INSURANCE

SCHEME OF EXAMINATION

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.

### DETAILED SYLLABUS

<table>
<thead>
<tr>
<th>NO</th>
<th>CONTENTS</th>
<th>NOTES</th>
</tr>
</thead>
</table>
| 1. | INTRODUCTION | i. Meaning  
|    |          | ii. Historical development  
|    |          | - Pre and Post independence era and Legislations  
|    |          | iii. Insurance contracts  
|    |          |   ● Parties to Insurance contract  
|    |          |   ● Essential features of Insurance contract  
|    |          | iv. Risks:  
|    |          |   ● Meaning.  
|    |          |   ● Effect of risks on the society.  
|    |          |   ● Classification of risks.  
|    |          |   ● Insurable and un-insurable risk.  
|    |          | v. Hazards:  
|    |          |    - Meaning.  
|    |          |    - types.  
|    |          | vi. Functions of Insurance:  
|    |          |   ● Primary functions.  
|    |          |   ● Secondary functions.  
|    |          | vii. Benefits of Insurance  
|    |          | viii. Perils:  
|    |          |   ● Meaning  
|    |          |   ● Differences among perils, risks and hazards. |
2. PRINCIPLES OF INSURANCE:

(1) Insurable Interest
   i. Meaning
   ii. Essential features of insurable interest
   iii. Application of insurable interest in life assurance and property insurance

(2) Utmost Good Faith
   i. Meaning
   ii. Insured and insurer’s duty of disclosure
   iii. Breaches and effects

(3) Proximate Cause
   i. Meaning
   ii. Application of proximate cause on claims

(4) Indemnity
   i. Meaning
   ii. Methods of providing indemnity by insurer
   iii. Application of indemnity in property and liability insurance

(5) Subrogation
   i. Meaning
   ii. Insurer’s right under Subrogation
   iii. Insured’s duty under Subrogation

(6) Contribution
   i. Meaning
   ii. Application
   iii. Conditions necessary for contribution

DOCUMENTS USED IN EFFECTING CONTRACT

(1) Proposal Forms
   i. Meaning
   ii. Functions and uses
   iii. Contracts where proposal forms are used

(2) Cover Notes
   i. Meaning
   ii. Contents of Cover notes
   iii. Functions and uses of Cover notes
   iv. Contracts where Cover notes are issued

(3) Certificate of Insurance
Certificate of Insurance

i. Meaning
ii. Certificate of Insurance in

- Motor
- Marine
- Employer’s liability

Policy

I. Meaning
ii. Component parts of a policy
iii. Parties to a policy

INSURANCE PRACTICE

1) Re-insurance
2) Insurance Renewals
3) Insurance Claims
4) Insurance Premium

1) Re –insurance
i. Meaning.
ii. Forms (Facultative and Treaty).
iii. Functions.
iv. Uses.

2) Insurance Renewals
i. Meaning of renewal notice
ii. Renewal procedure
iii. Legal status of renewal notice
iv. No claim Discount (NCD)-meaning and uses
v. Long term Agreement (LTA) – meaning and uses

3) Insurance Claims
i. Meaning of claims
ii. Claim procedure

- Notification
- Documentation (Claim forms)
- Investigation
- Discharge voucher
- Payment

iii. Duties of the Insured and the underwriter in claims
iv. Functions of Loss Assessors and Loss Adjusters.

4) Insurance Premium
i. Meaning
ii. Factors to be considered when determining a
iii. Factors responsible for loading premium
iv. Return premium

- Partial and full return
- Reasons for returning premium

(1) **Motor Insurance**
   i. Meaning
   ii. Types of policies in Motor Insurance
      - Private car
      - Commercial vehicle
      - Motorcycle
      - Agricultural and Forestry vehicle
      - Special types (fork lifts, Tractors, caterpillars)
   iii. The scope of cover
      - Act only
      - Third party only
      - Third party, fire and theft
      - Comprehensive
   vi. ECOWAS Brown Card (meaning and uses)

(2) **Fire Insurance**
   i. Meaning
   ii. Standard fire policy cover
   iii. Special perils (earthquake, flood, riot and strike)
   iv. Properties covered

- Building and its contents
- Machinery and plant
- Stocks

v. Buyers of fire insurance
   - Individuals
   - Corporate bodies
   - Government agencies

(3) **Theft Insurance and Burglary Insurance**
   I. Meaning
   ii. Properties covered

- Household properties
- Stocks
- Machinery and Plants
iii. Theft insurance and Burglary Insurance in business and private premises
iv. Differences between Theft Insurance and Burglary Insurance

(4) **Money Insurance**
i. Meaning
ii. What constitutes money (cash, cheque, postal order)
iii. Types of cover available

- In transit only
- In safe or strong room after business hours
- In custody of a staff e.g. cashier

(5) **Fidelity Guarantee Insurance**
i. Meaning
ii. Types of policies in fidelity guarantee Insurance

- Named policy
- Position policy
- Blanket policy

iii. Bond (meaning)
iv. Differences between commercial guarantee and bonds.

(6) **Engineering Insurance**
i. Meaning
ii. Types of engineering Insurance
   - Boiler
   - Explosion
   - Computer all risks
iii. Scope of Engineering Insurance

- Material damage
- Liability cover

(7) **Marine Insurance**
i. Meaning
ii. Marine perils
iii. Type of cover

- Hull policy
- Cargo policy
● Freight policy

(8) Aviation Insurance
   i. Meaning
   ii. Types of Aviation policy
      - Aviation hull policy
      - Cargo policy
      - Freight policy
      - Liability arising from aircraft operation
      - Liability to passengers and non-passengers
   iii. Aviation risks
   iv. Factors affecting
   v. International regulations of Aviation Insurance

   ● Montrel Convention
   ● Hague Rule
   ● Warsaw convention

(9) Employer’s Liability
   i. Meaning
   ii. Policy covered (employees compensation policy)
   iii. Level of benefits payable
   iv. Perils covered

(10) Public Liability Insurance
   i. Meaning
   ii. Types
      ● Personal liability policy
      ● Product liability policy

(11) Professional Indemnity
   i. meaning
   ii. Professionals that require professional indemnity
      (Doctors, Lawyers, Insurance brokers, Accountant, Architects)

(12) Business Interruption Insurance
   i. Meaning (consequential loss)
   ii. Causes of business interruption
      ● Machinery breakdown
      ● Fire Incident

(13) Personal Accident Insurance
i. **Meaning**

ii. **Risks covered:**

- Death
- Bodily injury
- Permanent disability
- Total temporary disability
- Medical expenses

iii. **Forms of personal Accident Insurance (personal and group)**

iv. **Benefits** (Death, Bodily Injury and medical expenses)

v. **Buys of personal and group accident policy**

### INSURANCE MARKET (OPERATORS)

#### i. **Meaning**

#### ii. **Market Operators**

(a) Insurance Companies
(b) Reinsurance Companies
(c) Insurance Intermediaries (Brokers and Agents)
(d) Insurance Buyers

- Individual and private
- Corporate and public institutions

(e) **Insurance Sellers**

- Insurance Companies
- Re-insurance Companies

(f) Supporting Services (Assessor and Loss Adjusters)

### INSSURANCE REGULATOR

(1) Nigerian Insurance Association (NIA)
(2) Nigerian Council of Registered Insurance Brokers (NCRIB)
(3) Institute of Loss Adjusters of Nigeria (ILAN)
(4) National Insurance Commission (NAICOM)
(5) Chartered Insurance Institute of Nigeria (CIIN)

(i) **Meaning**

(ii) **Role/Functions**

(iii) **Purpose**

(iv) **Membership**
9. COMMON INSURANCE TERMINOLOGIES

<table>
<thead>
<tr>
<th>Meaning of</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Hazards</td>
</tr>
<tr>
<td>ii. Perils</td>
</tr>
<tr>
<td>iii. Concealment</td>
</tr>
<tr>
<td>iv. Disclosure</td>
</tr>
<tr>
<td>v. Days of grace</td>
</tr>
<tr>
<td>vi. Ex- gratia payment</td>
</tr>
<tr>
<td>vii. Extra- premium</td>
</tr>
<tr>
<td>viii. Endorsement</td>
</tr>
<tr>
<td>ix. Excepted perils</td>
</tr>
<tr>
<td>x. Subject matter of Insurance</td>
</tr>
<tr>
<td>xi. Under Insurance</td>
</tr>
<tr>
<td>xii. Return Premium</td>
</tr>
<tr>
<td>xiv. Surrender Value</td>
</tr>
<tr>
<td>xv. Cover note.</td>
</tr>
</tbody>
</table>

SUGGESTED READING LIST

1. Insurance for Beginners By Oloyede, F. A. and Rauf-Lawal, S. A.

2. Introduction to Insurance By Robert Ngarakwe and Dr. Nwezeaku, N. C.

3. Principles and Practice of Insurance By Robert Ngarakwe and Dr. Nwezeaku, N. C.

4. Insurance Fundamentals By Adeola Banjo, K. (Mrs.)

5. Principles and Practice of Insurance Adeola Banjo, K. (Mrs)


7. Insurance For Beginners By Rauf-Lawal, Semiu A. O