

Section 4: Motor insurance



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THE INSTITUTE OF AUTOMOTIVE
ENGINEER ASSESSORS

Purpose:

At the end of this unit candidates will be able to demonstrate a knowledge and understanding of:

- Motor insurance history and basic insurance principles
- Road Traffic Act 1988
- Insurance and the private motorist
- Insurance and the motor trade
- Insurance and risk assessment
- Commercial vehicle insurance
- Motor cycle insurance
- The Motor Insurance Bureau, Financial Services Authority and the Financial Ombudsman Service

Summary of learning outcomes	Number of questions in the examination *
1. Motor insurance history and basic insurance principles	
1.1 Understand the brief history of motor Insurance	Knowledge and application of these learning outcomes will be assessed in two question
1.2 Understand the need for motor insurance	
1.3 Understand how insurance premiums were originally calculated	
1.4 Understand compulsory motor insurance for third party injuries	
1.5 Understand the insurance principle of Indemnity	
1.6 Understand the insurance principle of Utmost Good Faith	
1.7 Understand the insurance principle of Insurable Interest	
1.8 Understand the insurance principle of subrogation	
1.9 Understand the insurance principle of contribution	
1.10 Understand the insurance principle of proximate cause	
2. Road Traffic Act 1988	
2.1 Understand the purpose of part I-VII of the Road Traffic Act 1988	Knowledge and application of these learning outcomes will be assessed in three question
2.2 Understand the provision with in Part VI of the Road Traffic Act 1988 with regard to third party liability insurance.	
2.3 Understand the provision of Part VII of the Road Traffic Act 1988 relating to road traffic accidents and motor insurance.	
2.4 Understand the incorporation to road traffic legislation to areas of the UK not covered by the Road Traffic Act 1988.	
2.5 Understand the implication of EU motor directives on the UK and the road traffic act	

Summary of learning outcomes	Number of questions in the examination *
3. Insurance and the Private Motorist	
3.1 Understand the information necessary for to consider a request for motor insurance	Knowledge and application of these learning outcomes will be assessed in three question
3.2 Understand the legal implications of the proposal form and process	
3.3 Understand the four broad classes of motor insurance business	
3.4 Understand the cover provided by the four types of policy cover	
3.5 Understand the purpose of the recital clause within a private motor policy	
3.6 Understand the purpose of the operative clause within a private motor policy	
3.7 Understand the purpose of exclusions within a private motor policy	
3.8 Understand the purpose of conditions within a private motor policy	
3.9 Understand the purpose of the policy schedule document	
3.10 Understand the typical cover provided within a private motor policy	
4. Insurance and the Motor Trade	
4.1 Understand the three main types of motor trade policy	Knowledge and application of these learning outcomes will be assessed in one question
4.2 Understand the typical cover available under an internal risks policy	
4.3 Understand the typical cover available under a road risks policy	
4.4 Understand the typical cover available under a combined policy	
5. Insurance and Risk Assessment	
5.1 Understand the main factors used to assess risk	Knowledge and application of these learning outcomes will be assessed in one question
5.2 Understand the main factors allowing for reduction in premium	
5.3 Understand the main factors attracting an increase in premium	
6. Commercial Vehicle Insurance	
6.1 Understand the definition of commercial vehicle	Knowledge and application of these learning outcomes will be assessed in one question
6.2 Understand the main factors used to assess risk for commercial vehicle policies	
6.3 Understand the typical cover available under a commercial vehicle policy	

Summary of learning outcomes	Number of questions in the examination *
7. Motor Cycle Insurance	
7.1 Understand the main factors used to assess risk for motor cycle policies	Knowledge and application of these learning outcomes will be assessed in one question
7.2 Understand the main factors allowing for reduction in premium	
7.3 Understand the main factors attracting an increase in premium	
7.4 Understand the typical cover available under a motor cycle policy	
8. Motor Insurers Bureau & The Financial Ombudsman Service	
8.1 Understand the function of the Motor Insurers Bureau	Knowledge and application of these learning outcomes will be assessed in one question
8.2 Understand the key points of the Uninsured Driver Agreement and the Untraced Driver Agreement	
8.3 Understand the influence of the EU on motor insurance	
8.4 Understand the purpose and processes of the Financial Ombudsman Service	

*The test specification is designed to be used as a guide and not absolute confirmation of the number of questions that will appear in the exam. The number of questions assessing each learning outcome will generally be within one of the number indicated