

CII Certificate in Insurance - Financial Protection (R05) Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of questions,

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Don't worry about getting everything right, your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations, and take breaks to retain information better.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning.

7. Use Other Tools

Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly — adapt the tips above to fit your pace and learning style. You've got this!

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Questions

- 1. Which FCA sourcebook is applicable to a whole of life policy?**
 - A. GENPRU**
 - B. COBS**
 - C. SYSC**
 - D. APER**
- 2. What is the required national insurance contribution record duration to qualify for the full state pension?**
 - A. 25 years**
 - B. 30 years**
 - C. 35 years**
 - D. 20 years**
- 3. Which index is used to measure average earnings?**
 - A. Consumer Price Index (CPI)**
 - B. National Average Earnings Index (NAEI)**
 - C. Retail Price Index (RPI)**
 - D. Producer Price Index (PPI)**
- 4. What factor is most likely to help a company determine the level of key person cover required for its chairperson?**
 - A. The financial implications of their death**
 - B. The chairperson's age**
 - C. Company's overall revenue**
 - D. Length of employment**
- 5. What financial support would Linda most likely receive after Keith's death?**
 - A. A lump sum of £1,000**
 - B. A lump sum of £3,500 and a monthly income for 18 months**
 - C. A one-time payout of £5,000**
 - D. No financial support is provided**

- 6. Which of the following is an example of a long term need?**
- A. A 5 year loan**
 - B. Short term income**
 - C. Dependent being covered for the rest of their life**
 - D. A holiday fund**
- 7. Which aspect is typically considered when choosing a critical illness cover policy?**
- A. Only the cost of premiums**
 - B. Only the sum assured amount**
 - C. Extras and specific personal needs**
 - D. Only the term of coverage**
- 8. What is one significant impact of face-to-face advice on insurance?**
- A. Increases customer trust**
 - B. Reduces policy premiums**
 - C. Increases sales**
 - D. Enhances digital accessibility**
- 9. What is the primary goal of mortgage protection insurance?**
- A. To pay off credit card debt upon death**
 - B. To cover educational expenses for children**
 - C. To ensure mortgage repayment in case of death**
 - D. To provide income for surviving family members**
- 10. What is a requirement regarding premiums in a single year for whole life assurance?**
- A. They cannot exceed the maximum policy limit**
 - B. They must be higher than previous years**
 - C. They cannot be more than double those of any other year**
 - D. They must be paid in monthly installments**

Answers

1. B
2. B
3. B
4. A
5. B
6. C
7. C
8. C
9. C
10. C

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Explanations

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1. Which FCA sourcebook is applicable to a whole of life policy?

- A. GENPRU**
- B. COBS**
- C. SYSC**
- D. APER**

The correct answer is COBS, which stands for the Conduct of Business Sourcebook. This sourcebook provides rules and guidance for firms conducting regulated activities, ensuring that they treat customers fairly and provide sufficient transparency and information. Whole of life policies fall under the insurance products that require firms to comply with these conduct of business rules to ensure customers are adequately informed about their policies, including their features, benefits, and any associated risks. COBS specifically addresses issues such as clarity of communication with policyholders, suitability assessments, and the handling of complaints, which are crucial when offering complex products like whole of life insurance. This regulation helps to maintain high standards in the financial services industry, protecting consumers and enhancing trust. The other sourcebooks mentioned serve different purposes. GENPRU relates to capital resources and prudential standards, SYSC focuses on systems and controls that firms must maintain, and APER deals with serious breaches of conduct by individuals within the firms. While important, these other sourcebooks do not directly address the specifics of managing conduct around selling whole of life policies to customers.

2. What is the required national insurance contribution record duration to qualify for the full state pension?

- A. 25 years**
- B. 30 years**
- C. 35 years**
- D. 20 years**

To qualify for the full state pension in the UK, an individual must have a national insurance contribution record that spans 35 years. This qualification applies to those reaching state pension age after April 2016, as the system was updated to reflect sustainability and fairness in pension distribution. The 35-year requirement ensures that individuals who have contributed to the system for a significant period are rewarded with a full pension. This reflects an attempt to balance the needs of future generations while ensuring that the pensions system remains viable and equitable for all contributors. Understanding the nuances of national insurance contributions is crucial, as it directly affects pension planning and expectations for retirement income. Those who contribute for fewer than 35 years may still qualify for a partial pension, but it will be proportionally reduced based on the number of qualifying years.

3. Which index is used to measure average earnings?

- A. Consumer Price Index (CPI)**
- B. National Average Earnings Index (NAEI)**
- C. Retail Price Index (RPI)**
- D. Producer Price Index (PPI)**

The National Average Earnings Index (NAEI) is specifically designed to measure average earnings across various sectors of the economy. It provides insights into wage trends and earnings shifts, which are crucial for understanding economic conditions and planning for financial security. In contrast, the Consumer Price Index (CPI) measures inflation by tracking the changes in price levels of a basket of consumer goods and services, serving as an economic indicator but not focusing on earnings directly. The Retail Price Index (RPI) also deals with inflation but includes housing costs, providing a wider perspective on the overall cost of living rather than average earnings. The Producer Price Index (PPI) tracks changes in selling prices received by domestic producers for their output, reflecting price changes at the wholesale level, which again does not pertain to average earnings. Thus, the NAEI stands out as the relevant index for measuring average earnings, making it the correct choice for this question.

4. What factor is most likely to help a company determine the level of key person cover required for its chairperson?

- A. The financial implications of their death**
- B. The chairperson's age**
- C. Company's overall revenue**
- D. Length of employment**

The financial implications of the chairperson's death is a crucial factor in determining the level of key person cover required. This is because the key person insurance is designed to protect a business against the potential financial loss that would occur if an essential individual, such as a chairperson, were to pass away unexpectedly. In assessing the financial implications, the company must evaluate various aspects, such as the chairperson's contributions to revenue generation, the potential loss of business continuity, and any invaluable relationships or intellectual capital that the chairperson brings to the organization. Additionally, the costs associated with recruiting and training a replacement can also be factored in, further highlighting the importance of calculating an appropriate level of cover to mitigate these potential risks. While the chairperson's age, the company's overall revenue, and the length of employment may offer some context in terms of stability and contribution, they do not directly quantify the specific financial impacts expected from the loss of that individual within the organization. Thus, focusing on the financial implications is the most relevant approach to determining the amount of key person cover needed.

5. What financial support would Linda most likely receive after Keith's death?

A. A lump sum of £1,000

B. A lump sum of £3,500 and a monthly income for 18 months

C. A one-time payout of £5,000

D. No financial support is provided

The correct answer indicates that Linda would most likely receive a lump sum of £3,500 and a monthly income for 18 months after Keith's death. This option typically aligns with the provisions found in various life insurance policies or statutory benefits designed to provide financial support to dependents in the event of a death. When a policyholder passes away, the beneficiaries may receive a lump sum payment which serves to cover immediate financial needs, funeral expenses, or any outstanding debts of the deceased. Additionally, a monthly income for a specified period—such as 18 months—can help ensure that the surviving family member has ongoing financial support to address their living expenses and maintain a stable standard of living during a challenging time. In many instances, financial protection products cater to these very needs, offering a combination of one-off payments and ongoing support. This holistic approach is essential for helping dependents transition through the financial implications of losing a loved one, particularly when that loved one was a primary contributor to household income. The other options, while appearing plausible at first glance, do not provide an adequate level of financial support that one would typically expect based on industry standards surrounding life insurance payouts and benefits for dependents.

6. Which of the following is an example of a long term need?

A. A 5 year loan

B. Short term income

C. Dependent being covered for the rest of their life

D. A holiday fund

The correct choice emphasizes the enduring nature of certain needs, particularly in financial planning. A dependent being covered for the rest of their life signifies a long-term need because it addresses ongoing financial security for that individual over an extended period or lifetime. This demonstrates a recognition of the inherent responsibilities that come with dependents, such as ensuring their well-being through adequate funding for necessities like education, healthcare, and living expenses. In contrast, the other options represent more immediate or temporary financial commitments. For instance, a 5-year loan is a short to medium-term obligation, typically requiring payments over a limited timeframe without extending beyond its term. Similarly, short-term income is designed to fulfill current, immediate needs rather than providing long-term security. Lastly, a holiday fund is geared towards a specific event occurring in the near future, lacking the extended timeframe that characterizes long-term financial needs.

7. Which aspect is typically considered when choosing a critical illness cover policy?

- A. Only the cost of premiums**
- B. Only the sum assured amount**
- C. Extras and specific personal needs**
- D. Only the term of coverage**

When selecting a critical illness cover policy, it is essential to consider extras and specific personal needs because these factors greatly influence how well the policy will meet an individual's requirements. Critical illness cover is designed to provide financial assistance upon diagnosis of a specified critical illness, and tailoring the policy to fit personal circumstances can enhance its effectiveness. This consideration includes assessing the range of illnesses covered, any additional benefits that may be offered, such as payment of lump sums for certain conditions or coverage for children's illnesses, and any cash benefits or support services that come with the policy. It should also take into account the individual's health history, lifestyle, family medical history, and financial obligations. By focusing on these personal needs and preferences, policyholders can ensure that they choose a policy that provides adequate protection and peace of mind tailored to their situation. The other choices fail to provide a comprehensive approach. Solely focusing on the cost of premiums ignores the overall value of the coverage. Similarly, considering only the sum assured or the term of coverage does not encapsulate the broader range of factors that affect the policy's suitability for individual needs.

8. What is one significant impact of face-to-face advice on insurance?

- A. Increases customer trust**
- B. Reduces policy premiums**
- C. Increases sales**
- D. Enhances digital accessibility**

The significant impact of face-to-face advice on insurance is that it increases customer trust. When clients receive personalized, face-to-face consultations, they have the opportunity to ask questions, clarify doubts, and build rapport with their advisors. This direct interaction fosters a sense of reliability and confidence in the information being provided. Furthermore, clients often feel more supported and valued, which can lead to a stronger commitment to purchasing products. Enhanced trust can result in informed decision-making, as clients are more likely to feel secure in the advice given, thus leading to increased sales due to the assurance of a tailored service fitting their needs. While increased sales can be a result of improved trust, the primary impact is the foundation of that trust established through direct interaction. Other options might focus on different benefits associated with face-to-face interactions, but the core positive effect reflects in the trust clients develop with advisers.

9. What is the primary goal of mortgage protection insurance?

- A. To pay off credit card debt upon death**
- B. To cover educational expenses for children**
- C. To ensure mortgage repayment in case of death**
- D. To provide income for surviving family members**

The primary goal of mortgage protection insurance is to ensure mortgage repayment in case of death. This type of insurance is designed specifically to pay off the outstanding mortgage balance upon the policyholder's death, allowing the surviving family members to remain in their home without the burden of mortgage payments. This ensures financial security and stability for the family during a difficult time, preventing them from having to sell the home or face foreclosure. The other options, while important financial considerations, do not align with the specific intention of mortgage protection insurance. For instance, paying off credit card debt or covering educational expenses for children pertains to other types of insurance or financial planning strategies. Similarly, providing income for surviving family members, while crucial, is typically the focus of life insurance policies rather than mortgage protection specific to real estate obligations. Therefore, the focus of mortgage protection insurance distinctly centers on safeguarding the homeowner's mortgage debt.

10. What is a requirement regarding premiums in a single year for whole life assurance?

- A. They cannot exceed the maximum policy limit**
- B. They must be higher than previous years**
- C. They cannot be more than double those of any other year**
- D. They must be paid in monthly installments**

In the context of whole life assurance, the requirement that premiums cannot be more than double those of any other year is correct because this is designed to provide a level of predictability and affordability for policyholders. Whole life assurance typically involves consistent premium payments throughout the life of the policy, and by capping increases in premiums, it prevents sudden financial burdens on the insured. This structure is crucial for maintaining solvency and ensuring that policyholders can manage their premium payments over time without facing excessive increases that could render the policy unaffordable. While some policies might have options for continuous premium payments or annual adjustments, they should not fluctuate dramatically within a short time frame, thus ensuring consumers aren't overwhelmed with rising costs. The clarity in premium structure helps policyholders budget accordingly and maintain their policies more easily.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://ciicertininsurancer05.examzify.com>

We wish you the very best on your exam journey. You've got this!