

INSURANCE BROKERS ASSOCIATION OF CANADA

**CANADIAN ACCREDITED  
INSURANCE BROKER**

**CAIB III**

EXAM PREPARATION GUIDE

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# HOW TO STUDY

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## How to Study for Exams

Research clearly shows that learning takes place most effectively when information is processed in small chunks spread out over time. If you want to remember what you study, review ideas a few at a time, many times. The steps involved with effective learning are:

- Complete all assignments, including reading before class or if doing correspondence on a regular schedule.
- While attending classes or doing correspondence take thorough notes.
- Review and edit notes.

Following this process alone will ensure that a significant amount of learning takes place prior to becoming involved in what most students think as actual “study”. If you have prepared yourself in this manner, studying for an examination should be largely a matter of systematic review.

## Preparing for an Exam

The exam will be developed focusing on the important topics stressed throughout the course material and group discussions. These topics are more than likely also discussed in the checkpoint and discussion questions. Here are some specific recommendations for preparing effectively for exams.

- ***Start your final exam preparation at least two weeks before the exam.***
- Predicting what questions will be included on the exam. There are several sources for these possible questions:
  - Use the major boldface headings in your textbooks and form them into questions by using typical key words such as *describe, compare, and define*.
  - Check the course outline and study guides provided in your course material. Frequently, the course outline and chapter study guides focus on the major topics of the course.
  - Read over the end-of-chapter discussion questions for possible questions.
  - Brainstorm possible questions with several other students who are also taking the course.
- After formulating a list of possible questions, review your notes, study guides, and textbook notes and jot down relevant and important material that you would want to use when writing a response to each question.

- After you have written all the important and relevant material, organize it.
- Link the course material to **key words or phrases that you find easy to recall**. These key words will form a mini-outline for the ideas you will want to include in your exam answers.
  - Note: When actually taking the exam, write these key words in the margin or on the back of the exam paper before you begin to write your answer. The list will guide you in your writing.
- There are two techniques which are useful when you have to learn vast quantities of information. The first is called CHUNKING and refers to breaking up a list into related groups of information. To chunk effectively, make sure that each group contains only those items which have something in common.
- You might want to try to use a word or sentence MNEMONIC. A memorable word or sentence can often be created by using the first letters of the terms you have to know. The word HOMES, for example, can help you remember the first letters of the great lakes: Huron, Ontario, Michigan, Erie, and Superior.
- Decide on the best way to present this material in written form. This not only helps you plan an effective answer, it also helps you remember the course material more effectively.
- Practice and rehearse writing several (if not all) answers to your predicted application questions.
- Time yourself so you will be prepared to work under the same time constraints as in the actual exam.
- When studying, visualize yourself answer a question on that subject with confidence.

# Structure of CAIB I Exam

The CAIB I exam is structured as follows:

1. **PART I - KEY TERMS (1 MARK EACH = 12 MARKS)**

Students will be required to define 12 insurance terms contained in the course material.

2. **PART II - MULTIPLE CHOICE (1 MARK EACH = 10 MARKS)**

Students will be required to answer 10 multiple choice questions. Only one answer is correct for each question. Please be sure that all questions are answered in examination booklet.

3. **PART III - GENERAL QUESTIONS (3 MARKS EACH = 78 MARKS)**

Students will be required to answer 26 questions. The questions will focus on the students ability to:

- identify or recall* relevant information;
- explain* the relevance of certain insurance terms or concepts;
- provide examples* which support the concept being tested.

While students are not expected to memorize the text, a high level of proficiency with the material is required.

# EXAM QUESTIONS

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## Key Action Words Used in Exam Questions:

Describe:	Tell or depict in writing.
List:	List items or a statement of facts. No explanation is required - extra marks are not given for an explanation.
Compare:	Indicate the characteristics of two or more items and point out both their differences and similarities.
Contrast:	Point out the differences between two or more items.
Define:	State meaning of a term in a clear, concise way.
Explain:	Give an explanation. It is not enough merely to define terms.
Identify:	State items or give a statement of facts and give an example to illustrate.
Illustrate:	Give an example which makes the idea or concept clear.
Justify:	Give convincing reasons for your decisions or conclusions.

## Steps for Answering Questions

### Starting the Exam

- As soon as the Proctor hands you the exam, relieve your mind by **jotting quick notes about things you think you might forget.**
- **Read the directions carefully.** Look for the following things:
  - Point values for the questions.
  - The number of questions to be answered.
  - Time limit for the examination.
- Read through the exam questions. Circle key words that hint at how the answer should be structured.
- **Decide which questions to answer first.** Start by identifying the questions you feel strongly against and circling those that you feel positively towards. Remember to follow your "gut feeling."
- **Plan your time for each question.** A question worth 10% of the grade should probably take 10% of the allotted time for reading, preparation, writing and review.

## Planning to Answer

- Start with the easiest questions first.
- Read the question again; paying attention to the key words you circled.
- Jot down facts that immediately come to mind.
- Brainstorm ideas including examples you remember from the textbook and your own experience.

## Writing the Answer

- **Write legibly** - even if you have to print or write on every other line.
- **If appropriate, refer to specific examples** from readings and lectures to support and illustrate your points.
- **Stay on the topic.** The marker does not want to know everything you have learned - just everything needed to answer the particular question.
- **Do not ramble.** Overly wordy answers may make the reader question the knowledge of the writer.
- **Reread your answer** before moving on to another question since the thoughts are still in your mind.
- **Reread the question.** Make sure your answer satisfies the question.

## Finishing the Exam

- Double check that you answered all the questions.
- Make sure your answers are clearly numbered to match the questions.
- Proofread, checking for grammatical errors. Pay particular attention to the spelling of words.
- Clean up any messy looking words or smudges. Rewrite answers if needed.
- If you use several pages or exam booklets, be sure to number them before handing them in, for example, "1 of 3," "2 of 3," "3 of 3."

### 5 Reasons People Are Unsuccessful On Exams

- Poor physical condition
- Psyched themselves out
- Studied wrong material
- Studied wrong way
- Didn't read the question

# COPING WITH EXAM STRESS

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## Tips for the exam itself:

- Get a good night's sleep the night before an exam.
- Avoid panic. It is natural to feel some exam nerves prior to starting the exam, but getting excessively nervous is counterproductive as you will not be able to think as clearly.
- The quickest and most effective way of eliminating feelings of stress and panic is to close your eyes and take several long, slow deep breaths. Breathing in this way calms your whole nervous system. Simultaneously you could give yourself a mental pep-talk by mentally repeating "I am calm and relaxed" or "I know I will do fine".
- If your mind goes blank, do not panic! Panicking will just make it harder to recall information. Instead, focus on slow, deep breathing for about one minute. If you still cannot remember the information then move on to another question and return to this question later.
- After the exam do not spend endless time criticizing yourself for where you think you went wrong. Often our own self-assessment is far too harsh. Congratulate yourself for the things you did right, learn from the bits where you know you could have done better, and then move on.

# Sample Question and Answer

## PART 1 – KEY TERMS

### **Sample Question**

Define - DEFAMATION

### **Answer**

*(1 mark)*

"DEFAMATION" consists of a statement that causes unjustified injury to the reputation of another person.

## PART II – MULTIPLE CHOICE

### **Sample Question**

Contracts of suretyship are not insurance contracts and, indeed, there are many differences between them. All of the following statements regarding surety bonds are true, except one. Pick the exception.

- (a) are two-party contracts.
- (b) must be in writing.
- (c) do not anticipate losses occurring.
- (d) are of indeterminate length and non-cancellable.

### **ANSWER:**

*(1 mark)*

- (a)

## PART III – GENERAL QUESTIONS

- (a) *(2 marks)*

The Claims Made Liability Policy was designed to eliminate the "long tail" effect of occurrence liability policies. Provide a brief explanation of any two (2) features of Claims Made Liability Policies.

(cont'd...)

(b) (1 mark)

What additional coverage form or endorsement would you recommend be purchased by an insured who is changing from a claims made to an occurrence policy?

**ANSWER**

(a) (Two answers required, 1 mark each = 2 marks)

- Under the claims made policy, it is not necessary to determine when the injury or damage occurred. It is designed to have one, and only one, policy respond to any claim, that being the policy which is in effect at the time the claim is made.
- The claims made policy responds only to those claims which take place on or after the retroactive date stated on the policy.
- If there is a gap in coverage between two policies, the insurer may agree to extend the reporting period of the previous claims made policy for an additional premium.

(b) The insured should be encouraged to purchase the Extended Reporting Period Endorsement. (1 mark)