



*Chartered Insurance
Institute of Nigeria*

Chief Examiners' Report

April 2024

*Post AllN - Loss Adjusting Practice
Foundation (PF02)*

GENERAL RELATED ISSUES TO WATCH OUT FOR IN FUTURE SITTINGS

DO'S	DONT'S
Start studying for the next diet early (from November/December for April diets and May for October diets)	Concentrate all your time and effort on Part 1 @ the detriments of Parts B & C (Diploma & Advanced)
Start each question on a fresh page	Write after invigilators have declared "time-up"
Read and follow instructions clearly (ensure you download and read the "students' instructions" from the website)	Write your name on any part of the answer scripts
Master the tricks of answering questions intelligently by following tips learnt before the exams and concentrating on questions that would fetch you more marks.	Nurture fear on any subject. There is no subject that distinction cannot be obtained.
Attend the Annual Students' Forum	Avoid the Annual Students' Forum
<p>CANDIDATES SHOULD VISIT & UNDERSTAND THE CONTENTS, REGULATIONS AND GUIDELINES/MARKET AGREEMENTS ETC ON THE FOLLOWING SITES naicom.com (NAICOM), nigeriainsurers.org (NIA); ncrib.net (NCRIB); nigeriailan.com (ILAN); clinigeria.com (CIIN)</p>	
<p>INFRACTIONS ON ANY OF THE INSTRUCTIONS COULD LEAD TO STIFF SANCTIONS. DO NOT BE A CULPIT. ANY CANDIDATE CAUGHT AND/OR FOUND TO BE CHEATING/HAVE CHEATED, WILL BE BARRED FROM PARTICIPATING IN ANY OF THE INSTITUTE'S EXAMINATION ACTIVITY FOR TWO (2) YEARS AND THE EMPLOYER WILL BE DULY INFORMED OF ANY SUCH INCIDENCE(S).</p>	
<p>STOP WORKING HARD TO FAIL!!! START WORKING EFFORTLESSLY TO PASS OUTSTANDINGLY!!!</p>	

PF02

CHARTERED INSURANCE INSTITUTE OF NIGERIA

POST AIIN - FOUNDATION

2024 APRIL EXAMINATION

SUBJECT - PF02

PF02 - LOSS ADJUSTING PRACTICE



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 2024 DIET CANDIDATES' INSTRUCTIONS.

CHARTERED INSURANCE INSTITUTE OF NIGERIA

PF02 - FOUNDATION
LOSS ADJUSTING PRACTICE

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:

The major role of a Loss Adjuster in claims processing is to ...

- (a) pay the claim (b) interpret the policy
(c) advice on the admissible claims and quantum (d) collate claims estimate.

The correct option is (c).

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:

The Insurance market consists of different categories of intermediaries.

The correct option is True (T).

Section C

Questions 86 – 100. This section contains three (3) 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 form by filling in the appropriate box.

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

1. What is the name of the first loss adjusting firm in Nigeria, the firm served as both an adjusting firm and a broking firm?
(a) C. J. Bowring & Co. (b) Braithwaite
(c) C. T. Bowring & Co. (d) None of the above
2. Before the Insurance Act 2003, the law that regulated the operations of loss adjusting in Nigeria was Decree of ...
(a) 1976 (b) 1975 (c) 1974 (d) 1973
3. Whilst we have a number of insurance intermediaries authorised by NAICOM to operate in the insurance industry in Nigeria, ... is an intermediary that is regarded as an independent technical partner.
(a) Brokers (b) agents
(c) insurance loss adjuster (d) none of the above
4. Alternative dispute resolution mechanism that enables the disputed parties to reach a resolution between themselves is called ...
(a) arbitration (b) mediation (c) customary court (d) appeal court
5. In legal terms, an agent is authorised by the principal to bring the principal into a contractual relationship with another party called ...
(a) loss adjusters (b) second party (c) third party (d) first party
6. The alternative dispute resolution mechanism that is commonly adopted for resolving conflict relating to quantum of settlement is called ...
(a) arbitration (b) mediation (c) customary court (d) none of the above
7. Adjustment of large and complex claims require ...
(a) lobbying (b) negotiation (c) expatriate (d) interdisciplinary skills
8. According to the Insurance Act 2003, Section ... classifies insurance.
(a) 1 (b) 2 (c) 3 (d) 67
9. The following are parts of negotiation skills except ...
(a) persuasion (b) cooperating (c) communication (d) aggression
10. The ability to recognise another person's feeling is called ...
(a) emotional intelligence (b) feeling intelligence
(c) scientific intelligence (d) estimation
11. A material fact was defined in Section ... of the Marine Insurance Act 1906?
(a) 17(2) (b) 18(2) (c) 19(2) (d) None of the above
12. For household insurance, the following will amount to material fact, except ...
(a) nature of roofing (b) ceiling with flammable material
(c) loss history (d) none of the above

13. For motor insurance, the following will amount to material fact, except ...
 - (a) loss history
 - (b) physical deformity of driver
 - (c) age of passenger
 - (d) usage of vehicle
14. Section ... of Insurance Act 2003 speaks about breach of condition and warranty.
 - (a) 51
 - (b) 52
 - (c) 53
 - (d) 55
15. Insurer is able to retrieve material information for the purpose of underwriting cover from the insured through request for completion of ...
 - (a) claim form
 - (b) know your customer form
 - (c) proposal form
 - (d) NFIU form
16. A breach of warranty or condition shall not grant any right to the insurer to repudiate liability except such breach is ...
 - (a) technical
 - (b) warranty
 - (c) material
 - (d) condition
17. The provision of Insurance Act 2003 that in an insurance contract a breach of term whether called a warranty or a condition shall not give rise to any right by or afford a defence to the unless the term is material and relevant to the risk or loss insured against is found in Section ...
 - (a) 56(1)
 - (b) 56(2)
 - (c) 55(1)
 - (d) 55(2)
18. The following are some of the Nigerians that had foresight to develop expertise in the field of loss adjusting following promulgation of the 1976 Insurance Decree, except ...
 - (a) Late Chief S. N. Onwuazor
 - (b) Chief Yinka Omilani
 - (c) Chief Bello Bello
 - (d) Chief Patrick Egbuniwe
19. Institute of Loss Adjusters of Nigeria pioneer President in 1980 was ...
 - (a) Late Chief S. N. Onwuazor
 - (b) Chief Yinka Omilani
 - (c) Chief Bello Bello
 - (d) Chief Patrick Egbuniwe
20. Institute of Loss Adjusters of Nigeria had ... number of members at the inception in 1980.
 - (a) 10
 - (b) 4
 - (c) 8
 - (d) 6
21. At inception in 1980, the full name of ILAN was ...
 - (a) Institute of Loss Adjusters of Nigeria
 - (b) Institute of Loss Adjusting of Nigeria
 - (c) Institute of Loss Adjusters Nigeria
 - (d) all of the above
22. The incorporation of the Institute (ILAN) was done in year ...
 - (a) 1980
 - (b) 1981
 - (c) 1982
 - (d) 1983
23. ... is the clause that enable loss adjusters report to the reinsurer directly without going through the cedant, even though the loss adjuster was appointed by the cedant.
 - (a) Claims cooperation
 - (b) Claims control
 - (c) Claims authorisation
 - (d) None of the above
24. Some members of ILAN have expressed concern over the use of nominated loss adjuster clause in view of the following adverse effects except ...

- (a) stifles competition (b) avoidable familiarity with the insured
(c) expertise (d) might compromise integrity
25. Any company wishing to transact insurance business in Nigeria must be authorised to do so by ...
(a) NAICOM (b) NIA (c) NCRIB (d) CIIN
26. The pecuniary interest of the insured in the subject-matter of insurance is known as ...
(a) insurable interest (b) proximate cause (c) indemnity (d) utmost good faith
27. It is possible for the insurer to promise to pay the agreed value of subject matter of insurance is lost or destroyed, and he is not permitted to object that the agreed sum does not represent the true value; under ... policy.
(a) an indemnity (b) a valued (c) fidelity (d) gift
28. For an interest to be insurable, it must be a ...
(a) permitted (b) pecuniary (c) elective (d) absolute
29. For insurable interest to be enforced, there must be ...
(a) utmost good faith (b) proximate cause (c) indemnity (d) legal interest
30. In marine insurance, an expectation to acquire an interest before the expiry of the marine policy is ...
(a) uninsurable (b) insurable (c) contractual (d) unenforceable
31. The active, efficient cause that sets in motion a train of events, which brings about a result, without the intervention of any force started and working actively from a new and independent source is proximate cause as defined in the landmark case of Pawsey v. Scottish Union and National in Year ...
(a) 1909 (b) 1908 (c) 1907 (d) 1906
32. When two separate perils resulted in a claim where one peril is covered and the other is excluded; if the losses cannot be separated, the insurer will be liable to pay ...
(a) part of the losses (b) none of the losses
(c) none of the above (d) pay the losses in full
33. The most important clause that defines what is covered by the policy is called ...
(a) schedule (b) excepted clause (c) operative clause (d) extension
34. The NCRIB is the association of all registered insurance brokers in Nigeria. What does NCRIB mean?
(a) National Council of Registered Insurance Brokers
(b) National Corporation of Risk Insurance Brokers
(c) Nigerian Council of Registered Insurance Brokers
(d) Nigerian Corporation of Registered Insurance Brokers
35. In line with the provisions of Insurance Act 2003, authorization of Loss Adjusting firm can be withdrawn by ...
(a) ILAN (b) NCRIB (c) NAICOM (d) All of the above

36. In line with NAICOM directive, loss adjusting firms shall within ... days from the end of each half year file unaudited returns of their operations as at the end of the half year with the Commission.
 (a) 15 (b) 20 (c) 30 (d) 60
37. Loss Adjusting firms shall each file with NAICOM the personnel status of its establishments as at the end of each year in line with the format set out in ...
 (a) Form G4 (b) Form C4 (c) Form X4 (d) Form B4
38. An insurer or any other person who knowingly or recklessly transacts business with or engages the services of an unregistered loss adjuster commits an offence and is liable on conviction to a fine of ...
 (a) ₦2,000,000.00 (b) ₦1,000,000.00 (c) ₦200,000.00 (d) ₦100,000.00
39. Failure of Loss Adjusting firms to render returns to NAICOM shall be a ground for cancellation of registration in line with what Section ... of the 2003 Insurance Act.
 (a) 56 (b) 51 (c) 46 (d) 41
40. Loss Adjusting firm making any false return to NAICOM or recklessly giving false information to the Commission shall attracts a fine of ...
 (a) ₦2,000,000.00 (b) ₦1,000,000.00 (c) ₦200,000.00 (d) ₦100,000.00
41. Foreign loss adjusting firms are permitted to operate in Nigeria with the approval of NAICOM provided the foreign loss adjusting firm will ...
 (a) collect fee by proxy (b) collaborate with adjusters based in Nigeria
 (c) operate virtually (d) none of the above
42. NAICOM must give approval for all changes in ownership of all loss adjusting firms that will entitle any individual to control (directly or indirectly) up to ... holding of its shares.
 (a) 10% (b) 15% (c) 20% (d) 25%
43. The tenure of an external auditor in any insurance loss adjusting firm must be communicated to NAICOM and the tenure of such office shall be for a maximum period of ...
 (a) 5 years (b) 10 years (c) 15 years (d) 20 years
44. Money Laundering (Prohibition) Act ... regulates the AML/CFT proceedings.
 (a) 2003 (b) 2004 (c) 2005 (d) none of the above
45. All insurance intermediaries shall file with the Nigerian Financial Intelligence Unit (NFIU) and copy NAICOM any single cash transaction, lodgments or transfer of funds in excess of amount stipulated within ... days.
 (a) 14 (b) 8 (c) 7 (d) 6
46. Currently, the loss adjusters' remuneration is based on the tariff agreed with the NIA in Year ...
 (a) 1991 (b) 1992 (c) 1993 (d) 2003

47. In a scenario where more than one adjuster are appointed simultaneously to handle a claim, the loss adjusters' remuneration is based on the tariff agreed with the NIA and it is to be topped up by ... loading.
- (a) 10% (b) 20% (c) 30% (d) 50%

Use the Loss Adjusters scale of fees to answer questions 48 - 50

Loss Adjusters Scale of Fees As agreed to by Representatives of Nigerian Insurers Association. Minimum Fee ₦1,500.00

Up To	₦50,000	12.50%	₦6,250	₦6,250
₦50,001	₦100,000	10.00%	₦5,000	₦11,250
₦100,001	₦250,000	8.00%	₦12,000	₦23,250
₦250,001	₦500,000	6.00%	₦15,000	₦33,250
₦500,001	₦1,000,000	5.00%	₦25,000	₦63,250
₦1,000,001	₦1,500,000	4.00%	₦30,000	₦83,250
₦1,500,001	₦2,000,000	3.00%	₦15,000	₦98,250
₦2,000,001	₦5,000,000	2.00%	₦60,000	₦158,750
₦5,000,001	₦7,500,000	1.50%	₦37,500	₦185,750
₦7,500,001	₦10,000,000	1.00%	₦25,000	₦220,750
₦10,000,001	₦15,000,000	0.75%	₦37,500	₦258,250
₦15,000,001	₦20,000,000	0.50%	₦25,000	₦283,250

48. With a gross settlement of ₦75,000 and reimbursement expenses of ₦50,000, what is the total fee payable to the loss adjusters by the insurer using loss adjusters scale of fees?
- (a) ₦48,750.00 (b) ₦58,750.00 (c) ₦68,750.00 (d) ₦78,750.00
49. With a gross settlement of ₦350,000 and reimbursement expenses of ₦250,000, what is the total fee payable to the loss adjusters by the insurer using loss adjusters scale of fees?
- (a) ₦279,250.00 (b) ₦278,750.00 (c) ₦268,750.00 (d) ₦248,750.00
50. With a gross settlement of ₦2,500,000 and reimbursement expenses of ₦750,000, what is the total fee payable to the loss adjusters by the insurer using loss adjusters scale of fees?
- (a) ₦848,750.00 (b) ₦858,250.00 (c) ₦868,750.00 (d) ₦878,750.00
51. The CIIN means one of the following.
- (a) Certified Insurance Industry of Nigeria
 (b) Chartered Insurance Institute of Nigeria
 (c) Chartered Insurance Institution of Nigeria (d) None of the above
52. The only time Policy holders can truly test if the insurer has kept its word as per the cover granted is when they have a ...
- (a) complaint (b) placement (c) claim (d) none of the above
53. Operating your organisation consistently in accordance with a strong set of moral values and while following applicable ethical guidelines is called ...
- (a) service delivery (b) culture (c) integrity (d) procedure

54. Conflict can be managed properly before all the issues escalate beyond reasonable resolution. The following steps should be taken to resolve conflict, except ...
- (a) understand the conflict (b) use third party mediator
(c) court of law (d) explore alternatives
55. The following are primary goals of negotiation in regards to conflict management, except ...
- (a) to produce a solution that all parties can agree to
(b) to address avoidable delay (c) to take advantage of other party
(d) to improve relationship between the groups in conflict
56. In order to resolve a conflict, it is important to learn more about the circumstances of the claim and to look at the conflict from the ...
- (a) insurer (b) insured (c) policyholder (d) third party claimant
57. The following resources can be wasted if conflict is not properly managed, except ...
- (a) money (b) time (c) goodwill (d) none of the above
58. Which of the following can lead to conflict between parties to insurance contract?
- (a) Bias (b) Due Diligence (c) Fidelity (d) All of the above
59. The following are the options available to Insurers for Handling Rejected Adjusters' Reports, except ...
- (a) review (b) public inquiry (c) arbitration (d) court litigation
60. A claimant alleged unprofessional activity by the loss adjuster, resulting in the insurer engaging another firm of adjusters. Assuming the claimant objected to the above decision stating that he cannot go through the whole process again as it would affect the performance of his other duties, what other option would you consider as the insurer?
- (a) Insist on the repudiation (b) Reverse the adjuster's advise
(c) Use a third-party mediator (d) Invite the police

SECTION B – ATTEMPT ALL QUESTIONS (Questions from 61 to 85)

Answer True (T) or False (F).

61. There are instances where liability has been established and admitted by the insurer, but the issue of quantum may be in dispute.
62. Claims complexity may give rise to a potential conflict of interest between the insurer and the loss adjuster.
63. Introducer Appointed Representatives (IARs) and appointed representatives (ARs) are known as loss adjusters.
64. Insurance contracts rely on all parties to the contract observing utmost good faith at the inception of the policy and during claims notification.
65. An insurer's liability will be suspended from the time of the breach until the breach is Remedied.

66. The Nigerian Insurance Association Drafted Market Conduct Guidelines for Insurance Companies.
67. Insurable interest is defined as the cost incurred by the insured in the subject matter of insurance.
68. The chain of causes must not be broken between the proximate cause and the actual loss for the proximate cause to be considered as the cause of the loss.
69. NAICOM can discipline and enforce public censure.
70. NAICOM has a range of measures and sanctions available that can be taken against loss-adjusting firms alone and no other players.
71. The CEO of the loss adjusting firm shall be responsible for monitoring compliance with all anti-money laundering laws, regulations, and guidelines.
72. Good corporate governance framework promotes transparent and efficient markets only among members of ILAN.
73. The Institute of Loss Adjusters of Nigeria (ILAN) must be seen to act more in the interest of policyholders.
74. In court litigation, an adjuster's report is subjected to the provisions of the law and considered based on established policy conditions.
75. The report of a private investigator report is advisory in nature, and adjusters can use it as a check and balance in assessing their report.
76. The Nigerian Data Protection Regulation 2019 is the main data protection regulation in Nigeria.
77. Your Customers Guidelines (KYCG) issued by the National Insurance Commission is only applicable to insurance companies.
78. NAICOM recognises the importance of public opinion on service providers as it influences the overall confidence of the customers.
79. The nature of the arbitration process can be adopted in the case of conflict in any claim.
80. Valued Policies are insurance contracts issued on an indemnity basis.
81. The operative clause of an insurance policy is probably not a necessary clause that defines what is covered by the policy.
82. The claims control clause restricts the interference of the reinsurer in claims adjustment.
83. The loss adjuster should ensure that the client is treated fairly receiving indemnity in accordance with the terms of the ILAN regulation.

84. The function of capturing the right data from the client is a prime part of the loss adjuster's service.
85. Investigation and verification of claims are fundamental to claims processing.

SECTION C – ATTEMPT ALL QUESTIONS (Questions 86 – 100)

Read the cases below carefully and answer the questions which follow.

ABC Insurance Company Limited appointed your firm to investigate and adjust a burglary incident reported by XYZ Petroleum. Based on the details of incident submitted by the Insured, the burglary incident occurred on 5th January, 2022 at the insured premises located at 30, Johnwood Street, Lagos. Various petroleum products stored in the Insured's warehouse were stolen by the unknown burglar. The period of Insurance 01/01/2022 – 01/01/2023 was for a total sum of ₦20,000,000.00. During your investigation of the proximate cause of the loss and verification of items stolen, you were able to establish the undernoted facts:

- i. there was no security guard at the insured premises at the time of incident. XYZ Petroleum feigning ignorance of the terms and condition of the policy relating to night security guard warranty, despite same expressly stated in the policy document in possession of XYZ Petroleum;
 - ii. there was no forcible/violent entry or exit to the warehouse, entry was gained by use of the key. A strong indication that the theft would have been perpetrated by an insider (an employee);
 - iii. sum insured was confirmed to be adequate, and total cost of the stolen products was ₦15,000,000.00;
 - iv. premium due paid prior to inception of cover;
 - v. the Managing Director of XYZ Petroleum is your extended family member and once supported your business with a grant of ₦1,000,000.00, there is every likelihood that your recommendation would be influenced by this discovery.
86. What will be your recommendation(s) to the Insurer as per admissibility or otherwise of the liability and amount of settlement, considering standard terms and conditions (exceptions, exclusions) with policy excess of ₦100,000.00 or 10% whichever is greater.
- (a) Pay the insured ₦20,000,000.00 less policy excess
 - (b) Pay the insured only 50% of the claim in view of conflict of interest
 - (c) Immediately disclose the conflict of Interest to the Insurer for necessary action
 - (d) Apply fairness with the assessment
87. ... nature of conflict of Interest (if any) can be deduced from the above case study.
- (a) Secondary
 - (b) No
 - (c) Primary
 - (d) Both Primary and Secondary
88. A conflict of interest arise when the loss adjuster finds himself occupying two positions simultaneously, in the loss adjusting process, which generate opposing loyalties. The interests involved can be pecuniary or non-pecuniary. The position could be ...
- (a) when the adjuster in course of his primary interest of representing the insurers in a claim process discovers that his work would be greatly influenced by other interest (secondary interest) leading to opposing loyalties
 - (b) when insurer insists that the adjuster should occupy dual roles as representative of both the insured and the insurer

- (c) when the loss adjuster writes to formally reject the appointment and at the same time insist on introducing another adjusting firm of his choice
 - (d) when loss adjuster decided to go ahead with the assignment and declare his interest at the time of submitting his report.
89. A conflict of interest may interfere with, or give the appearance of interfering with, the ability of the loss adjuster to act ethically and with integrity. The outcome of such conflict could be that it may ...
- (a) result in bad publicity for the Insurer
 - (b) lead to the adjuster refusing to act on behalf of the insurer in other assigned claim
 - (c) undermine the trust of an insurer in the adjuster
 - (d) lead to cancellation of the policy.
90. Primary interest refers to the principal goals of the profession or activity, such as ...
- (a) the protection of clients, the health of patients, the integrity of research, and the duties of public officer
 - (b) the renewal of operating license
 - (c) refusal of an adjuster to recommend an associate for a loan
 - (d) disregard for the negative outcome of his rolls as an adjuster.

Even with the highest service levels, it is inevitable that clients will make a complaint at some stages. The way that a complaint is handled and managed, regardless of fault or even the outcome, will either increase the level of trust or decrease it depending on the client's expectations of what they think the outcome should be. If a client complains, the loss adjuster must have a robust and effective complaints procedure in place and the client should be dealt with courteously and efficiently.

91. How a complaint is handled and managed, regardless of fault or even the outcome, will ...
- (a) increase the level of trust
 - (b) decrease the level of trust
 - (c) increase or decrease the complaint
 - (d) (a) and (b)
92. If a client complains, the loss adjuster must have ...
- (a) robust and effective complaints procedure in place
 - (b) a private investigator on standby working for the firm
 - (c) treat client with courtesy
 - (d) (a) and (c),
93. Notwithstanding the highest levels of service rendered by a service provider, some clients will still ...
- (a) decline attention
 - (b) blackmail the service provider
 - (c) make a complaint
 - (d) none of the above
94. In Nigeria, before filing any application for change of name at the Corporate Affairs Commission (CAC) by a customer service company provider, the company shall submit to the Commission the proposed name for a ...
- (a) certificate of insurance
 - (b) no objection certificate
 - (c) certificate of worthiness
 - (d) certificate of no premium no cover
95. Upon securing a new name from the CAC the company shall submit to the Commission ...
- (a) certified copy of certificate of change of name
 - (b) certificate of tax clearance
 - (c) certificate of returns
 - (d) certificate of occupancy

A Loss Adjusting firm incepted a Professional Indemnity Insurance Policy on 01/01/2021; an annual premium was paid for 01/01/2021 – 31/12/2021 (without retroactive clause) on a loss occurring basis. However, unknown to the Loss Adjusting firm, an Error & Omission (E & O) incident occurred following recommendations made to an insurance company to make an unnecessary payment to the claimant on 01/04/2020. The error & omission in payment to the claimant on the recommendation of the Adjusting firm was recently uncovered by the auditor appointed by the insurer on 30/09/2022. The limit for any loss on the Professional Indemnity insurance cover was ₦2,000,000.00. It was subsequently confirmed that the Insurance company suffered a loss of ₦3,000,000 sequel to Error & Omission committed by the Adjusting firm.

96. How much will the insurer of the Adjusting firm pay in compensation of E & O committed by the Adjusters?
- (a) ₦3000,000.00 (b) ₦2,500,000 less policy excess
(c) ₦2,000,000.00 (d) Nil
97. One of the following is not the ways in which loss adjusters can demonstrate good conduct when dealing with clients.
- (a) High quality of advice and experience (b) Transparency of earnings;
(c) divulging of confidential information for insured's favour
(d) provision of service excellence
98. One of the following is not an example of ways in which loss adjusters, who are appointed agents of the insurers, can achieve service excellence.
- (a) Always completing what has been agreed by the deadline
(b) Failure to return client calls and messages promptly
(c) Ensuring good communication at all times, in the manner that the client wishes to communicate
(d) Ensuring procedures are in place to reduce mistakes
99. When entering into the contractual relationship with all concerned parties, the loss adjuster should act in ...
- (a) good faith (b) disdain manner (c) good time (d) all of the above
100. One area where the loss adjusters need to display good conduct is in the management of the ...
- (a) emerging new trends in the financial sector of the economy
(b) claim adjustment in its entirety
(c) transportation cost incurred on behalf of the clients (d) none of the above

Chief Examiner's Comment

Performance is excellent.

Comments on Overall Performance

The performance is impressive. Future candidates on the course should emulate those ahead of them by studying deeper.

Suggestion(s) on Improvements (if any)

More in-depth studies are encouraged to all candidates.

PF02 – LOSS ADJUSTING PRACTICE (FOUNDATION)									
1	C	21	B	41	B	61	T	81	F
2	A	22	C	42	D	62	T	82	F
3	C	23	B	43	A	63	F	83	T
4	A	24	C	44	B	64	T	84	T
5	C	25	A	45	C	65	T	85	T
6	A	26	A	46	B	66	F	86	C
7	B	27	A	47	D	67	F	87	D
8	B	28	B	48	B	68	T	88	A
9	D	29	D	49	A	69	T	89	C
10	A	30	A	50	C	70	F	90	A
11	B	31	C	51	B	71	T	91	D
12	D	32	A	52	C	72	F	92	D
13	C	33	C	53	C	73	F	93	C
14	D	34	C	54	C	74	T	94	B
15	C	35	C	55	C	75	T	95	A
16	C	36	C	56	A	76	T	96	C
17	C	37	A	57	D	77	T	97	C
18	C	38	D	58	A	78	T	98	B
19	A	39	C	59	B	79	T	99	A
20	C	40	D	60	C	80	F	100	B