FIT LEARNING OUTCOME 5

8 QUESTIONS

Excess: The first amount of each claim that is paid by the insured
Deductible: A large excess
Franchise: A fixed amount or period that acts as a threshold to determine whether claims are payable

LEARNING OUTCOME 5
Understand policy wordings and procedures

POLICY STRUCTURE

- ✓ Heading
- ✓ Preamble
- ✓ Signature clause
- ✓ Operative clause
- ✓ Exceptions/Exclusions
- ✓ Conditions
- ✓ Policy Schedule

EXCLUSIONS

WARRANTIES AND CONDITIONS

- ✓ Breach of warranty
- ✓ Conditions precedent to the contract
- ✓ Conditions subsequent to the contract
- ✓ Conditions precedent to liability

CONDITIONS

- ✓ Duties of the insured
- ✓ Alteration
- ✓ Action by the insured in the event of a claim
- ✓ Reasonable precautions
- ✓ Contribution
- ✓ Subrogation
- ✓ Average
- ✓ Arbitration
- ✓ Cancellation

MARKET EXCLUSIONS

- ✓ War and related perils
- ✓ Radioactive contamination
- ✓ Terrorism
- ✓ Pollution and/or contamination
- ✓ Marine policies
- ✓ Contractual liability
- ✓ Sonic bangs
- ✓ Riot and civil commotion