- .....
- .....
- .....
- .....



## Practice activity 41

Locate the same type of insurance policies or contracts (PDS) from two different companies eg both travel or both motor vehicle insurance etc.

Identify the differences between the two policies.

Policy No 1	Policy No 2
Name of company .....	Name of company .....
Type of policy.....	Type of policy.....



## Practice

### Practice activity 42

You have now read through several insurance contracts and you should be familiar with a Product Disclosure Statement (PDS). List the headings you would use if you were preparing a PDS.






## Practice

### Practice activity 43

Describe the information that would be disclosed in the following PDS headings.

#### *Exclusions*

- .....
- .....
- .....
- .....

#### *Making a claim*

- .....
- .....
- .....
- .....

#### *Your responsibilities*

- .....
- .....
- .....
- .....

### *What this policy covers*

- .....
- .....
- .....
- .....

### *Disputes*

- .....
- .....
- .....
- .....

### *Definitions*

- .....
- .....
- .....
- .....

## ***Contract documentation is accurately filed in accordance with operating procedures.***

All contract documentation will be filed according to organisational policy and procedures.

### **Documentation will include:**

- Record of client meetings
- Client interview forms
- Insurance proposal forms
- Policy documentation
- Communications with underwriters
- Premium calculations
- Renewal notices
- Claim forms and associated documentation
- Cancellation documents
- Other emails, faxes, communications and documents associated with the insurance policy

All insurance companies will implement their own method of filing. It is important that you are familiar with the most common types of filing systems so that you can adapt to the individual system used by the organisation.

Most organisations have filing practices in place that allow the movement of files to be monitored at all times.

A file movement register is a book, binder or electronic file, recording the file name, number, date borrowed, borrower, date returned etc. Entering details into the register allows others to know the whereabouts of the file and saves valuable time in tracking the file.

Some organisations use a barcode borrowing system for files.

If a file could be located in more than one location, it may be necessary to cross-reference the file. A marker is inserted in the filing system in the alternate location, directing you to the actual location of the file.



## Good filing practices include:

- Setting a regular time for filing
- Removing paper clips or pins which might damage files
- Repairing any damage before filing
- Attaching small documents to an A4 sheet before filing
- Establishing new files rather than overfilling existing files
- Avoiding the use of plastic covers
- Returning files to the system as soon as possible
- Paying attention to OHS issues
- Closing filing cabinet drawers when not in use
- Using a trolley when heavy or bulky items need to be moved
- Using a ladder when retrieving files from a high location
- Not storing files where they could overbalance or be tripped over.



*Good filing practices will ensure files are easily accessed when required*

It is important that computer operators understand the electronic file management procedures of the organisation, such as how files are named and how folders are used (directories)

It is important that inactive or dead files are identified, removed and relocated.

Filing systems can be centralised (all the records are kept in the one place) or decentralised (departments have control over their own records).

## **Numerical**

Each file or policy is filed in number order from lowest to highest. All insurance policies have a number and this is the common basis for their filing systems.

Numerical filing systems require an alphabetical index. The index is maintained in alphabetical order and when consulted provides the appropriate file number.



*Insurance policies will often be filed in numeric order with alphabetic indexes*

## ***Alphabetical filing***

This is also a common method of filing. All customers or business names are placed in the files in alphabetical order.

### **Some basic rules to follow when filing and preparing indexes include:**

- Disregard joining words and titles such as and, the, &, Mr, Sir, etc
- Hyphenated or compound names are treated as one word
- 'Nothing comes before something' eg B Thompson is filed before Brian Thompson
- Company names are treated in the order they are written
- Abbreviations are treated as if the word was written in full eg Ltd is Limited, Pty is Proprietary
- Numbers which are part of a business or company name are regarded as though they are spelt eg 24-7 Plumbers is indexed as Twenty Four Seven Plumbers

## ***Alpha-numeric***

An alpha-numeric system uses a combination of both letters and numbers.

In an insurance company context, the file MV21356 could be created. This could indicate that the file is a Motor Vehicle (MV) policy and all motor vehicle policies will begin with MV and will be located in the same filing area.

Similarly, the file RAS68934 could be created. This could indicate the first three letters of the client's name (Rasheed), followed by the policy number.

## ***Subject***

Records are sorted according to the subject matter and filed alphabetically. This allows for all the motor vehicle, fire, property policies etc to be filed together.

Each would then be filed in numeric or alphabetic order behind each subject or type of policy.

## Geographical

Some organisations that have a branch structure may find it helpful to file according to geographic location. These geographic locations would be in alphabetic order followed by the insurance documents in either numeric or alphabetic order.



### Practice

#### Practice activity 44

Arrange the following insurance policy numbers into the correct numeric filing order.

Policy number	Correct file order
750923	
750920	
750919	
750907	
750931	
750933	
750942	
750922	
750937	
750898	



## Practice

### Practice activity 45

Arrange the following insurance policy numbers into the correct numeric filing order.

Policy number	Correct file order
813284	
812369	
813372	
813254	
813348	
813217	
813368	
814053	
813276	
812995	
814508	
813355	
813113	
812919	
813114	





## Practice

### Practice activity 46

Arrange the following into the correct alpha-numeric filing order.

Code	Correct file order
MOT7542	
TRA2481	
FIR3514	
PRO9632	
BUS1541	
FIR3327	
MOT7563	
BUS1589	
TRA2496	
PRO9571	



## Practice

### Practice activity 47

Arrange the following into the correct alpha-numeric filing order.

Code	Correct file order
BRS550	
CAT426	
AUR447	
CSA929	
BSR258	
DAR632	
AUB191	
DAR648	
CAT789	
DAR468	
BRS505	
ARE298	
CAS628	
DRA684	
BRS555	





## Practice

### Practice activity 48

Arrange the following into the correct alpha-numeric filing order.

Date	Correct file order
RAS45901	
MOH47829	
ABD47836	
MOJ36863	
RAJ45904	
RAS54084	
MOH47826	
RAJ45912	
MOJ36855	
ABD47825	
MOH47833	
ABD47841	
MOJ36851	



## Practice

### Practice activity 49

Rewrite the policy numbers and names in the correct numerical filing order according to policy number.

		Correct filing order	
Policy number	Account name	Policy number	Account name
1403	Baxter, S		
6107	Qatar Industries		
1304	Barker A C Repairs		
4101	Baxter Industries		
1306	Q I I		
4107	Bacher, Ali bin Ali		
1301	Q E		
1406	Baxter, Stephen		
6125	Qatar Energy		
2202	Barton Engineering		
6113	Q I Trading		
5101	Baker, Ali		
1504	Qatco		
2202	Qat Petroleum		
6103	Barton Enterprises		

Prepare an alphabetic index for the above policies.



## Practice

### Practice activity 50

Rewrite the policy numbers and names in the correct numerical filing order according to policy number.

		Correct filing order	
Policy number	Account name	Policy number	Account name
3954	Qatar Education Supplies		
5412	Rail Qatar		
6810	Q A Industries		
4872	Railings and Fences		
3945	Royal Energy		
6808	Qatcon		
5219	Rasheed Industries		
4780	Q A Ltd		
5087	Rasheed & Ibrahim		
4628	Qatco		

Prepare an alphabetic index for the above policies.

Account name	Policy number



## Practice

### Practice activity 51

Use the list of insurance policyholder details below to complete the following filing tasks.

Name	Policy No	Location
Saudi Supplies	45281	Al Khor
Qatlab	45301	Doha
Salam Group	45312	Al Raya
Abdullah & Sons	45274	Doha
Qatar Finance	44549	Al Wakrah
SAL Labour Hire	45245	Al Khor
Abdul Sulati	45551	Doha Port
Qatcop	45279	Al Shamal
Saudi Majilis Supplies	45544	Al Wakrah
Qatar Fertiliser	45308	Al Raya
Salem Contracting	45247	Al Khor
Qatcor	45380	Doha Port
Saudia Properties	45296	Al Shamal
Salam Contracting	45285	Doha
Qatar Fences	45236	Al Wakrah
Sam's Photography	45249	Al Raya
Salt Resorts	45287	Al Shamal

Rewrite the insurance policy details into the correct geographical filing order according to location.

Location	Name	Policy No

Rewrite the insurance policy details into the correct numerical filing order according to policy number.

Policy No	Name	Location



Prepare an alphabetic index for the insurance policyholders.

## ***If requested by a customer, policy is cancelled and documentation is dispatched to the customer***

From time to time, customers may want to cancel their insurance policies.

If this occurs during any cooling off period, the customer will be entitled to a refund. The cooling off period starts from when the policy begins.

If a customer decides to cancel after the cooling off period, usually they will be entitled to a refund for the unexpired portion of the premiums they have paid.

### **Before cancelling the policy, it is important that the customer is aware of the following:**

- Where the customer has found a better deal with another insurer, it may be easier and cheaper to wait until the policy is due for renewal and then switch insurance companies
- If the customer is using a direct debit process to pay their premium, they need to be aware that cancelling the direct debit does not cancel the insurance policy. They will still need to formally cancel the policy
- Some policies will automatically be renewed each year. The customer needs to be aware that they must initiate the cancellation process when the policy is due for renewal
- If the customer is changing insurers they should ensure that the new policy is in place before cancelling the old policy. This way they are not left unprotected.

Usually the customer will email or send a letter or fax informing the insurance company that they want to cancel their policy. On receipt of this notification the insurance company needs to check that the customer has supplied their correct name, policy number and date from which they wish to cancel. They would also need to advise of their correct mailing address so that the company can issue a refund cheque and notification of the cancellation of the policy.

The insurance company will then ensure that there are no claims currently under review for the customer. If there are, the client is not able to cancel until the claim has been settled.

The company will then calculate the refund due less any administrative fees and charges. A refund cheque will be approved and issued to the client. A formal letter will also be sent to the client informing them that their policy has been officially cancelled and the date that this was effective from.





## Practice

### Practice activity 52

ABA Insurance Company has a policy of refunding the unexpired portion of premiums paid where a client cancels their policy.

The pro rata adjustment is based on the number of days that the policy will not be used.

The company also charges an administrative fee of 5% of the original annual premium.

***Calculate the refund due for the following scenarios.***

Jassim paid his annual motor vehicle insurance of QR 1,500. He cancels his policy 60 days before the policy is due to expire.

***Calculate the refund due for the following scenarios.***

Abdul paid his annual house and contents insurance policy of QR 2,250 on 1 April 2012. On 1 December Abdul sends an email to ABA Insurance Company informing them that he wants to cancel his policy from the 5th of December.



## Practice

### Practice activity 53

Qatar Commercial Insurance Company has a policy of refunding the unexpired portion of premiums paid where a client cancels their policy.

The pro rata adjustment is based on the number of months that the policy will not be used for. Furthermore, the month that the policy is commenced and the month that the policy is cancelled are both considered to be expired portions of the premium. (For example a policy commenced in January and cancelled in June, regardless of the dates in each month, will have an unexpired portion of six months or 50%)

The company charges a 7.5% administration fee for cancelling policies. This is based on the original premium fee.

***Calculate the refunds due in the following scenarios.***

Aziz commenced and paid a motor vehicle policy on 3 February 2012. The annual premium was QR1 850. He sells his car on 28 June and cancels his policy on 2 July.

What refund would Aziz have received if he cancelled his policy on the same date as he sold the vehicle?



## Practice

### Practice activity 54

Qatar Combined Insurance Company has a policy of refunding the unexpired portion of premium paid where a client cancels their policy. The request for cancellation must be in writing from the customer and the effective date of cancellation will be the date the written communication is received.

The pro rata adjustment is based on the number of days that the policy will not be used.

The company also charges an administrative fee of 3.5% of the annual premium.

***Calculate the refund due for the following scenarios.***

Abdul paid his annual motor vehicle insurance of QR 1,800 on 1 January. He telephoned Qatar Combined Insurance Company to cancel his policy on 25 October. He was informed that he must inform the company in writing. Abdul sent a letter on 29 October and this was received by the insurance company on 30 October.

Sherif paid his annual boat insurance of QR 2,800 on 1 June. He has agreed to sell his boat and the transfer is to take place on 20 February. On 15 February he sent a letter to the insurance company requesting cancellation of his policy, effective from 21 February.

Hassan decided to travel overseas for 12 months. He took out a one-year travel insurance policy with Qatar Combined Insurance Company on 25 May. In October he decided to return to Qatar. He changed his return flight so that he arrived back in Doha on 22 October. On 27 October he realised he would be eligible for a refund if he cancelled his policy. He sent a letter to the insurance company cancelling his policy.

This letter was received on 2 November.



## Practice

### Practice activity 55

Gulf Insurance Company offers all types of insurance policies to both local and expatriate residents in Qatar.

The company has a policy of refunding the unexpired portion of premiums paid where a client cancels their policy. Cancellations are only effective from the date that written communication confirming the cancellation is received by the company.

The pro rata adjustment is based on the number of months that the policy will not be used. Furthermore, the month that the policy is commenced and the month that the policy is cancelled are both considered to be expired portions of the premium. For example, a policy commenced in January and cancelled in June, regardless of the dates in each month, will have an unexpired portion of 6 months or 50%.

The company charges a 6% administration fee for cancelling policies. This fee is based on the original annual premium

***Calculate the refunds due in the following scenarios.***

Faisal paid his annual motor vehicle insurance of QR 2,100 on 18 January. He telephoned Gulf Insurance Company to cancel his policy on 29 October. He was informed that he must inform the company in writing. Faisal sent a letter on 31 October and this was received by the insurance company on 3 November.



Rami paid his annual boat insurance of QR 2,600 on 12 July. He sold his boat on 14 February and notified the company by mail on 15 February. The letter was received The letter was received the next day.



Ali took out a one-year travel insurance policy on 3 April. He left Qatar on 4 April and was scheduled to return on 27 March the following year. After travelling for several months, he was informed that a family member was sick so he decided to return to Qatar. He arrived back in Qatar on 21 November and he sent an email to the insurance company cancelling his travel insurance. The company confirmed this cancellation by return email on 23 November.





# ***Appendixes***

- ***Appendix 1:*** Fire proposal form
- ***Appendix 2:*** Risk surveys
- ***Appendix 3:*** Insurance disclosure documents
- ***Appendix 4:*** Glossary

# Appendix 1

## Fire proposal form

DOCUMENT P1

**Qatar Insurance Company**



**شركة قطر للتأمين**

Head Office : Doha, Qatar - C. R. No. : 29 - Paid up Capital QR 145,200,000 - P. O. Box : 656  
Doha, Qatar - Telephone : (+974) 4490490 - Facsimile : (+974) 4831589 - Telex : 4216 TAMN DH

المركز الرئيسي : الدوحة - قطر - سجل تجاري : 29 - رأس المال المدفوع : 145,200,000 ريال - ب. ب. : 656  
الدوحة - قطر - تليفون : (+974) 4490490 - فاكس : (+974) 4831589 - تلغراف : 4216 TAMN DH

### FIRE PROPOSAL FORM

### طلب تأمين ضد الحريق

Name, Address and Profession of Proposer { اسم وعنوان ومهنة صاحب الطلب

#### PARTICULARS OF THE PROPOSED INSURANCE

#### تفاصيل الاعيان التي يراد تأمينها

A separate sum must be given for every separate Building, and also for the contents of each.

يجب ذكر المبالغ لكل عقار على حدة وكذلك ذكر محتويات بقيمة كل منها مفصلاً على حدة

مبلغ التأمين Amount of Insurance	
	على ابنية . On Buildings, Viz:
	على بضائع مكونة من On Goods Consisting of
	على اثاث وادوات مكاتب او مستودعات مكونة من On Furniture & Fitting Consisting of
	على اعيان اخرى On Other Property

To \_\_\_\_\_ إلى \_\_\_\_\_ من \_\_\_\_\_  
يسري التأمين مدة \_\_\_\_\_ شهراً \_\_\_\_\_  
Months Period of Insurance

N. B. The information furnished by the repliee to the questions on the other side will form the basis of the Insurance, and regulate the rate of Premium.

ملاحظة : إن المعلومات المقدمة كاجوبة على الاسئلة الواردة على الصفحات التالية ستكون أساساً للتأمين وهي تقيد السعر الذي بموجبيه يحسب القسط .

## Appendix 2

### *Risk surveys*

The nature of insurance today is complex and risks and hazards call for more sophisticated and scientific systems of risk management.

Risk management can be defined as: 'the identification, analysis and control of those risks which can threaten the operations, assets and other responsibilities of an organisation'. The alternative to risk management is risky management! It is vital to understand the precise significance of such damage to organizations, processes and responsibilities of an organization.

Risk surveying is a practical exercise of risk control measure, subsequent to risk identification and analysis; conducted with a view to limiting the risk of life and property losses from fire and other perils, by identifying the occurrence and likely spread of any risk. Basically, the main concern is to make sure that the insured workforce, premises, facilities, equipment, processes, operations etc, are protected from undesired consequences.

#### **Broadly speaking, the aim of risk survey in insurance is to:**

- find out if the risk offered is acceptable.
- help in determining an appropriate rate to be charged.
- make recommendations for improvement of the risk.
- make an estimate of the maximum amount, or percentage of the risk that is likely to be lost in one fire or any other loss.



The risk inspection/survey could also be undertaken to ensure compliance with local legal requirements, but the main emphasis should be on the preservation of life and property through the practice of prudent hazard protection measures, with a view to minimizing the likelihood of the risk materialising, or if it should occur, ensuring that its duration and spread will be limited.

Fire risk surveys in particular always include an inspection of the building when a note is made of the features of design, method of construction, floor and wall openings such as staircases, lift shafts service ducts, including building services such as electrical system, heating system, air conditioning and ventilation, waste and material handling systems.

This is extended to include details of hazardous materials, with their characteristic hazards; including handling, storage and protection of predominantly flammable and combustible liquids, liquefied petroleum gases, explosives, combustible metals, combustible dusts, and materials of high fire load.

Process hazards are also considered, particularly those which could generate flammable or combustible products, or vapour cloud explosion during manufacture.

Fire protection equipment is another point of interest where a property may be equipped with heat, smoke, or flame detection equipment to provide early warning of developing fire. Appropriate portable fire extinguishers may be installed to fight fire at its initial stage, when the seat of the fire is still visible. A higher level of fire fighting equipment such as hose reels, hydrants, drenchers, gas flooding system and automatic sprinklers may be put in place.

Furthermore, the number of employees, and the number of working hours per day influence the degree of exposure. Accidents are caused by individuals and employees can feel, see, and smell fire/smoke and respond immediately.

As the old adage goes, 'Prevention is better than cure'. One may not be able to tell exactly how many risks have not materialized because of compliance with risk improvement recommendations. However, common sense tells us that risk surveys and compliance with recommendations have prevented quite a number of major losses, as all major losses initially start as minor incidents.

In very many cases, reinsurers are guided by the opinion and views of the direct insurers in decision making, as they are not proximate to the risk under consideration. In other words reinsurers underwrite the underwriters of the direct companies. This scenario puts the reinsurers at the mercy of the direct insurer, and as such risk surveys conducted by professionals, highlighting the major areas of concern mentioned earlier, are of utmost importance for reinsures. The reinsurer finds himself in a position to assess and price a risk without visiting the site himself and examining its peculiar features firsthand.

Hence, it is of immense help for the reinsurer to have access to the report of the risk survey conducted by a qualified professional. This acquaints him with the features of the property/life at risk, and also gives him an overall view of the various construction and process hazards, including the surrounding exposure, which in turn enables him to examine the pricing issue in detail. Without a risk survey report to guide him, the reinsurer, among other things, would not be in a position to give his opinion to insurers on how to handle a risk, the warranties to impose, and the risk improvement recommendations to be considered as requirements.

Last but not least, a fire loss is a loss to the society at large. It is not only an individual or company loss, be it a direct insurer or reinsurer. It is therefore advisable for insurers and reinsurers to have major risk surveys and risk improvement recommendations at frequent intervals by qualified professionals, if they desire to continue enjoying low premiums by reducing the frequency of large claims.

[Source: www.africa-re.com/KeyBenefitsOfRiskSurvey.pdf](http://www.africa-re.com/KeyBenefitsOfRiskSurvey.pdf)

## Appendix 3

### *Insurance disclosure documents*

#### **Financial Services Guide (FSG)**

*This document must be clearly headed Financial Services Guide*

This FSG template contains basic information and should be amended to suit your own circumstances. An FSG can be extended to include other information relevant to your business, for example, Terms of Engagement.

#### **Purpose of this Financial Services Guide (FSG)**

This FSG sets out the services that we offer you. It is designed to assist you in deciding whether to use any of those services and contains important information about:

- The services we offer
- How we and our associates are paid
- Any potential conflict of interest we may have
- Professional indemnity insurance arrangements
- Our internal and external complaints resolution procedures
- Our Privacy Policy

The Financial Service is provided by

Insert name of licensee, name of adviser and contact details of address, phone, fax, email, website if applicable. Include AFS licence details and ABN number. Also include details of any Authorised Representatives' licence numbers.

#### **Our Financial Services authority**

Our Australian Financial Services licence authorises us to advise and deal in (general, life, general and life) insurance products to wholesale and/or retail clients.



## Date and currency of this FSG

This FSG applies from (insert date) and remains valid unless another FSG is issued to replace it. If we give you a supplementary FSG or other documents relating to our services or any products, they will not replace this FSG however you should read them carefully.

## Receiving instructions

We are able to receive your instructions personally, or by any of the contact methods shown above.

## Retail client

The Corporations Act 2001 (The Act) provides Retail Clients with additional protection than other clients. Under The Act, a Retail Client is defined as:

- individuals or a manufacturing business employing less than 100 people; and
- a business employing less than 20 people; and
- who are purchasing the following types of insurance cover:
  - motor vehicle
  - home building
  - home contents
  - sickness and accident
  - travel
  - pleasure craft
  - caravan
  - personal property
  - consumer credit
  - (life and superannuation if applicable).

It is important that you understand if this definition applies to you or your business, as some of the information and additional protection in this FSG only applies to Retail Clients.

## Who we act for

We act for you as your insurance broker unless we advise you otherwise. Sometimes we may arrange with an insurer to act under a binding arrangement or as their agents.

When we do this we will be representing the insurer, and not you. We will tell you at the time when we are acting for the insurer and not for you.

## The advice we give

If you are a Retail Client, then typically you will be provided with General Advice. General Advice does not take into account your personal needs and financial circumstances at the time therefore you will need to consider whether this advice suits your requirements prior to acting upon it. On these occasions we will give you a General Advice Warning.

If you are a retail client and we agree to give you Personal advice, we will give you a Statement of Advice (SOA). The SOA will contain advice we have given, the basis on which it was given, and details of relationships, associations, remuneration and other interests that may have influenced the advice we have given.

If we arrange an insurance policy for you, or if we recommend you buy a particular insurance policy, we will also give you, or give you access to a Product Disclosure Statement (PDS). The PDS is produced by the insurer, and is designed to give you important information about the policy you are considering purchasing.

## Our remuneration

For placing your insurance, we usually receive a commission paid by the insurer as a percentage of the premium you pay. This is the standard way insurance brokers are remunerated and depending on the type of insurance our rates of commission typically range from X% to X%, before any government fees or charges.

On occasions we may also charge a broker service fee, which varies according to the



level of services rendered and the commission we receive. This fee will always appear on your invoice.

## **Payment arrangements**

You can pay for the insurance premium and services provided by any method described on the invoice. You need to pay us within the time stipulated on the invoice.

When you pay the premium to us it will be banked in our trust account where as allowed by law we will earn interest or we may earn a return by investing the premium. Any interest or investment return will be retained by us.

## **Cancellation and refunds**

This version is in accordance with Rule 4 of the NIBA Membership Rules therefore you should consider your position vis-à-vis your company's policy on the subject and formal Terms of Engagement

If your policy is cancelled, or altered, and there is a refund of premium due, unless before cancellation we have a written agreement with you that varies this statement, we will refund the proportion of return premium due including brokerage.

No fee or penalty will be charged by us relating to cancellation unless before cancellation we have a written agreement with you that varies this statement.

We have the discretion to retain or refund part or all of any fee relating to the arrangement of the policy.

### **Relationships, Associations and Referrals**

Choose the most appropriate

There are no specific relationships, associations or referrals existing which have influenced us in providing this product.

There are relationships and associations and referrals which may have influenced us in providing this product. These are:

List as applicable, and describe nature of relationship, eg

We have entered into a profit share agreement with XXX Insurance Ltd., providing that if we meet certain productivity and profitability criteria we will receive a profit share bonus of X% of profit to be paid on the XX date of each year.

## **Other remuneration information**

Insert what information applies to your business.

In addition to the above, we may receive commission from a premium funder if we arrange this service on your behalf. We may also charge you a fee for the service. The commission we receive from the premium funder is usually calculated as a percentage of the total amount funded and the rates are in the range of X% and X%.

Our employees are paid a market salary that may include bonuses based on performance. We and our staff may also receive non-monetary benefits such as sponsorships of conferences and functions, and meals and entertainment. We closely monitor these activities to ensure they do not create a conflict with your interests.

Where a third party such as a trade association or other business has referred you to us or endorsed our services to you, we may share a part of our remuneration with them or pay an agreed referral rate. We will pay the third party out of our total commission and/or fees and never in addition to these amounts.

## **Protection against giving you negligent wrong advice**

As an AFS licensee we must maintain adequate Professional Indemnity insurance to compensate you or your beneficiaries for loss or damage suffered as a result of our giving you negligent advice.

We and our representatives are covered under professional indemnity insurance that complies with the requirements of section 912B of the Corporations Act, 2001.

Insert the relevant options and/or amendments

The insurance (subject to its terms and conditions) will continue to cover claims in relation to our representatives/employees who no longer work for us but who did at the time of the relevant conduct. or

The insurance (subject to its terms and conditions) does not cover claims in relation to our representatives /employees who no longer work for us but who did at the time of the relevant conduct.

### **Authorised representatives' version**

We and our authorising licensee(s) are covered under professional indemnity insurance that complies with the requirements of section 912B of the Corporations Act, 2001.

Insert the relevant options and/or amendments

The insurance (subject to its terms and conditions) will continue to cover claims in relation to the representatives/employees of the authorising licensee(s) who no longer work for them but who did at the time of the relevant conduct.

or

The insurance (subject to its terms and conditions) does not cover claims in relation to the representatives /employees of the authorising licensee(s) who no longer work for them but who did at the time of the relevant conduct.

### **The NIBA Code of Conduct**

Insert your company's name is a member of the National Insurance Brokers Association and is bound by their Code of Conduct (The Code). The Code sets out standards for brokers to follow when dealing with clients, including requirements to inform clients of remuneration arrangements and possible conflicts of interest. You can ask us for a copy of the Code, or go to the NIBA Website, [www.niba.com.au](http://www.niba.com.au)

## Complaints and disputes

If you should have any concern or complaint or dispute (complaint) about the service we have provided you, then contact us and tell us about it. If your complaint is not satisfactorily resolved within 24 hours, ask to be put in touch with our Complaints Manager/Officer, insert name and contact details or put your complaint in writing to us at insert name and address, email address who will attempt to resolve the matter satisfactorily within 21 days.

If you are still not satisfied with our determination, you have the right to take your complaint to the Financial Ombudsman Service (FOS).

FOS can be contacted on 1300 780 808. You can write to them at Level 5, 31 Queen Street, Melbourne, Victoria, 3000, or fax (03) 9613 6399. Website address is [www.fos.org.au](http://www.fos.org.au)

## Privacy policy

We collect personal information to ensure we can offer or provide you with products and services most appropriate to your needs, as outlined in this FSG. We value your privacy and have adopted the principles set out in the Privacy Act 1988 as part of our commitment to maintain client confidentiality in the collection, use, disclosure or handling of personal information. For further information about our privacy policy, please insert details of how the client can obtain a copy of or view your Privacy Policy

## Statements of advice (SOAs)

Statement of Advice Warning: This SOA template only contains basic information. Please review the content carefully and amend to suit the licensee's specific circumstances.



## Purpose of this statement

This is an important document and you should read it carefully. The statement sets out information about:

- The personal advice we have given you and the basis for this advice.
- How we are remunerated and any relationships or associations which may influence our advice.
- Any conflict of interests we may have.

### This advice is provided by:

<b>Adviser:</b>	[Insert details] [Licensee Name/ or Authorised Representative name AFS Licence No/AR Number (which ever applies): # Insert applicable number]
ABN:	[Insert details]
Address:	[Insert details]
Phone:	[Insert details]
Fax:	[Insert details]
Email:	[Insert details]

[If the providing entity is an Authorised Representative, insert: # We are an Authorised Representative of [Licensee Name, AFS Licence No # ABN # of # No Street Name, Suburb, State and Postcode and can be contacted on #Telephone Number] and act on its behalf in providing this advice.

## Currency and accuracy of advice

This advice was issued on [Insert Details] and is current as at that date.

## Our advice

Our recommendation is based on your need for general insurance of the type(s) listed below.

*[Insert Details] [List policy details, sums insured etc]*

## The basis of our advice

The advice we have given you is based on: Our consideration of the information provided by you (refer to warning above) in particular:

*[Insert Details – complete with the information discussed]*

[select, delete or add – for example, the needs analysis, proposal, Information collection form or information that has previously been provided.]

And

Our understanding of what is offered for this product by the insurers that we deal with regularly. We have not based our recommendation on what might be offered to you by other insurers.

Our consideration of insurance premiums/terms offered by the insurers that we considered for your needs.

The recommended insurers generally provide a good claims service; Refer to our recommendations set out in our letter *[Insert Details]. [Insert any other factors]*

Please tell us if any of the information provided to us by you is not correct, not current or does not accurately reflect your personal circumstances. If it does not, our advice may not be appropriate. You need to contact us or consider the appropriateness of the advice before acting on it.



Before you make a decision whether to accept our recommendation, please ensure that you have understood the advice contained in this Statement of Advice. If you are unsure, ask for clarification.

**Relevant relationships and associations**

[Choose the most appropriate]

There are no specific relationships, associations or referrals existing which have influenced the provision of this advice.

There are relationships and associations which may have influenced us in providing this SOA. These are:

- We have paid the person/company who referred you to us.
- We intend to place your risk under a binder arrangement with the insurer. This means we act for them and for you.
- Other *[specify]*

Where this or any other circumstance (which may be deemed a conflict of interest) occurs we will tell you and any benefit obtained or paid will be outlined in the section ‘Our Remuneration – How we are paid’.

**Our remuneration**

[Delete items not relevant and/or amend wording to suit your situation.] All amounts stated are inclusive of GST.

Commission \$	
Fee for Service \$	
Administration/Policy Fee \$	

*[Review the following and delete or amend as required. Please note, where the exact dollar amount can be determined it must be shown. Refer to RG 182.14 'Complying with the 'Amount in Dollars' requirements.]*

*[Company/AR] representatives are paid a salary but may also receive an annual bonus based on [specify ie profitability, placement volume, etc].*

*[Insert Licensee Name] profit share arrangement with [Insert Details] based on [Insert Criteria]*

As an *[Authorised Representative]* of *[Insert Details]* I will receive a proportion of the commission which is *[Insert Details]* and in addition I will *receive [Insert Details]* as part of ongoing commission.

We may receive other financial incentives from *[Insert Details] [ie premium funding company for which we will receive \$xx if you instruct us to arrange premium funding]*

*[Insert Name]* is a referrer of *[Insert Licensee Name]* and who provided the introduction to us is paid an introduction fee out of commission/fees earned by us. This does not affect the total fee and charges paid by you.

## **General Advice Warning**

### ***What is a General Advice?***

General advice is any advice that is not personal advice. Personal advice requires the issuing of a Statement of Advice (SOA).

### ***When must a General Advice Warning be given?***

The warning must be given at the same time the advice is given and by the same means. If the advice is given orally, the warning must be given orally. If the advice is in writing, the warning must be in writing and in the same document that contains the advice.

## ***What is the General Advice Warning?***

### ***In writing***

- The advice has been prepared without taking into account the client's objectives, financial situation and needs.
- The appropriateness of the advice in regard to the client's objectives, financial situation and needs, and
- If the advice relates to the acquisition, or possible acquisition, of a financial product the client should obtain a product disclosure statement relating to a product and consider the statement before making a decision about whether to acquire the product.

### ***Suggested wording***

This advice does not take into any of your objectives, financial situation or needs. For this reason, before you act on this advice, you should consider the appropriateness of the advice taking into account your own objectives, financial situation and needs. Before you make a decision about whether to acquire the policy, you should obtain and read the product disclosure statement.

### ***Orally***

This advice does not take into any of your objectives, financial situation or needs. For this reason, before you act on this advice, you should consider the appropriateness of the advice taking into account your own objectives, financial situation and needs. Before you make a decision about whether to acquire the policy, you should obtain and read the product disclosure statement.

Class Order (CO05/1195) provides relief to allow shorter, simpler warnings than the prescribed written warnings. The simpler warning needs to be given only once in any telephone conversation or face to face meeting where general advice is provided to the client. You must inform the client that the advice is general and may not be appropriate for them.

## ***Suggested wording***

### ***Examples:***

- This advice is general, it may not be right for you.
- This advice is not tailored, so you can't assume it will be suitable for you.
- This advice may not be suitable for you because it is a general advice.

## **Product Disclosure Statement (PDS)**

### ***What is a Product Disclosure Statement and who prepares it?***

A product disclosure statement is prepared by the product issuer (the insurer) and sets out the essential features and other information about the policy. The PDS may be in printed version, soft copy, or posted on the insurer's website.

### ***When must the PDS be given to the Client?***

Where a recommendation or an offer made to issue an insurance contract the client must be given the PDS at or before the time of providing the advice and before arranging the policy.

### ***When does not a PDS have to be given?***

When the client already has a PDS for the policy and there have been no changes made by the insurer.

### ***What must a PDS contain?***

The PDS must contain the PDS title content; date prepared; statement setting out the name and contact details of the issuer and information about:

- any significant benefits to which a holder of the product will or may become entitled.
- the circumstances in which and times at which those benefits will or may be provided.
- the way in which those benefits will or may be provided.
- any amounts that will or may be payable by a holder of the product in respect of the product after its acquisition, and the times at which those amounts will or may be payable.

- if the amounts paid in respect of the financial product and the amounts paid in respect of other financial products are paid into a common fund – any amounts that will or may be deducted from the fund by way of fees, expenses or charges.
- the dispute resolution system that covers complaints by holders of the product and about how that system may be accessed.
- any cooling-off regime that applies in respect of acquisitions of the product (whether the regime is provided for by a law or otherwise).
- unauthorised foreign insurer information where relevant; and.
- consumer credit insurance specific disclosure where relevant.

In addition, the PDS must now also include the terms and conditions of the policy document (within the meaning of the Insurance Contracts Act), being terms and conditions that are not provided in a Schedule to the policy document.

### Short Form Product Disclosure Statement (PDS)

A 'short form' PDS may be issued that contains only core information plus information required to meet the insurance Contracts Act requirements or to ensure the validity of the PDS as an insurance contract:

- Name and contact details of the insurer (or seller)
- Significant benefits, risks or other features of the product
- The cost of the product
- Dispute Resolution procedures
- Any cooling-off rights

A PDS will not be required for general insurance renewals if there is no material change in the terms and conditions of the policy, other than the premium payable.

Verbal PDS disclosure can be reduced by referring to the availability of a cooling-off period and that a written PDS will be provided within that cooling of period.

***From 1 July 2008, ASIC must be advised when:***

- the PDS is first given out
- fees and charges are changed by a supplementary PDS
- any product in the PDS is no longer available

With effect from 1 January 2009, this information must be provided to ASIC online.

The person responsible for PDS control is the person or entity for whom the PDS is prepared, or in most cases the body who is issuing the product. For more information, please visit the ASIC website.

*Source: National Insurance Brokers Association*



## Appendix 4

### *Glossary*

<b>An Accident</b>	An unplanned and unexpected event which occurs suddenly and at a definite place.
<b>Accident cover</b>	Provides benefits in the event of an accident occurring during the period of cover. Usually refers to insurance covering injury or death arising out of violent, accidental, external and visible means.
<b>An Advice</b>	(In relation to Financial Services) A statement made which influences, or is intended to influence, a person to purchase a particular financial product or service. an advice can be personal or general: A personal advice is an advice which takes one or more of a person's individual circumstances into account. A general advice is an advice which is not personal – ie does not fulfil this individual circumstances test.
<b>Agreed value</b>	(Usually associated with motor vehicle insurance) A car's agreed value is set at the beginning of each period of cover. It is based on the fair value given then for the cars make and model in the motor trade's most commonly accepted price handbook. The value doesn't change for the period of cover.
<b>Amount covered</b>	The current amount covered is shown on the most recent of the insurance schedule and the renewal notice. It is the most the insurer will pay, less any excess, for a claim that is covered by the policy. The amount covered includes GST.
<b>Arson</b>	Any unlawful setting fire to property.
<b>Australian Financial Services Licensee</b>	A person who holds an Australian Financial Services licence.
<b>Authorised Representative</b>	Is an individual or company who is not an employee of an Australian Financial Services licence but is authorised to provide financial services under their Australian Financial Services Licence.

<b>Broker</b>	An intermediary, who acts on behalf of a person who is applying for insurance. They earn a commission from the insurer; however, they have a responsibility to obtain cover appropriate to the needs of the insured. In certain circumstances a broker can also act as an agent for the insurer in terms of issuing a policy or collecting a premium.
<b>Burglary</b>	Theft following forcible and violent entry to the premises. Note: this term may not apply for some states of Australia.
<b>Business Pack</b>	A number of policies typically required by a business are combined into one policy or package – eg fire damage to property, burglary, liability, etc. Business packs are sometimes tailored to cover the risks of a particular industry or business eg motor dealers, builders, etc.
<b>Cancellation</b>	The termination of a policy before the expiry date.
<b>Catastrophe reinsurance</b>	A form of reinsurance whereby the reinsured is protected against an accumulation of losses from the same event – eg a cyclone.
<b>Caveat emptor</b>	Let the buyer beware. Insurance contracts are NOT Caveat emptor (buyer beware) contracts. They are Uberrimae Fidei (Utmost Good Faith) contracts.
<b>Certificate of Insurance</b>	A certificate that acts as proof that a policy has been issued.
<b>Claim</b>	Notification by or on behalf of a claimant that an event likely to be covered by a policy has occurred, or is likely to occur, and giving formal notice to the insurer accordingly. Usually a claim will be accompanied by a request for indemnification under the policy.
<b>Claimant</b>	The party asserting a right of recovery under a contract of insurance.
<b>Claims history</b>	The history of losses suffered by an insured which have been covered by insurance. Some claims histories also record events notified to the insurer which did not result in actual claims pay-outs – eg events below the policy excess.



<b>Code of Practice (General)</b>	The Insurance Council of Australia, as a response to the needs of the insurance industry and with the assistance of the Insurance Enquiries and Complaints Ltd. (IEC), developed the General Insurance Code of Practice ('the Code'). The Code is a self-regulatory form of regulation, that is, the insurance industry, not the government, is responsible for making it work. The overall aim of the Code is to raise service standards across the general insurance industry. It applies across the insurance industry to insurance companies, their employees, agents, investigators, assessors, loss adjusters and collection agents.
<b>Commission</b>	A fee charged by a broker or agent for services in the sale of an insurance contract.
<b>Common Law</b>	The principles of law arising from court decisions.
<b>Comprehensive Insurance</b>	(Usually associated with motor vehicle insurance) Provides specified cover for damage to insured car as well as damage the insured car may cause to the property of others.
<b>Compulsory insurance</b>	Insurance arranged in order to comply with the law – eg worker's compensation insurance or compulsory third party insurance. Also referred to as Statutory Insurance.
<b>Conditions subsequent to policy</b>	Conditions which must be fulfilled in order for a policy to continue. An insured may be required to meet certain conditions while the policy is in force – eg pay the premium, maintain the premises, have the burglar alarm regularly serviced, etc.
<b>Consequential loss</b>	A loss of property may also result in a 'loss of profits' and/or additional expenses. This is a loss which is a consequence of the property loss. Consequential loss insurance is usually referred to as 'business interruption' insurance. It is available as an addition to a property policy.
<b>Consideration</b>	A simple contract requires consideration to be given by the parties to the contract. The consideration must be worth something. It may be in the form of money, goods or services.
<b>Contract</b>	An agreement between two or more parties which is enforceable by law.

<b>Cooling off period</b>	A period of not less than 14 days which must be provided to Retail Clients on Retail products. During this period a client may return the policy and receive a full refund of premium unless a claim has been made.
<b>Cover and covers</b>	Means the protection provided by the policy.
<b>Cover note</b>	A contract of insurance intended by the insurer to provide temporary insurance cover and which is to be replaced by another contract of insurance. Cover notes are usually issued where further particulars are to be ascertained or where the insured has been requested to comply with additional risk acceptance conditions before a more permanent insurance contract is entered into. Also called an Interim Contract of Insurance under Section 38 of the Insurance Contracts Act.
<b>Coverage</b>	The scope of the protection provided under a contract of insurance.
<b>CTP Insurance</b>	Compulsory Third Party insurance (CTP Green slip in NSW) is the insurance that is needed when registering a vehicle. CTP insurance is intended for the situation where another person is injured or killed in an accident, which is caused by the driver of the insured vehicle.
<b>Depreciation</b>	A decrease in the value of any type of property over a period of time resulting from use, wear and tear, or obsolescence.
<b>Direct insurer</b>	Is an insurer which deals direct with the consumer rather than through an intermediary or agent.
<b>Disaster</b>	A disaster is said to have occurred when the normal community and organisational arrangements cannot cope with a hazard impact.

<b>Dispute Resolution Process</b>	A system for resolving complaints which an AFS Licence holder is required to have in place as part of their compliance with the Financial Services Reform Act (FSRA) – the FSRA is now part of the Corporations Act. The process consists of an Internal Dispute Resolution system and an External Dispute Resolution system.
<b>Due date</b>	The date a policy is in force to and by when a renewal premium must be paid.
<b>Duty of disclosure</b>	A requirement under Section 21 of the Insurance Contract Act. The insured has a duty to disclose every matter known to be relevant to the insurer, or that a reasonable person in the circumstances could be expected to know to be relevant to the insurer. The duty applies up until a contract is entered into, and when it is renewed, varied, reinstated or extended. An intending insured must be advised of their duty to disclose material facts.
<b>Effective date</b>	The date on which the cover of an insurance policy commences.
<b>Endorsement</b>	Any writing appearing on a policy, or additional documentation attaching to a policy, whereby the printed terms of the policy, the parties to it, or other particulars, are varied.
<b>Event</b>	An incident or situation, which occurs in a particular place during a particular interval of time.
<b>Ex gratia payment</b>	A payment made by an insurer to a claimant as an act of grace, where no contractual entitlement to the claim exists. The insurer will make an ex gratia payment in order to maintain good will, public relations, or as a matter of social justice or some other non-contractual reason.

<b>Excess</b>	An excess on a policy is the first amount that must be contributed by the insured towards each claim. When one or more excesses apply to a policy, they will be shown on the insurance schedule.
<b>Expiry date</b>	The date upon which a policy ends. Conventionally, 4.00 pm is the normal time of expiry, although this varies by type of policy and by insurer.
<b>Exclusions</b>	Items or conditions that are not covered by the insurance contract.
<b>Fidelity insurance</b>	An insurance policy which covers the misappropriation of goods or money by employees.
<b>Financial Services Guide (FSG)</b>	This is a statement that must be given to a Retail Client when, or before, a Financial Service or Financial Product is provided. It contains information about the service provider, who he/she is working on behalf of, remuneration, dispute resolution and other information required by the Financial Services Reform Act (FSRA) – now in the Corporations Act.
<b>Flood</b>	Means the inundation or covering of normally dry land by water which: escapes or overflows from, or cannot enter, because it is full or has overflowed, or is prevented from entering, because other water has already escaped or been released from it, the normal confines of any watercourse or lake, including any that may have been modified by human intervention, or reservoir, canal, dam or storm water channel. Flood does not mean storm water run off from areas surrounding the site or water escaping from any water main, pipe, street gutter, guttering or surface.
<b>Insolvent</b>	A company may not be able to settle debts in full because its assets are worth less than the liabilities that must be paid off.

<b>Insurable interest</b>	In order to make a claim under a general insurance contract the claimant must demonstrate that at the time of loss the claimant suffered a pecuniary or economic loss. 'Pecuniary' means money. 'Economic' is a broader term and includes loss of use. This is what we now mean by an insurable interest. The claimant stands, in relation to the subject matter of insurance, to benefit by its safety or suffer some prejudice by its loss. The interest the claimant has does not need to be an interest recognised in law or in equity.
<b>Insurance</b>	A device for transferring specified risks of individual persons to an insurer. The insurer agrees, for consideration (usually payment of a premium), to assume, to a specified extent, certain losses that may be suffered by the insured.
<b>Insurance Ombudsman Service</b>	Any policyholder who is dissatisfied with the outcome of his or her dealings with the insurer can contact the Insurance Ombudsman Service on 1300 780 808.
<b>Insurance schedule</b>	Sets out the information given to an insurer upon which the decision to offer cover is made. It also displays the individual's details of a policy.
<b>Insured</b>	The party to an insurance arrangement to whom the insurer agrees to provide cover against specified losses, or to render services, subject to the terms of the insurance contract.
<b>Insured event</b>	Occurrences which cause loss and damage which are listed in the relevant policy.
<b>Insurer</b>	The party to an insurance arrangement who undertakes to provide cover or to render services, on the happening of specified events.
<b>Interim cover</b>	A temporary contract of insurance (usually issued for 14 to 30 days) to be replaced by a Contract of Insurance (a policy) Refer to section 38 of the Insurance Contracts Act.

<b>Intermediary</b>	An agent or a broker who assists the public in proposing for insurance.
<b>Lapsed Policy</b>	A policy which has been allowed to expire because of non payment of premiums.
<b>Leading underwriter</b>	The insurer who determines the terms and rating applicable to large insurance placements involving participation by several insurers. The lead usually takes the largest share of a risk, with other insurers following the lead.
<b>Liability Insurance</b>	A form of general insurance that provides cover in regard to the insured's legal obligation for loss or damage to another person.
<b>Limited liability companies</b>	Companies that are owned by their shareholders. The liability of its shareholders is limited to the fully paid up value of the shares.
<b>Market Value</b>	The fair price for which something can be sold in its current condition.
<b>Misrepresentation</b>	Misrepresentation occurs when the insured has provided information to an insurer but that information is incorrect. Fraudulent misrepresentation will allow an insurer to avoid a contract from its inception. Innocent misrepresentation does not allow an insurer to avoid a contract but the insurer can cancel the contract, and may reduce any claim by the extent of the prejudice suffered by the insurer.
<b>Negligence</b>	Failure to use a degree of care which an ordinary reasonable person would use under the given or similar circumstances. A person may be negligent by acts of omission or commission or both.

**New for old**

(Usually referred to as replacement and reinstatement) – Replacing your existing old damaged items or equipment with new ones.

**No claim bonus**

The amount by which a renewal premium is reduced as a result of no claims being made during the preceding period of insurance.

**Non-disclosure**

This must be distinguished from misrepresentation. Misrepresentation is the provision of information which is subsequently found to be incorrect. Whereas, non-disclosure is the withholding of information from an insurer. If there has been non-disclosure prior to inception, then the insurer is able to cancel the contract and may also reduce its liability to the insured. If the non-disclosure was fraudulent then the insurer has the right to avoid the contract from its inception. If the insured's non-disclosure was innocent, then in order to reduce its liability under the policy the insurer must prove that, had it known the true situation at the time, the policy terms and/or premium would have been different. Liability is reduced to an amount that puts the insurer in the same position they would have been in had the non-disclosure not occurred. Where an insured fails to answer a question, or gives an obviously incomplete or irrelevant answer to a question, the insurer is deemed to have waived compliance with the duty of disclosure unless the insurer makes enquiry and follows up the defective information.

**Outstanding claims**

The aggregate liabilities (total case reserves less amounts paid) faced by an insurer under lodged claims that at any point in time have not been finalised.



<b>Over insured</b>	A term used to describe the condition that exists when an insured has purchased coverage for more than the actual value or replacement cost of a subject of insurance. It is also used to describe a situation where so much insurance has been obtained it constitutes a moral hazard.
<b>Period of cover</b>	Means the current period for which we have agreed to provide you with insurance cover. The current period is shown on the most recent of your insurance schedule and renewal notice and any receipt we may send to you. When we make a write- off payment, the period of cover comes to an end.
<b>Personal advice</b>	A statement which influences or is intended to influence a person to purchase a particular financial service or product and which takes into account one or more of a person's individual circumstances. This is a Financial Services Reform Act (FSRA) term – the FSRA is now part of the Corporations Act.
<b>Personal liability insurance</b>	An Insurance covering the personal liability an insured may have to others as a result of being negligent.
<b>Personal valuables</b>	For most people, their Home contents include personal valuables which they often wear or take with them when they are away from their home. Cover for these items is often limited.
<b>Policy</b>	Means the Product Disclosure Statement and the policy schedule. The written contract effecting insurance, or the certificate thereof, by whatever name called, and including all clause, endorsements, and papers attached thereto and made a part thereof.
<b>Policy schedule</b>	A notice showing the particular details of a policy.
<b>Policyholder</b>	Is generally used to describe the policy's owner and/or insured.



<b>Precedent</b>	A judgment decision considered to be applicable in a later case.
<b>Premium</b>	The price of insurance cover for a specified risk for a specified period of time.
<b>Pro rata cancellation</b>	This refers to the proportion of premium refunded to an insured in the event of cancellation of the policy. A pro rata refund is calculated according to the period of insurance unearned by the insurer at the date of cancellation.
<b>Product Disclosure Statement</b>	A Document prepared by, or on behalf of, the product issuer which contains all the information about the product including the name and address of the issuer (the insurer), significant benefits, cost, terms and conditions, cooling off period and the dispute resolution process.
<b>Products liability insurance</b>	Insurance taken out by manufacturers to cover liability claims arising from their products.
<b>Professional indemnity</b>	Insurance covering a professional for his or her legal liability to others due to professional negligence.
<b>Proposal</b>	Includes a document containing questions to which a person is asked to give answers that will be used in connection with a proposed contract of insurance. A completed proposal form is an offer by the intending insured to enter into an insurance contract. It is NOT an offer by the insurer. An insurer may accept or decline a proposal.
<b>Proposer</b>	A person who proposes for insurance. If the proposal is accepted then the person becomes the insured.

<b>Real property</b>	Real estate – eg land and permanent buildings.
<b>Reinsurance</b>	The practice whereby one party, the reinsurer, in consideration of premium paid, agrees to indemnify another party, the reinsured, for part or all of the liability assumed by the reinsured under a policy (or policies) of insurance.
<b>Reinsurers</b>	Insurers which take on part of the risks taken on by insurers.
<b>Renewal certificate</b>	A certificate which is used to renew a policy. It refers to the original policy, keeping all of its provisions, without restraining all of the insuring agreements, exclusions, and conditions.
<b>Renewal premium</b>	The premium paid for a renewed policy.
<b>Replacement cost</b>	The dollar amount needed to replace damaged personal property without deducting for depreciation but limited by the maximum dollar amount shown on the Insured's policy schedule.
<b>Retail client</b>	<p>General Insurance is provided to a person as a Retail Client where the client is an individual or the product is sold for use in a small business and the product is:</p> <ul style="list-style-type: none"> <li>A motor vehicle insurance</li> <li>A home building or contents insurance</li> <li>Consumer Credit, Sickness and Accident or Travel Insurance</li> <li>Personal and domestic property insurance</li> </ul> <p>Any other class of insurance as prescribed by the regulations of the Financial Services Reform Act (FSRA) now part of the Corporations Act.</p> <p>Note: A small business is defined as less than 100 employees for a manufacturer, or 20 employees for any other business.</p>

<b>Risk</b>	Uncertainty regarding (financial) outcome (loss).
<b>Risk management</b>	<p>Management of the risks to which a company might be exposed. It involves analysing all exposures to the possibility of loss and determining how to handle these exposures</p> <p>through such practices as avoidance, reducing the risk, retaining the risk, or transferring the risk eg see reinsurance.</p>
<b>Statement of Advice (SOA)</b>	If a broker provides personal advice, they must provide a written statement of advice (SOA). Personal advice is financial advice that takes into account personal objectives, financial situation or needs. The information in an SOA is required to be presented clearly and concisely, with enough detail for the Insured to make an informed decision about whether to act on the advice.
<b>Statute law</b>	A written law which changes the common law - Acts of Parliament.
<b>Statute of Limitations</b>	A law that specifies a time limit for which a person can bring a legal action for a claim.
<b>Storm</b>	Means violent wind (including a cyclone or a tornado), thunderstorm or a heavy fall of rain, snow or hail.
<b>Sum insured</b>	The maximum liability of the insurer's liability under an insurance contract.
<b>Term</b>	Under insurance law it means the period of time for which a policy is issued.
<b>Third party</b>	A person or entity who is not a party to an insurance contract but who has an alleged or actual right of action for injury or damages against an insured under a contract of insurance.

<b>Three Hundred and Sixty Fifths System</b>	A method of calculating unearned premium. This is the most accurate of all methods as it is a strict pro rata.
<b>Tort</b>	A civil wrong – eg negligence or nuisance.
<b>Uberrimae Fidei</b>	The doctrine of Utmost Good Faith. This is an implied term in all contracts of insurance by virtue of the Insurance Contracts Act.
<b>Underinsurance</b>	A condition in which not enough insurance is held to cover the value of the insured property. This is particularly common with home contents insurance.
<b>Underwriter</b>	A technical person trained to evaluate risks and determine premium rates.
<b>Underwriting</b>	The process of selecting risks for insurance and classifying them according to their degrees of insurability so that the appropriate rates may be assigned. The process also includes rejection of those risks that do not qualify.
<b>Utmost good faith</b>	The doctrine requires all parties to an insurance contract to act towards each other at all times and in respect to all things with the utmost good faith. The Insurance Contracts Act 1984 does not define the implied term 'utmost good faith'; however, it has to do with matters of fairness, honesty, reasonableness, community standards of decency and fair dealing.
<b>Valuation</b>	Estimation of the value of an item, usually by appraisal eg. Jewellery appraisal.

<b>Void</b>	Considered to have no legal force or effect. An insurer may avoid an insurance contract from its inception (termed 'ab initio') should it discover evidence of pre-contractual fraudulent non-disclosure or fraudulent misrepresentation.
<b>Void contract</b>	A contract which can be treated as if it never existed.
<b>Voidable contract</b>	A contract which can be voided by one party.
<b>Waiting period</b>	A period of time set forth in a policy that must pass before some or all coverage does begin. It can be thought of as time excess. It is sometimes referred to as a deferment period.
<b>Warranty</b>	A policy term setting out an obligation that the insured must comply with, either to do something, or refrain from doing something, or stating that some condition will be fulfilled. A warranty can also be a statement affirming the existence of certain facts.
<b>Workers Compensation</b>	States require employers to purchase this type of coverage which protects them against liability for work-related accidents or illnesses and offers lost income, disability and medical coverage to injured employees. Surviving spouses and dependents may also receive death benefits from their worker's compensation insurance policy.
<b>Write-off</b>	(Usually associated with motor vehicle insurance) – Your car is declared a write-off when in our opinion, it is so badly damaged that it would not be either safe or economical to repair or when it has not been found within 14 days of you reporting its theft to us.





## ***Student Activities***

## Activity 1

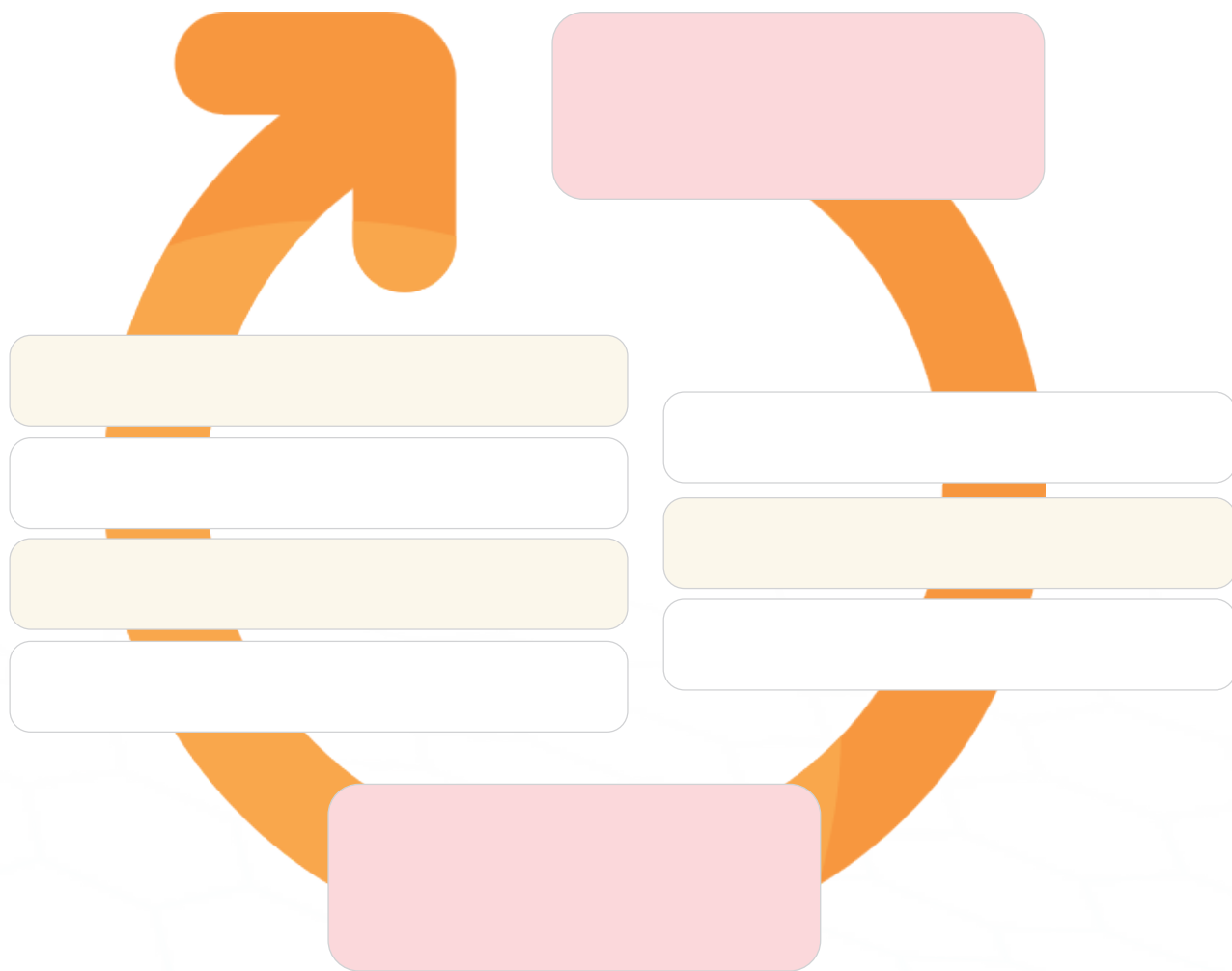
*There are many types of insurance policies. They generally come under the following headings:*

- 1 .....
- 2 .....
- 3 .....
- 4 .....
- 5 .....
- 6 .....

## Activity 2

*Prepare a diagram showing the flow of documents between the customer and the insurance company. The flow of documents should be correctly sequenced and include the following:*

Renewal notice	Proposal	Cover note	Premium	Claim form
Interview form	Insurance policy	Assess proposal form	Customer request	



### Activity 3

***Define the following insurance terms in your own words.***

Insurance	
Reinsurance	
Premium	
Proposal form	
Cover note	
Renewal notice	



## Activity 4

**Match each word/s with the appropriate definition (Types of insurance):**

Health insurance	Car insurance	Home insurance
Contents insurance	Life insurance	Travel insurance

Type of insurance	When you might need it	Why you might need it	How you can get it
	Any time you travel or go on holidays overseas.	To cover you in case you lose your luggage, miss your plane or train	insurance company or brokers.
	When you own a car or when you drive the family car.	You must get compulsory third-party insurance when you register your car.	Insurance companies and some car dealers or a broker.
	When you own your own home.	To cover your home in case of fire and other defined events.	Insurance companies or brokers.
	When you move out of home, whether you're renting, or you own your own home.	To cover your property in case of burglary, fire, and other defined events.	Insurance companies or brokers.
	When you're no longer covered under your family's policy (if they have one).	To cover you for injury, or medical or dental treatment.	Private health insurance providers or brokers.
	When you depend on your income to cover bills and living expenses.	To cover you if you can't work due to an accident or illness, or if you die.	Life and general insurance providers or brokers.

### Activity 5

**List seven of the Insurance Companies in Qatar:**

- 1 .....
- 2 .....
- 3 .....
- 4 .....
- 5 .....
- 6 .....
- 7 .....

### Activity 6

**List 2 types of Car Insurance in Qatar:**

- .....
- .....

### Activity 7

**Compulsory Third-Party Insurance covers the following:**

- 1 .....
- 2 .....
- 3 .....

## Activity 8

***Comprehensive Insurance covers the following:***

- 1 .....
- 2 .....
- 3 .....
- 4 .....
- 5 .....
- 6 .....
- 7 .....

## Activity 9

***1- Define life insurance.***

.....

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## Activity 10

***Find out what the types of life insurance are, define and write the coverage of each one.***

TYPE	COVERAGE

## Activity 11

***Find out what the types of life insurance are, define and write the coverage of each one.***

TYPE	COVERAGE
Travel insurance	<b>1</b> ..... <b>2</b> ..... <b>3</b> ..... <b>4</b> ..... <b>5</b> .....
Private Health insurance	.....
Business insurance	<b>1</b> ..... <b>2</b> ..... <b>3</b> .....

## Activity 12

**Indicate whether each of the following statements is True or False.**

Statement	True	False
<b>1</b> - All motor vehicles must have CTP insurance, which covers personal injury to third parties in an accident. It does not cover damage to your vehicle or any vehicle that you damage.		
<b>2</b> - Exclusions to be aware of Personal accident insurance claims will not be paid if It is caused by an intentional self-inflicted act.		
<b>3</b> - Exclusions to be aware of Key person insurance will provide cover including Claims arising due to intentional self-inflicted acts.		
<b>4</b> - Comprehensive Car Insurance is the top-level insurance cover option and will certainly give you the greatest peace of mind – but it's also the most expensive.		
<b>5</b> - Exclusions to be aware of your income protection insurance claim will be paid if Your claim arises due to the use of alcohol or drugs		

### Activity 13

***Prepare 2 open questions you could use to assist you to get to know your client debts during a client interview discussing their insurance requirements.***

1 .....

2 .....

### Activity 14

***Prepare 3 open questions you could use to assist you to get to know your client expenses during a client interview discussing their insurance requirements.***

1 .....

2 .....

3 .....

### Activity 15

***Prepare 4 open questions you could use to assist you to get to know your client income and assets during a client interview discussing their insurance requirements.***

1 .....

2 .....

3 .....



### Activity 16

***What is the meaning of KYC?***

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### Activity 17

***Active listening and appropriate questioning will assist in maintaining this relationship. Active listening means:***

- 1 .....
- 2 .....
- 3 .....
- 4 .....

### Activity 18

***Prepare 4 close questions you could use to assist you to get to know your client during a client interview discussing their insurance requirements.***

- 1 .....
- 2 .....
- 3 .....
- 4 .....

## Activity 19

***What type of information do you need to know about your client according to the role of (KYC)?***

- 1 .....
- 2 .....
- 3 .....
- 4 .....
- 5 .....
- 6 .....
- 7 .....
- 8 .....

**Choose the best answer to each question.**

**20** ***Which government agency is responsible for regulating insurance companies in Qatar?***

- A** Qatar Financial Centre Regulatory Authority
- B** Ministry of Finance
- C** Qatar Financial Centre Authority
- D** Ministry of Economy and Commerce

**21 Issuing a Contract of Insurance is based on:**

- A** *The concepts of insurance*
- B** *Identifying and Clarifying the customer's request*
- C** *issuing contracts and policies*
- D** *All the above is correct*

**22 The Parties of Insurance Industry are:**

- A** *Insured (Policyholder)*
- B** *Insurer company*
- C** *Reinsurer company*
- D** *All the above is correct*

**23 Insured or Policyholder:**

- A** *Transfer risk to insurer company by purchasing insurance products in exchange of premium*
- B** *Retransfer risk to reinsurer company by purchasing their own form of insurance products in exchange of premium*
- C** *Provides risk reduction for insurer companies, protects them from very large losses, and allows them to meet the terms of their policies*
- D** *All the above is correct*

**24 Insurer Company:**

- A** *Transfer risk to insurer company by purchasing insurance products in exchange of premium*
- B** *Retransfer risk to reinsurer company by purchasing their own form of insurance products in exchange of premium*
- C** *Provides risk reduction for insurer companies, protects them from very large losses, and allows them to meet the terms of their policies*
- D** *All the above is correct*

**25 Reinsurer Company:**

- A** *Transfer risk to insurer company by purchasing insurance products in exchange of premium*
- B** *Retransfer risk to reinsurer company by purchasing their own form of insurance products in exchange of premium*
- C** *Provides risk reduction for insurer companies, protects them from very large losses, and allows them to meet the terms of their policies*
- D** *All the above is correct*

**26 life insurance or death:**

- A** *Covers the costs of rehabilitation*
- B** *Provides cover if you are diagnosed with a specified illness or injury*
- C** *Pays a set amount of money when the insured person dies*
- D** *Replaces the income lost through your inability to work due to injury or sickness*

**27 Total and permanent disability (TPD):**

- A** *Covers the costs of rehabilitation, debt repayments and the future cost of living*
- B** *Provides cover if you are diagnosed with a specified illness or injury*
- C** *Pays a set amount of money when the insured person dies*
- D** *Replaces the income lost through your inability to work due to injury or sickness*

**28 Trauma cover:**

- A** *Covers the costs of rehabilitation, debt repayments and the future cost of living*
- B** *Provides cover if you are diagnosed with a specified illness or injury*
- C** *Pays a set amount of money when the insured person dies*
- D** *Replaces the income lost through your inability to work due to injury or sickness*

**29 Income protection:**

- A** *Covers the costs of rehabilitation, debt repayments and the future cost of living*
- B** *Provides cover if you are diagnosed with a specified illness or injury*
- C** *Pays a set amount of money when the insured person dies*
- D** *Replaces the income lost through your inability to work due to injury or sickness*

**30 Compulsory Third-Party Car Insurance covers:**

- A** *Damage to other people*
- B** *Injury to other people*
- C** *Death to other people*
- D** *All the above is correct*

**31 Comprehensive Car Insurance covers:**

- A** Damage to other people
- B** Injury to other people
- C** Death to other people
- D** All the above is correct

**32 Insurance deals with risk through a system of**

- A** Risk prevention
- B** Risk avoidance
- C** Risk transfer
- D** Risk removal

**33 Mr. Fahad buys a car. He does not arrange insurance because he has never heard of insurance. This is an example of:**

- A** Self-insurance
- B** No insurance
- C** Retaining risk
- D** Self-risk management

**34 The age of the policyholder is a material fact in:**

- A** Fire policy on a building
- B** Theft policy on a retail shop
- C** Private car policy
- D** Contractors all risk

**35** *In the proposal of comprehensive motor insurance, some of material facts that may help an underwriter assess risk:*

- A** *The model of the car*
- B** *The usage of the car*
- C** *The age of the proposer*
- D** *The previous losses*

**36** *Which of the following documents provides an underwriter with a fast, effective and convenient method of obtaining material facts?*

- A** *quotes*
- B** *Proposal form*
- C** *Policy*
- D** *Certificate of insurance*

**37** *When does an insurance cover commence?*

- A** *During the period of the quotation*
- B** *After paying the premium*
- C** *Before accepting the quotation*
- D** *From the date after accepting the quotes*



**38 A loss adjustor:**

- A** *Assesses the financial impact of future uncertain events*
- B** *Investigates claims on behalf of insurers*
- C** *Prepares and presents a claim on behalf of an insured*
- D** *Advises a manufacturer on safety and loss control*

**39 Why do insurance companies use proposal forms?**

- A** *To determine the deductible*
- B** *To calculate the premium*
- C** *To get the material facts*
- D** *To put the conditions*

**40 Why do insurance policies need conditions?**

- A** *To set the rules for insured and the insurance company*
- B** *To control bad moral hazard*
- C** *To keep good aspects of risk*
- D** *To control morale hazards*

**41 The insurance sector requires government regulation in order to:**

- A** *Protect policy holders*
- B** *Protect insurance companies*
- C** *Protect brokers*
- D** *Encourage fair competition between insurance companies*



**42** *Describe the tasks that an underwriter performs. What is the role of an underwriter?*

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### **The role of an underwriter:**

- 1** .....
- 2** .....
- 3** .....
- 4** .....
- 5** .....

**43** *The insurance underwriters can choose from three decisions according to the evaluation of the case.*

**Decision**

.....

.....

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**Complete the following statement:**

**44** *After the client interview form has been completed, you will have to prepare:*

.....

**45** *Information required on the proposal form will include the following:*

**1** .....

**2** .....

**3** .....

**4** .....

**5** .....

**6** .....

**46** *The information on the proposal form will be used to*

**1** .....

**2** .....

**3** .....

**47** *Describe the tasks that an insurance broker performs. What is the role of an insurance broker?*

.....

.....

.....

The role of an insurance broker:

48 put the sentences in order:

More information using proposal form	Client decides to go ahead	Interview with Client
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**49 Match each word/s with the appropriate definition:**

<i>Insurer</i>	<i>Claim</i>	<i>Policyholder</i>	<i>Insurance</i>	<i>Assessor</i>
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Term	Definition
	A general term for products offered to consumers to mitigate risk if something happens to you or your property and provide financial compensation in the event of adverse, unforeseen circumstances.
	A company that sells insurance. This company issues a policy to you to help protect you against certain risks.
	A person who has an insurance contract with an insurance company.
	A loss adjuster. When you lodge your claim, he who is acting for the insurer, helps approve the claim by checking the details to see if it's valid and meets the terms and conditions of your policy.
	The request you make for compensation from your insurer if you suffer a loss that is covered by your insurance policy.

**50 Match each word/s with the appropriate definition:**

<i>Underwriting</i>	<i>Risk mitigation</i>	<i>Coverage</i>	<i>Insurance broker</i>	<i>Premium</i>
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Term	Definition
	What's included in your insurance policy. In property insurance, includes also the risks that you are insured against, the properties covered, the locations covered, the people insured, and the limits of compensation.
	Defined as taking steps to reduce adverse effects.
	The process of assessing an insurance application to determine the level of risk – based on age, health and lifestyle factors – to decide whether an applicant should be covered and at what cost.
	An amount of money you pay to your insurance company for your insurance policy, in return for the insurance company's promise to cover you if something that is covered by your policy, goes wrong.
	An insurance specialist who helps you find the best insurance for your needs in return for a broker's fee.

**51 Match each word/s with the appropriate definition:**

<i>Risk</i>	<i>Proposal form</i>	<i>Cover note</i>	<i>Reinsurance</i>	<i>Renewal notice</i>
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Term	Definition
	An offer by you to enter into an insurance contract, and it might be accepted, varied or declined by the insurance company.
	Insurance for insurance companies.
	Uncertainty regarding (financial) outcome (loss).
	An official document reminding someone that they must make an insurance policy continue for a further period.
	Summary document issued by an insurer as an interim cover for the period before a formal insurance policy is issued.

**52 Match each word/s with the appropriate definition:**

<i>Sum insured</i>	<i>Liability insurance</i>	<i>Over insured</i>	<i>Interim cover</i>	<i>Depreciation</i>
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Term	Definition
	A decrease in the value of any type of property over a period of time resulting from use, wear and tear, or obsolescence.
	A temporary contract of insurance (usually issued for 14 to 30 days) to be replaced by a Contract of Insurance (a policy) Refer to section 38 of the Insurance Contracts Act.
	A form of general insurance that provides cover in regard to the insured's legal obligation for loss or damage to another person.
	The maximum liability of the insurer's liability under an insurance contract.
	A term used to describe the condition that exists when an insured has purchased coverage for more than the actual value or replacement cost of a subject of insurance. It is also used to describe a situation where so much insurance has been obtained it constitutes a moral hazard.

## Steps to calculate:

If the year is evenly divisible by 4 is a leap year – 366 days/February 29 days)

2- Administrative Fees = Annual Policy premium  $\times \frac{\text{Admin. Fees Rate}}{100}$

3- Calculate the Refund Due as follows:

### **PRO-RATA DAYS BASE (365/366)**

Refund Due =  $\frac{\text{Unused days}}{365/366} \times \text{Annual policy premium} - \text{Administrative Fees}$

### **PRO-RATA MONTHS BASIS (12 MONTHS)**

Refund =  $\frac{\text{Unused Months}}{12 \text{ Months}} \times \text{Annual policy premium} - \text{Administrative Fees}$

- 53 A-** Jassim paid his annual motor vehicle insurance of QR 1,500. He cancels his policy 60 days before the policy is due to expire in 2013. Penalty 5% of the original annual premium. **What is the amount Jassim will receive?**

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**B-** Abdul paid his annual house and contents insurance policy of QR 2,250 on 1 April 2012. On 1 December Abdul sends an email to ABA Insurance Company informing them that he wants to cancel his policy from the 5th of December.

**What is the amount Abdul will receive?**

54 **A-** Aziz commenced and paid a motor vehicle policy on 3 February 2012. The annual premium was QR1 850. He sells his car on 28 June and cancels his policy on 2 July. **Calculate the amount he will receive.**

**B-** What refund would Aziz have received if he cancelled his policy on the same date as he sold the vehicle? Sold the car in June – 7-month unused insurance.

**55 A-** Abdul paid his annual motor vehicle insurance of QR 1,800 on 1 January. He telephoned Qatar Combined Insurance Company to cancel his policy on 25 October. He was informed that he must inform the company in writing. Abdul sent a letter on 29 October, and this was received by the insurance company on 30 October. The company also charges an administrative fee of 3.5% of the annual premium. Thus, the policy days used from 1 January to 30 October. Calculate the amount he will receive.

**B-** Sherif paid his annual boat insurance of QR 2,800 on 1 June. He has agreed to sell his boat and the transfer is to take place on 20 February. On 15 February he sent a letter to the insurance company requesting cancellation of his policy, effective from 21 February. Calculate the amount he will receive.

**C-** Hassan decided to travel overseas for 12 months. He took out a one-year travel insurance policy with Qatar Combined Insurance Company on 25 May. In October he decided to return to Qatar. He changed his return flight so that he arrived back in Doha on 22 October. On 27 October he realized he would be eligible for a refund if he cancelled his policy. He sent a letter to the insurance company cancelling his policy. This letter was received on 2 November. Calculate the amount he will receive.



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**56 A-** Faisal paid his annual motor vehicle insurance of QR 2,100 on 18 January. He telephoned Gulf Insurance Company to cancel his policy on 29 October. He was informed that he must inform the company in writing. Faisal sent a letter on 31 October, and this was received by the insurance company on 3 November. The company charges a 6% administration fee for cancelling policies. Therefore, January to November used and 1 month December is unused. **Calculate the amount he will receive.**

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**B-** Rami paid his annual boat insurance of QR 2,600 on 12 July. He sold his boat on 14 February and notified the company by mail on 15 February. The letter was received the next day. Therefore, July to February 8 month used and 4 months are unused. **Calculate the amount he will receive.**

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**C-** Ali took out a one-year travel insurance policy on 3 April. He left Qatar on 4 April and was scheduled to return on 27 March the following year. After travelling for several months, he was informed that a family member was sick, so he decided to return to Qatar. He arrived back in Qatar on 21 November, and he sent an email to the insurance company cancelling his travel insurance. The company confirmed this cancellation by return email on 23 November. **Calculate the amount he will receive.**

**57 Write the correct Term next to the correct definition.**

Term	Definition
	This is a statement that must be given to a Retail Client when, or before, a Financial Service or Financial Product is provided. It contains information about the service provider, who he/she is working on behalf of, remuneration, dispute resolution and other information required by the Financial Services Reform Act (FSRA) – now in the Corporations Act.
	A Document prepared by, or on behalf of, the product issuer which contains all the information about the product including the name and address of the issuer (the insurer), significant benefits, cost, terms and conditions, cooling off period and the dispute resolution process.
	If a broker provides personal advice, they must provide a written statement of advice (SOA). Personal advice is financial advice that takes into account personal objectives, financial situation or needs. The information in an SOA is required to be presented clearly and concisely, with enough detail for the Insured to make an informed decision about whether to act on the advice.

	A statement which influences or is intended to influence a person to purchase a particular financial service or product, and which takes into account one or more of a person's individual circumstances. This is a Financial Services Reform Act (FSRA) term – the FSRA is now part of the Corporations Act.
	Is any advice that is not personal advice. Personal advice requires the issuing of a Statement of Advice (SOA).
	Will indicate that the advice has been prepared without taking into account the client's objectives, financial situation and needs.
	A formal document providing evidence that an insurance policy has been issued by an insurer containing the details of the type of insurance cover, its value, any exclusion, or excess limits, the premium and the period of the insurance cover (how long it is in force).
	A contract of insurance intended by the insurer to provide temporary insurance cover, and which is to be replaced by another contract of insurance. Cover notes are usually issued where further particulars are to be ascertained or where the insured has been requested to comply with additional risk acceptance conditions before a more permanent insurance contract is entered into. Also called an Interim Contract of Insurance under Section 38 of the Insurance Contracts Act.
	A period of not less than 14 days which must be provided to Retail Clients on Retail products. During this period a client may return the policy and receive a full refund of premium unless a claim has been made.
	An amendment is a formal change made to a law, contract, constitution, or other legal document. Amendments can add, remove, or update parts of these agreements. They are often used when it is better to change the document than to write a new one. Only the legislative branch is involved in the amendment process.
	An official document reminding someone that they must make an insurance policy continue for a further period.
	A quote is an estimate of premium for the insurance coverage you selected and information you entered. A quote is not an offer for insurance or an insurance contract.

## Filling System

**Q 1**

***What is the importance of insurance policy documentation?***

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**Q 2**

***List the types of document that should be filed in the insurance process:***

- 1 

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- 2 

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- 3 

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- 4 

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- 5 

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- 6 

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- 7 

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- 8 

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- 9 

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- 10 

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### Q 3

**List the good filing practices.**

- 1 .....
- 2 .....
- 3 .....
- 4 .....
- 5 .....
- 6 .....
- 7 .....
- 8 .....
- 9 .....

### Q 4

**Indicate whether each of the following statements is True or False:**

Statement	True	False
1- All insurance companies will implement their own method of filing		
2- In numerical filing system all policies have numbers, and they will be filed from lowest to highest (ascending).		
3- In subject filing system files and folders are arranged alphabetically then sorted according to the subject or type of policy.		
4- An alpha-numeric system uses a combination of both letters and numbers.		

5- In the geographic filing system files are arranged alphabetically then sorted according to the geographic location or addresses of business.		
6. In alpha-numeric system files and folders are arranged numerically first then alphabetically.		
7- Alphabetical and numerical filing systems are common basis (methods) for filing systems.		

## Q 5

***Using the alphanumeric filing system and put the following records in the correct order in the boxes below.***

QVC 015

CMA 221

FDR 002

EBS 135

CMA 600

CAD 343

DEP 493

DEF 492

KAK 357