

CHARTERED INSURANCE INSTITUTE OF NIGERIA

FOUNDATION

F01 – INSURANCE, LEGAL AND REGULATORY YEAR 2022 APRIL DIET



All answers should be shaded on the answer form in accordance with the following instructions:

- Two hours are allowed for this paper.
- Fill in the information requested on the answer form and attendance form.
- Handle the answer form with care and do not write notes on it.
- No marks are deducted for incorrect answers, so do not leave any questions unanswered.
- The answer form should be handed over personally by you to the invigilator before you leave the Examination Hall.
- Insert your candidate's number as given on your admission permit and any other particulars required on the answer form.
- Ensure that you write the full and correct candidate's number.
- If you bring a calculator into the examination room, it must be silent battery or solar powered non-programmable calculator. The use of programmable calculator is prohibited.
- No name should be written on the answer form.

FAILURE TO ADHERE TO INSTRUCTIONS (WRITTEN AND VERBAL) WILL ATTRACT STATED SANCTIONS AS STATED IN THE APRIL 2022 DIET CANDIDATES' INSTRUCTIONS.

CHARTERED INSURANCE INSTITUTE OF NIGERIA FOUNDATION

F01 - INSURANCE, LEGAL AND REGULATORY

INSTRUCTIONS TO CANDIDATES

READ THE INSTRUCTIONS BELOW BEFORE ANSWERING ANY QUESTIONS

Section A

The questions 1 – 60 in this paper are numbered and four options follow each question. The options are labeled a,b,c,d. Only one of these options is correct. Select your answer for each question and indicate it on the answer form by filling in the appropriate box.

Example:

A comprehensive motor insurance policy would provide cover for:

- (a) Accidental damage to the vehicle
- (b) Wear and tear and depreciation
- (c) Mechanical and electrical failure or breakdown
- (d) Damage to tyres caused by road punctures or burst

The correct option is (a).

Section B

Questions 61 – 85 are to be answered as either True (T) or False (F). Select your chosen option and indicate it on the answer form by filling in the appropriate box. **Example:**

A comprehensive motor insurance policy would provide cover for all types of accidental damages without any exclusion (True or False).

The correct option is False (F).

Section C

Questions 86 – 100. This section contains four (4) case studies each followed by some questions. The case studies are not numbered and appear at the top of the page. Each of the questions following a case study is numbered. Four options follow each question. The options are labelled, a, b, c, d. Only one of these options is correct or best. Select your answer for each question and indicate it on the answer from by filling in the appropriate box.

SECTION A - ATTEMPT ALL QUESTIONS (Questions 1 - 60)

1.	met b	asic concept of insurance that the lo y the contributions of the many wl ing to which of the following? Pooling of Risks						
	(c)	Padding of Risks		(d)	Pushing of Risks			
2.	altern (a)	common ways of sharing risk atives. Co-insurance and Multiple Insurance ontribution and Multiple Insurance Co-insurance and Reinsurance	ince	others (d)	are one of the following All of the above			
3.		erm where an individual or firm ha er mechanism but to carry the risk						
	(a)	Private insurance		(b)	Self insurance			
	(c)	Individual insurance		(d)	Corporate insurance			
4.	When is (a)	cover is on intangibles such as inc	come,	revenue (b)	e or value, the class of cover Cash insurance			
	(c)	Pecuniary insurance		(d)	Prototype insurance			
6.		over in respect of actual loss of earn s plus the increased costs associated	_					
	(a)	Legal insurance	(b)	Fidelit	ty insurance			
	(c)	Credit insurance	(d)	Busine	ess interruption insurance			
7.	The p (a) (c)	rincipal types of motor insurance is Private Motor Insurance Comprehensive Insurance	n Nige (b) (d)	Motor	all but one of the following. cycle Insurance nercial Motor Insurance			

8.	accide	-	to the	ect of claims from third parties for ir property due to the insured's as Compensation liability insurance Accidental damage insurance				
9.	his pr		s that m /hich po	over that protects a person acting in ay be made for loss or injury arising blicy would you recommend? Directors' Professional Cover None of the Above				
10.	10. When the cover is needed for individuals who seek medical treatment outside the National Health Service or Health Management Organization when they are ill, the best cover is							
	(a) (c)	Personal Accident Insurance Private Medical Insurance	(b) (d)	Medical Accident Insurance Sickness Medical Insurance				
	(a) (c) Any autho	orized to do so by	insurar	(b) Private Individuals (d) Association ace business in Nigeria must be				
	(a)	NIA (b) NCRIB	(c)	CIIN (d) NAICOM				
13.		e are a number of categories of ow f the following is not one of them Captive Insurance Property Insurance		(b) Proprietary Insurance(d) Mutual Insurance				
14.	14. An insurance company that works on the principle that in any transaction, risk and profit should be shared between the participants is known as(a) Captive insurance company(b) Takaful Insurance company(c) Gharar insurance company(d) Mutual indemnity company							
15.	. What (a)	does Gharar, in Takaful Insurand Certainty (b) Riba	ce, meai (c)	n? Gambling (d) Interest				
16.	16. A broker is expected to act professionally in the following areas while providing service to his clients.							
	(a) (b)	Decide the best market in which Advise the Client (c)	-					

17.	There (a)	are components 1	of marl (b)	keting n 2	nix.	(c)	3		(d)	4
18.	 (a) Reduced cost (b) Only one company's product is available (c) Quick and easier purchase (d) Passing of advertising and promotional cost to the customer 									
19.	Banca (a) (b) (c) (d)	ssurance offers the Access each party' Lower risk to the b Increased risk to the Opportunity for jo	s scale e ousiness ne busir	efficienc s ness	ries		nks an	d insur	ance ex	kcept
20.	The re (a) (d)	insurer to a reinsur Cedant (b) Insurer.		own as urancer		(c)	Retro	cession	naire	
21.	21. The role of claims personnel in an insurance company is to (a) Deal quickly and fairly with all claims submitted (b) Settle claims with the maximum of wastage (c) Collect premium on his company's behalf (d) A & B are correct									
22.		e their employment associated with Marine insurance Fire insurance	by other	er classe	es of ir	nsurano	ce. Act (b) (d)		suran	ce
23.	 23. The compliance officer of XYZ Insurance company performs all but one of the following functions. (a) Communicating the company's policy to members of staff (b) Reviewing all stages of business process to ensure compliance (c) Maintaining the company's compliance manual (d) Making adequate provision at laundering the company's money 									
24.		s the association of eaning of NIA? Nigeria Insurance	J		irance (b)	-		Nigeri urance		
25.	(c)	Nigerian Insurers	Associa	tion	(d)	_	the ab			
	(a)	CIIN (b)	The A	CIB		(c)	ILAN	-	(d)	PRAN

26.	The fu	ıll meaning of RIMSON is								
	(a)	Risk Insurance Managers Society of Nig	geria							
	(b)	Risk Managers Society of Nigeria								
	(c)									
	(d)	None of the above	C	,						
27.	One o	of these is not a member of PRAN as at 33	1/01/2	2021.						
	(a)	African Reinsurance Corporation	, ,							
	(b)	-								
	(c)	Nigerian Reinsurance Corporation Plc	(d)	Globe Reinsurance Plc						
28.	A con	tract which is missing of any of its essen	tials is							
	(a)	Valid		Void ab-initio						
	(c)		` '	None of the above						
29.		deration is one of the essentials of a ishing it is	valid	contract. The decided case						
	(a)	Currie v. Misa	(b)	Curry v. Musa						
	(c)	Cowry v. Misa	(d)	Clint v. Maslow						
30.	for th	son who is entrusted with someone else lat person to act in certain way in ord gency is called an agent by Consent Ramification	_							
31.	Where an agent acts without authority but the principal accepts the act as having been done by the agent on his behalf; the agency is by									
	(a)	Consent	(b)	=						
	(c)	Ramification	(d)	Ratification						
32.	The fo	ollowing feature is alien to the principle o	of insu	rable interest.						
	(a)	Subject Matter	(b)	Object Matter						
	(c)	Legal Relationship	(d)	Financial Value						
33.	The e	vent or item insured in insurance is refer	red to	as the subject matter of the						
	(a)	The contract	(b)	The property insured						
	(c)	Insurance	(d)	Subject matter of subject						
34.		able interest in the subject matter of a per of ways but one of the following alter Common law		1 5 5						
	(c)	Statute	(d)	None of the above						
	(~ <i>)</i>		(/							

35.	5. Someone who holds a property on a temporary basis on behalf of the legal owner is called a									
	(a)	Balee	(b) Bai	iley	(c)	Bailee		(d)	Bayle	y
36.	The fo	llowing Statu	tes exce	ept one made	elabora	ate pro	visions	on ins	urable	interest.
	(a)	Marine Insu	rance A	ct 1961		(b)	Life A	ssurar	ice Act	1774
	(c)	Insurable int	erest A	ct 1845		(d)	Gamii	ng Act	1845	
37.		ample of mor				ne follo	wing.			
	(a)			other insure			. 1 .	. 1		
	(b)			tory if fraud o	or exag	_			1.	
	(c)	Criminal con	iviction	L		(d)	Natur	e of sto	JCK	
38.		urden has bee sclosing any i								
		ned in the				•	1		1	
	(a)	Marine Insu	rance A	ct 1906		(b)	Insura	nce A	ct 2003	
	(c)	Consolidated	d Insura	ance Bill 2020		(d)	None	of the	above	
39.	The cl	lassical defini es	ition in	the case of	Pawse	y v. So	cottish	Union	and I	Vational
	(a)	Insurance				(b)	Reinst	urance		
	(c)	Proximate ca	iuse			(d)	Inden	nnity		
40.		Shaw in the) held that car		-			wich F	ire Ins	urance	Society
	(a)	Wire	(b)	Rope	(c)	Net	(d)	All of	the ab	ove
41.	What	is the name \wp	given to	those perils	named	in the	policy	specifi	cally n	ot
	(a)	Exempted/E	excepte	d perils		(b)	Exclu	ded pe	rils	
	(c)	All of the abo	ove	•		(d)		of the		
42.	Whei	e a loss is cau Insured peril	-	an excepted j	-	ne loss i	is not c	overec	l wher	e
	(b)	Excepted per	ril is the	e proximate c	ause					
	(c)	Uninsured p	eril is t	he proximate	cost	(d)	All of	the ab	ove	
43.		n a neighbou n occurs and t oss?		-						0 2
	(a)	Fire	(b)	Spread		(c)	Rain		(d)	Storm

44. Indemnity is financial compensation sufficient to place the insured in the financial position after a loss as he enjoyed immediately before the loss occurred. (a) Nearest financial position (b) Same financial position									
(a) (c)	Nearest financial position Reasonable financial position				e financial position				
	45. The use of nominated retailers by insurers brings them several benefits excluding one of these.								
(a) (b) (c) (d)	(b) Using the replacement option can prevent or minimize fraudulent claims(c) Retailers can have the opportunity of issuing insurance policies								
_	operty insurance, in the case of pa f the alternatives below.	artial da	mage	of equ	ipment, indemnity is				
(a)	The repair cost less wear and team								
(b) (c)	Replacement cost less wear and t Reinstatement cost less wear and			(d)	None of the above				
47. When an allowance is made for any improvements that may result from the repair or reconstruction, it is called									
(a)	Improvement			(b)	Betterment				
(c)	Embellishment			(d)	None of the above				
48. What	is the cover which usually applies	s to hous	sehold	conte	nts?				
(a)	New for old			(b)	First loss				
(c)	Agreed value			(d)	All of the above				
49. The fo	ormula <u>sum insured</u> x loss is dep value	oloyed to	o one o	of the f	ollowing.				
(a)	Excess (b) Franchise (c)	Averag	ge	(d)	Insured value				
50. Anotl	her name for 75% average is one of	f the foll	lowing						
(a)	Stock condition of average								
(b)	Excess condition of average								
(c) (d)	Special condition of average Two conditions of average								
(a)	Two conditions of average								
	Pension Reform Act 2004 which w loyees covered under Employees'								
(a)	More than five		(b)	Three					
(c)	More than three		(d)	Three	and a half				

52.	The co	mpuls	ory as	pect of mo	tor insura	nce is				
	(a)	Comp	rehens	sive cover		(b)	Third	party	liability cover	
	(c)	Comn	nercial	cover		(d)	Priva	te cove	r.	
53.		ollowin Sum i Sum i	ng alter nsured nsured	s of determ natives. l and independent l and dependent t liability as	oendent lia ndent liab	ability ility		oortion (d)	of a claim are one A & B only	of
	(-)	г						()		
54.	Subro (a)	_	n right (b)	does not a Statute	rise from . (c) Pu		inion	(d)	Contract	
55.	The a (a) (c)	spect o Expor Hull		ne Insuran	ce made c	compul	sory by (b) (d)	Impo	nsurance Act 2003 is rtation the above	;
56.	Marii (a)	ne Insu Ship		Act 1906 a _l Cargo	_				owing. None of the above	5
57.	insolv (a)	ency. Motor	Insur	ance Third	Party Act	-			eds from the effects	of
	(b) (c)			s (Right Ag d Insurance	•		ICI 2010	(d)	None of the above	5
58.		is the r to the	_		process i	n mone	ey laud	ering v	where the criminal {	get
	(a)		,	(b) Layer	ing (c) In	tegrati	on	(d)	Differentiation	
59.		w in th							ich all members mu down in the code	
	(a)		_	bjectivity i statements	•	g profe	essiona	l judg	ments and in givi	ng
	(b)	Respe	cting t			inform	ation a	cquire	d in professional ar	nd
	(c) (d)	Upho Upho	lding p lding _]	professiona				_	relationships ngs and relationshi	ips

- 60. Giving consideration to the key areas of training and competence, one of the following alternatives does not fit in.
 - (a) Assessing competence

(b) Record keeping

(c) Recruitment

(d) Maintaining competence

SECTION B - ATTEMPT ALL QUESTIONS (Questions from 61 to 85) Answer True (T) or False (F).

- 61. Assessment of risk is usually in terms of low frequency and high severity.
- 62. The primary function of insurance is risk transfer.
- 63. In pooling of risks, contributions or premiums must be large enough to cover the costs of operating the pool but not necessarily provide an element of profit to the insurer.
- 64. Risk transfer is a mechanism whereby an individual or firm transfers a risk to his account.
- 65. Unexplained disappearance is a standard exclusion of cover under livestock insurance.
- 66. Business interruption insures against losses due to an interruption in business occurring immediately before and in consequence of material damage to property.
- 67. In view of the fact that public liability insurance covers insured's liability against third party damages or losses, it is made compulsory by law.
- 68. Sickness insurance provides cover in the event of accidental death or bodily injury.
- 69. Insurers may be distinguished from one another in terms of ownership and function.
- 70. The choice of distribution determines the type of advertising used.
- 71. Reinsurers are often Incorporated Trustee companies.
- 72. An efficient claims department staffed with competent claims personnel is vital to ensure proper management of an insurance company's investment.

- 73. Unlike external Auditors, internal Auditors look beyond financial risks and statements to consider reputational issues of the organization.
- 74. A contract may be declared invalid or set aside if it is missing any of the essentials.
- 75. Under Agency law, an agent is one who is authorised by a principal.
- 76. A mere tenant does not have insurable interest in a rented property.
- 77. The courts test whether a fact is material by looking at it from a prudent insurer's point of view.
- 78. Reinstatement means that the insurer agrees to restore an aircraft that has been damaged by an uninsured peril.
- 79. In agreed value policies the value of the subject matter of the insurance is agreed at the start of the contract and the sum insured is fixed accordingly.
- 80. The maximum amount that can be recovered under a property insurance policy is limited to the sum insured.
- 81. Deductible is often linked to a risk management process.
- 82. The rateable proportion is calculated using the formula:

Policy sum insured x loss
Total sum insured (all policies)

- 83. By exercising his subrogation rights in keeping with the principle of indemnity, the insurer is only entitled to recover more than they have paid out being the insurer.
- 84. In general terms, there are three strands to the legal rules that apply to money laundering.
- 85. Elimination, though the most effective form of risk control, is relatively cheap and practicable.

SECTION C - ATTEMPT ALL QUESTIONS (Questions 86 - 100) Read the cases below carefully and answer the questions which follow.

Insurance is a contract upon speculation. The special fact upon which the contingent chance is to be computed lie most commonly in the knowledge of the insured only...

char 86.		to be computed lie most com o said the above words?	mmonl	y in the k	now	ledge	of the insured o	nly
		Lord Wilberforce						
	(b)	His Lordship, Justice Ayot	unde P	hillips				
	(c)	Lord Blackburn		(d	l)	Lord	Mansfield	
87.	Who	o were the parties in the cele	brated	case?				
	(a)	Crater and Boehm						
	(b)	Macaura and Northern Ass	surance	e Compar	ny			
	(c)	Carter and Boehm				(d)	Catar and Bow	ren
88.	Wha	at is the principle of insuran	ce bein	g tested?				
	(a)	Indemnity		(b	•		st Good Faith	
	(c)	Agency		(d	l)	Cont	ribution	
89.	The	case espoused a particular of	duty. C	hoose the	e dut	y.		
	(a)	Premium payment		(b	,	Secre	•	
	(c)	Utmost good faith		(d	l)	Discl	osure	
90.	For be .	the duty mentioned in the in	mmedia	ate above	que	stion	to be effective, it	must
	(a)	positive		(b)	negat	tive	
	(c)	prospective		(d	l)	perfe	ct	
caus Sher pass the s killi	ed a raton there there the there are the there are the the the the the the the the the th	fune 2021, there was collisional leakage of the tank spilling. Hotel. Some people sat along. In few seconds, it got to the of accident and there was a second instantly and the fire tere being dried which got be accidented.	g petrong the he kitcle loud expread	ol which road doinnen area water area was area water ar	flow ng n whic due	ed in othing h was to fire	to OPIC plaza by as the petrol flace about 80meters from the gas cyl	eside owed from linder
91.		at is the principle of insuran	ce trace					
	(a)	Proximate Cause		(b	,		ote Cause	
	(c)	Indemnity		(d	l)	Cont	ribution	
92.	Wha	at is the cause of the explosi						
	(a)	The gas cylinder	(b)	The fire				
	(c)	The collision	(d)	The care	less p	people	e who did nothir	ng

(a) (c)	The gas cylinder The collision	(b)	The fire
(C)			
	The comston	(d)	The explosion
(a) (c)	t is the cause of the cook's death? The gas cylinder The collision The careless people who did nothing	(b)	The explosion
(-)	S. C.		
Wha (a) (c)	t is the cause of the leakage? The collision Tiredness	(b) (d)	Overspeeding All of the above
nging lved. pairs	to Balanta, damaging it considerably. Meanwhile Balanta approached his insu. A week later, the driver came to give him	He apo ırer wl	ologized and got his insurer no paid him N250,000.00 for
Wha (a) (c)	t is the principle in the scenario? Subrogation Contribution	(b) (d)	Indemnity Insurable interest
State (a) (b) (c) (d)	North British and Mercantile v. Liverp	ool and	d London and Globe (1877)
(a) (b) (c)	He will replace the tyres with the money He will return it to his insurer He will share it with the driver for his h	y	
How	does the principle in the case study not	arise?	
(a)	From tort	(b)	From Statute
(c)	From contract	(d)	From court order
The ; (a) (c)	principle in the case study is also known subrogation contribution	as a co (b) (d)	orollary of indemnity insurable interest
	(c) (d) Wha (a) (c) In draging leved. pairs er of Wha (a) (c) State (a) (b) (c) (d) How (a) (b) (c) (d) The (a) (c)	(c) The collision (d) The careless people who did nothing What is the cause of the leakage? (a) The collision (c) Tiredness In driver supplying bottled water rammed aging to Balanta, damaging it considerably. It was a many pool of the distribution of the principle in the scenario? What is the principle in the scenario? (a) Subrogation (b) Contribution State the leading case which establishes the performance of the principle in the scenario? (c) Contribution State the leading case which establishes the performance of the principle in the scenario of the principle of the principle of the principle of the tyres with the mone of the will replace the tyres with the mone of the will share it with the driver for his head. He will invest it. How does the principle in the case study not (a) From tort (b) From contract The principle in the case study is also known subrogation	(c) The collision (d) The careless people who did nothing What is the cause of the leakage? (a) The collision (b) (c) Tiredness (d) an driver supplying bottled water rammed into a riging to Balanta, damaging it considerably. He apolity appears and the driver came to give him \$\frac{1}{2}\text{20}\text{0}\text{0} er of apology from the water factory.} What is the principle in the scenario? (a) Subrogation (b) (b) Contribution (d) State the leading case which establishes the principle (a) North British and Mercantile v. Liverpool and (c) Castellain v. Preston (1883) (d) Carter v. Boehn (1766) How will Balanta treat the \$\frac{1}{2}\text{200,000.00}\text{0}paid him by (a) He will return it to his insurer (c) He will share it with the driver for his honesty (d) He will invest it. How does the principle in the case study not arise? (a) From tort (b) (b) From contract (d) The principle in the case study is also known as a condition of the contract (d) The principle in the case study is also known as a condition of the contract (d) and the contract (d)

Chief Examiner's Comment

The percentage of candidates with pass is above average at 54.47% representing 137 candidates out of the 247 who sat for the multiple-choice question-based examination. It is either you know answer or not. This is considered a fair performance.

If a candidate could score 91% with 11.34% of the candidates, representing 28 candidates, also scoring 80% and above, it means obtaining a pass is quite achievable.

Comments on Overall Performance

Compared to the previous diet result, the performance is a remarkable leap at 55.47%. However, the questions ordinarily called for an average performance of about 65%.

Suggestion(s) on Improvement (if any)

Being a multiple-choice set of questions, candidates are enjoined to study harder using past questions and also engage in group study.

F01 -	F01 - INSURANCE, LEGAL & REGULATORY									
1	A	21	A	41	С	61	T	81	T	
2	С	22	В	42	В	62	T	82	T	
3	В	23	D	43	D	63	F	83	F	
4	C	24	C	44	В	64	F	84	T	
5	C	25	A	45	C	65	F	85	F	
6	D	26	В	46	A	66	F	86	D	
7	С	27	D	47	В	67	F	87	C	
8	A	28	В	48	A	68	F	88	В	
9	С	29	A	49	С	69	T	89	D	
10	С	30	В	50	С	70	T	90	A	
11	В	31	D	51	С	71	F	91	A	
12	D	32	В	52	В	72	F	92	C	
13	С	33	C	53	A	73	T	93	C	
14	В	34	D	54	C	74	T	94	C	
15	Bonus	35	C	55	В	75	T	95	A	
16	D	36	D	56	D	76	F	96	A	
17	D	37	D	57	В	77	T	97	C	
18	В	38	D	58	С	78	F	98	В	
19	С	39	С	59	D	79	T	99	D	
20	C	40	C	60	C	80	T	100	В	

FOUNDATION

F02 – GENERAL INSURANCE BUSINESS APRIL 2022 DIET

LOGO

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F02 - GENERAL INSURANCE BUSINESS

INSTRUCTIONS TO CANDIDATES

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Section A

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Example:

A comprehensive motor insurance policy would provide cover for:

- (a) Accidental damage to the vehicle
- (b) Wear and tear and depreciation
- (c) Mechanical and electrical failure or breakdown
- (d) Damage to tyres caused by road punctures or

The correct option is (a).

Section B

Questions 61 – 85 are to be answered as either True (T) or False (F). Select your chosen option and indicate it on the answer form by filling in the appropriate box. **Example:**

A comprehensive motor insurance policy would provide cover for all types of accidental damages without any exclusion (True or False).

The correct option is False (F).

Section C

Questions 86 – 100. This section contains three (3) case studies each followed by five questions. The case studies are not numbered and appear at the top of the page. Each of the five questions following a case study is numbered. Four options follow each question. The options are labelled, a, b, c, d. Only one of these options is correct or best. Select your answer for each question and indicate it on the answer from by filling in the appropriate box.

SECTION A - ATTEMPT ALL QUESTIONS (Questions 1 - 60)

1.	Which of these levels of cover in motor insurance will give the lowest cover to the insured?									
		Third party only	(b)	Third	d party, fire and th	eft				
	(c)	Comprehensive	(d)		e of the above.					
2.	Owr	damage risk is covered by								
	(a)	Third party only	(b)	Third	d party, fire and th	ıeft				
	(c)	Comprehensive	(d)	None	e of the above.					
3.	Which of the following is not part of the main class in motor insurance?									
	(a)	Private cars	(b)	ls in transit						
	(c)	Motorcycles	(d)	Com	mercial vehicles					
4.	Whi	ch of these is a compulsory level o	f cover	in mot	or insurance?					
	(a)	Third party only	(b)	Third	d party, fire and th	ıeft				
	(c)	Private cars	(d)	Com	prehensive					
5.	No C	Claim Discount is applicable to								
	(a)	employers' liability insurance		(b)	marine insuranc	e				
	(c)	fire insurance		(d)	motor insurance	<u>)</u>				
6.	Which of these is NOT a contract of indemnity?									
	(a)	Marine insurance (b)	Personal Accident Insurance							
	(c)	Theft insurance	(d)	Fire i	nsurance					
7.	The Standard Fire insurance Policy will NOT cover									
	(a)	Fire	(b)	Storn	n					
	(c)	Lightning	(d)	Explo	osion					
8.	Whi	ch of these is an example of social	perils?							
	(a)	Riot	(b)	Storn	n					
	(c)	Subsidence	(d)	Impa	act					
9.	An e	xample of Perils of Nature is								
	(a)	Escape of water	(b)	Riot						
	(c)	Earthquake	(d)	Heat	ing					

10.	"A person is guilty of theft if they dishonestly appropriate property belonging to another with the intention of permanently depriving the other of it". This definition is applicable to								
				Dunalam					
	(a)	Robbery	(b)	9					
	(c)	Theft	(d)	Stealing					
11.	Auth	orised repairers will be used in							
	(a)	money insurance (b)	Fide	elity guarantee insurance					
	(c)	Business interruption insurance	(d)	Household insurance					
12.	The factor that influences either the frequency or severity of loss is called								
	 (a)	Risk	(b)	Hazard					
	(c)	Peril	(d)						
	(C)	1 CIII	(u)	Officertunity					
13.	The document used by an insurer to collect information about a proposed risk is								
	(a)	An endorsement	(b)	A policy					
	` '	A proposal form	(d)						
14.	The	evidence of an insurance contract is	,						
14.	(a)	An endorsement	(b)	a policy					
	`		(d)	a renewal notice					
	(c)	a proposal form	(u)	a renewal notice					
15.	Declaration is commonly found in which of the following document?								
	(a)	An endorsement	(b)	<u> </u>					
	(c)	A proposal form	(d)						
16.	Inde	mnity period is commonly found ir	า						
10.	(a)			s Interruption Insurance					
	` '	Money insurance (d)		_					
	(C)	workly insurance (a)	THEI	insurance					
17.	Whic	ch of the following liability policies	cover	third party liability risk?					
	(a)	Employers' Liability Insurance	(b)	Public Liability Insurance					
	(c)	Product Liability Insurance (d)	` '	5					
18.	A do	ector will buy which of these policie	es to co	over his mistakes to his					
	(a)		(b)	Public Liability Insurance					
	(c)	Product Liability Insurance (d)	` /	2					
	(-)	110 auct Diability Hiburatice (a)	11010	colorida mideminity modulation					

19.	Which of these liability policies will pay benefits to an injured worker who suffered injury in the course of his official assignment?									
	(a) (c)	Employers' Liability Insurance		9						
	(d)	Professional Indemnity Insurance	ce							
20.	is	the term for premium base.								
	(a)	Rate	(b)	Sum insured						
	(c)	Mille	(d)	Percentage						
21.	Rate	per mille means rate per								
	(a)	10	(b)	100						
	(c)	1,000	(d)	1,000,000						
22.	(GDI	lation to customer service, the Ger PR) sets out that data must be obta 7. The objective will include all, exc	ined fa	airly if it is to be processed						
	(a)	Be informed	(b)	Rectification						
	(c)	Erasure	(d)	Be paid premium						
23.	Which of these will consider a complaint for the insured?									
	(a)	FOS	(b)	FCA						
	(c)	CII	(d)	BIBA						
24.	The	trade association of insurance brok	ers in	Nigeria is						
	(a)	NIA	b)	ILAN						
	(c)	PILA	(d)	NCRIB						
25.	The	regulator of insurance business in	Nigeri	a is						
	(a)	NAICOM	(b)	PENCOM						
	(c)	NIA	(d)	CBN						
26.	Whic	ch of these is not covered by an ins	urance	e cyber product?						
	(a)	Defamation	(b)	-						
	(c)	Cyber bullying	(d)	Loss of insured data						
27.		ch of these is used by consumers cabuy insurance?	arrying	g out online research before						
	(a)	Internet of Things	(b)	Telematics						
	(c)	Aggregators	(d)	None of the above						
	\ -/	() () () () () () () () () ()	\/							

 28 can be defined as "a collection of online media tools and channels foster communication and conversation, not only delivering content also allowing interaction and participation in the development of the content being discussed". (a) Social media (b) E-commerce 									
		Č .	(b)	E-commerce					
	(c)		(d)	Telematics					
29.		ight of insurer having paid a clai nird party that caused the loss is .		cover the claim amount from					
	(a)	Contribution	(b)	Right of recovery					
	(c)	Subrogation	(d)	Indemnity.					
30.		n two insurers cover the same sul cover is based on the principle of Contribution	,						
			` ,	· ·					
	(c)	Subrogation	(d)	Indemnity.					
31.	When the insurer pays for total loss of an item under a property or motor insurance, it is entitled to receive the benefit of the								
	(a)	Indemnity	(b)	Claim.					
	(c)	Liability	(d)	Salvage					
32.	Whic	h of these is NOT a claims settler	nent me	ethod?					
	(a)	Salvage	(b)	Reinstatement					
	(c)	Repair	(d)	Payment to third parties					
33.	An action open to insurers in the case of extensive damage or complete destruction is								
	(a)	salvage	(b)	reinstatement					
	(c)	repair	(d)	payment to third parties					
34.	The p	penalty for under-insurance is							
	(a)	Contribution	(b)	Average					
	(c)	Subrogation	(d)	Arbitration					
35.	Whic contr	h of these has to do with dispute act?	s betwe	en parties of an insurance					
	(a)	Contribution	(b)	Average					
	(c)	Subrogation	(d)	Arbitration					
36.	Engir	neer's report is a supporting evid	ence rec	quired in					
	(a)	An accident claims	(b)	Theft claims					
	(c)	A personal Injury claims	(d)	Motor claims					
		- ·	. ,						

37.		ch of these claims that will requence?	iire a docto	or's certificate as supporting							
	(a)	Accident claims	(b)	Theft claims							
	(c)	Personal Injury claims	(d)	Motor claims							
38.	is	an expert in processing claims f	from start	to finish.							
	(a)	Risk surveyors	(b)	Loss adjuster							
	(c)	Underwriter	(d)	Broker							
39.		ch of these is not found in Moto	or Acciden	t Report form?							
	(a)	Details of insured									
	(b)										
	(c) Particulars of any independent witnesses to the accident										
	(d)	(d) Situation and occupancy of the premises									
40. 41.	The	The document used by the insured to advise the insurer of a loss is									
	(a)	Loss adjuster's report	(b)	Proposal form							
	(c)	Claim form	(d)	Risk surveyor's report							
41.	is a stipulation made in the policy that certain things are so, and remain so, or the certain thing will or will not be done.										
	(a)	Warranty	(b)	Representation							
	(c)	Disclosures	(d)	Excess							
42.		What is the term for the amount which the insured will bear for each and every loss?									
	(a)	•	(b)	Representation							
	(c)	Disclosures	(d)	Excess							
43.	Impl	lied warranties are only found i	n which cl	ace of incurance?							
4 3.	(a)	Motor insurance	(b)	Marine insurance							
	` '		(d)	Miscellaneous insurance							
	(c)	Money insurance	(u)	Wilscenarieous filsurarice							
44.		a fixed amount or period that a	cts as a thi	reshold to determine shelter							
		ns are payable.	/1 \	TA7 (*							
	(a)	Excess	(b)	Warranties							
	(c)	Limits	(d)	Franchise							
45.		insured's name is found in whi	-	2 2							
	(a)	Heading	(b)	Operative clause							
	(c)	Policy schedule	(d)	Attestation							

46.		parts of a policy document that sl	nows wl	hat is NOT covered in the					
		The recital clause	(b)	The operative clause					
	(c)	The condition	(d)	The exception					
47.	The	parts of a policy that shows what	is cove						
	(a)	Heading	(b)	Recital clause					
	(c)	Operative clause	(d)	Signature					
48.	The	name of the insurer is found in w	hich pa	rts of the policy?					
	(a)	The heading	(b)	The recital clause					
	(c)	The operative clause	(d)	The signature					
49.	policy is (a) The recommendation (c) The parts of a (a) Heading (c) Operate The name of the (a) The operate The name of the (a) The operate (c) The operate (c) The operate (c) The first place who called the (a) Heading (c) Recital is the movements, first mines. (a) Subsidice (c) Ground has been less that the control of a (a) Subsidice (c) Ground which of the sincluded autometric (a) Subsidice (c) Ground The money in (a) Cash The money in (a) Cash	ch of these is not part of market e	xclusior	ns?					
	(a)	War risks and related perils	(b)	Terrorism					
	(c)	Theft policies	(d)	Marine policies					
50.		place where the policy is made pod the	ersonal a	and specific to the insured is					
	(a)	Heading	(b)	Preamble					
	(c)	Recital clause	(d)	Policy schedule					
51.	is the movement of the land on which the premises stand due to movements, falls or changes in underground workings, such as coal mines.								
	(a)	Subsidence	(b)	Earthquake					
	` '	Ground heave	(d)	Landslip					
52.	Limi	as been legally defined in Oddy V Ited (1966) as " it is a rapid do Itence of a mass rock or earth on a	wnward						
	(a)	Subsidence	(b)	Earthquake					
	(c)	Ground heave	(d)	Landslip					
53.		ch of these is NOT a common extended automatically in the policy?	ension i						
	(a)	Breakage of glass	(b)	Collusion					
	(c)	Replacement of locks	(d)	Index linking					
54.	The	money insurance will not cover							
	(a)	Cash	(b)	Recharge card					
	(c)	Lottery ticket	(d)	Postage stamp					

55.	An exa (a) (c) (d)	ample of good physical hazard in Building of wooden construction Storage of dangerous chemicals Concrete fire-resistant walls		urance (b)	is Thatched roof			
56.	rela (a) (c)	tes to the human aspects that may Good physical hazards Physical hazards	influer (b) (d)	Poor p	outcome of the risk hysical hazards hazards			
57.	Transi (a) (c)	it risk be considered in which of th Public Liability Risk Money risks	ese cla (b) (d)		ct risks			
58.	Adjus (a) (c) (d)	table premium is used in Fire insurance Motor insurance Employers' Liability Insurance	(b)	Theft i	insurance			
59.	Cover (a) (c)	note is used in Theft insurance Fire insurance		(b) (d)	Motor insurance Travel insurance			
60.	Which of these is not contained in a Certificate of Insurance? (a) Address of the insured (b) Registration number of the vehicle. (c) Expiry date (d) Date of commencement of cover							
		- ATTEMPT ALL QUESTIONS (e (T) or False (F).	(Quest	ions fro	om 61 to 85)			
61.		ers generally provide third party core attached to insured vehicles.	over fo	r carav	ans or trailers while			
62.	Death	benefit is not covered in a persona	al accid	lent and	d sickness policy.			
63.	Person lives.	nal Accident Insurance covers chil	dbirth	and pre	egnancy for female			
64.	Theft	insurance is a form of compulsory	insura	nce.				
65.	Person	nal Accident Insurance is not a cor	itract o	f inden	nnity.			

No Claims Discount is commonly used in Motor Insurance.

66.

- 67. Death benefit is covered in personal accident insurance.
- 68. Household Insurance is an example of package insurance.
- 69. A money insurance policy covers every risk.
- 70. An "All Risk Policy" covers every risk.
- 71. Fire insurance is a good example of an "All Risks Policy".
- 72. Explosion is an example of perils of a chemical type.
- 73. Theft risk is not covered in insurance.
- 74. Excess is covered by an insurance policy.
- 75. Package policies are sold to small businesses who are faced with similar risks.
- 76. Damage caused by an explosion is not fire damage. However, limited explosion cover is provided within the standard fire policy.
- 77. Glass insurance is not restricted to plate glass, but extends to include covers for practically all kinds of fixed glass.
- 78. Indemnity period is used in Fidelity Guarantee Insurance.
- 79. Insurers engage the services of loss adjuster as they are not independent experts but serves to the benefits of the insurer who appointed them.
- 80. Material Damage Warranty is a clause in Business Interruption Insurance.
- 81. Business interruption insurance covers the actual or potential loss of earnings and additional expenses incurred as a result of a material loss.
- 82. Employers' Liability Insurance covers liability losses to consumers.
- 83. Directors and officers may be prosecuted for failures and civil remedies may also be permitted against them.
- 84. Extended warranty insurance is provided to cover breach of warranties in an insurance context.

85. Hazard is the event giving rise to the loss.

SECTION C - ATTEMPT ALL QUESTIONS (Questions 86 - 100) Read the cases below carefully and answer the questions which follow.

Mr. John Okon has a personal accident insurance for a sum insured of it

) in the event of death)() per week subject to	-		2					
86.	Wha	t is the maximum wee	ekly benefit payable	by the	policy?					
	(a)	10 weeks	(b)	56 we						
	(c)	104 weeks	(d)	208 w	veeks					
87.	In th	e event of death cause	ed by accident, the p	olicy w	vill pay the sum of					
	(a)	₩10,000.00	(b)	N 50,0	00.00					
	(c)	N 500,000.00	(d)	N 510	,000.00					
88.		Okon was out of worn will the policy pay t		ccident	for six days, how					
	(a)	₩10,000.00	(b)	N 50,0	00.00					
	(c)	N 60,000.00	(d)	No pa	ayment					
89.	How much will the policy pay if he was out of work for seven days?									
	(a)	₩10,000.00	(b)		00.00					
	(c)	N 60,000.00	(d)	₩70,0	00.00					
90.	How much will the insurer pay if he was permanently disabled?									
	(a)	₩10,000.00	(b)							
	(c)	₩500,000.00	(d)	No pa	ayment					
Akpa prop	ın bouş erty. Sl	wu has a building wh ght the building and c ne has in mind that in the claim and use it to	content insurance to the event of a fire d	cover	the building and her					
91.		ch insurance policy pr Insurable interest Contribution	events Akpan to ins		e building? Proximate cause Subrogation					
92.	Whice (a) (c)	ch section of househol Content section Building and conte		the bui (b) (d)	lding? Building section 'All Risks' section.					

93.	Whic	h section will pay for a loss	nd necklace?							
	(a)	Content section			(b)	Building section				
	(c)	Building and content secti	on		(d)	'All Risks' section.				
94.	Whic	h section will cover the loss	of a te	levisio	n set?					
	(a)	Content section			(b)	Building section				
	(c)	Building and content secti	on		(d)	'All Risks' section.				
95.		rin Akpan is both the owner n will protect her risks?	and o	ccupie	of the building, which					
	(a)	_			(b)	Building section				
	(c)	Building and content secti	on		(d)	'All Risks' section.				
		onal aircraft crashed in Lag so killed ten people on grou			•	<u> </u>				
96.		form of cover will protect t	he Airl							
	(a)	'All Risk' Insurance		(b)		ion insurance				
	(c)	Public liability insurance		(d)	Comp	oulsory insurance				
97.	Which personal line insurance would protect Mr. Musa whose building was also damaged?									
	(a)	Motor insurance		(b)	Fideli	ity guarantee				
	(c)	Personal accident insurance	ce	. ,						
	(d)	Fire and special perils insu	ırance							
98.	The p	articular risk covered by the	e perso	nal lin	e insur	ance is called				
	(a)	Collusion	(b)	Aircra	aft and	other aerial devices				
	(c)	Subsidence	(d)	Grou	nd hea	ve.				
99.	The s	ection of the Aircraft Insura	nce tha	at cove	rs dam	age to third parties is				
	 (a)	Control tower section		(b)	Publi	c liability section				
	(c)	Passengers liability section	ı	(d)	Gene	ral risk section				
100.	The s	ection that provides cover to	o the p	asseng	ers in t	he aircraft is				
	(a)	Control tower section	1	(b)						
	(c)	Passengers liability section	ì	(d)		ral risk section.				

Chief Examiner's Comment

This is a very good performance with 63.34% of the candidates passing the subject. However, it is important to note that the section of True/False had the least performance among the candidates which showed that the candidates did not pay much attention to the practical aspect of the paper.

Comments on Overall Performance

The overall performance was very good.

Suggestion(s) on Improvement (If any)

There is room for improvement despite the good performance. Candidates are encouraged to study harder for even better result.

F02 - GENERAL BUSINESS INSURANCE										
1	A	21	С	41	A	61	F	81	T	
2	С	22	D	42	D	62	F	82	F	
3	В	23	В	43	В	63	F	83	T	
4	A	24	D	44	D	64	F	84	F	
5	D	25	A	45	С	65	T	85	F	
6	В	26	A	46	D	66	T	86	C	
7	В	27	С	47	С	67	T	87	C	
8	A	28	A	48	A	68	T	88	D	
9	С	29	С	49	С	69	F	89	D	
10	С	30	A	50	D	70	F	90	C	
11	D	31	D	51	A	71	F	91	A	
12	В	32	A	52	D	72	T	92	В	
13	C	33	В	53	С	73	F	93	D	
14	В	34	В	54	C	74	F	94	A	
15	C	35	D	55	D	75	T	95	C	
16	В	36	A	56	D	76	T	96	В	
17	В	37	С	57	C	77	T	97	D	
18	D	38	В	58	D	78	F	98	В	
19	A	39	D	59	В	79	F	99	В	
20	В	40	C	60	A	80	T	100	C	

CHARTERED INSURANCE INSTITUTE OF NIGERIA

FOUNDATION

F03 - LIFE ASSURANCE, ANNUITY AND PENSIONS ADMINISTRATION APRIL 2022 DIET



All answers should be shaded on the answer form in accordance with the following instructions:

- Two hours are allowed for this paper.
- Fill in the information requested on the answer form and attendance form.
- Handle the answer form with care and do not write notes on it.
- No marks are deducted for incorrect answers, so do not leave any questions unanswered.
- The answer form should be handed over personally by you to the invigilator before you leave the Examination Hall.
- Insert your candidate's number as given on your admission permit and any other particulars required on the answer form.
- Ensure that you write the full and correct candidate's number.
- If you bring a calculator into the examination room, it must be silent battery or solar powered non-programmable calculator. The use of programmable calculator is prohibited.
- No name should be written on the answer form.

FAILURE TO ADHERE TO INSTRUCTIONS (WRITTEN AND VERBAL) WILL ATTRACT STATED SANCTIONS AS STATED IN THE APRIL 2022 DIET CANDIDATES' INSTRUCTIONS.

CHARTERED INSURANCE INSTITUTE OF NIGERIA FOUNDATION

F03 – LIFE ASSURANCE, ANNUITY AND PENSIONS ADMINISTRATION APRIL 2022 DIET

INSTRUCTIONS TO CANDIDATES

READ THE INSTRUCTIONS BELOW BEFORE ANSWERING ANY QUESTIONS

Section A

The questions 1 – 60 in this paper are numbered and four options follow each question. The options are labeled a,b,c,d. Only one of these options is correct. Select your answer for each question and indicate it on the answer form by filling in the appropriate box.

Example:

A life assurance policy is on ...the life of a person and not on a property. tor insurance policy would provide cover for:

- (a) the life of a person
- (b) the life of a valued pet

(c) the life of a minor

(d) all of the above

The correct option is (a).

Section B

Questions 61 – 85 are to be answered as either True (T) or False (F). Select your chosen option and indicate it on the answer form by filling in the appropriate box. **Example:**

A life assurance policy can be issued on the life of a minor (True or False). The correct option is False (F).

Section C

Questions 86 – 100. This section contains three (3) case studies each followed by five questions. The case studies are not numbered and appear at the top of the page. Each of the five questions following a case study is numbered. Four options follow each question. The options are labelled, a, b, c, d. Only one of these options is correct or best. Select your answer for each question and indicate it on the answer from by filling in the appropriate box.

3EC 1.		t is the full		-	• -	nons 1 – 60)						
	(a)		_	Commissi								
	(b)	_										
	(c)	•										
	(d)			e Compan								
2.	The	standard ø	race perio	d in life in	surance is f	for days.						
	(a)	30	(b)	21	(c)	60	(d)	90				
3.	Whi	Which of the following is a method of risk transfer?										
	(a)	Investm	ent		(b)	Insurance						
	(c)	Savings			(d)	Security						
4.	A sir	A single life policy covers										
	(a) o	nly one life	9		(b)	anybody						
	(d) a	n unmarrie	ed person		(d)	everybody						
5.	A joi	A joint life policy provides cover for										
	(a)	husband	and wife	only	(b)	any two pe	rsons o	nly				
	(c)		nore perso	•	(d)	brother and	d sister	only				
6.	The	type of teri	n assuran	ce used for	r mortgage	protection is	s the					
	(a)	converti	ble term a	ssurance	(b)	renewable	term as	surance				
	(c)	increasir	ng term as	surance	(d)	decreasing	term as	surance				
7.	A contingent policy pays the sum assured when the											
	(a)	life assu	red dies									
	(b)	life assu	red does n	ot die dur	ing the spe	cified period	l					
	(c)	The life a	assured di	es during	the life tim	e of another	specifie	ed				
		person			(d)	another spe	ecified p	person				
8.	Critical Illness Cover (CIC) does not cover											
	(a)	stroke	(b)	cancer	(c) heart	attack (d)	diabe	etes				
9.		ıp life assu loyees who				ovide for dep	endant	s of				
	(a)	dies	(b)	retires	(c)	resigns	(d)	left				
10.				_	premium o	computation	is based	d on				
		e times the		S	/1 \		1					
	(a)	basic sal	•		(b)	monthly sa	-					
	(C)	total and	บบลโ emolu	ıment	(d)	any chosen	amour	11				

11.	In group life policies where the sum assured is proportionate to salary, the initial premium is at the end of the policy year.											
	(a)	adjusted				(b)	the sa	me				
	(c)	•	oy 10%			(d)		ed by	10%			
12.	Whicl	h of these is	not a for	rm of bus	iness a	assur	ance co	ver?				
	(a)	Partnershi							hare Protection			
	` '	Key Person	_						ction Insurance			
13.	The li	fe insurance	e policy i	must be is	ssued	bv a	Nigeria	n regis	stered			
		The life insurance policy must be issued by a Nigerian registered (a) life Insurance broker (b) insurance surveyor										
	` '	life insurai				(d)			nce company			
14.	In un	derwriting,	the rate	varies wi	th the							
	(a)	In underwriting, the rate varies with the (a) proposal form (b) term of the insurance cover only										
	(c)								J			
	(d)	_			1	•	/					
15.	A pro	posal can b	e accepte	ed at ordi	nary r	ate o	r at					
		difficult te			-	(b)		terms				
		tough term				(d)	specia	al term	as			
16.	Where an underwriter cannot accept a proposal at ordinary rates, he can											
	do all	of the follo	wing exc	cept								
	(a)	decline the	propos	al								
	(b)	impose soi	ne form	of specia	l term	S						
	(c)	obtain furt										
	` '	accept the	proposa	l anyway	to gai	in the	e busine	ss				
17.	A life insurance company must take to prevent a catastrophe from											
	affect	ing its portf	olio.									
	(a)	risk (b)	reass	urance	(c)	care		(d)	insurance			
18.	A life	insurance c	ompany	can obta	in furt	ther i	nforma	tion ab	out a			
	propo	oser's medic	al condi	tion by	. and/	or a	•••					
	(a)	doctor's re	port / v	isit								
	(b)	medical ex	aminatio	on / phoi	ne call							
	(c)	doctor's re	port / n	nedical ex	amina	ation						
	(d)	visit / pho	ne call									
19.	Tele-r client	nedical inte bv	rview is	used to c	btain	infor	mation	directl	y from the			
	(a)	television	(b)	telepho	ne	(c)	telex	(d)	medicine			

20.	Occupations with above average risk of include						death by accident does not				
	(a)	Asbestos w	orkers			(b)	Scaffe	olders			
	(c)	Trawlerme	en			(d)	Oil ri	g work	kers		
21.		nderwriting			ce, the			ry age	is ye	ears.	
	(a)	16	(b)	18		(c)	21				
	(d)	Once one b	ecomes	gainfu	ılly em	ployed					
22.			ease wi	ith the	passing		of time does not include				
	(a)	malaria	-			(b)	being overweight				
	(c)	tuberculosi	(d)	chror	nic bro	nchitis					
23.		e premiun of the policy		n, the p	remiui	m remai	ins the	same t	through	nout the	
	(a) hi	gher (b)	lowe	er	(c)	level		(d)	disco	unt	
24.		ınderwriter v ently.	will imp	ose a .	loadi	ng if pr	emiun	ns are t	o be pa	id more	
	(a)	higher (b)	lowe	er	(c)	basic		(d)	blank	æt	
25.		derwriting, 1		dical li	mit is u	sed for	Life	e and f	ree cov	er limit	
	(a)	Group / In	dividua	al		(b)	o) Individual / Individual				
	(c)	Group / B	usiness			(d)	Individual / Group				
26.	For u	nderwriting	in life a	ıssuran	ce, the	maximı	um age	e limit :	at entry	is	
	(a)	60	(b)	65		(c)	70		(d)	<i>7</i> 5	
27.		dividual busi nillion and u with HIV t with comp ray)	pwards est resu	lt only	(b)	witho	out med	dical ex	kamina	tion	
	(d)	with medic	cal exan	ninatio	n repor	t only					
28.	The S	Schedule in tl	he polic	v docu	ment s	tates all	but or	ne of th	e follo	wing.	
	(a)	Individual	-				(b)		isions	·O-	
	(c)	Premium a					(d)			equency	

29.	The (Conditions in th	ne poli	cy doc	cumen	t states	all but				
	(a)	Claims proce					(b)	Surre	nder v	alue	
	(c)	Consequence	es of no	n-pay	ment (of prem	niums	(d)	Signa	ature	
30.		itional benefits wing.	in the	policy	docur	nent in	cludes	all but	one of	the	
	(a)	Critical illnes	s cove	r			(b)	Waiv	er of p	remium	
	(c)	Malaria cove	r				(d)		oility b		
31.	An e (a) (b) (c) (d)	ndorsement is a not an addition an addition to not to set out used to set ou	on to the state the terminal th	tandaı rms of	rd poli an ad	cy for a ditiona	l benefi	it to a n	_	licy	
32. 33.		re premiums ar nder to the life	-		he life	office h	ıas o	bligatio	on to s	end a	
	(a)	legal	(b)	no le	gal	(c)	great		(d)	true	
33.		er the Gender R ing policy.	Recogn	ition A	Act 200	14, a cha	inge of	gendei	has	. on any	
	(a) (c)	some effect no effect				(b) (d)	0	effect effect			
34.	Under a tenancy in common, on the death of a tenant in common, the interest										
	(a) (c)	will lapse aut passes on to t			(b) (d)	-		their f		will	
35.	(a)	er an assigned p the assured is	s bankı	rupt			genera	lly calle	ed for 1	until	
	(b)	payment is re	_		_	oolicy					
	(c)	the family su	e the a	ssurer	•	(d)	the p	olicy h	as laps	ed	
36.		e payment of a be paid to	claim	under 	a "life	of ano	ther' po	olicy, al	1 the b	enefits	
	(a)	the proposer				(b)	the o	ther life	e assur	ed	
	(c)	both the prop	oser a	nd the	e other	life ass					
	(d)	the friends of									

37. In the requirements of assignment, a life policy must be assigned in a not by mere									
	(a)	word / deed	(b)	deed / words					
	(c)	writing / delivery	(d)	writing / words					
38.	third Couls	ott v. Coulson (1903), Coulson pur party who at the date of assignme son, was already dead. It was held	ent, and I that th	d unknown to Scott or ne assignment was					
	(a)	void	(b)	valid					
	(c)	a good deal	(d)	perfect					
39.	A legal mortgage is where the legal interest is assigned, subject to redemption, by the to the by a deed of mortgage.								
	(a)	mortgagor / mortgagee	(b)	mortgagee / mortgagor					
	(c)	mortgagee / owner	(d)	owner / mortgagee					
40.	The p	ourpose of a mortgage is to give	. to the	lender.					
	(a)	security	(b)	peace of mind					
	(c)	joy	(d)	tension					
41.	If the	borrower fails to repay, the lendedies.	er has a	ll but the following					
	(a)	Power of sale	(b)	Foreclosure					
	(c)	Repayment	(d)	Reversal					
42.		an Order of Foreclosure Absolute	, the m	ortgagor's equity of					
	(a)	-	(b)	extinguished					
	` '	returned	(d)	changed					
43.	All claims are subject to all of the following except								
	(a)	payment of all due premiums	(b)	proof of title					
	(c)	plan of action	(d)	production of the policy					
44.	In a death claim, all of the following except one is important to the life office.								
	(a)	Cause of death	(b)	Proof of age					
	(c)	Date of death	(d)	Number of children					
45.	All but one of the following is not a direct reassurance company in Nigeria.								
	(a)	Munich Re	(b)	African Re					
	(c)	WAICA Re	(d)	Continental Re					

46.	Risk	transfer through	gh risk pooling i	is called						
	(a) re	einsurance		(b)	Bancassurance					
	(c) Ir	surance		(d)	Savings					
47.	Which of the following statements is not true?									
	(a)	A life policy cannot have surrender value								
	(b)	A temporary	life insurance c	over can be	purchased					
	(c)	The death be	enefit payable is	guaranteed	subject to the policy terms					
	(d)	A life policy	can have a seco	nd life inclu	ıded					
48.	The premiums payable for a deferred annuity are paid									
	(a)	,								
	(b)	•	oughout the de	_	d					
	(c)									
	(d)	(d) When the policy holder likes								
49.	Whic	Which one of the following statements is not correct?								
	(a)	Annuities are regarded as the opposite of life insurance								
	(b)	Annuities are a survival benefit								
	(c)	Annuity benefits are not a death benefit								
	(d)	Annuity ben	efits usually cor	ntinues whe	n the annuitant dies					
50.	In reversionary annuity, the death benefit is paid at the death of									
	(a)	the second person named in the policy								
	(b)	the annuitant								
	(c)	both or all parties named in the policy								
	(d)									
51.	Impa	nired life annui	ty is best used to	o provide co	over for a					
	(a)	spouse	(b) blind pe	-	(c) a paralyzed person					
	(d)	a person wit		ncy which is	below the average age.					
52.	Joint	life annuity is	advisable to pro	ovide cover	for a					
	(a)	single person	-	(b)	widow					
	(c)	married cou		(d)	divorcee					
53.	Α	days of grace	period is allowe	d for non-aı	nnual policies.					
	(a)	fifteen	(b) thirty	(c) ter	-					

54	Which of the following statement(s) is/are true? Statement I: Underwriting is the process of selling various insurance products.								
	State	ment II: Unde	erwritir	ng is the pr	process of risk selection and pricing.				
	(a)	I and II are f	alse		(b)				
	(c)	I is false and	l II is tr	ue	(d) I i	s true and	II is false		
	55.	All except of date /age.	ne of tl	ne followin	g can be a	ccepted as	evidence	of birth	
	(a)	Voter's card	-		(b)	Birth cert	ificate		
	(c)	Internationa	ıl Passp	ort	(d)	National	Identifica	tion	
56.	Which of the following statement is true under the Pension Reform Act 2014?								
	(a) An employee over the age of 50 years does not have to attain the retirement age of the employer to begin to enjoy pension payments								
	(b)								
	(c)		An employee must serve for 35 years to get pension payment An employee gets gratuity when he leaves his current employer						
(d) An employee does not require a fund manager for his							-		
57.	Whic	h of the follov	ving is	not a type	of retirem	ent?			
	(a)	Early retiren	_		(b)		retiremen	t	
	(c)	Normal reti	rement		(d)	Late retir	ement		
58.	In the	e definition of Trust is an e trust proper	quitab			_			
	(b)	The trust pr	,	is held for	the benefi	t of the bei	neficiaries		
	(c)	The benefici	_						
	(d)	A person car		-				-	
	(-)	have some c		_		-	<i>y</i>		
59.	In creating a trust, there are certainties that must be present for the trust to be valid which will not include								
	(a)	the words m	nust be	imperative	e and shou	ıld include	on trust	for".	
	(b)	a trust is val	id once	e there is a	trustee.				
	(c)	the property	referr	ed to in the	e trust mu	st be specif	ied / cert	ain.	
	(d)	the objects /	benefi	iciaries of t	he trust m	ust be cert	ain.		
60.		Pension Reform in Nigeria.	m Act .	establish	ed the Co	ntributory	Pension S	Scheme	
	(a)	2015	(b)	2007	(c)	2004	(d)	2014	

SECTION B - ATTEMPT ALL QUESTIONS (Questions from 61 to 85) Answer True (T) or False (F)

- 61. The sum assured is the same as the death benefit.
- 62. The English Mortality tables is used in the computation of life insurance premium.
- 63. The assured and the life assured may not necessarily be the same person.
- 64. In term assurance, the benefit is paid when the life assured survives after the policy has expired.
- 65. A whole life policy pays out the sum assured whenever the assured dies.
- 66. The premium for group life cover is higher than for individual life cover.
- 67. Group life cover cannot be arranged for employees working abroad.
- 68. A life assurance policy is not assignable.
- 69. Underwriting is the name given to the procedure of assessing a proposal and deciding on whether to accept the risk or not.
- 70. Life assurance contract is based on utmost good faith.
- 71. A life insurer uses reassurance to spread its risks.
- 72. A proposal form cannot be completed online.
- 73. The proposer pays the doctor's fee for the medical examination.
- 74. An underwriter will not investigate usual childhood illness.
- 75. It is the job of the actuary to calculate the premium to be charged from the mortality table.
- 76. Non-medical limit and free cover limit are not the same.
- 77. Life underwriting can be done without medically assessing the life assured.

- 78. The waiver of premium is an additional benefit in a life insurance policy.
- 79. In equitable assignments, the legal title has not been conveyed.
- 80. The claims department must ensure that they pay valid claims as efficiently and speedily as possible.
- 81. It is not only the person with legal title to the policy that can sign the discharge form.
- 82. A death claim is usually initiated by the claimant or the solicitors for the estate.
- 83. A grant of probate is used when there is a valid will and the executors are named therein.
- 84. Reassurance is used by a life office to reduce its business while increasing its risk.
- 85. Under a deferred annuity contract, the annuity payment will not start at some future date.

SECTION C - ATTEMPT ALL QUESTIONS (Questions 86 - 100) Read the cases below carefully and answer the questions which follow.

The Policies of Assurance Act 1867 was to simplify actions against a life office and to make it easier for the office to settle claims. The Act does not enable a person who has lent money on a second charge, and who has notice of the first charge, to take priority over the first charge by giving notice to the life office.

Based on this Act, answer the following questions:

86.	. The Act	concerns	only the	priority of	of the	right to	and	. against	the life
	office.								

(a) Sue / claim(c) Sue / borrow

(b) Borrow / claim

Owe / claim

87. The Act ... the equitable title to the policy.

(a) Does not affect

(b) Affects

(d)

(c) Increases

(d) Reduces

(a) To give the assignee the right to sue						
(b)		arlier as	signees who have failed to			
(c)	To give the assignee a higher cl	aim pay	ment			
(d)						
on-pro	duction of the policy document t	o a life o	office at the time of a claim			
n be	. of a third party's interest.					
(a)	Obstructive notice	(b)	Considerate notice			
(c)	Abundant notice	(d)	Constructive notice			
nder th	ne Act, an assignment can be mad	le by	on the policy.			
(a)	a transfer	(b)	an endorsement			
(c)	a mistake	(d)	a waiver			
on Ko	kara has takan an andayymant na	licy for	twenty one (21) wears with			
Life In eral ex me tin ildren	surance Company for the sum of pense cover on the life of his aged ne, he requested for a proposal fo	N10mi d mothe or a polic	llion. He also wanted to buy or for the same amount. At			
nis cas	e to answer the following quest	ions:				
When	n will the endowment benefit be j	paid to I	Mr. Kekere?			
(a)	At maturity	(b)	At death			
(c)	At surrender	(d)	At maturity or death			
The s	um assured for the funeral exper	nses is				
(a)	not stated	(b)	unlimited			
(c)	₩10million	(d)	₩20million			
			education will be arranged			
(a)	Term Assurance	(b)	Endowment Assurance			
(-)		` '	Litato Willertt 1155 arance			
(c)	Whole Life Assurance	(d)	Annuity			
	Whole Life Assurance is the beneficiary of the policy or	` ,	Annuity			
		` ,	Annuity			
	(b) (c) (d) con-production be (a) (c) conder the (a) (c) conder the index exists and the index exists and index exists an	(b) To gain priority of claim over e give notice (c) To give the assignee a higher cl (d) To preserve priority of claim over enterproduction of the policy document to the policy docu	(b) To gain priority of claim over earlier as give notice (c) To give the assignee a higher claim pay (d) To preserve priority of claim over subson-production of the policy document to a life on be of a third party's interest. (a) Obstructive notice (b) (c) Abundant notice (d) Inder the Act, an assignment can be made by (a) a transfer (b) (c) a mistake (d) For an Kekere has taken an endowment policy for Life Insurance Company for the sum of \$\frac{1000}{1000}\$ for Life Insurance Company for the sum of \$\frac{1000}{1000}\$ for a proposal for a policity in the endowment benefit be paid to give the sum of the endowment benefit be paid to give the sum assured for the funeral expenses is (a) At maturity (b) (c) At surrender (d) The sum assured for the funeral expenses is (a) not stated (b) (c) \$\frac{1000}{1000}\$ finsurance to cover the children's endowned which of these traditional life covers?			

88. The effect of giving notice applies to all but one of the following.

95.	The b	eneficiary of the funeral expens	es cover	is					
	(a)	Mr. Kekere	(b)	Mr. Kekere's Family					
	(c)	Mr. Kekere's Children	(d)	Mr. Kekere's Aged Mother					
location past.	ons. Th The co	dustries Limited had a workforche company had some accidents mpany is a limited liability compareholding of their directors as	involvin pany and	ng some staff members in the I would like a cover to					
Use th	nis cas	e to answer the following ques	tions:						
96.	Which of these policies will be required to meet the requirement of the Pension Reform Act 2014?								
	(a)	Whole Life Assurance	(b)	Group Life Assurance					
	(c) (d)		` '	1					
97.	The policy that the Company could purchase to protect staff members from losses as a result of accident is								
	(a)	Whole Life Assurance	 (b)	Group Life Assurance					
	(c)	Group Personal Accident Insu	rance	•					
	(d)	Group Credit Insurance							
98.	The policy to protect the directors of Chevron Industries Limited and its likes is								
	(a)	Group Life Assurance	(b)	Directors Share Protection					
	(c) d)	Group income Protection Insu Group Credit Insurance	rance	(
99.	Chevron Industries Limited could buy life assurance on the employees because of the principle of								
	(a)	utmost good faith	(b)	insurable interest					
	(c)	indemnity	(d)	proximate cause					
100.	-	orinciple that enables Chevron In rial circumstances of the risk bef							
	(a)	utmost good faith	(b)	insurable interest					
	(c)	indemnity	(d)	proximate cause					

Chief Examiner's Comment

This multiple-choice question examination Part 1, with direct answers for Part II, and application of principles in the case studies given in Part III. High scores are recorded for Parts I and III for most candidates with lower scores for Part II. This is due to poor understanding of the question or knowledge gained could not be applied for this True/False option section.

Comments on Overall Performance:

Overall, those candidates who did well scored highly but majority were in the 59-69 score bracket. The average pass rate performance was 58.8%.

Suggestion(s) on improvement (if any):

Candidates need to firmly understand the course content and apply their knowledge to the questions set.

F03 - LIFE, ANNUITY AND PENSION									
ADN	INIST	RAT	TION						
1	С	21	В	41	D	61	T	81	T
2	A	22	A	42	В	62	T	82	T
3	В	23	С	43	С	63	F	83	T
4	A	24	С	44	D	64	F	84	F
5	С	25	D	45	A	65	T	85	F
6	D	26	В	46	С	66	F	86	Α
7	С	27	С	47	A	67	F	87	A
8	D	28	В	48	В	68	F	88	С
9	A	29	D	49	D	69	T	89	D
10	С	30	С	50	A	70	T	90	В
11	A	31	D	51	D	71	T	91	D
12	D	32	В	52	С	72	F	92	A
13	С	33	С	53	A	73	F	93	В
14	С	34	С	54	С	74	T	94	С
15	D	35	В	55	A	75	T	95	A
16	D	36	A	56	A	76	F	96	В
17	В	37	С	57	В	77	T	97	С
18	С	38	A	58	С	78	T	98	В
19	В	39	A	59	В	79	T	99	В
20	A	40	A	60	С	80	Т	100	A

CHARTERED INSURANCE INSTITUTE OF NIGERIA

FOUNDATION

F04 - BUSINESS COMMUNICATION AND INFORMATION TECHNOLOGY APRIL 2022 DIET



All answers should be shaded on the answer form in accordance with the following instructions:

- Two hours are allowed for this paper.
- Fill in the information requested on the answer form and attendance form.
- Handle the answer form with care and do not write notes on it.
- No marks are deducted for incorrect answers, so do not leave any questions unanswered.
- The answer form should be handed over personally by you to the invigilator before you leave the Examination Hall.
- Insert your candidate's number as given on your admission permit and any other particulars required on the answer form.
- Ensure that you write the full and correct candidate's number.
- If you bring a calculator into the examination room, it must be silent battery or solar powered non-programmable calculator. The use of programmable calculator is prohibited.
- No name should be written on the answer form.

FAILURE TO ADHERE TO INSTRUCTIONS (WRITTEN AND VERBAL) WILL ATTRACT STATED SANCTIONS AS STATED IN THE APRIL 2022 DIET CANDIDATES' INSTRUCTIONS.

CHARTERED INSURANCE INSTITUTE OF NIGERIA **FOUNDATION**

F04 - BUSINESS COMMUNICATION AND INFORMATION TECHNOLOGY

INSTRUCTIONS TO CANDIDATES

READ THE INSTRUCTIONS BELOW BEF			~				
Section A: The questions 1 – 50 in this paper are numbered and four options follow							
each question. The options are labeled a,		-	_				
Select your answer for each question and indicate it on the answer form by filling							
in the appropriate box.							
Example: One of the demerits of electron							
· · · =	(b)	covera	C				
` '	(d)	access	1b111ty				
The correct option is (c).							
Section B:							
Questions 51 – 60 are to be answered by 1	pickin	g the c	orrectly spelt word.				
Example:		O	<i>y</i> 1				
<u>-</u>	(c) Fol	oow	(d) Followw				
The correct option is False (b).	` ,		, ,				
Coating C							
Section C	o (1)	١	terding and fallowed by fire				
Questions 61 – 80. This section contains for			_				
questions. The case studies are not numbered to the five questions following a second							
Each of the five questions following a case							
each question. The options are labelled,			-				
correct or best. Select your answer for each	ch que	estion a	nd indicate it on the answer				
from by filling in the appropriate box.							
Section D							
Questions 81 - 90 are to be answered by p	oickin	g the o	otion that has the sentences				
with the correct expression.			•				
*	(b) I w	vill see	you sooner				
			be with you soon				
The correct option is (d)	` /	1	J				
Section E							
Questions 91 – 100 are to be answered by	y pick	ing the	e option that best completes				
the sentence.	<i>J</i> 1	O	1				
Example:							
The meeting is scheduled to start 10.00a.m. prompt.							
(a) at (b) in (c) on (d) for							
The correct option is (a)							

SECTION A - ATTEMPT ALL QUESTIONS (Questions 1 - 50)

1.	The two major divisions of communication are and									
	(a) (c)	oral and w verbal and		erbal	(b) (d)					
2	Inform	al business co	mmuni	cation involv	ves all th	e following	except			
۷.	(a)	e-mails	(b)	memos	(c)	SMS	(d)	MMS		
	(a)	e-mans	(D)	memos	(C)	31413	(u)	IVIIVI		
3.	Communication can be said to be non-verbal if it is									
	(a)	written	(b)	read	(c)	typed				
	(d)	transmitted	d throug	gh body lan	guage					
4.	Audio-	-visual commu	ınicatio	n uses	and	·				
	(a)	letters and	sounds		(b)	graphics	and soun	ıds		
	(c) symbols and graphics				(ď)	-				
5	One of the following is not a form of body language.									
٥.		Sirens	15 110t a	101111 01 000	-	_				
	(a)	Facial expr	occione		(d)	Hugging Voice ton	10			
	(c)	raciai expi	E5510115		(u)	voice ton	ie			
6.	In a situation where the receiver in business communication is unable to									
	provide information required by the sender, s/he is expected to									
	(a)	a) ensure that the information is made available to him/her								
	(b)									
		who can provide it								
		report to the head of the department								
	(d)	none of the ab	ove							
7.	Information recording is essential in business communication because it									
	(a)	prevents d	isputes							
	(b)	records ver	rbal info	ormation						
	(c)	_		to questions	which a	re raised by	the senc	ler		
	(d)	none of the	e above							
8.	Which	of the following	ng ensu	res effective	business	s communio	cation?			
	(a)	Cooperatio	n, cont	ent and com	pletenes	s				
	(b)	Cooperation	n, cont	ent and com	passion					
	(c)	•	_	tion and cor						
	(d) Courtesy, clarity and completeness									

9.	An effective way of tackling language barrier in business communication is								
	by	 .							
	(a)	employing a translator	(b) :	repeating information					
	(c)	1 0							
	(d)	appointing good speakers and v		ads of departments					
10.	The core	e of business communication is to							
	(a)	make for efficient supervision o	f staff						
	(b)	provide information to business							
	(c)	share information that will enha organizational goals		alization of					
	(d)	none of the above							
11.	Ineffecti	ive communication is one that is							
	(a)	understood by its receiver							
	(b)	3							
(c) sent from a junior to a senior officer									
	(d)	all of the above							
12.	One of t	the following is not covered in bus	iness commu	unication.					
	(a)	Issues relating to advertisement							
	(b) Information between a business and another person or entity in an organization's external environment								
	(c)	Ideas and opinions about an org		products and/or					
	(d)	None of the above							
13.	Attitudi	inal barrier in business communica	ition can resi	ult from one of the					
	followir	ng –							
	(a)	language differences	(b)	poor management					
	(c)	personal discomfort	(d)	obsolete equipment					
14.		is a good example of physical bar	riers to effec	tive communication.					
	(a)	The emotional state of the receive	<i>r</i> er						
	(b)	The credibility of the sender							
	(c)	The social status of the sender	(d)	None of the above.					
15.	. Bypassi	ng in communication occurs when	·						
	(a)	men and women adopt differen	t communica	ation styles					
	(b)	communicators are faced with c	ondensed co	mmunication tools					
	(c)	a communicator is afraid of criti	cism						
	(d)	communicators attach different	symbolic me	eanings to words					

16.	The major	r concern of fo	rmal l	etters is	s/are -				
	(a)	news of the d	lay		(b)			out people's i	nterests
	(c)	business mat	ters		(d)	All of	the abo	ove	
17.	A busines	ss letter contai	ns	maj	or item	s.			
	(a)	two	(b)	five		(c)	four	(d)	six
18.	Which of	the following	is the	approp	riate cl	osing i	n a fori	mal letter?	
	(a)	Yours' faithfu	ılly,			(b)	Yours	Faithfully,	
	(c)	yours faithfu	lly,			(d)	Yours	faithfully,	
19.	The princ	riple which de	mands	that b	usiness	writin	g be fa	ctual and giv	e only
	facts that	are relevant to	o a mes	ssage is	that o	f			
	(a)	objectivity				(b)	clarity		
	(c)	completeness	3			(d)	accura	ісу	
20.	is,	/are not a form	n of in	ternal c	ommu	nicatio	n in an	organization	۱.
	(a)	Advertiseme	nts			(b)	Memo	randum	
	(c)	Reports				(d)	Works	shops	
21.	The purp	ose of internal	comm	nunicat	ion cou	ıld be t	0	·	
	(a)	request inform	mation	l		(b)	provid	le informatio	n
	(c)	record inforn	nation			(d)	all of t	he above	
22.	A memor	andum is							
	(a)	a piece of wri	itten co	mmur	ication	1			
	(b)	informal com							
	(c)	semi-formal o	commu	unicatio	on		(d)	oral commu	nication
23.	The conte	ent of an e-mai	il comp	orises	and				
	(a)	the subject ar		_					
	(b)	the subject, m	_		ignatuı	e of the	e sende	er	
	(c)	the subject ar							
	(d)	the header ar	nd the	messag	e body				
24.	Which of	the following	is used	d for in	ternal l	ousines	ss comr	nunication o	nly?
	(a)	A memorand	um			(b)	A new	sletter	
	(c)	A questionna	ire			(d)	A circ	ular	
25.	A major f	actor that enh	ances t	he und	lerstan	ding of	a mem	norandum is	that
	(a)	the sender an	ıd the 1	receive	r have	similar	busine	ess backgrour	nd

	(b) (c)	the sender and receiver usually have similar professional						
	(d)	background the subject matter is usually a con-	nmon (one				
26.	Which of	the following is not essential in a	memor	andun	n?			
	(a)	The name, initials or designation	of the	writer	(b) the date			
	(c)	the complimentary close	(d)	the su	bject and the text			
27.	Which of	the following is true about a mem	orandı	um? It	is			
	(a)	strictly informal	(b)	strictl	y formal			
	(c)	less formal than a letter			of the above			
28.	One of th	e following does not enhance exte	rnal bu	ısiness	communication.			
	(a)	improving internal communication	on					
	(b)	giving out bonuses to customers						
	(c)	issuing press release						
	(d)	improving the organization's ima	ige					
29.	is a	bulletin issued periodically to the	e meml	bers of	a society or an			
	organizat				,			
	(a)	A newsletter	(b)	A circ	cular			
	(c)	A gazette	(d)	A jou	rnal			
30.	Which of	the following does not apply to al	l busin	ess rep	ports?			
	(a)	terms of reference	(b)	sumn	nary or synopsis			
	(c)	additional material	(d)	findir	ngs			
31.	A major a	ndvantage of online advertisement	s is tha	it they				
	(a)	are unaffected by weather conditi	ions or	power	r supply			
	(b)	can only be assessed by their targ	et aud	ience				
	(c)	are sent directly to subscribers	•					
	(d)	can reach a global audience at a lo	ow cos	t				
32.	A press re	elease usually contains to	w	ords.				
	(a)	200 - 400	(b)	500 -	1000			
	(c)	300 – 500	(d)	300 -				
33.	Which of	these is a research instrument?						
	(a)	Questionnaire		(b)	Circular			
	(c)	Catalogue		(d)	Powerpoint			
		~			-			

34.	Which of	the following question types in a	survey	allows	s respondents the			
	liberty to	provide their own answers?						
	(a)	scaling	(b)		tomous questions			
	(c)	open ended questions (d) multi choice ques						
35.	Operation	nal feedback is the type of feedbac	ck giver	n by	·			
	(a)	research respondents	Ü	•				
	` '	government agencies						
	(c)		gemen	t				
	(d)	customers						
36.	The acros	nym "IFTDC" is a useful guide in	writing	T				
	(a)	terms of reference		(b)	press release			
	(c)	online advertisements		(d)	memorandum			
37.	Which of	the following is not a type of bus			s?			
	(a)	Extraordinary general meetings		(b)	Zonal meetings			
	(c)	Annual general meetings		(d)	Board meetings			
38.	A docum	ent giving details of issues to be d	liscusse	ed in a	meeting is known as			
	(a)	notice of meeting		(b)	minutes			
	(c)	9		(d)	resolution			
39.	The first	three items in an agenda are						
	(a)	time of the meeting, minutes of t	he prev	ious n	neeting and opening			
	(b)	opening remarks, minutes of the arising	previo	us mee	eting and matters			
	(c)	opening remarks, attendance and	d minut	tes of t	he previous minutes			
	(d)	apologies for absence, minutes o arising			*			
40.	Issues no	t included in the agenda of a mee	ting are	treate	d as			
	(a)	matters arising	O	(b)	special business			
	(c)	any other business		(d)	none of the above			
41.	The segm	nent of a meeting where its major	purpos	e is dis	cussed is known as			
	(a)	motion	(b) all	impor	tant businesses			
	(c)	special business	` ,	_	he above			

4∠.		ra a concise summary of discu lecisions or conclusions reache			e various neadings
	(a)	Full minutes	d on each.	(b)	Brief minutes
	(c)	Standard minutes		(d)	
43.	Which of	these are styles of minutes wr	iting?		
	(a)	Objective and concise (b) Objec	tive ar	nd sub-objective
	(c)	Concise and complicated	(d)	All o	f the above
44.	Compute	ers on a network are said to be	in	•	
	(a)	communication	(b)	comr	nunion
	(c)	contact	(d)	None	e of the above
45.	Which of	the following is a formal type	of oral pre	esentat	rion?
	(a)	Training sessions	(b)	Semi	nars
	(c)	Interviews	(d)	All o	f the above
46.	Which of	the following is a key factor in ication?	n the choic	e of a o	channel for business
	(a)	clarity	(b)	confi	dentiality
	(c)	accuracy	(d)		iseness
47.	Sensors h	nave the capacity to respond to	all the fol	lowing	g except
	(a)	light	(b)	blood	d pressure
	(c)	voice	(d)	alcoh	nol
48.	•	advantage of Information and	Communi	cation	Technology to a
		is that it			
	(a)	reduces cost	(b)	redu	ces staff workload
	(c)	increases staff strength		_	
	(d)	minimizes dependence on p	ower supp	ly	
49.	A drone	is a			
	(a)	flying robot	(b)		ke dictator
	(c)	computer software	(d)	hous	ehold machine
50.	Alexa is a	a/an			
	(a)	sensor	(b)	voice	erecorder
	(c)	optical sign dictator	(d)	huma	anoid robot

SECTION B: (Questions 51 - 60) Pick the Word that is Correctly Spelt

(b) 51. (a) Illuision Elussion (c) Illution (d) Illusion 52. Hetrogenous (b) Heterogenous (a) (c) Heterogeneous (d) Heteregenous 53. Autholitarian (b) Authoritarian (a) (c) Autoritarian (d) Authoritaran 54. (a) Pejurative (b) Pejoritive (c) Pejoretive (d) Pejorative 55. Proppelant (b) Propelent Propellant (a) (c) (d) Prorpellant 56. (a) Sensuous (b) Sensous (c) Senseous (d) Sencous 57. Tranquility (a) (b) Trasnquility (c) Tranquillity (d) Trainquility 58. Increduluous Incredulous (a) (b) Incredilious (c) (d) Incredullos Physcicist 59. (a) (b) Physicyst **Phycisist** (d) (c) **Physicist** 60. Promiscously Promisciously (a) (b) Promiscuosly Promiscuously (c) (d)

SECTION C: (Questions 61 – 70) Choose the Sentence Which is Correctly Written

- 61. (a) He removed his tie because he was feeling too much heat.
 - (b) He removed hid tie because he was feeling too hotness.
 - (c) He removed his tie because he was feeling too hot.
 - (d) He removed his tie because he was feeling so heat.

- 62. (a) It's because of my liking for you that I invited you.
 - (b) It's because of my likeness for you that I invited you.
 - (c) It's because of my likeliness for you that I invited you.
 - (d) It's because of my like for you that I invited you.
- 63. (a) Kemi suffered a fatal accident but later recovered.
 - (b) Kemi suffered a serious accident but later recovered.
 - (c) Kemi suffered a futile accident but later recovered.
 - (d) Kemi suffered a fertile accident but later recovered
- 64. (a) Malaria is a popular disease in Africa.
 - (b) Malaria is a more popular disease in Africa.
 - (c) Malaria is the most popular disease in Africa.
 - (d) Malaria is a common disease in Africa.
- 65. (a) James finished to type his essay yesterday.
 - (b) James finished typing his essay yesterday.
 - (c) James has finish typing his essay yesterday.
 - (d) James just finish typing his easy yesterday.
- 66. (a) Jennifer keep making excuses for her lateness.
 - (b) Jennifer keep to make excuses for her lateness.
 - (c) Jennifer have kept making excuses for her lateness.
 - (d) Jennifer keeps making excuses for her lateness.
- 67. (a) I suggested him to raise the matter with the manager.
 - (b) I suggested for he to raise the matter with the manager.
 - (c) I suggested that him should raise the matter with the manager.
 - (d) I suggested his raising the matter with the manager.
- 68. (a) The company decided buying new cars to replace old ones.
 - (b) The company has decided to buying new cars to replace old ones.
 - (c) The company decided to buy new cars to replace old ones.
 - (d) The company has decide to buy new cars to replace old ones.
- 69. (a) Mr. Tanko was told to stop to introduce irrelevant points.
 - (b) Mr. Tanko was told to stopped introducing irrelevant points.
 - (c) Mr. Tanko was told to stop introducing irrelevant points.
 - (d) Mr. Tanko was ask to stop introducing irrelevant points.
- 70. (a) All his clothings were destroyed in the fire.
 - (b) His clothing was destroyed in the fire.
 - (c) His underwears were destroyed in the fire.
 - (d) His knicker was destroyed in the fire.

SECTION D: (Questions 71 – 80) Choose the Sentence Which is Correctly Punctuated

Which of the sentences is correctly punctuated?

- 71. (a) When people riot they behave violently.
 - (b) When people riot, They behave violently.
 - (c) When people riot, they behave violently.
 - (d) When people riot: they behave violently.
- 72. (a) I don't know if we can withstand the rigours of another winter?
 - (b) i don't know If we can withstand the rigours of another winter.
 - (c) I do'nt know if we can withstand the rigours of another winter.
 - (d) I don't know if we can withstand the rigours of another winter.
- 73. (a) They've been robbed! Some people broke into their flat last night.
 - (b) They've been robbed! some people broke into their flat last night.
 - (c) they've been robbed! some people broke into their flat last night.
 - (d) they've been robbed! Some people broke into their flat last night.
- 74. (a) That's not good; is it. (b) That's not good is it?
 - (c) That's not good, is it? (d) Thats not good, is it!
- 75. (a) A Team is a group of people who play or work together.
 - (b) a team is a group of people who play, work together.
 - (c) A team is a group of people, who play or work together.
 - (d) A team is a group of people who play or work together.
- 76. (a) I think i saw him over there.
 - (b) i think I saw him over there.
 - (c) I think I saw him over there.
 - (d) I think, I saw him over there.
- 77. (a) This car must be theirs'. (b) This car must be theirs.
 - (c) This car must be their's. (d) this car must be theirs.
- 78. (a) The meeting starts at one oc'clock.
 - (b) The meeting starts at one 'oclock.
 - (c) The meeting starts at one oclock.
 - (d) The meeting starts at one o'clock.
- 79. (a) Can we meet on monday? (b) can we meet on monday.
 - (c) Can we meet on Monday? (d) Can we meet on Monday.

	(b) if you speed, You move fast.										
	(c)	-	_	-	nove fa						
	(d)	If You	speed	, You r	nove fa	st.					
Re	SECTION E - ATTEMPT ALL QUESTIONS (Questions 81 - 90) Read the questions below carefully choose the option that correctly fills the blank spaces.										
81.	In order	to carry	out th	e neces	ssary ex	amina	ition, th	ne dead	body	was	
	(a) extrac	eted	(b)	exhur	ned	(c)	extrac	lited	(d)	expel	led
82.	82. He went abroad with a view a business partner. (a) to find (b) to finding (c) to be finding (d) to have founded										
83.	The teach	ner foui	nd out	that so	me of h	er stud	dents	the	e class.		
	(a)	have l	eft	(b)	has lef	it	(c)	had le	eft (d)	have	leave
84.	Tell her I			-	•			т 1		(1)	т 1
	(a)	1 am r	aving	(b)	I have	naa	(c)	ı nas ş	got	(d)	I have
85.	The disco	ntente	d men	u _]	p troub	le amo	ng the	worke	rs.		
	(a)	starre	d	(b)	steere	d	(c)	stirre	d	(d) sta	arted
86.	Three po		n were	killed v	when th	ne bom	nb they	were t	rying to	0	
	(a)	diffus	e	(b)	deffus	e	(c)	defus	e	(d)	difuse
87.	87Science and Technology, many African countries have not made significant progress since their independence. (a) With regards to (b) In respect to (c) As far as (d) With regard to										
88.	The com	mission	er of E	ducatio	on with	his se	cretary		expecte	ed yest	erday.
	(a)	are	(b)	was		(c)	were		(d)	is	-

If you speed, you move fast.

80.

(a)

	e Direc	ctor General has already communi	cated v	with all	the on the			
(a)		head of departments		(b)	head of department			
` '		heads of department		(d)	heads of			
` '	partme	-		(41)				
90		apologised or face the consequence	es.					
, ,		You are bound to		(b)	You'd better			
(c)		You are better to		(d)	You better			
SECTION F - ATTEMPT ALL QUESTIONS (Questions 91 - 100) Read the cases below carefully and answer the questions which follow.								
Acqui Accor abuse major	Researches by the Word Health Organization (WHO) report that excess consumption of alcohol causes four percent more deaths than the dreaded Acquired Immune Deficiency Syndrome (AIDS) and tuberculosis worldwide. According to these reports, 2.5 million people die every year out of alcohol abuse. These reports also disclose that the rising income in Africa and Asia is a major factor in alcohol abuse in the two continents while it is attributable to depression and other psychological factors in developed countries.							
string devas	ent alco	n is a global body, has therefore ad ohol control policies as a way of sa consequences (violence, disease, ro e ugly menace of alcoholism.	ving h	umani	ty from the			
91.	_	assage suggests that many Africar me more alcohol when	ıs and .	Asians	have the tendency to			
	(a)	there is improved living standard	1	(b)	they are bereaved			
	(c)	national incomes are low		(d)	weather is good			
92.	Which	n of the following is not true accor	ding to	the pa	ssage?			
	(a)	Alcohol abuse is a problem of Af						
	(b)	More people die yearly from exce from AIDS.	ess con	sumpti	on of alcohol than			
	(c)	Every government ought to instit		_	-			
	(d)	People in the developed countrie			ly to indulge in			
		alcoholism when their income inc	creases	5.				
93.		one of the passage can be said to be						
	(a)	persuasive	(b)	alarm	C			
	(c)	conciliatory	(4)	nonch	nalant			

- 94. From the passage, it can be deduced that the World Health Organization ------ excessive alcohol consumption.
 - (a) condemns

(b) supports

(c) penalizes

- (d) is neutral about
- 95. The word 'stringent' as used in the passage means -----.
 - (a) miserly
- (b) loose
- (c) very strict
- (d) harsh

It is usually said that experience is the best teacher, but to learn consciously through wisdom may be a better and more convenient way to learn because to learn by experience is to learn from mistakes. It means you have burnt your fingers and now 'your eyes are open'. This is a tough, costly and inconvenient way to learn. Rather than leaving our learning to experience, why do we not learn consciously through wisdom? We can learn by consciously going out of our way to acquire knowledge and wisdom rather than leave our learning to chance. Surely, we can learn from mistakes but why wait till when we make mistakes before we learn? We should place more value on learning by wisdom than by experience.

Learning by wisdom involves one making up one's mind to be not only decisive in learning but also to couple one's decision with a complete and wholehearted devotion.

- 96. A suitable title for the above passage is -----.
 - (a) Learning by experience
 - (b) A better way to Learn
 - (c) The importance of learning
 - (d) Learning in a hard way
- 97. The writer of the passage seems to -----.
 - (a) have a different opinion about how to learn
 - (b) concur with popular views about learning
 - (c) disbelieve the importance of learning
 - (d) None of the above
- 98. According to the passage, learning is better acquired through -----.
 - (a) one's experience
 - (b) other people's experience
 - (c) by chance
 - (d) one's acquisition of knowledge and wisdom

- 99. Learning by wisdom involves -----.
 - (a) decisiveness and devotion
 - (b) devotion and hardwork
 - (c) commitment and strength
 - (d) doggedness and commitment
- 100. The phrase 'you have burnt your fingers' as used in the passage means ---.
 - (a) one's fingers must have been burnt by fire
 - (b) one must have realized one's strength
 - (c) one would have had bad experience
 - (d) one would have lost so much

Chief Examiner's Comment

The general performance of candidates is poor. The majority of them scored below 70% which is the cut off mark. This could be attributed to candidates' poor knowledge of information technology, and grammar particularly coupled with perhaps, lack of concentration during studies. The coursebook is quite adequate and comprehensively and covers the topics from which the questions were set.

Comments on Overall Performance:

The general performance is below expectation.

Suggestion(s) on improvement (if any):

Candidates are advised to study their coursebook with attention and ensure they cover all the topics therein.

F04 - BUSINESS COMMUNICATION AND											
INFO	INFORMATION TECHNOLOGY										
1	В	21	D	41	С	61	С	81	В		
2	В	22	A	42	С	62	A	82	В		
3	D	23	D	43	A	63	В	83	С		
4	D	24	A	44	A	64	D	84	D		
5	D	25	A	45	D	65	В	85	С		
6	В	26	С	46	В	66	D	86	С		
7	A	27	С	47	С	67	D	87	D		
8	D	28	В	48	A	68	С	88	В		
9	A	29	A	49	A	69	С	89	D		
10	С	30	С	50	D	70	В	90	В		
11	В	31	D	51	D	71	С	91	Α		
12	D	32	D	52	С	72	D	92	A		
13	В	33	A	53	В	73	A	93	В		
14	D	34	С	54	D	74	С	94	A		
15	D	35	С	55	С	75	D	95	С		
16	С	36	A	56	A	76	С	96	В		
17	В	37	В	57	A	77	В	97	A		
18	D	38	С	58	В	78	D	98	D		
19	D	39	D	59	D	79	С	99	A		
20	D	40	С	60	D	80	A	100	С		

CHARTERED INSURANCE INSTITUTE OF NIGERIA

FOUNDATION

F05 – INSURANCE UNDERWRITING PROCESS APRIL 2022 DIET



All answers should be shaded on the answer form in accordance with the following instructions:

- Two hours are allowed for this paper.
- Fill in the information requested on the answer form and attendance form.
- Handle the answer form with care and do not write notes on it.
- No marks are deducted for incorrect answers, so do not leave any questions unanswered.
- The answer form should be handed over personally by you to the invigilator before you leave the Examination Hall.
- Insert your candidate's number as given on your admission permit and any other particulars required on the answer form.
- Ensure that you write the full and correct candidate's number.
- If you bring a calculator into the examination room, it must be silent battery or solar powered non-programmable calculator. The use of programmable calculator is prohibited.
- No name should be written on the answer form.

FAILURE TO ADHERE TO INSTRUCTIONS (WRITTEN AND VERBAL) WILL ATTRACT STATED SANCTIONS AS STATED IN THE APRIL 2022 DIET CANDIDATES' INSTRUCTIONS.

CHARTERED INSURANCE INSTITUTE OF NIGERIA

FOUNDATION

F05 - INSURANCE UNDERWRITING PROCESS

INSTRUCTIONS TO CANDIDATES READ THE INSTRUCTIONS BELOW BEFORE ANSWERING ANY QUESTIONS

Section A

The questions 1 – 50 in this paper are numbered and four options follow each question. The options are labeled a,b,c,d. Only one of these options is correct. Select your answer for each question and indicate it on the answer form by filling in the appropriate box.

Example:

Employers' liability insurance certificates are legally required to be kept for a minimum of ...

- (a) 40 years from inception
- (b) 50 years from inception
- (c) 40 years from expiry
- (d) 50 years from expiry

The answer is option (c).

Section B

Questions 51 – 60 are to be answered as either True (T) or False (F). Select your chosen option and indicate it on the answer form by filling in the appropriate box.

Example:

An employers' liability insurance never expires. (True or False). The correct option is False (F).

Section C

Questions 61 – 75. This section contains three (3) case studies each followed by five questions. The case studies are not numbered and appear at the top of the page. Each of the five questions following a case study is numbered. Four options follow each question. The options are labelled, a, b, c, d. Only one of these options is correct or best. Select your answer for each question and indicate it on the answer from by filling in the appropriate box.

SECTION A - ATTEMPT ALL QUESTIONS (Questions 1 - 50)

1.	When it comes to disclosure of material facts, which of these is correct?										
	(a)	n) The duty of material facts lies on the proposer alone									
	(b)	The duty is that of the insurer only									
	(c)	Disclosure of material facts does not arise if there is an									
	(d)	intermediary in between the two parties(d) The duty of disclosure of material facts rests on the two parties to the contract									
2.	Traditionally, what is the most common means by which an underwriter receives information regarding the risk from the insured?										
		9 9									
	(a)	Quotation	(b)	Proposal form							
	(c)	Prospectus	(d)	Leaflets							
3.	Cont	Contracting out under the UK's Insurance Act 2015 means									
	(a)	,									
	(b)	both parties opting out of the provisions of the Act									
	(c)	bringing in an intermediar	-								
	(d)	dispensing with the use of	proposal for	m							
4.	The amount paid to the insurer in consideration of the insurer agreeing t cover the risk is called a/an										
	(a)	deposit	(b)	reimbursement							
	(c)	premium	(d)	offer							
5.	refer	When an insurance man talks about the law of large number, they are referring to the									
	(a)	number of similar risks	commony in	alagation							
	(b)	concentration of insurance									
	(c)	association of the top insur compilation of risks with la									
	(d)	compliation of risks with is	arge premu	IIIS							
6.		ınderwriter quoted a rate per									
	(a)	thousand	(b)	hundred							
	(c)	million	(d)	multiple ten							
7.	In w	hich of these classes of insura	nce will tur	nover be used as the basis							
	for p	remium calculation?									
	(a)	Fire insurance	(b)	Public liability							
	(c)	Contractors All Risk	(d)	Erection All Risk							

8.	Wage roll will be used for calculating premium for which class?											
	(a)	Burglary	(b)	Electronics/computer								
	(c)	Money insurance	(d)	Employer's Liability								
9.	For which class of policy will fees be appropriate to calculate premium?											
	(a)		(b)									
	(c)	ž	(d)	•								
10.		A certificate of insurance is legally required even when the policy is										
	issue	ed immediately for which class	of insurar	ice?								
	(a)	Goods in Transit	(b)	Motor								
	(c)	Travel insurance	(d)	Fire and special perils								
11.	All e	All except one of these methods is a method of premium collections.										
	(a)	Barter exchange (b	o) Singl	le upfront cheque payment								
	(c)	By credit arrangement	(d)	By monthly installments								
12.	The standard fire covers all except one of these perils.											
	(a)	Malicious damage										
	(b)	Explosion (limited to domest	tic usage)									
	(c)	Lightning	(d)	Fire.								
13.	Out of the following, which one is not a special peril?											
	(a)	Spontaneous fermentation	(b)	Earthquake								
	(c)	Lightning	(d)	Malicious damage								
14.	Which of these will you not find in a money policy?											
	(a)	Cash in transit	(b)									
	(c)	Cash in safe	(d)	Cash in personal custody								
15.	Whi	ch of these is not an exclusion u	ınder the I	Fore and Special Perils cover?								
	(a)	War	(b)	Radioactive contamination								
	(c)	Consequential loss	(d)	Impact								
16.		All Risks policy actually do not										
	exclı	usions. How many groups can t	these exclu	isions be grouped?								
	(a)	4 (b) 3	(c)	5 (d) 2								
17.		were going through a policy do		nd came across "escort								
	(a)	Goods in transit	(b)	Money insurance								
	(b)	Contractual All Risks	(d)	Burglary								

18.	Insu	rance policies that involve direc	t financia	l losses are known as						
	(a)	liability insurances	(b)	material damage policies						
	(c)	engineering insurance	(d)	pecuniary insurance						
19.	The maximum time the income of a business will be affected as a result of damage by an insured peril is known as									
	(a)	_	(b)	insurance period						
	(c)	indemnity period	(d)	anniversary period						
20.	The sum insured in a business interruption policy is									
	(a)	gross profit	(b) turnover							
	(c)	gross earnings	(d)	annual purchase cost						
21.	anotl usua (a)	Co-insurance clause provision	s to subject on is in p	et matter. What provision is lace?						
	(c)	Material damage provision	(d)	Reinsurance provision						
22.	Under which heading will the cost of hiring alternative premises, office contents and corporate events to reduce loss be treated in a business interruption policy?									
		Auditor's fee	(b)	Increased cost of working						
	` '	Wage roll	(d)	e e e e e e e e e e e e e e e e e e e						
23.	This policy covers firms or companies in respect of costs arising out of the need to take action in the courts or to defend an action brought against them covering the cost of the firm and employee's time spent in court. Which policy will this be?									
	(a)	Professional indemnity	(b)	Product liability						
	(c)	Loss of profit	(d)	Legal expenses						
24.		ch type of policies are designed gence?	to take of	f the breach of duty of care-						
	(a)	Material damage policies	(b)	Liability policies						
	(c)	Engineering insurances	(d)	Accident insurances						
25.	In an	ı Employers' Liability policy, wl	no is the i	nsured?						
	(a)	The employer	(b)	The employees						
	(c)	The workers' union	(d)	The public						

26.	how t	ing man had gone to a company to o become an independent seller of tion door, the door fell and injured any claim to meet costs and dama Legal expenses Public liability	f their p d him. I	oroducts, while exiting the Under what policy can the				
27.	unwra weak.	s bought an equipment for use by apping it in the glass, the equipmed. He is yet to test the product. Whi	ent brol	ke injuring him because it is cy would the manufacturer				
	(a)	E 1	(b)	Warranty policy				
	(c)	Property damage policy	(d)	Product liability				
28.	liabili	pical liability policy is based on b ty for injury, loss or damage to thi ability class pays damages based o Fidelity guarantee Professional indemnity	ird part	ry property. Which policy in				
29.	(a) (b)	Amendment to legislation						
	(c)	Weather related incident	(d)	Major disasters				
30.	aspec pool. (a)	essing a risk proposed, the undervise as well as the quantitative aspective what measure is the quantitative Valuation Past history	cts befo aspect (b)	re bringing the risk into the				
31.	deteri	se of MPL also called EML is impo mining gross acceptance and in re evant in which of this class of insu Public liability	insurar	ice arrangement. This will				
	(c)	Free material damage	(d)	Money insurance				
	(0)	Tree material damage	(u)	monthly mountaine				
32.	The d	etermination of the EML is very in	nporta	nt for which the				
		writer will depend on a specialist	-					
	(a)	The investment advisor	(b)	The claims administrator				
	(c)	The loss adjuster	(d)	The surveyor				

33.	When a single event such as a natural occurrence, storm/hurricane - brings about losses affecting several policies. This is called								
	(a)	landslide	(b)	accumulation					
	(c)	catastrophe	(d)	combination					
34.	insu	rances written by an insurer							
	(a)	surplus	(b)	quote					
	(c)	co-insurance	(d)	Excess of loss					
35.	You are told that a reinsurance arrangement involves arranging cover in terms of lives once its retention is exceeded. What type of reinsurance arrangement is this?								
		Surplus	(b)	Quota share					
	(c)	Co-insurance	(d)	Excess of loss					
36.	What type of reinsurance arrangement is most suitable for basic liability reinsurance requirement?								
	(a)	Stop loss	(b)	Quote share					
	(c)	-	(d)	Excess of loss					
37.	An insurer looking at their experience is concerned primarily with protecting its loss ratio such that it does not exceed a stated maximum loss ratio. What type of reinsurance should they take up?								
	(a)		(b)	Surplus					
	(c)		(d)	1					
38.	What part of the expenses of the insurance operations is referred to as the principal cost of production?								
	(a)	Accommodation costs	(b)	Claims expenses					
	(c)	Underwriting cost	(d)	Personal costs					
39.	phor	y day in Oshodi, Yaba, Mile ne, handsets are stolen every How would you depict this High frequency, low sever Low frequency, low sever High frequency, high sever Low frequency, high sever	day, but relat in terms of se rity erity						

40.	How (a) (b) (c) (d)	_	ncy, lo ncy, lo ncy, hi	w seve w sever igh sev	rity rity erity	s Leak	age disaster	r of 1984 i	n India?	
42.	Claims ratios are very important in analysing the technical performance of an insurance company. Which ratio makes use of just claims lodged and premium received during the period?									
	(a)	O					ed loss ratio			
	(c)	Policy year lo	oss rai	tio	(d)	Unde	erwriting ye	ear loss ra	tio	
42.	Whic	h of these is no	ot one	of the	essentia	als of a	contract?			
	(a)	Offer				(b)	-	ce		
	(c)	Consideration	n			(d)	Dispute			
43.	infori	proposal form : mation for the alternative to	risk p	ropose	d. Whi					
	(a)		F-	- F		(b)	Discharge	e form		
	(c)				(d)	Supp	lementary	questionr	naire	
44.	Hazards are applicable to every risk. How many classifications of hazards are there in insurance?									
	(a)	5	(b)	4		(c)	2	(d)	3	
45.	_	orofit or result tment income		insura	nce con	npany	without the	e inclusio	n of	
	(a)	turnover				(b)	variable r			
	(c)	profit after to	ax			(d)	underwri	ting resul	t	
46.	In which class of claims are periodic payment order (PPO) commonly used in recent times?									
	(a)	Consequenti	al loss	claims	3	(b)	Burglary	claims		
	(c)	Liability clai	ms			(d)	Engineeri	ng claims	3	
47.	In liability cases, it might take many years between the cause and the claim; resulting in the claim being reserved for a long number of years. What are these claims called?									
	(a)	Latent claims	s			(b)	Catastrop	he claims	3	
	(c)	Accumulation	n clai	ms		(d)	Large clai	ims		

- 48. The 2003 Insurance Act in Nigeria regulates the rate of commission payable to intermediaries. Which of these is not with the provisions of the Act
 - (a) Commission rate of 12.5% for private motor
 - (b) Commission rate of 15% for commercial vehicle
 - (c) Commission rate of 15% for workmen's compensation
 - (d) Commission rate of 20% for burglary
- 49. The ROCEL return on capital employed is a measure of ...
 - (a) turnover / gross premium

(b) expenses

(c) investment income

- (d) profit
- 50. In an automobile accident, a third party by the roadside was hit and seriously insured, under which scope of motor cover is there to indemnify the user/driver?
 - (a) Third party only
 - (b) Third party and comprehensive
 - (c) Road Traffic Act, Third Party, Third Party, Fire & Theft and Comprehensive.
 - (d) Comprehensive alone

SECTION B - ATTEMPT ALL QUESTIONS (Questions from 51 to 60) Answer True (T) or False (F)

- 51. The third-party insurance that provides indemnity to a policy holder (an employer) where an employee is using their own vehicle on the employee's business is called fleet insurance.
- 52. Single article limits are found in a Goods-in-Transit Policy that contain many packages belonging to the same insured.
- 53. Apart from Motor Insurance and Household Insurance, helplines are also a feature of Travel Insurance.
- 54. The schedule section of the policy gives information about the specific insured and subject matter of insurance.
- 55. A deductible is a large excess.
- 56. The proposal form is very important in an insurance contract and is the only source of obtaining material information.

- 57. Data and information is key to insurance operations, either as individual companies or as an industry. The NIID database deals with housing and collapsed buildings in Nigeria.
- 58. Extended warranty policies are sold at the point of sale and so are generally underwritten and so claim payment is offered by the product fellow.
- 59. Implied conditions are assumed to exist by laws and practice and do not need to appear on the policy document.
- 60. For compulsory insurances, it is a statutory requirement that certificate of insurance must be issued to prove that there is a policy in place in relation thereof.

SECTION C - ATTEMPT ALL QUESTIONS (Questions 61 - 75) Read the cases below carefully and answer the questions which follow.

Mr. Malum, for the first time. took out an insurance cover. After completing the proposal form, he was issued a comprehensive policy document and asked to read it and come up with areas where they need clarifications or do not understand. He actually came up with observations.

61.	Who i	is the	third	party	under	the	policy	7?

(a) The insured

- (b) The insurer
- (c) Any party aside the insurer and insured
- (d) The regulatory body
- 62. What is the purpose of the policy document?
 - (a) It is the contract between the two parties
 - (b) It is the evidence of the contract
 - (c) It is the evidence that the subject matter was inspected
 - (d) It is the evidence of friendship between two parties
- 63. He wants to know the document that he should show to the Police or FRSC out of all the documents passed to him by the insurance company in the course of any transaction with either the Police or FRSC. Which one should he show them from the options below?
 - (a) Proposal form

(b) Payment receipt

(c) Cover letter

(d) Motor certificate.

64.	New to insurance came to a section where it is said that a certain amount or proportion will be deducted from each and every claim. What would this be?							
	(a)	Excess	(b)	Contribution				
	(c)	Proximate cause	(d)	Cooperation clause				
65.	Which part of the policy make reference to the fact that two parties are involved in the contract?							
	(a)	Heading	(b)	Preamble				
	(c)	Operative clause	(d)	Signature				
	cing ii	een chosen to stand in for your relation to insurance to a b	, ,	-				
66.	The amount charged for insurance cover which includes element of profit and expenses is the							
	(a)	net premium	(b)	basic premium				
	(c)	gross premium	(d)	adjustable premium				
67.	The expected ultimate cost in claims for the risks accepted is the							
	(a)	flat premium	(b)	net premium				
	(c)	gross premium	(d)	risk premium				
68.	In pricing insurance, the expected number of claims of a specified peril will occur is important and is referred to as							
	(a)	repetition	(b)	frequency				
	(c)	median	(d)	maxima				
69.		ge number of claims all aris	_	on event say flood has a				
	(a)	catastrophe claims	(b)	large claims				
	(c)	latent claims	(d)	particular claims				
70.		average cost of claims of dif		financial magnitude of				
	(a)	exposure	(b)	large claim				
	(c)	variable expenses	(d)	severity				

Mr. Ayonitemi is the owner of a medium sized manufacturing company that came to you that he was told of a Business Interruption policy that would help in the event of a fire loss to his building, plants and machinery. Your answers will help him understand this cover better.

71.	-	nich other name is the policy called	d that n					
	(a)	Enhanced fire policy		(b)	Loss of profit			
	(c)	All Risks	D 1					
	(d)	Combined Comprehensive Pack	age Poli	ıcy				
72.	What is the main cover in Business Interruption policy?							
	(a)	Gross profit		(b)	Turnover			
	(c)	Earnings		(d)	Expenses			
73.	could (a)	erruption Insurance, the maximum be affected as a result of damage reconstruction period						
	(b)	reinstatement period		(J)	له و نسو مد له مدیده ماوید			
	(c)	indemnity period		(d)	rebound period			
74.	The material damage provision found in every business interruption policy is to the effect that there is a property damage in place. Which of these satisfies the provision?							
	(a)	Fidelity guarantee	(b)	Burgl	ary/theft policy			
	(c)	Fire and special perils policy	(d)	Public	Liability Policy			
<i>7</i> 5.	Busine (a) (b)	osts which vary in direct proportions are known as decreasing expenses low level expenses miscellaneous expenses uninsured working expenses	on to th	e level	of the turnover in			

Chief Examiner's Comment

The candidates performed relatively well with about half of them scoring above the pass mark.

Comments on Overall Performance:

It is expected that student should continue to perform well even above this current level.

Suggestion(s) on Improvement (if any):

Candidates should continue to study well to maintain a decent pass in the course.

F05 -	F05 -INSURANCE UNDERWRITING PROCESS						
1	D	21	С	41	A	61	С
2	В	22	В	42	D	62	В
3	В	23	D	43	В	63	D
4	C	24	В	44	C	64	A
5	A	25	A	45	D	65	В
6	A	26	C	46	C	66	С
7	В	27	D	47	A	67	D
8	D	28	C	48	В	68	В
9	С	29	A	49	D	69	A
10	В	30	A	50	C	70	D
11	A	31	C	51	F	71	В
12	A	32	D	52	F	72	A
13	C	33	C	53	T	73	C
14	В	34	В	54	T	74	C
15	D	35	A	55	T	75	D
16	A	36	D	56	F		
17	В	37	C	57	F		
18	D	38	В	58	F		
19	C	39	A	59	T		
20	A	40	D	60	T		

CHARTERED INSURANCE INSTITUTE OF NIGERIA

FOUNDATION

F06 – MOTOR INSURANCE PRODUCTS APRIL 2022 DIET



All answers should be shaded on the answer form in accordance with the following instructions:

- Two hours are allowed for this paper.
- Fill in the information requested on the answer form and attendance form.
- Handle the answer form with care and do not write notes on it.
- No marks are deducted for incorrect answers, so do not leave any questions unanswered.
- The answer form should be handed over personally by you to the invigilator before you leave the Examination Hall.
- Insert your candidate's number as given on your admission permit and any other particulars required on the answer form.
- Ensure that you write the full and correct candidate's number.
- If you bring a calculator into the examination room, it must be silent battery or solar powered non-programmable calculator. The use of programmable calculator is prohibited.
- No name should be written on the answer form.

FAILURE TO ADHERE TO INSTRUCTIONS (WRITTEN AND VERBAL) WILL ATTRACT STATED SANCTIONS AS STATED IN THE APRIL 2022 DIET CANDIDATES' INSTRUCTIONS.

CHARTERED INSURANCE INSTITUTE OF NIGERIA

FOUNDATION

F06 - MOTOR INSURANCE PRODUCTS

INSTRUCTIONS TO CANDIDATES READ THE INSTRUCTIONS BELOW BEFORE ANSWERING ANY QUESTIONS

Section A

The questions 1 – 50 in this paper are numbered and four options follow each question. The options are labeled a,b,c,d. Only one of these options is correct. Select your answer for each question and indicate it on the answer form by filling in the appropriate box.

Example:

Which insurance principle does new for old overrule?

(a) Average

(b) Contribution

(c) Indemnity

(d) Subrogation

The answer is option (c).

Section B

Questions 51 – 60 are to be answered as either True (T) or False (F). Select your chosen option and indicate it on the answer form by filling in the appropriate box.

Example:

A comprehensive motor insurance policy would provide cover for all types of accidental damages without any exclusion (True or False). The correct option is False (F).

Section C

Questions 61 – 75. This section contains three (3) case studies each followed by five questions. The case studies are not numbered and appear at the top of the page. Each of the five questions following a case study is numbered. Four options follow each question. The options are labelled, a, b, c, d. Only one of these options is correct or best. Select your answer for each question and indicate it on the answer from by filling in the appropriate box.

SECTION A - ATTEMPT ALL QUESTIONS (Questions 1 - 50)

1.	The Road Traffic Act 1988 consolidated the various statutes before it. Into how many parts is this Act divided?							
	(a)	3	(b)	5	(c)	7	(d)	9
2.				ense becomes st they notify?		of a relevant	or pros	pective
	(a)	ABI	(b)	5	(c)	MID	(d)	CUE
3.	produ	ce the certification tificates are to	ate of r	s the police the notor insuran loaded into a	ce but	under the new	v dispe	nsation
	(a)	ABI	(b)	DVLA	(c)	MID	(d)	CUE
4.	motor	rists were to in	sure th tht in p places	compulsory in ird party risk lace expect th	s whils	st on the 'road	l'. Whe cover? nt place	2
5.				oes the Road T than insurance		Act allow for 1	provisi	on of
	(a) (c)	Bank current Government	accou		(b) (d)	Equity certific Security	icate	
6.	When an insurer in the UK cancels a policy of motor insurance to which body should they notify the attaching motor insurance certificate? (a) The police (b) Motor Insurance Bureau (c) Motor Insurance Database (d) Motor Research Centre					ıreau		
7.	The Deregulation Act requires that policy restrictions will no longer be effective in relation to third party liability in all these situations except one. Which is it?							
	(a) (c) (d)	_	ersons	chicle is put the vehicle ca condition of t		Condition of ver	the ve	hicle

8.		dividual who was the negligent party in a road accident died gh they had valid insurance policy cover. What action can the third take? The third party should take the family to court The third party has the right to proceed against the insurer Proceed against the M.I.B. The third party should proceed against the Motor Insurance Database					
9.	Which (a) (b) (c) (d)	It has to be paid by Payment has to be It is an optional con	of these is not true of emergency treatment fee? That has to be paid by the motorist involved or their insurer Eayment has to be made whether or not the motorist was negligent This is an optional cover a motorist may choose not to purchase Eayment does not affect the No-Claims-Discount				
10.	Which body is charged with the administration of the Green Card System?						
	(a)	Council of Bureaux		(b)	European Pa		-
	(c)	Council of E.U. Ins	urers	(d)	E.U. Police C	Coun	cil
11.		ow many years is the nation after the date 3 years (b)	of an accident			st?	d to keep 7 years
12.		an insurer or claims I do they have to pr	_			cider	nt, what
	(a)	12 months (b)	6 months	(c)	3 months	(d) 2	2 months.
13.	Which System	n body is charged w n?	ith the admini	stration	n of the Browr	n Car	·d
	-	Nigerian Insurers	Association	(b)	Brown Card	Bure	eaau
	(c)	Council of A. U. In	surers	(d)	A. U Police C	Coun	cil
14.		uivalent of the inte sub-region is	rnational moto	or insuı	ance certifica	te in	the West
	(a)	Brown Card Syster	n	(b)	ECOWAS Vi	sa C	ertificate
	(c)	Regional Travel Pa		(d)	African Unio	n M	otor Tag
15.		ction sentence of imer of years. What we	-	ified nu	mber of years		_
	(a)	4 years		(b)	5 years		
	(c)	6 years		(d)	7 years		

16.	Limitation period for bringing an action in tort for property damage is							
	(a)	3 years	(b)	4 years				
	(c)	5 years	(d)	6 years				
17.	catego	r the Motor Vehicle (Third Party) I ories of drivers are exempted from is not among? Vehicles owned by the governme	having					
	(b) Motor vehicle owned by a person who has made a deposit with the Accountant-General of the Federation.							
	(c)	Vehicles owned by recognised tra	adition	al leaders.				
	(d) Vehicle at any time it is used for police purposes.							
18.	Certif	n of this information is not statutor icate of Insurance by the Motor Ve n Nigeria? Details of vehicle covered. Scope of cover on the vehicle. Limitations as to us. Persons or classes of persons enti	ehicle (Third Party) Insurance Act				
19.	There are two types of certificates, the 'unspecified certificate' is also called							
	(a)	blanket certificate	(b)	cover note				
	(c)	proposal form	(d)	temporary cover				
20.	The development is to now issue motor cover notes electronically but in cases when issued manually, it is of how many copies?							
	(a)	1 (b) 2	(c)	3 (d) 4.				
21	Which section of the policy customizes the policy document to provide an outline of the cover given?							
	(a)	Preamble	(b)	Operative clause				
	(c)	Schedule	(d)	Signature clause				
22.		ers would like to have all the relevend have a traditional way of collecture.						
	(a)	invitation letter	(b)	proposal form				
	(c)	offer letter	(d)	introduction letter				

23.	In a typical proposal form for motor insurance, which of this information will the insurer not ask?								
	(a)	Full name				(b)	Date of birth		
	(c)	Address				(d)	Height		
24.	In relation to the vehicle which of this information will have no effect on the rating?								
	(a)	Vehicle was purchased from a major dealer							
	(b)								
	(c)								
	(d)	Alteration f	rom the	e manu	factur	er's sta	ndard specification		
25.	Whi	ch of these wil	l not be	e true o	f volu	ntary e	xcess?		
	(a)	and the contract of the contra							
	` '	(b) It is an addition to the policy excess							
		(c) It is stipulated by the underwriter							
	(d)	(d) It reduces the premium payable							
26.	If insurers request for driver's license number, from which agency would they crosscheck history of the driver's conviction result, if any?								
	(a)	MIB	(b)	ABI	(c)	Cour	ncil of Bureaux (d)	DVLA	
27.	The to	The statement of fact sent by the insurer to the proposer is an alternation to							
	(a)	proposal for	rm			(b)	cover note		
	(c)					(d)	offer letter		
28.		The part of the policy document where the policyholder is reminded that							
	_	the proposal, certificate and schedule from part of the contract and should be read together is							
	(a)	operative cl	ause			(b)	preamble		
	(c)	signature cl	ause			(d)	service information	ı	
29.	Whi	ch of these exc	lusions	canno	t be cla	assified	l as a total exclusion?		
	(a)	War				(b)	Riot or civil commo	otion	
	(c)	Invasion				(d)	Act of foreign ener	ny	
30.	The	notification co	nditior	in the	policy	relates	s to		
	(a)	co-insurance			_ ,	(b)	claim		
	(c)	re-insurance	5			(d)	additional premius	n	

31.	deal with the defence or settlement of the claim and may also pursue recovery, relates to					
	(a)	contribution	(b)	average		
	(c)	insurable interest	(d)	subrogation		
32.	any of	e a condition states that 'if at a time ther policy exists that would cover of the claim'. Which principle of in	r the cla	nim we will pay only our ce is this restating?		
	(a)	Contribution	(b)	Betterment		
	(c)	Insurable interest	(d)	Subrogation		
33.	agree	an insurer accepts liability for a coment with the quantum offered by reement referred?				
	(a)	Court	(b)	Insurers' Association		
	(c)	Arbitration	(d)	Solicitor		
34.	RTA conditions with the (a)	an insured is under obligation to obligations because the insured ha tion, which document will the insu hird party claim? Offer form Discharge form	d breat	thed a vital policy		
35.	Ombu	er's complaints procedure includir adsman Service for personal insura n of the policy document? Schedule Operative clause	_			
36.	many	are four levels of cover available in of them is bodily injury/ death co	overed	unlimited in amount?		
	(a)	4 (b) 3	(c)	2 (d) 1		
37.	Which (a) (b) (c) (d)	n of these is not true of 'driving oth It is available under private moto It is available under private moto The cover given by this extension The vehicle must not belong to the	or third or road n is thir	party cover traffic cover d party		

38.	the th	icle was stolen whilst parked, however in leves had an accident with it and abandonered and is to be repaired. Which types of mity? Comprehensive only Both third party and comprehensive Both comprehensive and third party, fir Third party, fire and theft alone	ned it. f cover	It was thereafter will offer
39.	road t	corist skidded off the road during a rainfa to be slippery. It was only the vehicle own ged. Under which policy can he claim inc Road Traffic Act Third party, fire and theft	ned by	him that was
40.		a motor private policy, the insurer can comethods except one of these. Which one in Repairs Pay cash		demnity through Replacement Reinstatement
41.	to the (a)	e in the policy will you expect to find deta policy? Schedule Preamble	ails of t (b) (d)	che applicable excess Operative clause Service information
42.		sories are very important to the operation se will not qualify to be regarded as a car Spare wheel Car jack		rinsured car. Which Radio Telephone handset
43.	loss is	emnifying an insured, it was said that the the amount it will cost to replace a vehic , condition and mileage. What will that b Agreed value Dealer/distributor price	le with	1 2
44.		icle with a seating capacity in excess of eiclassified as a special car bus or coach	ight ind (b) (d)	cluding the driver's modified vehicle tricycle

45.	but d liabi type	due to that insurality in circumstan	nce providing ces over whic arrange in ar	g inoperative th they hav nticipation	ve for so e no dire of such	me re ect coi situati	ason, incurs ntrol. Which on?	s a
	(a)	Road Traffic A		(b)		0	liability	
	(c)	Occasional Bus	iness Use	(d)	Green	Card	Extension	
46.	busing and prov	employer allows to ness once in a wh pleasure purpose ide indemnity in	ile but those vuse only. Whe	vehicles mi nich policy on?	ght be ir	nsurec emplo	l for domes yer obtain t	tic
	(a)	Road Traffic A		(b)		0	liability	
	(c)	Occasional Bus	siness Use	(d)	Green	Card	Extension	
47.	cove mus	Insurance Act 200 r for motor insurate have a minimum age. What is this N1,000,000.00	ance by requin n of a prescrib	ring that ev	ery mot	tor ins d part N 750	urance poli	
48.	accio conc is to	ivate car insured lent when it some rete road divider be treated as a to rer as is now calle jettison (l	ersaulted seve . The vehicle o tal loss. This a	eral times b could not b accident vel	efore fir e repair	nally h ed eco	itting a nomically a erts to the	and
49.	assis	policy under whi tance in respect c personal liabili O.B.U policy	of uninsured lo	oss recover	y is legal e	xpens		.th
50.	liabi	Motor Insurance lity incurred by u sponsible for this Nigerian Insur Insurance Indu Security and D Nigeria Insura	ninsured or u ? ers Associatio stry Several I evelopment F	intraced dr on Special F Liability Fu fund	ivers, in und			ody

SECTION B - ATTEMPT ALL QUESTIONS (Questions from 51 to 60) Answer True (T) or False (F)

- 51. The condition of the policy which stipulates that the insured must prove that the subject matter exists and that they will benefit from its continued existence and will suffer financially from it refers to proximate cause.
- 52. The provision of the Marine Insurance Act abolishes wagering and speculating on the lives of public personalities. This is in support of the principle of insurable interest.
- 53. Insurers seek to return the policyholder to the position they were in prior to an accident. This is indemnity in operation.
- 54. An insurer discovers that the policyholder has another policy covering the subject matter during the same period of insurance and thus request the other insurer to share the claim settlement with them.
- 55. The Accident Report Form is the main method used by the underwriter to obtain material information for rating purposes.
- 56. In common law, any policy that is tainted with fraud is void and is treated as though it never existed.
- 57. In a motor policy the basis of total loss settlement when a vehicle cannot be replaced economically is the sum insured.
- 58. The market is said to be soft when a large number of entrants fiercely bring down the rates.
- 59. The PRAN is the 'payer of the resort' in Nigeria.
- 60. The Motor Insurance Bureau in the UK is funded with levy from general insurers, handling brokers and subvention from the government.

SECTION C - ATTEMPT ALL QUESTIONS (Questions 61 - 75) Read the cases below carefully and answer the questions which follow.

A lady bought a brand-new car that was insured on comprehensive cover with Rock Security Insurance Company Limited for ₩2,000,000.00. The vehicle was involved in an accident in which she was at fault hitting the other car's booth.

repai repai admi	r cost or r of the tted in	ere extensively damaged but the of $\mathbb{N}1,400,000-00$ was given for he third party's car. A third party to the hospital for bone fractures asured?	r car an was also	d N 1,10 injured	0,000.00 for the l and had to be	9		
61.	The third party requested to see evidence that the insured has a valid insurance cover to drive on a public road. Which document should she produce for them to see or hold?							
	(a)	Road worthiness certificate	(b)	Vehic	le license			
	(c)	Insurance certificate	(d)	Drive	r's license			
62.	The adjuster's repair estimate is 70% of the sum insured. The vehicle will be written off and treated as							
	(a)	average loss	(b)	const	ructive total los	ss		
	(c)	particular loss	(d)	partia	al loss			
63.	What is the legal liability of the insured to the third party that was injured and hospitalized for two months?							
	(a)	Unlimited	(b)	₩1.00	00,000.00			
	(c)	N500,000.00	(d)	Not li				
64.	The first repair bill for the third party's vehicle comes to N1,100,000. How much will the insurer be expected to layout having attended to the policyholder's car?							
	(a)	₩100,000.00	(b)	N 100,	,000.00			
	(c)	N 990,000.00	(d)	Unlin				
65.	reque detai	chird-party motorist reported the ested that the third party should also f the insured. They want to see bursement from the insured's insurbrogation contribution	provide ettle thei	them w r insure	vith the insurareds claim and s	eek		

A UK resident policyholder in observance of his annual vacation decided to have a change of environment and spend this time in two countries within Europe. Whilst outside the UK he has a slight accident in which he knocked down a local resident on motorcycle with the third party suffering elbow injury but the motorcycle was badly damaged and had to be condemned. On his return to the UK he had a second accident in which one person was injured and another person's property was damaged. He has third party cover.

_	_	- ,		_					
66.	Which extension cover will protect him for journey outside his national jurisdiction?								
	(a)	Cover note	(b)	Gree	n card				
	(c)		(d)		national driver's license.				
67.		Which body is responsible for administering the scheme across the continent?							
	(a)	European Union		(b)	European Parliament				
	(c)	1		(d)	Motor Insurance Database				
68.	Each country must have its own national bureau. Which one is the national bureau for the UK?								
	(a)	Lloyd's Motor Syndicate		(b)	Motor Insurance Bureau				
	(c)	(c) Drivers and Vehicle License Authority							
	(d)	Claims and Underwriting	Excha	nge					
69.	For the accident that happened in the UK, what is the time limitation for bringing an action to bodily injury?								
	(a)	3 years		(b)	4 years				
	(c)	-		(d)	6 years				
70.	Wha	t is the time limitation for pro	operty	dama	ge claims?				
	(a)	3 years		(b)	4 years				
	(c)	3		(d)	6 years				

Mr. Abu Best has for many years been enjoying an official car attached to his position. Recently he was re-assigned and had to buy a personal car of his own. For the first time he was involved in an insurance transaction. He took up the comprehensive policy since the money was provided by the cooperative society. The policy covers him for domestic and pleasure purpose. He is delivered a set of documents, first he had to take cover while the car was already in his possession before the administrator of the cooperative could send him registration documents necessitating his parking the car in the house for one week. The insurance company inspected the vehicle after one week when he informed them that he now has full documentation. He is issued a policy document and has asked you to guide him through.

docun insura that h	nents i ince co e now	necessitating ompany inspo	ımentation. He is	ar in the ho after one w	ouse for one eek when l	e week. The ne informed them			
71.	In the time before the administrator sent the vehicle documents, the insurer in granting cover gave transport cover. Which document was he given to show that he was covered for road traffic risks to evidence cover during this period?								
	(a)	Cover note		(b)	Proposal	form			
	(c)	Offer form		(d)	Endorsen	nent			
72.	In which section of the policy document will you advise him to check for personal details relating to him and the vehicle insured? (a) Preamble (b) Operative clause								
	(a) (c)	Schedule		(b) (d)	-	on section			
	(C)	Scriedule		(u)	IIIIOIIIIati	on section			
73.	If he unintentionally used the vehicle for the employer's business, which policy of the employee will pick up any liability since his own will not be effective.								
	(a)	Joint policy		(b)	Contingent liability				
	(c)	Commercia	l liability	(d)	Spare liab	pility policy			
74.	What medium did he used in presenting material facts about himself and the subject matter insured to the insurer?								
	(a)	Ćlaim form			(b) Co	ver note			
	(c)	Release for	m		(d) Pro	oposal form			
75.	On reading through the policy document, he saw in a section a provision to the effect that he would be responsible for $\frac{N}{N}$ of each and every claim. What is this about?								
	(a)	Average	(b) excess	(c)	First loss	(d) Franchise			

Chief Examiner's Comment

It is very disappointing that despite the fact that the questions were spread over all the chapters of the text book, performance is abysmally poor at less than 20% of the candidates that sat for the course.

Comments on Overall Performances:

Performance is poor overall.

Suggestion(s) on improvement (if any):

The current market practice in motor insurance where underwriting and rating factors have been discarded may be responsible for the poor performance. Students must however appreciate that insurance practice is global in nature.

F06 - MOTOR INSURANCE PROCESS									
1	С	21	В	41	A	61	С		
2	В	22	В	42	D	62	В		
3	C	23	D	43	В	63	A		
4	A	24	A	44	C	64	A&B		
5	D	25	C	45	В	65	A		
6	В	26	D	46	С	66	В		
7	A	27	A	47	A	67	C		
8	В	28	В	48	D	68	В		
9	D	29	В	49	В	69	A		
10	A	30	В	50	С	70	D		
11	D	31	D	51	F	71	A		
12	C	32	A	52	T	72	C		
13	В	33	C	53	T	73	В		
14	A	34	В	54	T	74	D		
15	A	35	D	55	F	75	В		
16	D	36	A	56	F				
17	С	37	В	57	F				
18	В	38	С	58	T				
19	A	39	D	59	F				
20	D	40	D	60	F				

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F07 – HOUSEHOLD INSURANCE PRODUCTS APRIL 2022 DIET



All answers should be shaded on the answer form in accordance with the following instructions:

- Two hours are allowed for this paper.
- Fill in the information requested on the answer form and attendance form.
- Handle the answer form with care and do not write notes on it.
- No marks are deducted for incorrect answers, so do not leave any questions unanswered.
- The answer form should be handed over personally by you to the invigilator before you leave the Examination Hall.
- Insert your candidate's number as given on your admission permit and any other particulars required on the answer form.
- Ensure that you write the full and correct candidate's number.
- If you bring a calculator into the examination room, it must be silent battery or solar powered non-programmable calculator. The use of programmable calculator is prohibited.
- No name should be written on the answer form.

FAILURE TO ADHERE TO INSTRUCTIONS (WRITTEN AND VERBAL) WILL ATTRACT STATED SANCTIONS AS STATED IN THE APRIL 2022 DIET CANDIDATES' INSTRUCTIONS.

CHARTERED INSURANCE INSTITUTE OF NIGERIA

FOUNDATION

F07 - HOUSEHOLD INSURANCE PRODUCTS

INSTRUCTIONS TO CANDIDATES

READ THE INSTRUCTIONS BELOW BEFORE ANSWERING ANY QUESTIONS

Section A

The questions 1 – 50 in this paper are numbered and four options follow each question. The options are labeled a,b,c,d. Only one of these options is correct. Select your answer for each question and indicate it on the answer form by filling in the appropriate box.

Example:

Which insurance principle does new for old overrule?

(a) Average

(b) Contribution

(c) Indemnity

(d) Subrogation

The answer is option (c).

Section B

Questions 51 – 60 are to be answered as either True (T) or False (F). Select your chosen option and indicate it on the answer form by filling in the appropriate box.

Example:

A household policy can be extended to cover motor insurance. (True or False). The correct option is False (F).

Section C

Questions 61 - 75. This section contains three (3) case studies each followed by five questions. The case studies are not numbered and appear at the top of the page. Each of the five questions following a case study is numbered. Four options follow each question. The options are labelled, a, b, c, d. Only one of these options is correct or best. Select your answer for each question and indicate it on the answer from by filling in the appropriate box.

SECTION A - ATTEMPT ALL QUESTIONS (Questions 1 - 50)

1.		list of the types .de	s of ins	urance	househ	iold pa	nckages availa	able wil	l not	
	(a)	buildings or	ılv			(b)	money polic	CV		
	(c)	combined po				(d)	contents on			
2.		ch of these will a standard pa	_		ouseho	ld poli	cy be more a	ppropri	iate	
	(a)	Buildings or				(b)	Buildings a	nd cont	ents	
	(c)					(d)	Holiday hor			
3.		An insurance company that deals direct as					n the custome	er is refe	erred to	
	(a)	captive insu	rer			(b)	intermediar	y insur	er	
	(c)	direct insure				(d)	reinsurer	-		
4.		stribution char deals with cus		by tele	phone	is calle		n techr	nology	
	(a)	broker	(b)	E-con	nmerce	(c)	call centre	(d)	EDI	
5.		ch of these is a osals, cover no broker		d polici		in thei			EDI	
6.	Household policies are classified as									
	(a)	single class ₁				(b)	double class	s policy		
	(c)	package pol	icy			(d)	comprehens	sive pol	icy	
7.	Which of these is referred to as tenant's polices?									
	(a)	Buildings or	ıly			(b)	Contents or	ıly		
	(b)	Building and	d conte	ents		(d)	Comprehen	sive po	licy	
8.		oadens the co	_		-	_	or content on	ly polic	cy	
	(a)	Buildings ar			(b)		nd special pe	rils pol	icy.	
	(c)	Bancassurar			, ,	(d)	A combined	l policy	J	
9.	An a	gent that sells	the pr	oduct o	f only a	n insu	rer is referred	d to as .		
	(a)	specialist ag	-		•	(b)	composite a			
	(c)	single-tied a	gent			(d)	multi-tied a	gent		

10.	Which of these has its root in Islamic Financial Principles?										
	(a)	Bancassurance		(b)	Brand assurance						
	(c)	Takaful		(d)	Aggregators						
11.	The selling of insurance products through a bank is referred to as										
	(a)	bancassurance		(b)	brand assurance						
	(c)	takaful		(d)	aggregators						
12.	The regulator of the insurance industry in Nigeria is										
	(a)	Central Bank of Nigeria									
	(b)	National Pension Commission									
	(c)	Security Exchange Commission									
	(d)	National Insurance Commissi	on								
13.	An agent that sells the products of two or more insurers is called										
	(a)	specialist agent	(b)	composite agent							
	(c)	single-tied agent		(d)	multi-tied agent						
14.	Frau	dulent claims will NOT take an	y of the fo	ollowin	g ways						
	(a)	,									
	(b)	,									
	(c)										
	(d)	(d) claiming for a loss deliberately caused by the insured									
15.	The cover provided by the building insurance can be divided into three (3) sections which do not include										
	(a)	exceptional cover	(b)	standard perils cover							
	(c)	additional items of cover	(d)		onal extensions						
16.	The definition that refers to 'dishonestly appropriating property										
	belo	nging to another with the intent	ions of pe	ermane	ntly depriving the						
	othe	r of it' applies to	_								
	(a)	riot and civil commotion	(b)	theft							
	(c)	fire	(d)	subsi	idence						
17.	This	occurs where 'the ground rises	after the 1	moistu	re content of the soil						
	incre	eases. For example, when tree ha	ive been d	cut dov	vn and the soil						
	abso	rbs the moisture as a result,'. Th	is is refer	red to	as						
	(a)	tempest	(b)	lands	*						
	(c)	ground heave	(d)	subsi	idence						

18.	The fixed glass and sanitary cover will not cover damages when the property is unoccupied or unfurnished typically for more than days.									
	(a)	10	(b)	20	(c)	60	(d)	90		
19.	Household goods and personal possession belonging to the insured is covered by									
	(a)	bending insu	ırance		(b)	motor insur	ance			
	(c)	content insu	rance		(d)	fidelity insu	rance			
20.	conter	total value of sonts sum insurentage limit ins	ed, unle	ess specificall	y agree	d. Some insu	rers ap			
	(a)	Single article	limit		(b)	valuable lim	nit			
	(c)	money limit			(d)	package lim	it			
21.	 The content insurance will cover (a) property more specifically insured (b) securities, certificates and documents (c) property held or used primarily for domestic purposes (d) loss or damage to contents in the office 									
22.	Which of these is NOT covered by content insurance?									
	(a)	Standard per	ils cov	er	(b)	Building cov	ver			
	(c)	Additional it	ems of	cover	(d)	Optional ex	tension			
23.	Which of these is not a public building as defined in Section 65 (Nigerian) Insurance Act of 2003?									
	(a)	Tenement ho	older	(b)	Buildi	ing occupied	by tena	nts		
	(c)	Hostel		()	(d)	None of the	-			
24.	An item specifically stated as not covered in the policy is referred to as a/an item									
	(a)	cover			(b)	extended				
	(c)	excluded			(d)	additional it	tem cov	ered		
25.		amage caused sonic speed is			created	by aircraft to	avellin	g at		
	(a)	radioactive c			(b)	sonic bang				
	(c)	pollution			(d)	terrorism				
	. ,	-			. ,					

26.	In household insurance, "personal possession cover" was previously known as										
	(a)	building section	(b)	content section							
		"All risks' section	(d)	liability section							
27.	Which of these would effectively be classified as personal effects?										
	(a)	Clothing	(b)	Precious metals							
	(c)	Cameras	(d)	Binoculars							
28.	Which of these properties is not usually excluded for cover in household policy?										
	(a)	•	(b)	Motor vehicles							
	(c)		` '	ing or kitchen utensils							
29.	Credit cards as defined will NOT include										
	(a)	pre-loaded cash	(b)	cheque							
	(c)	cash	(d)	debit cards							
30.	The l	The legal expenses cover will cover									
	(a)										
	(b)	contractual and inheritance d	isputes								
	(c)	motoring prosecution	(d)	All of the above							
31.	Assistant services/ emergency helplines cover will not be extended to										
	(a) Legal advice on any private legal problems										
	(b)	(b) The cost of repairs									
	(c)										
	(d)	Glazing service to replace bro	ken glass	in doors							
32.	Cara	van insurance will NOT cover .	••								
	(a)	storm damages to the trailer of	or tent								
	(b)	caravan within the country of	policy iss	suance							
	(c)	loss or damage to its contents		(d) legal liability							
33.	The s	specific exclusion in the caravan	insuranc	e policy will include all							
	(a)	damage to third party proper	ty								
	(b)	property more specifically ins	-								
	(c)	storm damage to itself, lent or									
	(d)										
	(32)	entry or exit									

34.	Which of these is not covered in a travel insurance?									
	(a)	Personal accident b	enefits							
	(b)	Medical or associate	ed benefits							
	(c)	Personal liability			(d)	Hous	sehold	benefit		
35.	The a	amount which the ins	ured will be	ar for ea	ach and	every	loss is	referred		
	to as	•••								
	(a)	reinstatement			(b)	avera	age			
	(c)	excess			(d)	limit				
36.		overs the failure of pul leparture point, on eit el.	_				_			
	(a)	Delayed baggage		(b)	Trave	el inter	ruptior	າ		
	(c)	Travel delay		(d)	Hosp	ital cas	sh bene	efit		
37.	book actio	overs the delay of the a sed to travel for at leas on. Delayed baggage Travel delay	_		to stril Trave	ke or ir		al 1		
20	()	•	aa adinatana	,	_					
38.	(a)	trade association of lo NCRIB (b)	ILAN	(c)			(d)	NIA		
39.	Which of these is an absolute exclusion on many policies and where cover is provided, this is typically limited to emergency medical costs/ related to an attack only?									
	(a)	Terrorism		(b)	Pet ca	are				
	(c)	Business travel		(d)	Trave	el delay	V			
40.	Wha polic	t is the maximum per cy?	iod of cover	under a	a single	-trip tr	avel in	surance		
	(a)	17 days		(b)	1 mo	nth				
	(c)	2 months		(d)	4 mo	nths				
41.	Wha	t is the basis of cover	used in resp	ect of m	nusical	instrun	nents?			
	(a)	First loss	1	(b)		et valu				
	(c)	New for old		(d)	Reins	stateme	ent			

42. The geographical limit for personal possession cover for a high-net-worth Individual in Nigeria is normally? Within the home only (b) Within Nigeria (a) Within ECOWAS countries (d) Worldwide (c) 43. Which principle emerged from the discussion of the case of *Donoghue V*. Stevenson (1932)? The actual causation principle (a) (b) The means of enforcement principle The neighbor principle (c) (d) The reasonable man principle 44. Jonathan is walking his dog when the lead snaps and the dog runs into a farmer's field causing panic amongst the sheep. Several sheep are drowned and the farmer is claiming compensation. Under the Animals Act 1971, what is the position with regards to Jonathan's liability? He will (a) be liable because the lead was very worn and he continued to use it. This was a negligent act. be liable, whether he was negligent or not, because strict liability (b) applies. (c) not be liable as the dog has never shown any inclination to act in this way before. (d) not be liable as the incident happened as a result of an accident. 45. What published annual statistics must an insurer use to index-link the buildings sum insured at renewal? Government inflation rate (a) (b) House price increase (c) House rebuilding cost index (d) Retail price index 46. The sum insured for building insurance is normally calculated on ... Current market value on the house (a) (b) Purchase price of the house Rebuilding cost of the house (c) Rentable value of the house (d) 47. Among the general exclusions on the household policy, damage is excluded when caused by ... (a) lightening strike (b) a terrorist explosion (c) oil leakage from an oil-fired central heating system (d) water from an overflowing cold water tank

- 48. A householder submits a claim under the frozen food extension. The insurer will decline the claim if the loss is caused by ...
 - (a) an electricity power cut to the property during a windstorm
 - (b) a previously notified electricity power cut to property by the supplier
 - (c) a rat chewing through the freezer's electricity cable and disrupting the electricity supply
 - (d) the householder accidentally switching off the supply to the freezer
- 49. A contents insurance policy that covers loss of money will exclude the theft of ...
 - (a) an employer's credit card
 - (b) current postage stamps
 - (c) luncheon vouchers
- (d) travellers' cheque
- 50. You are asked to provide contents cover for one occupant in shared accommodation. What restriction would you normally impose?
 - (a) Alarm warranty
 - (b) Forcible violent entry or exit clause
 - (c) Indemnity condition
- (d) unoccupancy warranty.

SECTION B - ATTEMPT ALL QUESTIONS (Questions from 51 to 60) Answer True (T) or False (F)

- 51. In order to retain the relationship with the customer, it is important that the insurer acts proactively in inviting the customer to renew their policy.
- 52. The age of the phone is NOT an underwriting factor in providing cover to the phone.
- 53. The ----- of proof for a loss falls on the insurer.
- 54. Implied duties are duties imposed by common law.
- 55. Example of express duties are specific claims conditions
- 56. If a property is unoccupied for more than 60 days, the perils of theft, malicious damage, escape of oil or water are not covered.
- 57. Following settlement of a claim any savage becomes the property of the insured.

- 58. Contribution arises where the risk is covered by an insurer.
- 59. Subrogation is the right of two insurers to provide indemnity for a loss to the insured.
- Arbitration applies where insurers have accepted the claim but there is a 60. dispute between the insured and insurer.

SECTION C - ATTEMPT ALL QUESTIONS (Questions 61 - 75) Read the cases below carefully and answer the questions which follow.

exoti	c cars	s the Managing Director of one of and a mansion. He also has a holic r in Serekurola in Gambia.								
61.	Whi	Which of the policies will you recommend for his Lagos home?								
	(a) (c)	Building Insurance	(b) (d)	High Net Worth Insurance						
62.	The (a) (c) (d)	policy to cover John's home in Ya High Net Worth Home Holiday Homes in Country of I Home-Business policy	(b)	Holiday Homes Oversees						
	` /									
63.	The (a) (c) (d)		(b)	5						
64.	In a situation where John Oyo has a block of flat that was rented out. Who will be responsible for its insurance?									
	(a) (c)		(b) (d)	The tenants Agent						
65.	cove	Supposing John Oyo works from home and wants a policy that will only cover the business risk, which of these policies will be more appropriate for him?								
	(a)		(b)	Shared and rented homes						

Mrs. Rita Musa is a farmer who had a tank where she collects water for her farming. On a fateful day, she collected water and forgot to switch it off the tank before going. The tank collected so much water that it subsequently overflooded the farm and caused further damage to her neighbour's property.

66.	Which case will Mrs. Musa's neighbour rely on to make claim against her for the damage?								
	(a)	Donoghue v. Stevenson (1932)	(b)	Rylands v. Fletcher (1868)					
	(c)	Pitcher v. Martin (1937)	(d)	Sturge v. Hacket (1962)					
67.	The ty	ype of policy to cover such loss is							
	(a)	Public liability	(b)	Product liability					
	(c)	Employers' liability	(d)	Professional indemnity					
68.	The principle involved in the case is that of								
	(a)	Duty of care	(b)	Who is your neighbour?					
	(c)	Common liability	(d)	Strict liability					
69.	Supposing the loss has to do with the consumption of a product, which of the cases would have applied?								
	(a)	Donoghue v. Stevenson (1932)	(b)	Rylands v. Fletcher (1868)					
		Pitcher v. Martin (1937)	(d)	Sturge v. Hacket (1962)					
	(c)	Thener v. Martin (1937)	(u)	Sturge v. Hacket (1902)					
70.	The c	over under (69) is							
	(a)	Public liability	(b)	Product liability					
	(c)	Employers' liability	(d)	Professional indemnity					

Nkechi Nwankwu runs her personal business of making and selling cakes from home. She also has some office equipment like computers and stationery for running the business. Her household policy covers the business. Her household policy covers the business equipment to a limit of \aleph 2,000,000.00 and stock for \aleph 1,000,000.00. She is an animal lover and has an animal as a pet which she insured. Recently, she had a loss following the fall of a paint can on her ring which damaged the \aleph 50,000.00 rug. There is an excess for any one loss of \aleph 20,000.00.

71.	What is the best policy for a person working from home?									
	(a)	Home-business policy	_							
	(b)	Household insurance								
	(c)	Shared and rented homes insurance								
	(d)	High Net Worth Household	S							
72.	Nke	chi made a claim of N 3,000,000	0.00 for the	damage office equipment in						
	her home. What is the maximum liability of the insurer for the loss?									
	(a)	N 1,000,000.00	(b)	N 2,000,000.00						
	(c)	N 3,000,000.00	(d)	N 5,000,000.00						
73.	What is the maximum liability of the insurer for the insured stock?									
	(a)	N 1,000,000.00	(b)	N 2,000,000.00						
	(c)	₩3,000,000.00	(d)	N4 ,000,000.00						
74.	What policy will she buy to cover the cat?									
	(a)	Vet Insurance	(b)	Household Insurance						
	(c)	Livestock Insurance	(d)	Pet Insurance						
75.	How	w much will the insurer pay for	the damag	ged rug?						
	(a)	N 20,000.00	(b)	N 30,000.00						
	(c)	N 50,000,00	(d)	Nil						

Chief Examiner's Comment

Very few candidates sat for the examination. The performance of those who wrote the paper is above average with a pass rate of 66.67%. This is not a good performance for a subject at this level.

Comments on Overall Performance

The overall performance was average.

Suggestions on improvement (if any):

Candidates should be advised to read their coursebooks very well.

F07 - HOUSEHOLD INSURANCE PRODUCTS									
1	В	21	С	41	В	61	Bonus		
2	D	22	В	42	В	62	С		
3	С	23	D	43	С	63	В		
4	С	24	С	44	В	64	С		
5	D	25	В	45	D	65	С		
6	С	26	C	46	C	66	В		
7	В	27	A	47	В	67	A		
8	D	28	D	48	В	68	D		
9	С	29	A	49	A	69	A		
10	С	30	D	50	В	70	В		
11	A	31	В	51	Т	71	A		
12	D	32	A	52	F	72	В		
13	D	33	A	53	Bonus	73	A		
14	С	34	D	54	F	74	D		
15	A	35	С	55	Т	75	В		
16	В	36	В	56	Т	76			
17	С	37	С	57	F	77			
18	D	38	В	58	T	78			
19	С	39	A	59	F	79			
20	В	40	D	60	T	80			

FOUNDATION

F08 – HEALTHCARE INSURANCE PRODUCTS APRIL 2022 DIET



All answers should be shaded on the answer form in accordance with the following instructions:

- Two hours are allowed for this paper.
- Fill in the information requested on the answer form and attendance form.
- Handle the answer form with care and do not write notes on it.
- No marks are deducted for incorrect answers, so do not leave any questions unanswered.
- The answer form should be handed over personally by you to the invigilator before you leave the Examination Hall.
- Insert your candidate's number as given on your admission permit and any other particulars required on the answer form.
- Ensure that you write the full and correct candidate's number.
- If you bring a calculator into the examination room, it must be silent battery or solar powered non-programmable calculator. The use of programmable calculator is prohibited.
- No name should be written on the answer form.

FAILURE TO ADHERE TO INSTRUCTIONS (WRITTEN AND VERBAL) WILL ATTRACT STATED SANCTIONS AS STATED IN THE APRIL 2022 DIET CANDIDATES' INSTRUCTIONS.

CHARTERED INSURANCE INSTITUTE OF NIGERIA

FOUNDATION

F08 - HEALTHCARE INSURANCE PRODUCTS

INSTRUCTIONS TO CANDIDATES

READ THE INSTRUCTIONS BELOW BEFORE ANSWERING ANY QUESTIONS

Section A

The questions 1 – 60 in this paper are numbered and four options follow each question. The options are labeled a,b,c,d. Only one of these options is correct. Select your answer for each question and indicate it on the answer form by filling in the appropriate box.

Example:

A private healthcare provider that reinvests any profit made on better health and care services is known as a:

- (a) friendly society
- (b) mutual society
- (c) proprietary insurer
- (d) provident insurer

The answer is option (d)

Section B

Questions 61 – 85 are to be answered as either True (T) or False (F). Select your chosen option and indicate it on the answer form by filling in the appropriate box.

Example:

A medical insurance cover will not pay for hospitalisation. (True or False). The correct option is False (F).

Section C

Questions 86 – 100. This section contains three (3) case studies each followed by five questions. The case studies are not numbered and appear at the top of the page. Each of the five questions following a case study is numbered. Four options follow each question. The options are labelled, a, b, c, d. Only one of these options is correct or best. Select your answer for each question and indicate it on the answer from by filling in the appropriate box.

SECTION A - ATTEMPT ALL QUESTIONS (Questions 1 - 60) 1. Which of these is not a type of discount people applying for a PMI policy

will receive?

(c)

	(a)	No Claim Discou	nt	(b)	Affinity Discount							
	(c)	Payment Discour	nt		(d)	Earned Dise	count					
2.	Which of these is not true of a capitation plan?											
	(a)	The plan is usually sold to the customer by dentists										
	(b)	Fees are paid by the customers to the provider										
	(c)	The Scheme may also include insurance against accidents, injuries and mouth cancer										
	(d)	The scheme pays	for critical h	ealth illn	esses							
3.	The	The supervisory agency of health insurance in Nigeria is?										
	(a)	HMO			(b)	Hospitals						
	(c)	Ministry of Healt	h		(d)	NHIS						
4.	The NHS was established in?											
	(a)	1960 (b)	1938	(c)	1948	(d)	1920					
5.	Befo	re the establishmen	t of NHS in t	the UK, th	ne poor	rely on all ex	cept?					
	(a)	Healthcare provided by the Government.										
	(b)	Traditional health remedies										
	(c)	Healthcare provided by charity organisations										
	(d)	(d) Healthcare provided by religious organisations										
6.	At th	At the outset of the NHS introduced the context of healthcare that was										
	free	at the point of use fo	or every citiz	zen. This	does no	t mean?						
	(a)	Hospitals were no	ot compulso	ry purcha	ased by	the State						
	(b)	Hospital doctors	were employ	yed by th	e NHS,	although the	y could					
		also continue to practice privately										
	(c)	General practition	ners continu	ed to be s	elf-emp	loyed but ha	d a					
		contract with the										
	(d)	All health treatme	ent would be	e provide	d free a	t point of use	2					
7.	Wha	t options does a firr	n employing	g 30,000 p	eople h	ave if it want	s them					
	all to	benefit from privat	te healthcare	treatmen	nt for ac	ute conditior	ns,					
	fund	led by the company	? The compa	ny could								
	(a)	Not to take out a	_	-		nce scheme a	and pay					
		premiums to an i										
	(b)	Pay for the cost o	f treatment a	as it arises	s, admir	nistering it sc	heme					

It could use a third party administrator (TPA) to do that for it

	(d)	Commence a health trust, again using a TPA.								
8.		has the NHS tended ital care? By paying the bill By allowing waitin By not allowing wa By disallowing wa	g lists to build	d up. ouild uj						
9.	Priva (a) (b) (c) (d)	te medical insurance long term disability maternal pregnanc chronic illness such treatment of malar	y y and childbi n as asthma ar	rth						
10.		(b) Choice of hospitals(c) A private room with more pleasant families								
11.	17. (a) (c)	Which of these is n State-paid Company paid	(b) In	dividu	e medical insurance market? al (or personal) paid or voluntary employee paid					
12.	(a) E1	non-essential surger mergencies osmetic surgery	(b) 'Comple		person's appearance. y' or 'alternative' medicine e care					
13.	 Which of these is not a provident association? (a) Non-profit making organisations for the provision of medical insurance (b) Any losses from their activities cannot attract tax relief (c) They have shareholders (d) All their operating surplus are counted as part of their reserves and are not subject to corporations' tax. 									
14.	Whic (a) (c)	h came first? NHS Both came together	r	(b) (d)	Public Medical Insurance Private Medical Insurance					

15.	15. Which of these serves as "insurers" in providing health insurance in Nigeria?							
	(a)		(b)	NHIS	(c)	Government (d)	HMOs	
16.		th of these se geria?	erves as _]	provider of	Workmaı	n Compensation Ins	urance	
	(a)	NSITF			(b)	NHIS		
	(c)	Insurance	compan	ies	(d)	HMOs		
17.	Com			e one of the		g characteristics.		
	(a)					Have shareholder		
	(c)	Non-profi insurance	t-makinş	g organiza	tion for (d)	the provision of None of the above		
18.		an alternativ oyees.	e way fo	or employer	rs to delive	er private healthcar	e for	
	(a)	Provident	Insurers	3	(b)	Health Cash Plan		
	(c)	Commerci	ial Insur	ers	(d)	Health Trust		
19.	The 1	aw regulatir	ng health	n insurance	in Nigeria	a is?		
	(a)	Insurance			(b)	Insurance Act 2003	3	
	(c) (d)			surance Sch e Commissi				
20.				a movemer	nt back to	Late Victoria Times.		
	(a)				(b)	1		
	(c)	Third part	y admin	istration	(d)	Commercial insur	ers	
21.		th funds are						
	(a) (c)			ons Isurance Sc	(b) heme (Third party admir (d) Commercial ins		
22.		cal schemes			_	ant proportion of proyers for their emplo		
	(a)	Third Part	y Admii	nistrator	(b)	Commercial insur	ers	
	(c)	NHIS			(d)	Mutual organisati	ons	
23.			_	ty of the str	engths of	both TPAs and cons		
	(a)	Motivation				(b) Independer	nce	
	(c)	Information	on			(d) Mutual		

24.	is an alternative way for employers to deliver private health care for employees.									
	(a) 1	Health trusts	(b)	Health	and I	Dental care plan				
	(c)	Commercial insurers	` '		(d)	NHIS				
25.		f these is not part of the me	dical i							
	(a)	Brokers-paid			(b)	Company-paid				
	(c)	Voluntary employee-paid	group	s ((d)	Individual-paid				
26.	at the (a) aln (b) ho contin (c) all	e outset, the NHS introduced point of use for every citized nost all hospitals were comp spital doctors were employ- tue to practice privately health treatments would be e service would be funded be	n. This pulsor ed by t	s means a ily purch the NHS, ded free	all exonased, altho	cept by the state ough they could also e point of use				
27.	When the employer divides to pay for healthcare treatment for their employer as these costs arise, rather than having insurance. This arrangement is called?									
	(a)	Self-insurance			(b)	Co-insurance				
	(c)	Multiple insurance		((d)	Non-insurance				
28.		najor client bane of independ care products are?	dent ir	ntermedia	aries i	in the distributive of				
	(a)	Middle-class group		((b)	Low income earners				
	(c)	High income earning			(d)	Grassroot				
29. sales a	pproa									
	(a)	Getting reactions direct from								
	(b) (c)	Maintain better control ove Customer only receives infi insurance products								
	(d)	Presenting a service that ca competitors	an be d	distinguis	shed 1	from that of				
30.	One o (a) (b) (c)	f these is not a direct distrib Having mobile sales consu Using financial intermedia Using the mail to send pot	ltants ries							
	(-)	them to return a form or b								

	(d)	Television, radio, potential custome						courage			
31.	to pa	viduals who earn may y income tax on the r tax purposes.									
	(a)	benefit-in-kind			(b)	revenue					
	` '	gift			(d)	income					
32.	Why	is a PMI insurer un	likely to cove	cosme	tic surg	gery?					
	(a) (c) (d)	Cosmetic surgery Cosmetic surgery Cosmetic surgery	is specifically		ınder N	netic surge NHS	ry is	s cheap			
	(a)	Cosmetic surgery	is covered by	other p	oncies						
33.		ch of these is not cos mediaries?	sts involved in	selling	PMI th	irough					
	(a)	Paying for accom-	modation								
	(b)	, ,		-							
	(c)	Marketing costs a products	ssociated with	encou	raging	brokers to	sell	the			
	(d)	Having a sales inf	frastructure to	erect th	ne servi	ce needs o	of				
	, ,	intermediaries an	d to encourag	e them	to sell t	he compar	ny p	olicies			
34.	cr	eated the first of the	e budget healtl	ncare in	suranc	e product i	in 19	979.			
	(a) A	XA PPP (b)	PMI	(c)	GRE	(d	l)	BUPA			
35.		had at its inception a six well feature whereby benefit was only paid to the NHS waiting list was six weeks more.									
	(a)	Five weeks		(b)	Six w	eeks					
	(c)	Ten weeks		(d)	One	week					
36.		Which of these is not a main advantage gained by people buying private medical treatment?									
	(a)	Choice of hospita	ls	(b)	Choi	ce pf admi	ssio	n dates			
	(c)	Less time waiting		s on no	n-urger	nt					
	(d)	Non-choice of cor	nsultant								
37.		t are three condition red by healthcare in	-	es whic	h woul	ld not rout	inel	y be			
	(a)	Typhoid fever			(b)	Cosmetic	c su	rgery			
	(c) (d)	(c) Complementary or alternative therapies									

38.	(a) (b)	ich type of healthcare insurance policies is subject to IPT? NHIS Individual and group healthcare insurance Trust insurance (d) Cosmetic insurance									
	(c)	Trust insu	rance			(d)	Cosme	etic in	surance		
39.		t is the curre									
	(a)	10%	(b)	2%	(c)	5%	(d)	10%			
40.	Wha	t is the main	purpos	e of setting	g up a heal	th trust	:?				
	(a)				ers to prov						
	(b)										
	(c)	Health trusts are alternative to NHIS									
	(d)	None of al	bove								
41.	Wha	t role does in	nsurer p	aly in a he	alth trust p	oolicy?					
	(a)				or the sche						
	(b)	The insure	er pays a	ıll medical	expenses						
	(c)	The insure	er provid	des only st	op does in	surance	9				
	(d)	The insure	er provid	des underv	writing onl	y					
42.		ch of these is	a disad	vantage of	the direct	sales ir	n healthc	care			
	(a)	Need for a	dvertisi	ng							
	(b)	A source o		_	ıck						
	(c)	Often bran	nd ident	ification							
	(d)	Perceived	as being	geasier to	control						
43.	Inde	pendent inte	ermediar	ries accour	nt for of	all heal	lthcare ii	nsura	nce		
	sales	to employe	rs?								
	(a)	10%	(b)	50%	(c)	70%		(d)	100%		
44.		gh proportio rance. What	_	_		ome for	m of pri	vate l	nealth		
	(a)	Dental car	e plan			(b)	Top-u	p insu	ırance		
	(c)	Healthcar	_			(d)	NHIS	-			
45.	In G	ermany, priv	ate heal	th insuran	ice is main	ly for a	ll except	•••			
	(a)	civil serva	nts			(b)	the sel	f-emp	oloyed		
	(c)	Employee contribution			oove the ea	irning c		_	•		
	(d)	the low in									
	()										

46.	Which of these is not among the top three health spending countries in the DEED (based on percentage of GDP spend on healthcare)?										
	(a)	France	(b)	USA							
	(c)	Switzerland	(d)	Germany							
47.		nich of these ways is the UK's healther of other countries.	ncare system	s not compare with							
	(a)	Number of claims centres	(b)	Infant mortality							
	(b)	Improvement of longevity in recei	nt years	•							
	(d)										
48.	An international medical insurance policy may not cover										
	(a) all expenses for in-patient, day-patient and out-patient treatments										
	(b)	surgeons', anesthetists' and physic	cians' fees								
	(c)	drugs and dressing	(d)	None of the above							
49.	Which of these is not an additional benefit covered by international healthcare insurance for UK expatriates.										
	(a)	Treatment costs for chrome condit	tions								
	(b)	Pre-existing conditions									
	(c)	Ambulance cost	(d)	GP costs							
50.	The most common category of international healthcare insurance for UK expatriates does not include?										
	(a)	Europe only									
	(b)	Rest of the world (excluding North	•								
	(c)	Rest of the world (all countries)	(d)	UK only							
51.	Whic	h of these is not used in rating trave	el insurance?								
	(a)	Age (b)	The countrie	es to be visited							
	(c)	Premium									
	(d)	Whether any additional risks are t	o be covered	1.							
52.	Some	e UK national medical insurance sch	eme also cov	ver treatment abroad							
	in cei	tain circumstances. There may not i	include?								
	(a)	Where the insurer has an arranger particular countries	ment with a l	hospital group in							
	(b)	Where treatment abroad is no mor	re expensive	than it would be in							
	(~)	the UK	e enperiorve	THE TOTAL OF THE							
	(c)	Emergency treatment while abroa	d working o	n holiday							
	(d)	None of the above.	0 -	J							

53.	Radi	ology has to do with?									
	(a)	Consultations		(b)	Blood and urine test						
	(c)	X-rays/ body scans		(d)	None of the above						
54.	Path	ology has to do with?									
	(a)	X-rays/ body scans		(b)	Consultations						
	(c)	Blood and urine tests		(d)	None of the above						
55.		ch of the following surgical procedud the medical expenses.	ures w	ill cost	the insurer more to						
	(a)	Major plus		(b)	Major						
	(c)	Intermediate		(d)	Minor						
56.	bene	Comprehensive policies will not include which of these as standard benefits?									
	(a)										
	(b)	Overseas cover, including the co		_	on in an emergency						
	(c)	Alternative or complimentary m	edicati	on							
	(d)	None of the above									
57.	allows individuals to buy some protection against the cost of private treatment whilst keeping premiums to a minimum?										
	(a)	Budget policies	(b)	Standard policies							
	(b)	Comprehensive policies	(d)	Inter	national policies						
ΓO		11 1 (50	1								
58.		e generally schemes for 50 or more									
	(a)	Small group schemes	(b)		e group schemes						
	(c)	Voluntary schemes	(d)	inter	national schemes						
59.		AP provides employees with acces ce covering a range of issue that do			ential counselling						
	(a)	Payment of premium for them	(b)	Lega	l advice						
	(c)	Family and domestic difficulties									
	(d)	Debt and financial worries									
60.	Whic	ch of these is not part of independe	nt inte	rmedia	aries?						
	(a)	Brokers	(b)	Othe	r Intermediaries						
	(c)	Employee Benefits Consultants	(d)	Heal	thcare Providers						

SECTION B - ATTEMPT ALL QUESTIONS (Questions from 61 to 85) Answer True (T) or False (F).

- 61. Excesses are offered to customers on healthcare insurance policies in return for a lower premium.
- 62. Major medical cover out-patient treatment or initial (out-patient) consultants.
- 63. Insurers commonly band the hospital accommodation to which their customers may have access not according to the cost of the services and the treatment provided.
- 64. Few PMI policies cover private consultations with a GP or the cost medical services that are used in the treatment of pre-existing conditions.
- 65. Special regulation permit insurers to treat the disabled less favourably than other people.
- 66. The only main distribution methods for insurers offering healthcare insurance is through direct sales.
- 67. Group PMI schemes as with individual plans, only cover acute, nonemergency medical concoctions.
- 68. Income protection insurance provides for a replacement of monthly income if the insured is unable to work as a result of unemployment?
- 69. The original concept of healthcare that was free at the point of use had not already been modified.
- 70. Long term income protection insurance is also known as long term disability insurance or permanent health insurance. The purpose of this policy is to provide compensations for terminal ailment?
- 71. Critical illness insurance is not meant to be a stand-alone policy.
- 72. Telephone help home is not seen as an added value benefit. Is this statement correct?
- 73. A passive telephone will provide information on a meme basis. A particular member is provided that gives access to a pre-recorded tape about heart disease or diabetes?

- 74. Health screening is synonymous to health check-up?
- 75. Moratorium underwriting is not one of the advantages to the applicant who prepare for the healthcare insurance policies?
- 76. Pre-existing conditions does not have any hearing in underwriting of individual proposal for healthcare insurance?
- 77. A medical insurance premium is determined by reference to capital and solvency costs?
- 78. Networks are where an insurer selects specific facilities, consultants and/or medical, protocols to form a network to carry out particularly forms of treatment or diagnostics?
- 79. PMI insurers wouldn't have to employ medical professional to develop clinical guidelines sometimes known as protocols or care pathways?
- 80. PMI insurers and consultants does generally prefer day case surgery where feasible, thus avoiding expensive over-night stays and minimizing post-operative infections risks?
- 81. Postcode is not one rating guide for medical insurance in Nigeria?
- 82. PMI insurer never use direct settlement bills for those who provide medical treatment and services. Do you agree with the statement?
- 83. Claim forms do not convey all the information required by the insurer to settle the claims of their customers?
- 84. The provision of no premium no cover only stipulate that insured only needs to make commitment to pay full premium in a future date?
- 85. Chartered Insurance Institute of Nigeria is the first professional bodily in Nigeria?

SECTION C - ATTEMPT ALL QUESTIONS (Questions 86 - 100) Read the cases below carefully and answer the questions which follow.

Mr. & Mrs. Japter Nwankwo propose for healthcare insurance policy for their family. The couple got married 10 years ago and Mrs. Nwankwo have had a caesarean operation twice. The first operation took place about seven years ago and the second surgery was done about four years ago. The couple is expecting the third child and they decided to move their covers from existing HMO believing they are paying higher premium.

the th	ird chi	nd surgery was don ld and they decided ey are paying higher	to mov	e their			-	_	g		
86. custoi		rwriting is all about	for e	every p	roposa	l initia	ted by	their			
	(a) (d)	assessment diagnosing an appl	(b) licant's	-	0	ition	(c)	investigati	ion		
87.		the above Mr. & Mr nkwo is considered a		nkwo's	story i	in unde	erwriti	ng, Mrs.			
	(a) (c)	moral hazard higher risk				(b) (d)	physi low ri	cal hazard isk			
88.	From the above narration, insurer will always look at each case doggerrently. Would the underwriter consider the care of Mr. & Mrs. Nwankwo as?										
	(a) (c)	same degree of risk severity	ζ		(b) (d)		ng deg ency &	ree of risk risk			
89.	What options do you think the underwriter will consider over the high risk Mrs. Nwankwo represented?										
	(a) (c)	Loading the premise Postpone the cover		he reco	(b) vers	Decla (d)		premium ot the cover			
90.		sk Management, how her hubby?	would	d you h	ave coi	mparec	d Mrs. 1	Nwankwo			
	(a) (c)	Severity Frequency and sev	erity		(b) (d)	Frequ None	ency of the	above			

Mr. Babajide Alao was employed as a manager in an establishment. He was sent out of his station to manage another branch of the organisation. Mr. Alao had an accident in course of doing his assignment. Mr. Alao was required to undergo surgery due to his accident but his office arrangement for healthcare cover with HMO does not cover surgery. Though the office has Workmen compensation with NISTF.

91.	Exam the	above narration,	rubat da ri	ou think N	Mr A100	chauld da?
91.	from the	above narration,	wnat do v	'ou think i	vir. Alao	snoula ao?

- (a) File a suit against his employer
- (b) HR to force the HMO to pay for the surgery
- (c) HP to inform the NISTF to make a claim from the workmen compensation scheme
- (d) None of the above.
- 92. How will you term the liability of the employer to Mr. Alao as ...
 - (a) strict liability

(b) vicarious liability

(c) absolute liability

(d) al of the above

- 93. From the above scenario would the Workmen Compensation Scheme compensate
 - (a) The employer only
 - (b) Both employee and employer
 - (c) Hospital that provided Mr. Alao treatment
 - (d) The HMO
- 94. Supposing Mr. Alao had lost his leg, to whom the Workmen Compensation Scheme would have compensate a different from the cost of the surgery and treatment than were paid earlier?
 - (a) Compensations will be paid to employer
 - (b) Compensation will be paid to employees
 - (c) Compensations will be paid to Mr. Alao's estate
 - (d) All of the above
- 95. If Mr. Alao had died while in course of his employment to whom the death benefit would have been paid to?
 - (a) The employee's estate

(b) The employer

(c) Charity organisations

(d) All of above

Mr. Ajanaku enrolled himself, his wife and four children with ABC HMO. His eldest son named Ajakunna had already entered university who is currently in 200 level. He became sick and was rushed to the hospital by some of his roommates. He spent three nights at the hospital for treatment and after his full recovery, the hospital gave Ajakunna bill before he was discharged. He told the hospital accountant that his family have a cover purchased from ABC HMO.

hospi	tal acco	ountant that h	is fami	ly have a cove	er purcl	hased f	rom A	BC HMO.	
96.		itiate a claim f	rom th	e HMO what	must b	e done	for the	e HMO to	
	(a) (c)	Eligibility ch Payment of c		ination	(b) (d)	_	oletion f code	of claim fo	orm
97.		would the HI ous claims his			laim ag	gainst t	he inst	ıred's	
	(a) (c)	Date of treat	ment		(b) (d)		ion of t the ab	he hospita ove	al
98.		the validity of sary to determ	nine?		•	J			
	(a)	Was the treat a recognised		received in a 1 list	ecogni	sed est	ablishr	nent and f	rom
	(b)	_	_	payment to be	e made,	, and to	whon	n it should	l be
	(c) (d)	Is the patient All of the abo		ed by the prol	ong				
99.	How	many sufficie	nt info	rmation must	the cla	im forr	n conta	iin?	
	(a)	10	(b)	8	(c)	6	(d)	5	
100.	•	ınna spent thr	_	_	ital wh	ile rece	eiving t	treatment,	the
	(a) (c)	hospital cate hospital ratio	_ ,			(b) (d)	-	tal based of the abo	ve

Chief Examiner's Comment

From the data of the candidates that wrote this April diet examination, performance was not good. It was obvious that the candidates may have used the old coursebook, and as a result, not familiar with changes in the domesticated coursebook where new topics like NSITF, NHIS and HMO were introduced. The candidates' performance this diet is too low compared with previous years. The percentages of pass rate is 17% from 12 candidates that sat for the examination. It is possible the candidates have not gotten the new coursebook, because old one is no longer valid for this course. Secondly, it is lack of adequate preparation for the examination.

Comments on Overall Performance:

As suggested above, candidates should get the course book and get familiar with practice of health care system in Nigeria.

Suggestion(s) on improvement (if any):

The Institute should make awareness campaign in our periodic newsletter to get our candidates aware of changes in the courses we offered.

F08 -	HEAL	THC	CARE II	NSUI	RANC	E PRO	DUC	TS	
1	A	21	A	41	С	61	T	81	T
2	D	22	A	42	A	62	F	82	F
3	D	23	D	43	С	63	F	83	F
4	C	24	A	44	В	64	T	84	F
5	A	25	A	45	D	65	T	85	T
6	A	26	D	46	A	66	F	86	A
7	A	27	A	47	В	67	T	87	C
8	В	28	A	48	D	68	F	88	A
9	D	29	C	49	C	69	T	89	A
10	D	30	В	50	D	70	F	90	A
11	A	31	A	51	C	71	F	91	C
12	C	32	A	52	D	72	F	92	C
13	C	33	A	53	C	73	T	93	A
14	D	34	A	54	C	74	T	94	В
15	D	35	В	55	A	75	F	95	A
16	A	36	D	56	D	76	F	96	A
17	В	37	A	57	A	77	T	97	С
18	D	38	В	58	В	78	T	98	В
19	C	39	С	59	A	79	F	99	C
20	В	40	A	60	D	80	F	100	Bonus