INSURANCE

EXAMINATION SCHEME

There will be two Papers, Paper 1 and Paper 2, which will be a composite paper to be taken at one sitting.

PAPER 1:   Will consist of 50 compulsory multiple choice questions which would last for fifty (50) minutes and carry fifty (50) marks.

PAPER 2:   Will consist of two Sections, Section A and Section B.

Section A will consist of a **compulsory case study** and **compulsory question** on it while Section B will consist of Six essay questions, out of which candidates will be expected to answer four. The case study passage will be between 200 to 250 words and will carry 20 marks. Questions in section B will carry fifteen (15) marks   each.   The Paper will last for 2 hours and carry eighty (80) marks.

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SAMPLE QUESTIONS
A CASE STUDY
AZOLO INSURANCE COMPANY PLC

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Emeka works with Azolo Insurance Company Plc after graduating from senior secondary school. He studied insurance while in secondary school. So he was employed in Azolo insurance company Plc as insurance sales agent. One early morning, a client, Mr. Olu came to Azolo PLc as Emeka just arrived with his good looking suit. Though Mr. Olu had in mind to see the Branch manager regarding the policy he wanted to pick with Azolo Plc and as well as maintaining the policy considering his financial status. But fortunately Emeka was the one he met.

Mr. Olu started by narrating to Emeka that as the breadwinner of the family, he would not want his children to feel the impact of his demise. Therefore, he wanted to take an insurance policy so that the education of his children would not suffer in the event of his death. Mr. Olu had a terminal illness although he did not disclose the ailment to Emeka during their discussion .

The client Mr. Olu works in a chemical company where his duty post is at the mixing section of the company. The workers in the section are exposed to a lot of health hazards due to some harmful chemicals. Mr. Olu has worked for many years in the company and in the same section without a single reposting to other sections. After the narration, Emeka agreed to sell an insurance policy to Mr. Olu which will provide him adequate cover though the business deal had not gone through to the underwriting stage.

QUESTIONS

1.   (a)   What type of policy would Emeka sell to Mr. Olu?

(b)   What is the first document Emeka would give to the client?

(c)   After filing the form Emeka discovered that the client has a terminal disease which is against the company's policy. What is Emeka expected to do?

(d)   Who are the beneficiaries of the policy sold to Mr. Olu?

(e)   Explain Utmost Good Faith in insurance. How did the principle of utmost good faith apply in this policy?   (20marks)

2.   Explain the following terms as used in insurance:

(a) Day of grace   (3marks)
(b) Ex-gracias payment   (3marks)
(c) Return premium   (3marks)
(d) Endorsement   (3marks)
(e) Under insurance   (3marks)

3.   Compare and contrast a cover note with a motor certificate of insurance.   (15 marks)

SAMPLE OBJECTIVE ITEMS

1.   A property that is worth ₦500,000.00 but insured for a value of ₦350,000.00 is said to be

A. lower insurance.
B. excess insurance.
C. deductible insurance.
D. under insurance.

2.   Under which of the following occasions would an insurer exercise subrogation right of recovery?
A. Commencement of the insurance contract
B. Payment of claim
C. Renewal of the insurance contract
D. Reporting of loss

3.   Which of the following describes loss in insurance?

A. Special perils
B. Hazards
C. Economic loss
D. Uncertainty of loss

4.   A proposal form can be described as a

    A. certificate.
    B. questionnaire.
    C. contract
    D. policy.

5. The obligation placed on a proposer to supply accurate information about the risk in a proposal form is
    A. endorsement.
    B. disclosure.
    C. indemnity.
    D. placement