

CII R05 - Financial Protection Practice Test Questions and Answers

1. What is a 'joint life first death' policy?

- A) A policy that covers two lives and pays out on the first death of either insured
- B) A policy that pays on the second death only
- C) A policy covering a group of employees for life assurance
- D) A policy where both lives must die before a claim is paid

2. What is a 'pre-funded' long-term care plan?

- A) A plan purchased at the point of needing care, funded by the local authority
- B) A plan taken out in advance (typically in working life) to fund future care needs
- C) A plan funded exclusively by NHS grants
- D) A plan where care costs are paid retrospectively

3. In a life assurance trust, who is the 'settlor'?

- A) The person who receives the benefit
- B) The insurer who issues the policy
- C) The person who creates the trust by placing the policy into it
- D) The solicitor who drafts the trust deed

4. How does an increasing term assurance policy work?

- A) The premium increases each year while the sum assured stays fixed
- B) The sum assured increases over time, usually in line with inflation or at a fixed percentage
- C) The policy term automatically extends by one year annually
- D) The number of insured lives increases as children are born

Answers: 1-A 2-B 3-C 4-B

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