Chartered
Insurance
Institute

GR1

Group risk

Based on the 2025/2026 syllabus
examined from 1 September 2025 until 31 August 2026

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The CII Qualifications accessibility and special circumstances policy and guidance document can be viewed on the CII Rules and Policies page **www.cii.co.uk/learning/qualifications/assessment-information/before-the-exam/rules-and-policies/**

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GR1 – Group risk

Based on the 2025/2026 syllabus examined from 1 September 2025 until 31 August 2026

Introduction

This examination guide has been produced by the Qualifications and Assessment Department at the Chartered Insurance Institute to assist students in their preparation for the GR1 examination. It contains a specimen examination with answer key.

Ideally, students should have completed the majority of their studies before attempting the specimen examination. Students should allow themselves one hour to complete the examination. They should then review their performance to identify areas of weakness on which to concentrate the remainder of their study time.

Although the specimen examination in this guide is typical of a GR1 examination, it should be noted that it is not possible to test every single aspect of the syllabus in any one particular examination. To prepare properly for the examination, candidates should make full use of the tuition options available and read as widely as possible to ensure that the whole syllabus has been covered. They should also endeavour to keep as up-to-date as possible with developments in the industry by reading the periodicals listed in the GR1 reading list, which is located on the syllabus in this examination guide and on the CII website at **www.cii.co.uk.**

Background Information

CII examination questions undergo a rigorous writing and editing process before reaching an examination. The questions are written to strict guidelines by practitioners with relevant technical knowledge and experience. Questions are very carefully worded to ensure that all the information required to answer the question is provided in a clear and concise manner. They are then edited by an independent panel of experienced practitioners who have been specifically trained to ensure that questions are technically correct, clear and unambiguous. As a final check, each examination is scrutinised by the Senior Examiner and a CII assessment expert.

Occasionally a question will require amendment after the examination guide is first published. In such an event, the revised question will be published on the CII website:

1) Visit **www.cii.co.uk/learning/qualifications/unit-group-risks-gr1/**
2) Select ‘exam guide update’ on the right-hand side of the page

Candidates should also refer here for the latest information on changes to law and practice and when they will be examined.

Syllabus

The GR1 syllabus is published on the CII website at **www.cii.co.uk. Candidates should note that the examination is based on the syllabus, rather than on any particular tuition material.** Of course, the tuition material will provide the vast majority of the information required to perform well in the examination, but the CII recommends that students consult other reference materials to supplement their studies.

Supporting information for the syllabus which contains a detailed overview of the areas covered can be found on the unit page. Select Supporting information for the 2025/2026 syllabus on the right-hand side of the page.

Skill Specification

The skill level tested in each examination question is determined by the syllabus. Each learning outcome specifies the level of skill required of candidates and thus the level at which candidates may be tested. Learning outcomes for GR1 encompass the skill level of *understand.* Different skill levels lead to different types of question, examples of which follow.

Understand - To answer questions based on understanding, the candidate must be able to link pieces of information together in cause-and-effect relationships. Typically questions may ask 'Why'. Questions set on an *understand* learning outcome can test either knowledge or understanding or both.

Examination Information

The method of assessment for the GR1 examination is 50 multiple choice questions (MCQs). 1 hour is allowed for this examination.

The GR1 syllabus provided in this examination guide will be examined from 1 September 2025 until 31 August 2026.

Candidates will be examined on the basis of English law and practice in the tax year 2025/2026 unless otherwise stated.

The general rule is that the new tax year and changes arising from the Finance Act will be examined from 1 September each year. Other changes, not related to the Finance Act, will not be examined earlier than 3 months after they come into effect.

GR1 examinations test the Financial Conduct Authority and Prudential Regulation Authority rules and regulations.

When preparing for the examination, candidates should ensure that they are aware of what typically constitutes each type of product listed in the syllabus and ascertain whether the products with which they come into contact during the normal course of their work deviate from the norm, since questions in the examination test generic knowledge.

A multiple choice question consists of a problem followed by four options, labelled A, B, C and D, from which the candidate is asked to choose the correct response. Each question will contain only one correct response to the problem posed.

One mark is awarded for each correct response identified by the candidate. No mark is awarded if the candidate either chooses an incorrect response, chooses more than one response or fails to choose any response. No marks are deducted for candidates choosing an incorrect response.

If you bring a calculator into the examination room, it must be a silent battery or solar-powered non-programmable calculator. The use of electronic equipment capable of being programmed to hold alphabetic or numerical data and/or formulae is prohibited. You may use a financial or scientific calculator, provided it meets these requirements.

Candidates are permitted to make rough notes. Candidates are **not** permitted, in any circumstances, to remove any papers relating to the examination from the examination room.

Examination Technique: Multiple Choice Questions

The best approach to multiple choice examinations is to work methodically through the questions.

The questions are worded very carefully to ensure that all the information required is presented in a concise and clear manner. It cannot be emphasised too strongly that understanding the precise meaning of the question is vital. If candidates miss a crucial point when reading the question it could result in choosing the wrong option. Candidates should read carefully through the question and all the options before attempting to answer.

Candidates should pay particular attention to any words in the question which are emphasised in bold type, for example, **maximum**, **minimum**, **main**, **most**, **normally** and **usually**. Negative wording is further emphasised by the use of capital letters, for example **NOT**, **CANNOT**.

Candidates should not spend too much time on any one question. If they cannot make up their mind, they should leave the question and come back to it later.

When all of the questions have been answered, it is prudent to use any remaining time to go through each question again, carefully, to double-check that nothing has been missed. Altering just one incorrect response to a correct response could make the difference between passing and failing.

Before the Examination

For sittings at exam centres and via remote invigilation please ensure you are aware of the layout of the examination by using the familiarisation test **www.cii.co.uk/learning/qualifications/assessment-information/multiple-choice-question-exams-at-a-test-centre/exam-familiarisation/**

Remote invigilation
For remote invigilation sittings, you should check that the equipment you plan to use on your exam day is suitable. System requirements can be found here
www.cii.co.uk/learning/qualifications/assessment-information/multiple-choice-question-exams-by-remote-invigilation/prepare-your-it-equipment/

Once you have booked your exam, you will be able to launch a Tutorial by going to the booking via your MyCII/MyPFS Dashboard. This tutorial can only be accessed three times, we suggest saving one attempt for 2-3 days prior to your exam date. The tutorial allows you to experience the launch of an exam as it will be on the day and covers some common FAQs. You will be unable to access the tutorial 2 hours and 30 minutes prior to your scheduled exam time.

To access your examination on the exam day, click on the “Launch Exam” link beside your scheduled exam, with the Bookings and Results area of your MyCII/MyPFS Dashboard. If you have any difficulty accessing your MyCII/MyPFS account you should contact CII customer service.

After the Examination

Rigorous checks are made to ensure the correctness of the results issued. A pre-defined quota of passes to be awarded does not exist. If all candidates achieve a score of at least the pass mark, then all candidates will be awarded a pass grade. Individual feedback on the candidate's examination performance is automatically provided and will indicate the result achieved and, for each syllabus learning outcome, the percentage of questions in the examination that were answered correctly.

Group risk

Chartered Insurance Institute

Objective

At the end of this unit, candidates should understand the:

- nature and purpose of employee benefits;
- main elements of the State benefits system in the UK;
- legislative and regulatory context in which group risk operates;
- principles of operation of group risk schemes;
- group risk product features and the taxation of premiums and benefits;
- role of an intermediary, insurer and the reinsurer.

Summary of learning outcomes		Number of questions in the examination*
1.	Understand the fundamental nature of the group risk market	2
2.	Understand the main purpose and nature of the different types of employee benefits	2
3.	Understand the main elements of the State benefit system in the UK	3
4.	Understand the UK taxation of individuals, companies, partnerships and trustees	5
5.	Understand the legislative context in which group risk operates	6
6.	Understand the regulatory context in which group risk operates	5
7.	Understand the principles of operation of group risk schemes	5
8.	Understand group risk product features and the taxation of premiums and benefits	4
9.	Understand the roles and responsibilities of an intermediary arranging group risk cover	8
10.	Understand the main functions of an insurer in providing group risk cover	8
11.	Understand the main functions of a reinsurer and their relationship with insurers in the group risk market	2

* The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

Important notes

- Method of assessment: 50 multiple choice questions (MCQs). 1 hour is allowed for this examination.
- This syllabus will be examined from 1 September 2025 to 31 August 2026.
- Candidates will be examined on the basis of English law and practice in the tax year 2025/2026 unless otherwise stated.
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1. Understand the fundamental nature of the group risk market

1.1 Describe the background to the group risk market and the main participants.

1.2 Describe the operation of the group risk market outside the UK.

2. Understand the main purpose and nature of the different types of employee benefits

2.1 Explain the main purpose and nature of the different types of – Pension provision; Group arrangements; Healthcare and wellbeing; Other employee benefits.

2.2 Describe how different types of employee benefits interact.

3. Understand the main elements of the State benefit system in the UK

3.1 Describe the government's approach to State benefits.

3.2 Explain the main elements of National Insurance Contributions (NICs).

3.3 Explain the main elements of State benefits.

4. Understand the UK taxation of individuals, companies, partnerships and trustees

4.1 Describe the UK taxation treatment of individuals, companies, partnerships and trustees.

5. Understand the legislative context in which group risk operates

5.1 Describe the contract relationships that exist within group risk operations.

5.2 Describe insurance and contract law relevant to group risk operations.

5.3 Explain the pensions tax regime.

5.4 Describe Pensions, Discrimination and Privacy laws relevant to group risk operations.

6. Understand the regulatory context in which group risk operates

6.1 Describe the regulatory regime applicable to firms and individuals.

6.2 Describe the specific regulations applicable to firms and additional industry guidance.

7. Understand the principles of operation of group risk schemes

7.1 Describe the eligibility criteria for coverage within a group risk scheme.

7.2 Describe the conditions for the cessation of cover within a group risk scheme.

7.3 Explain the evidence of health required from individual members of group risk schemes.

7.4 Describe actively at work requirements and pre-existing condition exclusions.

7.5 Explain flexible benefits and the special problems posed by them.

8. Understand group risk product features and the taxation of premiums and benefits

8.1 Describe group risk product features.

8.2 Explain the taxation of premiums and benefits of group risk products.

9. Understand the roles and responsibilities of an intermediary arranging group risk cover

9.1 Describe the role and responsibilities of an intermediary arranging group risk cover.

9.2 Describe the process for obtaining a quote for group risk cover.

9.3 Explain the factors to consider when assuming risk with the insurer.

9.4 Explain the intermediary's responsibilities with regard to maintaining administration of the cover.

10. Understand the main functions of an insurer in providing group risk cover

10.1 Explain the risk assessment process with regard to providing group risk cover.

10.2 Describe the quotation process for group risk.

10.3 Calculate group risk premiums.

10.4 Describe the process of accepting risk.

10.5 Explain the insurer's responsibilities with regard to maintaining administration over the cover.

11. Understand the main functions of a reinsurer and their relationship with insurers in the group risk market

11.1 Describe the fundamental aspects of reinsurance and typical reinsurance arrangements in the group risk market, their set up and administration.

11.2 Explain how coinsurance can be used as an alternative to reinsurance.

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Additional resources

The following resources may assist you with your studies.

Note: The examination will test the syllabus alone.

Supporting information for the syllabus can be found on the unit page via the CII website. The resources found here: *www.cii.co.uk/learning* will help you keep up-to-date with developments and provide a wider coverage of syllabus topics.

Additional reading material can also be found referenced throughout the study text.

Learning support

Group risk. London: CII. Study text GR1

Assessment information

Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:

1. Visit *www.cii.co.uk/qualifications*
2. Select the appropriate qualification
3. Select your unit from the list provided
4. Select qualification update on the right hand side of the page

Examination guide

The examination guide is available on the unit page via the CII website.

If you have a current study text enrolment, the current examination guide is included and is accessible via **RevisionMate** (*ciigroup.org/login*). Details of how to access RevisionMate are on the first page of your study text.

It is recommended that you study from the most recent versions of the examination guide.

Exam preparation

Exam preparation guidance and supporting exam documentation are available via the CII website. *www.cii.co.uk/learning/qualifications/assessment-information*

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1. Which possible feature of a group risk plan in a country overlaps with the concepts of multi-national pooling and may make it difficult to pool?
A. High free cover level.
B. Local profit sharing.
C. Tariff rates.
D. Three-year guarantee period.

2. Which **main** area of the group risk market **normally** generates the most sales?
A. Critical illness insurance.
B. Death-in-service pension benefits.
C. Income protection insurance.
D. Lump-sum death benefits.

3. When a higher-rate taxpayer invests £50 per month into a Save As You Earn (SAYE) Plan, what rate of tax, if any, will be levied on any cash bonus payable on maturity?
A. Nil.
B. 20%
C. 40%
D. 45%

4. Apart from a death benefit lump sum and a dependant's pension, what other form of benefit would **usually** be provided, if any, by a single employer's trust-based money purchase pension scheme on death?
A. None.
B. Return of employee's contributions.
C. Return of employer's contributions.
D. Return of both employee's and employer's contributions.

5. Bereavement Support Payment can now be claimed by
A. all partners.
B. partners that receive or are entitled to child benefits or are pregnant.
C. registered civil partners only.
D. spouses only.

6. John is an employee. At what level will his employer start making National Insurance contributions?
A. The lower earnings limit.
B. The primary threshold.
C. The secondary threshold.
D. The upper earnings limit.

7. For what **maximum** period is Statutory Sick Pay payable?
A. 13 weeks.
B. 26 weeks.
C. 28 weeks.
D. 52 weeks.

8. What type of trust is **normally** used to establish a group death-in-service scheme?
A. An absolute trust.
B. A discretionary trust.
C. A family trust.
D. A flexible trust.

9. A redundancy payment will be subject to tax if it exceeds what threshold?
A. £25,000
B. £30,000
C. £40,000
D. £50,000

10. When Income Tax operates on a self-assessment basis, what is the **normal** deadline for filing the tax return **online**?
A. 31 January.
B. 5 April.
C. 31 July.
D. 31 October.

11. Andrew is an equity partner and also a higher-rate taxpayer. If he contributes to a personal pension, how will he receive tax relief?
A. He will pay gross and claim all the tax relief through his annual tax return.
B. He will pay net of starting-rate tax and claim the additional tax relief through his annual tax return.
C. He will pay net of basic-rate tax and claim the additional tax relief through his annual tax return.
D. He will pay net of higher-rate tax.

12. Upon a claim being accepted under a group life scheme, to whom is the benefit **contractually** payable to from the insurer?
A. The beneficiary nominated by the member.
B. The deceased's legal personal representative.
C. The employer.
D. The scheme trustees.

13. A new employee has just joined a registered pension scheme. What is the **maximum** lump-sum death-in-service benefit that can be paid free of tax, if any?
A. Four times salary.
B. Four times the earnings cap.
C. The lump sum and death benefit allowance.
D. There is no limit.

14. A group life dependant's pension scheme is linked to an occupational pension scheme established in 2007. What annual rate of Limited Price Indexation is required, if any?
A. An annual rate is not required.
B. 2.5% or the Consumer Price Index if less.
C. 3.0% or the Consumer Price Index if less.
D. 5.0% or the Consumer Price Index if less.

15. Under employment law, an individual on a one-year fixed-term contract **must** be treated as though he is a permanent employee if his contract is rolled over for a period which exceeds what threshold number of consecutive years?
A. Two years.
B. Three years.
C. Four years.
D. Five years.

16. Under data protection legislation, for what **maximum** period is an insurer permitted to retain an individual's medical records?
A. For three years after cover for the individual ceases.
B. For seven years after the information was first obtained.
C. For as long as is necessary for the purpose it was obtained.
D. Until the individual specifically requests its removal or destruction.

17. Under a group income protection scheme, the normal restriction on third party rights is limited to allow an employee to
A. be told the premium level applicable to him for recording benefits-in-kind.
B. participate in decisions relating to the amendment or termination of the scheme.
C. query an insurer's decision to restrict the level or scope of insured benefit in excess of the free cover limit.
D. refer claims disputes to the Financial Ombudsman Service without prior reference to the employer.

18. Steven has flexibly accessed a money purchase arrangement. What is his current money purchase annual allowance?
A. £4,000
B. £10,000
C. £12,570
D. £60,000

19. What does the Financial Conduct Authority require from all authorised firms?
A. Consumer Duty.
B. A minimum capital adequacy requirement of £100,000.
C. Open access to management information.
D. Pre-approval of all financial promotions.

20. To comply with the Financial Conduct Authority's rules, an intermediary **must first** provide details of how to make a complaint to a company that is purchasing critical illness cover at the time of issuing the
A. cancellation notice.
B. Initial Disclosure Document.
C. policy document.
D. quotation.

21. A firm of appointed representatives operates in the group risk market. In accordance with the Financial Conduct Authority's rules, the authorised person responsible for the actions of the firm is **normally** described as
A. a company representative.
B. an eligible counterparty.
C. a principal.
D. a recognised professional body.

22. A claimant under a group income protection scheme wishes to complain about the decision reached by the insurer. What time limit applies, if any, to referring the complaint to the Financial Ombudsman Service?
A. There is no time limit.
B. 3 months.
C. 6 months.
D. 12 months.

23. The Association of British Insurers' Guide to Minimum Standards for Critical Illness Insurance recommends that insurers use a common format, common generic terms and
A. include permanent disability cover.
B. a minimum of at least 7 conditions.
C. model wordings.
D. a survival period of not more than 28 days.

24. How often each year **must** a group life insurer provide the Financial Conduct Authority with a formal report, in the prescribed format, covering complaints?
A. Once a year.
B. Twice a year.
C. Quarterly.
D. Monthly.

25. Firms in the financial adviser sector regularly collect and record information on their customer's profile and the advice given. What is the **most likely** reason for this?
A. Consumer Duty.
B. An increased capital adequacy monitoring requirement.
C. The regulatory online reporting requirement.
D. A stricter money laundering record keeping requirement.

26. The normal retirement age under a company's defined benefit pension scheme is 60 years old, and is reassured under a group life scheme reflecting this. Consequently, what will **typically** happen to a member's insurance cover on reaching this age?
A. It will automatically be extended to age 65.
B. It will automatically be extended to the greater of State Pension age or age 65.
C. It will cease immediately.
D. It will be frozen.

27. A lump-sum death claim has been made under a registered group scheme. The deceased had died whilst flying a plane in his leisure time. Medical underwriting had recently been obtained for benefits in excess of the free cover level, but the requested information regarding a private pilot's licence was **NOT** disclosed. If the insurer has a policy of declining aviation risks, what would it do?
A. Accept the claim for the full amount as the policy is written in the name of the trustees.
B. Accept the claim up to the scheme's free cover limit.
C. Refuse the entire claim and void the policy.
D. Refuse the entire claim on the basis of the deceased's non-disclosure.

28. A large company is arranging a group income protection scheme to cover its 600 staff. At what point(s) can eligible new entrants be permitted to join the scheme?
A. At the annual review date only.
B. At the annual review date or at monthly intervals only.
C. At the annual review date, or lifestyle events only.
D. At whatever frequency the employer chooses.

29. Under which type of **main** group benefit are pre-existing condition exclusions **most often** used as an across-the-board restriction covering all members?
A. Group critical illness.
B. Group death-in-service pension.
C. Group income protection.
D. Group life.

30. To reduce the risk of anti-selection, the point at which a member can increase her benefit basis under a flexible benefit scheme is often restricted to the annual review date and a short period immediately after the
A. awarding of an across-the-board pay rise.
B. awarding of an individual merit rise.
C. occurrence of a life event.
D. occurrence of a specific age.

31. Frank is in receipt of an income protection benefit of £20,000 per annum. The annual escalation rate of the benefit is 3%. What would Frank's income protection benefit be in two years' time?
A. £20,000
B. £20,600
C. £21,200
D. £21,218

32. What tax(es), if any, will a dependant **NOT** be liable to pay on receipt of dependants pension that the original scheme member will have been liable to?
A. None.
B. Income Tax only.
C. National Insurance only.
D. Both Income Tax and National Insurance.

33. Group critical illness cover provides a
A. lump-sum payment for medical fees when the employee suffers an accident.
B. lump-sum payment when the employee dies.
C. lump-sum payment upon diagnosis of one of a defined list of serious conditions.
D. regular payment when the employee becomes incapacitated to work.

34. In order to keep the costs of a group income protection scheme to an absolute **minimum**, what general approach is **likely** to be recommended for the deferred period?
A. No deferred period.
B. A relatively long deferred period.
C. A relatively short deferred period.
D. A staggered deferred period.

35. A company which operates a group death-in-service scheme has advised their financial adviser that the company is relocating from a rural postcode to an inner city location. When should the adviser inform the insurer?
A. As soon as he is advised of the relocation.
B. At the next scheme renewal.
C. Only when all members of the scheme have relocated.
D. Within 90 days of the relocation.

36. Barbara is a financial adviser. She is advising her client to accept a quotation for a new death-in-service scheme with a higher premium because it offers a higher free cover limit. Why is Barbara **likely** to do this?
A. Any medical examinations required will be free of charge.
B. The higher premium will cross-subsidise other group schemes that Barbara places with the insurer.
C. It may reduce the need for any medical evidence for members.
D. It will pay her the highest level of commission.

37. An employee is **NOT** actively at work upon commencement of a new group income protection scheme. The intermediary should therefore notify the employer that the employee's benefits under the new scheme will be
A. nil until conditions set by the insurer are met.
B. operating on a purely temporary basis.
C. restricted to the free cover level.
D. underwritten at the next annual review date.

38. A new registered group life scheme has a proposed benefit basis of four times salary for senior employees and two times salary for all other employees. The intermediary has been requested to clarify the term 'senior' using objectively verifiable criteria. What are the two **main** reasons for this?
A. To avoid age discrimination and to manage anti-selection risk.
B. To avoid age discrimination and to meet HM Revenue & Customs conditions.
C. To ensure contract certainty and to manage anti-selection risk.
D. To ensure contract certainty and to meet HM Revenue & Customs conditions.

39. Under the Insurance: Conduct of Business sourcebook (ICOBS), an Initial Disclosure Document presented to a commercial client at the correct time is designed to satisfy status disclosure, scope of service and
A. general requirements.
B. product information.
C. professional indemnity insurance cover.
D. remuneration.

40. When, if ever, should an independent financial adviser inform a client that he is potentially dealing with an insurance company which is outside of the adviser's own list of approved group risk insurers?
A. Prior to any quotation request.
B. During the recommendation process.
C. Immediately on receipt of the quotation.
D. The client does not need to be informed.

41. In what circumstances, if any, could the initial premium on a new group life scheme be paid to the insurer **prior** to registering the scheme with HM Revenue & Customs to ensure a tax advantage is obtained?
A. In no circumstances.
B. Only if the scheme solely provides lump-sum benefits.
C. Only if the scheme solely provides dependant's pensions.
D. In all circumstances.

42. A small company has had no claims under its income protection scheme which insures 66% of salary, with a deferred period of 26 weeks, 3% escalation and payment to the greater of 65 or State Pension age. They are looking to save money, which change would be **likely** to give the largest premium reduction?
A. Reduce the benefit basis to 50% of salary.
B. Reduce the deferred period to 13 weeks.
C. Reduce the escalation to the lesser of 2.5% or the Retail Prices Index.
D. Reduce the payment period to 2 years.

43. An insurer has received group life quotation requests for two unconnected companies. Due to event limit restrictions, the insurer is only willing to quote for one of them. What differentiating factor between the two companies is **most likely** to have triggered the refusal to quote?
A. Claims history.
B. Eligibility rules.
C. Geographical location.
D. Nature of business.

44. A quotation has been accepted on a single premium basis and the scheme commencement date is 1 June 2025. On what date is the underlying premium rate table **most likely** to expire?
A. 31 May 2026.
B. 31 May 2027.
C. 31 May 2028.
D. 31 May 2029.

45. When a prospective member joins a group scheme as a discretionary entrant, what benefits will **typically** be subject to underwriting, if any?
A. All of the benefits.
B. The benefit in excess of the free cover limit only.
C. The level of salary in excess of the scheme's average only.
D. None of the benefits.

46. Tom is a member of a group life scheme which is costed on a single premium basis with premiums paid annually. If he left employment exactly eight months into the scheme year, what premium refund, if any, will **usually** be granted?
A. A premium refund will not be granted.
B. One third of the individual premium.
C. 50% of the individual premium.
D. 100% of the individual premium.

47. A group life scheme with single premium costing was quoted for in January. It is placed with an insurer on 1 April. Although the benefit basis, membership and salaries are unchanged, no members exceed the free cover limit and the quotation guarantee period has **NOT** expired, the first account shows the cost has increased. What is the **most likely** reason for this?
A. The insurer has altered its underlying rates.
B. One or more members have not satisfied the actively at work conditions.
C. One or more members have passed their birthday.
D. A valid claim has occurred.

48. An insurer issued a group life quotation to a financial adviser on 1 April. Until what date will this quotation **normally** be guaranteed?
A. 1 May.
B. 1 June.
C. 1 July.
D. 1 October.

49. Coinsurance is when
A. part of the risk is passed by an insurer to a reinsurer.
B. part of the risk is passed by a reinsurer to another reinsurer.
C. the whole risk is split between more than one insurer.
D. the whole risk is split into a number of policies with one insurer.

50. A retrocession agreement in respect of a group life scheme is arranged directly between which parties?
A. The insurer and the reinsurer.
B. The reinsurer and another reinsurer.
C. The reinsurer and the intermediary.
D. The scheme trustees and the reinsurer.

Specimen Examination Answers and Learning Outcomes Covered

Question	Answer	Learning Outcome	Question	Answer	Learning Outcome	Question	Answer	Learning Outcome
Learning Outcome 1			**Learning Outcome 6**			**Learning Outcome 10**		
1	B	1.2	19	A	6.2	41	A	10.4
2	D	1.1	20	B	6.2	42	D	10.3
2 Questions			21	C	6.1	43	C	10.1
			22	C	6.2	44	B	10.2
Learning Outcome 2			23	C	6.2	45	A	10.5
3	A	2.1	24	B	6.2	46	B	10.5
4	B	2.2	25	A	6.2	47	C	10.4
2 Questions			**7 Questions**			48	C	10.2
						8 Questions		
Learning Outcome 3			**Learning Outcome 7**					
5	B	3.1	26	C	7.2	**Learning Outcome 11**		
6	C	3.2	27	B	7.3	49	C	11.2
7	C	3.3	28	D	7.1	50	B	11.1
3 Questions			29	A	7.4	**2 Questions**		
			30	C	7.5			
Learning Outcome 4			**5 Questions**					
8	B	4.1						
9	B	4.1	**Learning Outcome 8**					
10	A	4.1	31	D	8.1			
11	C	4.1	32	C	8.2			
4 Questions			33	C	8.1			
			3 Questions					
Learning Outcome 5								
12	D	5.1	**Learning Outcome 9**					
13	C	5.3	34	B	9.1			
14	B	5.4	35	A	9.4			
15	C	5.4	36	C	9.2			
16	C	5.4	37	A	9.3			
17	D	5.2	38	C	9.1			
18	B	5.3	39	D	9.1			
7 Questions			40	B	9.2			
			7 Questions					