

GENERAL RELATED ISSUES TO WATCH OUT FOR IN FUTURE SITTINGS

TOTORE	311111103
DO'S DIAMETANA	DATA DON'TS DATA
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 (Intermediate and Associateship Level)
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.	Nuture fear on any subject. There is no subject that distinction cannot be obfained.
Attend the Annual Students' Forum	Avold the Annual Students' Forum
ETC ON THE FOLLOWING SITES naicom.com (I	ENITS, REGULATIONS AND GUIDELINES/MARKET AGREEMENTS NAICOM), nigeriainsurers.og(NIA); ncrib.net(NCRIB); N): ciinigeria.org (CIIN)

INFRACTIONS ON ANY OF THE INSTRUCTIONS COULD LEAD TO STIFF SANCTIONS. DO NOT BE A CULPRIT. AN Y CANDIDATE CAUGHT AND/OR FOUND TO BE CHEATING/HAVE CHEATED WILL BE BARRED FROM PARTICIPA TING IN ANY OF THE INSTITUTE'S EXAMINATION ACTIVITY FOR TWO (2) YEARS, AND THE EMPLOYER WILL BE DULY INFORMED OF ANY SUCH INCIDENCE(S).

STOP WORKING HARD TO FAIL!!! START WORKING EFFORTLESSLY TO PASS OUTSTANDINGLY!!!

FOUNDATION

F01 – INSURANCE, LEGAL AND REGULATORY YEAR 2025 APRIL DIET



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

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- The answer form should be handed over personally by you to the invigilator before you leave the Examination Hall.
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- Ensure that you write the full and correct candidate's number.
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FAILURE TO ADHERE TO INSTRUCTIONS (WRITTEN AND VERBAL) WILL ATTRACT STATED SANCTIONS AS STATED IN THE APRIL 2025 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 form by filling in the appropriate box.

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

1.	Whic	ch of these is n	ot a defi	nition of	f risk?							
	(a)	The possibi	lity of ar	unforti	ınate o	ccurrence	e					
	(b)	Doubt conc	erning th	e outco	me of	a situatio	n					
	(c)	The possibi	lity of lo	SS								
	(d)	The returns	from an	uninsur	able ev	vent						
2.	Whic	ch of these pro	vides tha	it there i	must be	e a loss o	r no loss si	tuation?				
	(a)	Particular R				(b)	Pure Risk					
	(c)	Speculative				(d)	Mobile R					
3.	Infla	tion is an exan	nnle of	risk								
<i>.</i>	(a)	speculative	-	(b)	Func	damental	(c) pure	(d) m	ohile		
	(4)	speculative		(0)	T dire	<i>s</i> ameman	(0	pare	(4) 111	30116		
4.		ige in taste or			-			-:-1 (4)	£1.			
	(a)	static	(b)	finan	ciai	(c)	non-finar	iciai (d)	Tunda	mental		
5.	ex	xposure is anot	ther nam	e for un	certain	ty/accide	ntal nature	of risk.				
	(a)	Homogeneo	ous	(b)	Fort	uitous	(c) C	hance	(d)	Risk		
6.	The a	amount of loss	is descr	ibed as .								
	(a)	severity	(b)	frequ		(c)	chance	(d)	expos	ures		
7.	:	£1		- C 41	:1							
1.		fluences the o	-	-		(a)	Dials	(4)	Потог	.al		
	(a)	Severity	(b)	Chan	ce	(c)	Risk	(d)	Hazar	a		
8.		perating a poon	ling of ri	sk syste	em, the	law of la	arge numbe	rs assists	insurers i	n		
		claim paym	ont			(b)	invostmo	nt roturn i	aradiation	C		
	(a)			tions		, ,		-	prediction			
	(c)	new busine	ss predic	uons		(d)	premium	пісопіе р	redictions	•		
9.		surance is the	term use	d when	there a	are two o	r more poli	cies in for	rce which	cover		
		ame risk.							_			
	(a)	Self	(b)	Dual		(c)	Mutual	(d)	Propr	ietary		
10.	An e	xample of pro	perty ins	urance i	s							
	(a)	fidelity gua	rantee			(b)	legal exp	enses				
	(c)	livestock				(d)	business	interrupti	on			
11.	Insur	ance cover car	n usually	be pure	chased	to protec	t against					
	(a)	an investme	-	_		_	i ugumsi	•				
	(b)	dishonesty				(c)	failure of	a busines	22			
	(d)	war damage			roperty	, ,	runare or	a oasines	,,,			
12.	In al	aggification of	rialza	mialz ia 4	tha nam	no given	to a miale red	aara tha a	ougos of a	vonta		
14.		In classification of risks, risk is the name given to a risk where the causes of events are linked to factors that are due to the society we are in.										
						•		(4)	fundo	mantal		
	(a)	dynamic	(b)	partic	uiai	(c)	speculati	ve (d)	runda	mental		

13.	The right of the insurer to step in place of the insured for the purpose of recovering damages is called									
	(a)	representation	(b)	indemnity	(c)	subrogation	(d)	contribution		
14.	is r	ot a feature of in	nsurabl	e interest.						
	(a)	Loss suffered			(b)	Subject matte				
	(c)	Legal relations	hip		(d)	Financial valu	ie			
15.	A resi	dential building	built b	_	iling sta	ation is describe	ed as a .			
	(a)	risk	(b)	hazard	(c)	peril	(d)	liability		
16.	A met	hod of providing	g inden	nnity in the eve	ent of lo	ss is				
	(a)	cash payment	_		(b)	professional a				
	(c)	resolution of d	ispute		(d)	resolution of 1	policy			
17.		vision in a policy a amount is calle			irer fron	n liability if the	e loss is	less than a		
	(a)	excess	(b)	transfer	(c)	lay days	(d)	franchise		
18.	A type	e of reinsurance	where	cession and acc	ceptance	e are obligatory	is			
	(a)		(b) cap		(c)	facultative	(d)	retrocession		
19.	Renew	val notice is used	l by in	surers to remin	d the in	sured of the	of cove	r		
1).	(a)		(b)	continuation		expiration	(d)	increase		
	` /		, ,		` '	•	` /			
20.	_	ofessional servivided by	ces req	uired for effec	tive clai	ims administrat	ion by i	nsurers would		
	(a)	loss assessors			(b)	risk managers	;			
	(c)	loss adjusters			(d)	claims consul	tants			
21.	Effect	ive supervision a	and lice	ensing of insur	ance fir	ms in Nigeria i	s the fu	nction of		
	(a)	National Insura								
	(b)	Institute of Los								
	(c) (d)	Chartered Insu Nigerian Coun				trokers				
	(u)	Tugerian coun	CII OI I	registered misu	rance D	TORCIS				
22.		ll fixed sum reta		-						
	(a)	slip	(b)	severity	(c)	excess	(d)	frequency		
23.	The pr	rinciple of utmos	st good	faith apply in	a contra	act of insurance	to the	•••		
	(a)	proposer only			(b)	insurer only				
	(c)	insurer and pro	poser		(d)	third party and	d insure	d		
24.	Insure	r A and B cover	a risk	at the ratio of 2	2:5 for t	he sum insured	of N 1,8	800.00. How		
	much	would insurer A	get fro							
	(a)	₩1,285.00	(b)	N 720.00	(c)	N 514.00	(d)	N 180.00		
25.	Insura	nce against risk	is poss	ible because of	f the lav	v of				
	(a)	large numbers			(b)	few numbers				
	(c)	inverse proport	tion		(d)	diminishing re	eturns			

26.	is a (a)	component of Margin	premiu (b)	m in insurance. Reserve	(c)	Funds	(d)	Capital
27.	wil	l not give cause Benefit	e for sub (b)	orogation right. Contract	(c)	Statute	(d)	Salvage
28.	The per (a)	erson that trans broker	fers risk (b)	s to the insurar insured	ce com	pany is called a underwriter	a/an (d)	loss adjuster
29.	is r (a) (b) (c) (d)	Deciding whe	rates and other to to n insure	d coverage for take the risker to take the ris	the risk			
30.	accord	rm used for the ling to their deg	-	_			•	-
	(a)	inspecting	(b)	underwriting	(c)	surveying	(d)	evaluating
31.	The pe	erson employed a marketer	by the (b)	insurance compan agent	pany to (c)	assess a propos an underwrite		is (d) a broker
32.	A v (a) (c)	will hold itself a loss adjuster loss assessor	as an ex	pert in handling	g insura (b) (d)	nce claims. claims staff none of the ab	oove	
33.	is r (a) (b) (c) (d)	Negotiation o	tion of c f amour ommend	circumstances s nts claimed lation for settle				
34.	The id	lentification, an underwriting	•			f risk is called adjusting (d)		anagement
35.	is r (a) (c)	not a buyer of in Private indivi- Association a	duals		(b) (d)	Public bodies None of the al	bove	
36.	An example (a) (c)	ample of an ins mutual compa captive compa	any	market is	(b) (d)	proprietary co Lloyd's	mpany	
37.	A com (a)	npany that sells specialist	motor i	nsurance and li composite	fe insur (c)	rance products i	is a (d)	company.
38.		ll as placing the of the following risk managem	g activit		ent inter	mediaries will claim paymen		ved in some
	\ /				\ /	1		

	(c)	risk underwri	ting		(d)	negotiating i	enewal	
39.	is (a) (b) (c) (d)	not a purpose o Smoothing per Protecting the Providing im Getting new l	eaks and e portfol proved o	troughs in io customer ser	rvice	experience		
40.	is Funct (a)	the term used w tions. Marketing	when an i	insurer allov Underwrit				out one of its Outsourcing
41.	is (a)	not an element Trust (b)	of a cor Offer		nsensus ac	l idem (d)	Certa	inty of terms
42.	"Gen" (a) (c)	uine meeting of consideration consensus ad	l	is	(b) (d) f	mens re ortuitous		
43.		uich of these cas urned down for Hyde v. Wrei Currie v. Mis	£950.00 nch (184). 40) (b)		o sell his farm I Fire Insuranc Carter v. Bo	e Co. v.	Grant (1879)
44.	Which	h of these is not Consent	t a meth (b)	od for creati Necessity	-		ationshi (d)	p? Negotiation
45.	collec	esurance broker ets the premium like a claim. At the At the point of At the point of At the point of At the point of	for the what point frecome of arrange of collections.	insurer. The int in this scamendation of the tion of prem	e broker su enario is the of the policy e policy nium	bsequently adhe insurer the l	vises the	client on how
46.	The d (a)	luty of the princ accountability	-	-		obedience	(d) re	muneration
47.	is (a)	an employer of insurer	loss adj (b)	uster. broker	(c)	insured	(d)	agent
48.	is (a) (c)	the document the Policy document Claim form		the basis of	f a contrac (b) (d)	t in insurance Proposal for Discharge for	m	
49.	ac (a) (c)	tivity is not invo Proof of loss Premium cald		claims man	agement. (b) (d)	Particulars o		n
50.	is	a factor that lim	nits inde	mnity in an	insurance	contract.		

	(a) (c)	Cession Excess				(b) (d)		urance surance			
51.	The e	event that gives a	rise to a	a loss in a hazard		rance co	ontract peril	is called	 (d)	loss	
52.	is (a)	the name of the Endowment	docum (b)	nent used Franch		r the cor	ntent(s) Certif	-	licy do (d)		rsement
53.	is (a) (c)	a special peril in Lightning Landslip	n insura	ance cont	racts.	(b) (d) No	Explo	sion he above	e		
54.	(a)	of nature will no escape of wat nd heave		ıde	(b)	flood	(c)	earthq	uake	(d)	
55.	The c	cause of loss is k	known a	as hazard		(c)	peril	(d)	none	of the a	bove
56.	The (a) (c)	locument used be claim form policy docum		rers to ga	ther in	formation (b) (d)	propo	at the risi sal form sement		insured	is
57.	Other (a) (c)	r ways of obtain endorsement supplementar				on is thr (b) (d)	ough al survey slip	_	t		
58.	The r (a)	regulator of the i NIA	insuran (b)	ce marke FSA	t in Ni	geria is (c)	 NAIC	COM		(d)	CBN
59.	The c (a) (c) (d)	case law on the c Carter v. Boe Household Fi Currie v. Misa	hm (17 re Insu	66) rance Co		(b)		v. Wren	ch (18	40)	
60.		e facts an insure sment of the pro moral hazards disclosed fact	posal a s	_		y to infl (b) (d)	mater	the accesial facts		and	
		B – ATTEMPT ue (T) or False		QUEST	IONS	(Quest	ions f	rom 61	to 85)		

- 61. The risk underwriter is an expert in processing claims from start to finish.
- The starting point for the measurements of indemnity depends on whether there is a ready 62. second-hand market for the item.
- Agreed value or valued policies are not use in marine insurance. 63.
- Special condition of average is used in motor insurance. 64.
- Contribution is applicable in personal accident insurance. 65.
- Contribution arises when there is more than one policy in force. 66.
- All risk and travel insurance policy are example of double insurance. 67.

- 68. North British and Mercantile v. Liverpool and London and Globe (1877) is a case about common peril.
- 69. Subrogation is the right of one person to stand in the place of another and avail himself of all the rights and remedies of that other, whether already enforced or not.
- 70. Subrogation right does not arise out of tort.
- 71. That which is insured is called the subject matter of insurance.
- 72. There are circumstances in which insurers agree to waive their rights of subrogation.
- 73. Professional indemnity insurance is compulsory for insurance brokers in Nigeria.
- 74. The Regulator of insurance business in Nigeria is the Central Bank of Nigeria.
- 75. A solvency margin is the amount by which assets must exceed liabilities.
- 76. A solvency margin is the amount by which assets must exceed liabilities.
- 77. The CIIN issues a code of practice to insurance practitioners in Nigeria.
- 78. The attitude of each person to risk is the same.
- 79. In pure risk, there is an element of profit.
- 80. Whereas fortuitous loss, insurable interest and not being against public interest are absolute requirements, the concept of homogeneous exposures is an ideal.
- 81. The concept of uncertainty implies there is no doubt about the future.
- 82. A benefit of insurance is that the nation benefits from so-called invisible exports.
- 83. The term self-insurance means that the individual has decided to use insurance as the risk transfer mechanism.
- Marine insurance relates to three areas of risk, namely hull, cargo and freight.
- 85. Insurance brokers buy protection against their risks from reinsurers.

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

A secondary school in Lagos has requested that Mr. Ademosun, the Chairman of CIIN Lagos Branch to give the students a talk on the introductory aspect of insurance as part of their insurance week. The students want to know the differences between risks, perils, hazards, loss, among others.

86.	The ca	iuse of loss is						
	(a)	uncertainty	(b)	certainty	(c)	perils	(d)	hazard
87.	din	ninishes the val	ue of an	item in an inst	ırance o	contract.		
	(a)	Risk	(b)	Uncertainty	(c)	Perils	(d)	Loss
88.	The fa	ctor that would	influen	ce the severity	of an o	utcome is the		
	(a)	uncertainty	(b)	certainty	(c)	peril	(d)	hazard
89.	The at	titude of Mr. A	demosu	n when propos	ing a ris	sk is		
	(a)	uncertainty	(b)	certainty	(c)	peril	(d)	hazard
90.	The lil	xelihood that a	property	y belonging to	Mr. Ade	emosun will su	ffer a lo	ss is
	(a)	uncertainty		certainty	(c)	peril	(d)	hazard

Eagle Homes Limited, a firm of estate developers, has properties across the country. The organisation suffered a loss that caused total damage to one of their buildings, partial damage to a car and another building suffered glass damage. The organisation has made claim to you which has been ascertained to be genuine.

91. The method of providing indemnity to the building that was a total loss is ...

	(a) (c)	restoration replacement	(b) (d)	reinstatement repair
92.	The me (a) (c)	ethod of providing indemnity for the trestoration replacement	ouilding (b) (d)	which was partially damaged is reinstatement repair
93.	The me	ethod of providing indemnity for the o	damageo	C
	(a) (c)	restoration replacement	(b) (d)	reinstatement repair
94.		sing the jewelry of the administration of providing indemnity is	on mana	ager was stolen, the most common
	(a)	restoration	(b)	reinstatement
	(c)	replacement	(d)	repair
95.	The mo	ost common way of providing indemn	nity for a	a loss is
,,,	(a)	cash payment	(b)	excess and deductible
	(c)	restoration	(d)	reinstatement
car was	s reporte	ared his car with Abel Insurance Comped involved in an accident where the dras \$\frac{\pm4}{4}0,000.00\$ while that for the other	river hit	another car on the road. The damage
96.	The ex (a)	pert that the insurer would use to esting loss adjuster (b) loss assessor	mate the (c)	e loss is a motor engineer (d) risk surveyor
97.	Which	of these types of cover would pay for	both lo	osses?
	(a)	Act only Cover	(b)	Third Party Cover
	(c)	Third Party, Fire and Theft Cover	(d)	Comprehensive Cover
98.	The do	cument to report the loss is called a		
	(a)	proposal form	(b)	policy form
	(c)	claims form	(d)	renewal notice
99.	The tot (a)	tal liability for the insurer under third $\$10,000.00$ (b) $\$20,000.00$	party lia	ability cover on the claim is N 40,000.00 (d) N 60,000.00
100.	The tot	ral liability for the insurer under comp N10,000.00 (b) N20,000.00	orehensi (c)	ve policy liability on the claim is N40,000.00 (d) N60,000.00

Chief Examiner's Comment

48.51% of the candidates passed the subject.

Comments on Overall Performance

The overall performance is below average.

Suggestion(s) on Improvement(s) (if any)
Candidates are advised to study more deeply for improved future performances.

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

FOUNDATION

F02 – GENERAL INSURANCE BUSINESS YEAR 2025 APRIL DIET



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CHARTERED INSURANCE INSTITUTE OF NIGERIA FOUNDATION

F02 - GENERAL INSURANCE BUSINESS

INSTRUCTIONS TO CANDIDATES

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- (a) Accidental damage to the vehicle
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- (c) Mechanical and electrical failure or breakdown
- (d) Damage to tyres caused by road punctures or burst The correct option is (a).

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Example:

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Section C

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SECT 1.	Under	a third party of	nly mot	orcycle _l	policy	, what co	over is p	rovideo			
	(a) (c)	Damage to clo	_	nd perso	onal et	ffects	(b) (d)			eatment : lent bene	
2.	"Brow (a)	n Card" is used East	d in <i>i</i> (b)	Africa. West		(c)	Centra	ıl	(d)	Souther	rn
3.	Which (a) (c)	of these forms Goods Carryi Agricultural a	ng vehic	cles	-	(b)	Passer	igers Ca		Vehicles Construct	
4.		s being carried	•	cles will motor t		red by (c)		nce. -in-trans	sit (d)	private	car
5.	No Cla (a) (c)	aim Discount is Road Traffic Third Party, F	Act		n of th	ese class (b) (d)	Third		ire and	Theft	
6.	The po	olicy that will p sickness (b)		he cost o al expen		ting a sic (c) theft			insuran y guara		
7.	The st (a)	andard fire politempest	icy will (b)	cover storm	•	(c)	lightni	ng	(d)	impact	
8.	_	rson is guilty of er with the inter					-			-	iition
	(a)	robbery		(b)	steali	ng	(c)	burgla	ry	(d)	theft
9.		nity period is unotor (b) r	ised in . noney	insura		ousiness	interrup	otion	(d) pu	ıblic liab	ility
10.		of these liabilial assignment? Employers' L Product Liabi	iability	Insuranc		(b) (d)	Public	Liabili	ty Insur		
11.		kpert that assessed a	s risks o	n behalf	f of an	insuranc	ce comp	any bet	fore cov	er is gra	nted
	(a)	broker	(b)	agent		(c)	loss as	sessor	(d)	risk sur	veyor
12.	The fa	ector that would risk	l influer (b)	nce eithe hazard		requency (c)	y or sev peril	erity of	loss is (d)	called uncerta	
13.		aration" is foun ndorsement	d in wh			owing do Proposal			enewal	Notice	
14.	The proof	remium base is Rate	 (b)	Sum In	isured		(c)	Mille	(d)	Percei	ntage

15.	Rate p	er mille means	s per									
	(a)	10	(b)	100	(c)	1000	(d)	10000	0000			
16.	Which	n of these is co	mpulsoi	ry in mo	otor insu	ırance?						
	(a)	Third Party	-			(b)	Third Party,	Fire and	Theft			
	(c)	Private Car				(d)	Comprehens					
17.	Whiel	n of these is not	t a conti	ract of i	ndemni	tv?						
17.	(a)	Marine Insura				(b)	Personal Acc	cident In	surance			
	(c)	Business Inte		n Insura	nce	(d)	Fire Insurance		Surance			
18.	Whiel	n of these coun	tries wi	II ECO'	WAS B1	rown ca	rd not be used	9				
10.		meroun		ape Ver			ote d'Ivoire		uinea Bissau			
	(a) Ca	inicroun	(0) C	ape ver	uc	(0) 00	ic a tvoire	(u) (ii	anica Dissau			
19.		n of these is an					y Insurance?					
	(a)	Cover for veh										
	(b)	A limit of N 1					ty damage					
	(c)	Damage to pr										
	(d)	Indemnity to	anyone	who is	driving	the veh	icle on the ins	ured's o	rder.			
20.	The m	nain rating facto	or for pe	ersonal	acciden	t insura	nce is					
	(a)	age	(b)	occup	oation	(c)	location	(d)	sum insured			
21.	Which	n of these is tru	e of an	"All Ri	sks" pol	licy?						
	(a)	(a) It covers all risks										
	(b)	It covers any	process	of hear	ting, dye	eing, alt	eration or repa	iir				
	(c)	•	-			_	en outside the		premises			
	(d)	It covers deed	_		_	-			1			
22.	The le	egal expenses e	xtensio	ns will	NOT co	ver						
	(a)	property dam			1.01.00	(b)	civil defence	costs				
	(c)	employment	_			(d)	recovery cos					
	, ,		•			(0)	1000,019 000	•				
23.		raft" is an exan										
	(a)	Miscellaneou	s Perils			(b)	Perils of Nat					
	(c)	Social Perils				(d)	Perils of a Cl	hemical	Nature			
24.	In wh	ich of these is o	cover re	stricted	to losse	es result	ing from vehic	cles or a	nimals owned			
		der the control of										
		cape of Water		(b) In		(c) Sp	rinkler Leakag	ge (d)	Aircraft			
25.	The tr	ade association	n for the	se inde	nendent	nrofess	sionals that ass	ist insur	ers in claims			
20.		ing is	1101 1110	ose inde	Pondon	Proress	Jonais that ass	100 1110 61				
	(a)	PILA	(b)	ILAN	1	(c)	CIIN	(d)	NAICOM			
	, ,		` ,			` /						
26.		ample of good										
	(a)	•					(b) thatched roofs					
	(c)	storage of dar	ngerous	chemic	cals	(d)	concrete fire	oncrete fire-resistant walls				

27.	hazards relate to the human aspects that (a) Good physical (b) Poor physical	-	fluence the (c) Physica		f the risk.) Moral
28.	The regulator of insurance business in Nige (a) NIA (b) NAICOM	eria is . (c)	 CBN	(d)	NDIC
29.	Adjustable premium is used in insurance (a) fire (b) theft (c)	e. moto	or (d)	employers	s liability
30.	Certificate of insurance will NOT contain. (a) address of the insured (c) expiry date	 (b) (d)	-		of the vehicle ent of cover
31.	is the movement of the land on which the changes in the underground workings, such	-		ie to move	ements, falls or
(a)	Subsidence (b) Earthquake (c) C	Ground	Heave	(d)	Landslip
32.	Which of these is NOT a common extensio included in the policy?	n in the	eft insurance	that are a	utomatically
	(a) Breakage of Glass	(b)	Collusion		
	(c) Replacement of Locks	(d)	Index Lin		
33.	The term "turnover" is used in insurance	a			
33.	(a) Fidelity Guarantee	(b)	Employer	s' Liabilit	V
	(c) Professional Indemnity	(d)	Business 1	•	•
	(c) 110105510har indennity	(u)	Dusiness	interruptio	711
34.	The contribution of an employer under the (a) 1% (b) 2.5%	Employ (c)	yee Compen 5%	sation Act (d)	2010 is 10%
35.	The umbrella body of insurers in Nigeria is				
55.	(a) NCRIB (b) ARIAN	(c)	NIA	(d)	NAICOM
36.	The personal accident will cover the insured	d for	. per dav.		
	(a) 8 hours	(b)	24 hours		
	(c) only while at work	(d)		ng sporting	gevents
37.	How many weeks benefit will the sickness totally disabled from engaging in their usua			ured is ten	nporarily and
	(a) 24 weeks (b) 72 weeks	(c)	104 weeks	s (d)	150 weeks
38.	Which of these is covered in a personal acc (a) Insured being under the influence of (b) Self-inflicted injury (c) Physic (d) Death as a result of an accident	f alcoh	_	-	accident
39.	A policy sold to small businesses which co	vers fir	e, perils, liab	oility and o	other is called a
		,	_		
	(a) household policy(c) building insurance	(b) (d)	package p	•	

40.		of these is not		on of a househ					
	(a)	Building Insur			(b)	Deductible l			
	(c)	Content Insura	ance		(d)	Building and	d Conte	nts Insurance	
41.		orm of special poed to as	erils tha	at arise where	an aircra	aft crashed lan	ided on	a building is	
	(a)	mechanical bro	eakdow	'n	(b)	impact dama	age		
	(c)	subsidence			(d)	explosion			
42.	Typica	al exclusions in	a house	ehold policy w	vill inclu	de all, except			
	(a)	beddings			(b)	property mo	re speci	ally insured	
	(c)	medals and co	ins		(d)	motor vehic	les		
43.	Bicycl	les are usually c	overed	by					
	(a)	Third party on	ly	•	(b)	Comprehens	sive		
	(c)	Road Traffic A	Act only	1	(d)	"All Risks"	policy		
44.	depart	of these will coure point, on eit	ther the		eturn jou	rney in time to	o take th		?
	(a)	Travel Interrup			(b)	Travel Delay	•		
	(c)	Failure of Tou	ır Organ	nsers	(d)	Lack of Serv	vices or	Amenities	
45.		of these is peri		• •					
	(a) Civ	vil Commotion	(b)	Subterranear	i Fire (c) Impact	(d)	Explosion	
46.	If an e	excess of N 250.0	00 appli	es to a policy	, how m	uch will the ir	nsurer pa	ay for a loss o	f
	(a)	Nil	(b)	¥ 20.00	(c)	₩230.00	(d)	₩250.00	
47.		involving entry e policy will co				by forcible and	d violen	t means, mear	ıs
	(a)	a key			(b)	a trick			
	(c)	hiding in the p	premises	8	(d)	breaking int	o the pro	emise	
48.		a typical legal or a typical legal or a typical legal or covers?	expense	es policy, wha	t limit of	f cover, if any	, usually	y applies with	ir
	(a)	Cover is usual	ly unlin	nited					
	(b)	Overall cover	is usual	ly limited but	this is n	o further limi	t per cla	im	
	(c)	Overall cover	is usual	ly unlimited b	out there	is a limit per	claim		
	(d)	Overall cover	is usual	ly limited and	d there is	also a limit p	er claim	1	
49.	is t	he total income	arising	from the activ	vities of	the business.			
	(a)	Net profit	(b)	Gross profit	(c)	Turnover	(d)	Purchases	
50.	The lia	ability policy w	hose be	nefits will be	paid to t	hird parties is	•••		
	(a)	Employers' Li			(b)	Public Liabi		ırance	
	(c)	Directors' and	Office	rs' Insurance	(d)	Professional	Indemr	nity insurance	
51.		cher wishes to a result of eating				•			e
	111 as 8	i resuit of Eatille	, men n	rear pie. will	ai ilisula	nee poney wi	n meet l	men needs:	

	(a) (c)	Employers' I Directors' an		Insurance ers' Insurance	(b) (d)		ability Insu nal Indemn	rance nity insurance	
52.	Which (a)	of these is reg Broker		s the eyes and Assessor		f the underwr Risk Survey		The Insured	1
53.	Flat pi	remiums are us money	sed in (b)	. insurance.	(c)	fire	(d)	motor	
54.		tion to an emp to be used to f	•	•	-	•	-	-	
	(a)	Sales Receipt	ts (b)	Sum Insured	d (c)	Total Salary	Bill (d)	Turnover	
55.		he document the ver note (b)	hat is us Certif			red of the exp	. •		
56.	Which (a)	of these is no Recital Claus		in the policy? (b) Signat		(c) Declara	ation (d) Heading	
57.	Which (a) (c)	of these is no Insured's add Declaration		in the policy s	schedule (b) (d)	Policy per Premium	riod		
58.		he right of the in order to rec Contribution	over the		m the th	•	0.1	yment of a Cancellatio	n
59.		essentially a rning the risk. Warranty	promise (b)	e made by the Representat		C	to facts of	or performano (d) Peri	
60.	of dan	Adamu has instance. How much	ch will t	he insurer pay	y if the p	policy has a f	franchise o	f N 3,000.00?	
(a)	₩2,00	0.00 (b)	₩3,00	0.00 (c)	№ 5,0	00.00 (d) N 10,0	000.00	
		ATTEMPT(T) or False (F		QUESTIONS	(Quest	ions from 61	1 to 85)		
61.		n Card Scheme	*	used as a thir	d-party	insurance in	Nigeria loc	cally.	
62.		y insurance is p					- 1-6	<i>y</i> -	
63.	Profes	sional indemn jury or loss ha	ity insu	rance protects	s a profe		on against	claims allegir	ıg
64.		ard fire policy				and civil com	motion.		

The duties of the insured following a loss can be divided into implied and express duties. 67. Average is a penalty for underinsurance. 68.

A franchise is a fixed amount or period that acts as a threshold to determine whether any

claim is payable or not.

KYC information is required for all classes of insurance.

65.

66.

- Subrogation gives the insurer the right to pursue recovery from a third party. 69.
- Third party fire and theft is the minimum level of cover in motor insurance. 70.

- 71. In specified motor cycle insurance, the rider is insured for a particular motor cycle.
- 72. Personal accident insurance is a contract of indemnity.
- 73. On diagnosis of a critical condition, the benefits from a medical expense policy become payable.
- 74. Theft or attempted theft under the building section of household insurance is usually excluded whilst the premises are left unoccupied for more than 30 day or 60 days.
- 75. An "all risks' policy covers every risk.
- 76. A standard fire policy will cover lightning.
- 77. Impact cover is restricted to losses resulting from vehicles or animals owned or under the control of third parties.
- 78. Theft involving the use of key to open the insured premises is covered.
- 79. The definition of money in money insurance is same for all insurers.
- 80. Unlike fire and theft policies, a money policy is not subjected to average.
- 81. Gross profit is the total income arising from the activities of the business.
- 82. Territorial limits apply to employers' liability insurance.
- 83. Many fleet rated motor risks are placed with an insurer on the historical claims experience.
- 84. Physical hazards are the dangers that the insured see in the general environment.
- 85. Adjustable premium is used in employers' liability insurance.

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

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

Segun Chinedu is a bank executive who have worked for two years without a break decided to go for holidays in The Gambia. He had contacted a tourist company for assistance and he was informed that it would cost him the sum of D50,000 for the holiday and he was to deposit with the tourist company the sum of D20,000. Two weeks to the holiday, he had a fatal accident that made the holiday to be cancelled. He also incurred medical expenses for the treatment of his injury at a specialist hospital in Lagos.

86.	Which insurance policy woul	d have covere	ed his stay in The Gambia?
(a)	Household Insurance	(b)	Personal Accident Insurance
(c)	Travel Insurance	(d)	Holiday Home Insurance
87.	Which policy would have pai	d for the depo	osit amount for the holiday back to him?
(a)	Curtailment	(b)	Baggage, Personal Effect and Money
(c)	Personal Liability	(d)	Cancellation
88.	The policy that would pay for	r his medical	expenses following the accident is
(a)	household insurance	(b)	personal accident insurance
(c)	travel insurance	(d)	holiday home insurance
89.	Which policy would pay to h	im had it beer	he had actual travelled to The Gambia and

there was a fire incident in his Nigeria house?

(a) Household Insurance (b) Personal Accident Insurance

(a) Household Insurance(b) Personal Accident Insurance(c) Travel Insurance(d) Holiday Home Insurance

90. Supposing there was fire in his holiday resort in Kenya, which of these policies would pay for such loss?

(a) Household Insurance(b) Personal Accident Insurance(c) Travel Insurance(d) Holiday Home Insurance

All-Seasons Stores, a supermarket, has approached you for insurance cover for their stock which fluctuates as a result of selling and buying of new commodities. The sum insured declared at inception of the contract is the sum of \$5,000,000.00, while at expiry it was found to be \$6,000,000.00. A rate of 0.25% was given to All season Stores for the cover at inception.

91.	What is the be	est form	of cover for th	is type						
(a) (c)	Fire Insurance Stock Declara			(b) (d)		Insuran ne Insura				
92.	-		e at the inception					N117 5	(00.00	
(a)	₩12,500.00	(b)	N 15,000.00	(c)	₩13,3	500.00	(d)	₩1/,5	00.00	
93.	The premium	payable	e at expiry of th	ne policy	will b	e				
(a)	₩12,500.00	(b)	₩15,000.00	(c)	N 15,5	500.00	(d)	₩17,5	00.00	
94.	What form of	premiu	m is adopted in	the abo	ove cas	e?				
(a)	Level Premiur	-	1	(b)		remium				
(c)	Ordinary Pren	nium		(d)	Adjus	stable Pr	emium			
95.	0.25% is refer	red to a	s the							
(a)	excess	(b)	premium base	(c)	premi	ium rate		(d) f	ranchise	
	g the collision	caused	tanker at Arira a gas cylinder of insurance tra	to explo	de, the	ereby can above ca Remon	using in	jury to		
97.	What is the ca	nuse of t	he gas explosio	on?						
(a)	The Gas Cylin		are gas empression		(b)	The Fi	ire			
(c)	The Collision				(d)	The C	areless l	People		
98.	What policy s	hould b	e finally liable	for the	whole !	loss?				
(a)	Motor Insurar		J		(b)		isurance)		
(c)	Fidelity Guara	antee			(d)	Money	y Insura	nce		
99.	Mazi Nwanze	should	claim for his lo	oss from	ins	surance.				
(a)	motor	(b)	fire	(c)	fidelit	ty guarai	ntee	(d)	money	
100. (a)	Which insurar Indemnity	nce prin (b)	ciple is not app Contribution			above in ogation			f the above	

Chief Examiner's Comment

A good performance with an average pass rate of 61.62%.

Comments on Overall Performance

A good performance.

$Suggestion(s) \ on \ Improvement(s) \ (if \ any)$

Candidates should familiarise themselves with the provided study materials and are also be encouraged to prepare adequately for the examinations.

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

FOUNDATION

F03 – LIFE ASSURANCE, ANNUITY AND PENSIONS ADMINISTRATION YEAR 2025 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 a silent battery or solar-powered non-programmable calculator. The use of a 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
2025 DIET CANDIDATES' INSTRUCTIONS.

CHARTERED INSURANCE INSTITUTE OF NIGERIA FOUNDATION

F03 – LIFE ASSURANCE, ANNUITY AND PENSIONS ADMINISTRATION

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
- $(d) \qquad \text{Damage to tyres caused by road punctures or burst} \\$

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 form by filling in the appropriate box.

SECTION A - ATTEMPT ALL QUESTIONS (Questions 1 - 60) 1. ... is a non-traditional life insurance product. Universal Life Assurance (a) (b) Term Assurance **Endowment Assurance** Whole Life Assurance (c) (d) When a policy lapses, it means that the policyholder has ... the premium. 2. discounted discovered discontinued (d) (a) (b) (c) denied The premium paid for whole life assurance is ... the premium paid for term assurance. 3. (a) lower than (b) higher than (c) equal to (d) same as Using technical terms, the ... is the person who effects the policy. 4. man assured (b) (c) woman (d) life assured (a) 5. Term assurance provides cover against ... within ... period. accident / an unlimited death / a specified (b) accident / a specified (c) (d) death / an unlimited 6. Investment linked policies are types of ... whole life and term assurance endowment and term assurance (a) (b) whole life and endowment (d) term assurance and joint life (c) 7. In an endowment policy, the sum assured is paid ... (a) on maturity only (b) on death or surrender, whichever comes last on maturity or death whichever is earlier on surrender only (c) 8. The waiver of premium option applies when the life assured ... is ill or injured (a) retires (b) forgets to pay the premium (d) refuses to pay the premium (c) 9. In a policy with double accident benefit, the death sum assured payable is --the ordinary sum assured twice the sum assured (a) (b) thrice the sum assured (c) (d) zero sum assured Partnership Share Protection cover is for ... 10. partners to share the death benefit of one of the partners (a) the family to receive a cash sum of the deceased partner's investment in the (b) (c) the family to join the deceased's business partners business the partners to sell off the business when not profitable (d) Under the Pension Reform Act 2004 (Section 9 (3)), an employer is required to 11. maintain life insurance policy in favour of an employee for a ... the annual total emolument. minimum of five times (b) maximum of three times (a) minimum of three times maximum of four times (c) (d)

Under the Pension Reform Act 2014, ... shall fully bear the cost of the premium.

both the employer and employee

the employee (c)

12.

(d)

the employer (b)

neither the employer nor the employee

13.	The fr	ee limit cover is the	sum assured ab	ove whic	h the insured	will be r	equired to
	(a) (c)	undergo medical e seek medical advid		(b) (d)	-	_	nestionnaire questionnaire
14.	Under (a)	writing in insurance proposal form (b)	e involves assess insurer	sing the (c)	 family	(d)	policy
15.	The property (a) (b) (c) (d)	roposal form covers the identity of the the bank details of details of the contr details of all the li	life to be assure the life to be as ract required	ed ssured			
16.	The de (a)	eclaration in the pro proposer (b)	-	_	d by the	(d) finan	cial planner
17.	The re (a)	tention limit is the maximum loss	that a life ins (b) minimu				(d) great loss
18.	The A (a)	ccess to Medical Reinsurer (b) pro	eports Act 1988 poser (c)	C	tain rights to er and propos		family
19.		of these medical farerweight (b) Eye D			not normally (d) Fully H	_	
20.	Which (a)	of these occupation Divers (b) Min	ns does not have ners (c)	e an above Banke	-	-	ticular disease? Workers
21.	its fixe	of these policies ac ed maturity date and	l low surrender	value?			ment, namely
	(a) (c)	Low-Costs Endow Low-Start Endown		(b) (d)	Flexidowm Unit-Linke		ments
22.	Which	of these is not truly	y a life policy si	nce it pro	vides no life	cover?	
	(a)	Pure Endowments		(b)	Universal I		ies
	(c)	Contingent Policie	es	(d)	Flexidowm	ents	
23.	Which policies	of these policies ares?	e a developmen	nt of regul	ar premium ı	ınit-linke	d whole life
	(a) (c)	Pure Endowments Contingent Policie		(b) (d)	Universal I Flexidowm		ies
24.	are	riders to the basic l	ife policies.				
	(a) (c)	Bolt-On Policies Income Protection	Insurance	(b) (d)	Partnership Proportiona	-	ife Assurance it
25.	Which	of these will provi	de that if the ass	sured dies	as a result of	f an accid	lent (as

defined in the policy), an additional payment will be made equal to the death sum

assured.

	(a)	Total and Permanent Disability	(TPD) Bene	efit	
	(b) (d)	Waiver of Premium Offer Contingent Policies	(c)	Double Accident Bene	efits
26.		of these is a type of assurance we assurance if a certain other cond		•	leath of
	(a)	Pure Endowments	(b)	Universal Life Policie	S
	(c)	Contingent Policies	(d)	Flexidowments	
27.	Which as dea	n if these will pay the sum assured th?	l on the diag	gnosis of a critical illnes	s as well
	(a)	Increasing Cover Option	(b)	Critical Illness Cover	
	(c)	Terminal Illness Cover	(d)	Waiver of Premium O	ption
28.	as suff	olicy that provides that sum assur- fering from an advanced or rapidl where the life expectancy will be Increasing Cover Option Terminal Illness Cover	y progressin	ng incurable disabling te	erminal
29.	to acco	he name given to the procedure of ept the risk. The emium Selection (b) Rating			whether Assessment
30.	The ba	asis of the life assurance contract policy (b) endorsement (c		al notice (d) proposa	al form
31.	limit,	nsurers place limits on the maximathe office must then spread the riscocess is known as underwriting (b) reassurance	sk by fundin	g other insurers to acce	
32.	In med (a) (c)	dical underwriting, the underwrite general practitioner's report only (a) and (b) only		. (b) medical exami (d) neither (a) not	•
33.		of these medical conditions need rerweight (b) Malaria (c	d not be inve	•	_
34.	Which accide	of these is not part of occupation ont?	ns with abov	ve average risk of death	by
	(a) (c)	Scaffolders Professional Boxers	(b) (d)	Trawlerman Publicans	
35.	Which (a)	of these is not part of occupation Miners (b) Steel Erectors			cular disease? Asbestos
36.	(a)	of these is not a method for hand Decreasing the Extra Risk			
	(b) (c)	Accepting Ordinary Rates for La Applying Exclusion	пппец туре	es of Policy (d) Use of Monetary E	Extra
	(~)	rr-/		(, or 1 on the last	

37.	is a	-	m expre	essed in terms of	of a sp	ecific amount po	er N 1,00	00.00 sum
	(a)	Monetary Ext	ra		(b)	Rating-Up		
	(c)	Postponement			(d)	Declinature Declinature		
38.		nitis might be ra	ated 'plu			life of a x-years the normal prem Rating-Up		
	(c)	Postponement	t		(d)	Declinature		
39.	uninsu	rable, but, whe	ere once acceptar ra	the danger per	riod is	ch as to render the survived, prosper might be possible Rating-Up Declinature	ects will	
40.	The ea	orliest form of p	oremiun (b)	n calculation w equality	vas call (c)	ed premium. level	(d)	natural
41.		tes the benefit mium, proof o Heading			owners	e life office, sul ship. Operative Clau		the payment d) Declaration
42.	ide (a)	ntifies the type Heading	e of poli	icy, name of a Preamble	ssurer (c)	and policy nun Operative Clau		d) Declaration
43.		tes the purpose the event of a Heading		document wh	ich wi	ll need to be ke Operative Clau	-	-
44.		document is u Assignment		set out the terr dorsement		alterations to ex enewal Notice	0 1	olicies? Proposal Form
45.	called		0 1	olicy that has (b) Renewal	•	due to non-pay		f premium is
46.		the payment opriately reduce surrender val	ed rate.			ne cover continu		
	(c)	paid-up polic	y		(d)	waiver of pro	emium j	policy
47.	is (a)	a transfer of o Endorsement		nip of a life of Assignment	contrac (c)	et from one per Renewal	rson toa (d)	another. Paid-Up
48.		ich of these ca tombstone out			-	olicy to his son, th?	request	ing him to
	(a) (c)	Thomas v Har Williams, Wi	,	*	(b) (d)	King Sewell None of the	_	(1879

49.	In which of the cases did the assured write to his trustee that he undertook to execute an assignment and that he would be bound by this assignment?								
	(a)	Thomas v Ha Williams, Wi	rris (194	47)	(b) (d)	King Sewell None of the		(1879))
	(c)	williams, wi	mams v	Daii (1917)	(u)	None of the	above		
50.	is a (a)	type of assign Collateral	nment (b)	ised mainly in Annuity	connec (c)	ction with a lo Endowment	oan. (d)	Mor	tgage
51.	Which	n of these is no	t a righ	t of a mortgag	e?				
	(a)	Disclosure	(b)	0 0	(c)	Power of sal	e	(d)	Receive
52.		ch of these pol		ll maturity ben	-				
	(a) (c)	Term Assuran Endowment A		20	(b) (d)				
					, ,	Group Life A	Assuranc	е	
53.		claim will not Term Assurar		ved on which o	-	policies? Flexidowme	n t		
	(a) (c)	Group Life A		e	(b) (d)	Pure Endown			
		_			` /				
54.		of these is not	-	_					
	(a) (c)	Individual Life Group Life and			(b) (d)	Investment L Annuity Bus		ırance	Plans
	(0)	Oroup Ene un	id i ciisi	ons Dusiness	(u)	7 minuity Da	3111033		
55.		gulator of insu		_	<i>a</i> \				~ .
	(a) (c)	National Pens		nmission ance Trust Fun	d (d)				
5.0	, ,	•							
56.	(a)	obreviation for NIA	tne umt (b)	NCRIB	insuran	ce companies (c) ILAI	_	rıa ıs (d)	• • •
	PRAN		(0)	TTERED		(c) ILI II	•	(u)	
57	The ex	بمناعب لمسام		.h.a. of	·	1: 4	_ ~~~	d	.l., . ! .
57.	ine st	andard minim	um nun	nber of years i	or a po	ncy to acquire	e surren	aer va	arue is
	(a)	1 year	(b)	2 years	(c)	4 years	(d)	5 ye	ears
58.	The m	aximum limit	which a	a life office co	ıld hold	l for itself on a	any one	life i	S
	(a)	cession	(b)	reassurance	(c)	retention	(d)	retro	ocession
59.	Which	of these is a	morbidi	ty risk that car	n be rea	ssured?			
	(a)	Term Assurar			(b)	Flexidowmen			
	(c)	Income Prote	ction In	surance	(d)	Whole Life	Assuran	ce	
60.		type of treaty stage of every		•	-	-	reassure	ers a f	fixed
	(a)	Surplus Reas		-	(b)	Quota Share	Reassur	rance	
	(c)	Risk Premium			(d)	Original Ter			e

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

- 61. Annuity may be described as the opposite of a life assurance policy.
- 62. Mortality table is used to compute the sickness rate by the life insurance companies.
- 63. Double endowment is the same as double accident benefit.
- 64. The principle of utmost good faith is applicable to life assurance contracts.
- 65. Decreasing whole life assurance is a type of term assurance policy.
- 66. An endowment assurance policy combines both the life protection and investment purposes.
- 67. Proximate cause principle is applicable to life assurance policy.
- 68. Claims under life assurance may take the forms of maturity benefit, surrender value or death benefit.
- 69. Life assurance companies do not need reassurance cover.
- 70. Another name for life reassurance is a pooling arrangement.
- 71. Retrocession is common with life offices instead of reassurance.
- 72. Actuarial valuation is the same as actuarial investigation.
- 73. Two uses of life reassurance to the life offices are pooling protection and stabilisation of claims ratio.
- 74. An endowment assurance pays on either maturity or at the previous death of the life assured.
- 75. A pure endowment pays out the sum assured on the death of the life assured.
- 76. Life assured and the assured are the same person in all cases of life assurance contracts.
- 77. The practice of co-assurance is a standard practice in life assurance practice.
- 78. A whole life assurance policy pays out when the life assured dies within a specified period of time.
- 79. Key person assurance is a form of term assurance.
- 80. Twice the sum assured is payable under the double endowment benefit if death is by an accident.
- 81. Boxing is not seen as a potentially hazardous activity.
- 82. Where the extra risk is very heavy and there is little prospect of improvement later, the proposal may be outrightly declined by the insurer.
- 83. The premium calculated for mortality and interest factors is a net premium.
- 84. Premiums are often calculated on a yearly basis, although in practice, most premiums are paid monthly.
- 85. Heading in a policy document shows the individual details of the contract.

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

Samuel Akinade works with Steel Manufacturing Company in Ogbomoso and has approached an insurance agent to buy a life assurance policy. He has three children aged between six and twelve years and wants a life assurance policy that will be used in school fees payments. He selected the sum of N6million as the sum assured and was exempted from going for medical examination by the life office. He had also approached another insurer for another life assurance policy cover without disclosing the life assurance policy first cover.

								First cover.	or unot	nor me assan	шпсс
86.	The tr		al form	of life	assura	ance that	will he	elp Akinade pa	ay his	children's sc	hool
	(a)	term a	ssuranc	e (b)	endo	owment	(c)	whole life assi	ırance	(d) annuity	
87.		-	n from	-			or a mo	edical examina	ntion in	a life assura	nce
	(a)	non-m	nedical		(b)	medical	(c)	occupationa	(d)	financial	
88.	The ar	nount c	of cover	where	the pr	oposal is	exemp	ted from medi	cal exa	mination is .	
	(a)	free co	over lim	nit			(b)	underwritin	g limit		
	(c)	paid-u	ıp limit				(d)	surrender va	llue		
89.	The be	est cove	er for Sa	ımuel A	Akinad	e's need	is				
	(a)	Flexid	lowmen	t			(b)	Annuity Ce	rtain		
	(c)	Pure F	Endown	nent			(d)	Educational	Endov	wment	
90.	The no	on-discl	osure o	f the ot	her po	licy is ag	ainst th	ne insurance pr	rinciple	e of	
	(a)		ble inte		_		(b)	contribution			
	(c)	subrog	gation				(d)	utmost good	l faith.		
worker good l accide	rs work house-k nts leac	ing at one eeping to	differen in its r losses o	t locati isk ma of lives	ons in nagements and i	the cour nent appr	ntry. Al oach, t The Bo	s and has one although, the conhere had been bard had directisk.	ompany incid	y had mainta ents of indus	ined strial
91.				-		e losses b		of accidental i	•	-	•
	(a)	-	Life A				(b)	-		ccident Insura	ance
	(c)	Group	Medic	al Insui	rance		(d)	Group Trav	el Insu	rance	
92.	Which Act 20		se polici	ies will	be rec	quired to	meet th	ne requirement	s of the	e Pension Ref	form
	(a)	Whole	e Life A	ssuran	ce		(b)	Group Life	Assura	ince	
	(c)	Group	Person	al Acci	ident		(d)	Employee C	Compe	nsation Insura	ance
93.	Accor	ding to	the Pen	sion Re	eform .	Act 2014	in Nigo	eria, the minin	num nu	mber of staff	that
	the co	mpany	should l	have to	comp	ulsorily t	ouy life	assurance for	its em	ployees is	
	(a)	3	(b)	10		(c)	14	(d)	15		
94.	The po	olicy th	at the co	ompany	y shoul	ld buy to	protect	t its directors is	s a 1	oolicy.	

	(a)	Group Life Assurance	(b)	Directors' Share Protection
	(c)	Group Income Protection Insura	ince (d)	Group Credit Insurance
95.		ompany could buy life assurance ole of	e on the liv	ves of its employees because of the
	(a)	utmost good faith	(b)	insurable interest
	(c)	indemnity	(d)	proximate cause
The lo Lawal	an was	to be repaid over a period of two	o years in e	or her to re-stock her provision stock. qual instalmental repayments. Alhaji he life of his debtor for the sum of
96.	The pr	inciple that allows the insurance	on the life o	of debtors is
	(a) 1	utmost good faith	(b)	proximate cause
	(c)	subrogation	(d)	insurable interest
97.	Which	of these is true?		
	(a)	Hajia Idayat has insurable intere	est on the lif	e of Alhaji Lawal
	(b)	Alhaji Lawal has insurable inter		•
	(c)	Both has insurable interest in ea		•
	(d)	None of them has insurable inte	rest in the o	ther person's life
98.	The in	surable amount in view of the abo	ove case is	
	(a)	₩60,000.00 (b) ₩100,000		№160,000.00 (d) Unlimited
99.	The be	st form of cover for the debt is		
	(a)	increasing term assurance (b) family	income insurance
	(c)	decreasing term assurance (d	endors	sement
100.		ayment of the debt, Alhaji Lawa	l can still in	sure the life of Hajia Idayat for
	(a) N0	.00 (b) $\frac{\text{N}}{60,000.00}$ (c	N100,000 €	.00 (d) N 160,000.00

Chief Examiner's Comment

Majority of the candidates that sat for the examination performed very well with a global pass rate of 68.57% which is an indication that the candidates prepared adequately for the examination.

Comments on Overall Performance

The overall performance of 68.57% is impressive, however, there is room for improvement.

Suggestion(s) on Improvement(s) (if any)

Candidates should ensure adequate preparation for the examination.

F0	3 - LIFE	ASSURA	NCE, AN	NUITY	AND PE	NSIONS	ADMINI	STRATI	ON
1	A	21	В	41	С	61	T	81	F
2	C	22	A	42	A	62	F	82	T
3	В	23	В	43	В	63	F	83	T
4	A	24	A	44	В	64	T	84	T
5	A	25	C	45		65	F	85	F
6	C	26	C	46	C	66	T	86	В
7	С	27	В	47	В	67	T	87	A
8	В	28	C	48	A	68	T	88	A
9	В	29	C	49	В	69	F	89	D
10	В	30	D	50	D	70	F	90	D
11	C	31	В	51	A	71	F	91	В
12	A	32	C	52	C	72	T	92	В
13	A	33	В	53	D	73	T	93	A
14	A	34	D	54	C	74	F	94	В
15	В	35	В	55	D	75	F	95	В
16	A	36	A	56	A	76	F	96	D
17	A	37	A	57	В	77	F	97	В
18	В	38	В	58	C	78	F	98	A
19	D	39	С	59	С	79	T	99	С
20	С	40	D	60	В	80	F	100	A

FOUNDATION

F04 - BUSINESS COMMUNICATION AND INFORMATION TECHNOLOGY YEAR 2025 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 a silent battery or solar-powered non-programmable calculator. The use of a 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 2025 DIET CANDIDATES' INSTRUCTIONS.

FOUNDATION

F04 - BUSINESS COMMUNICATION AND INFORMATION TECHNOLOGY

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 for each question an Example: One of the	d indicate it on the	e answer	form by filli	ing in the	appropriate box.	
-						
• •	(b) coverage	(C)	security	(a)	accessibility	
The correct option is	(c).					
Section B:						
Questions 51 – 60 are	to be answered by	nicking t	ho correctly o	nolt word		
For Example:	to be allswelled by	picking t	ile correctly s	pen word.		
-	(b) Follow	(a) E	Jacres	(d) Eo	11011111	
(a) Folow	` '	(C) FC	oloow	(d) Fo	IIOW W	
The correct option is	Faise (b).					
Section C Questions 61 – 70 ar correctly written. For (b) See you soonest th The correct option is	r Example: (a) S nan ever (c) See you	See you s	oonestly			h is
Section D						
Questions 71 - 80 are		· ·			the sentence whic	h is
correctly punctuated.	. For Example: (a) I	I hope to	be with you s	soon,		
(b) I hope to be with	you soon?	(c) I ł	nope to be wit	th you soo	n.	
(d) I hope to be with	you soon;	The c	correct option	is (c)		
Section E						

Questions 81 – 90 are to be answered by picking the option that correctly fills the blank spaces in each of the sentences.

For Example:	The meeting i	s scheduled to start	10.00a.m. prompt
(a) at	(b) in	(c) on	(d) for
The correct option	is (a)		

Section F

Questions 91 – 100. This section contains one (1) case study followed by ten questions. The case study is not numbered and appear at the top of the page. Each of the ten 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.	Princi (a)	ples of business communication include all but one of the following? Precision (b) Clarity (c) Length (d) Accuracy				
2.	is a (a) (b) (c) (d)	a good example of internal downward communication. Communication from a junior officer to a management staff Communication among colleagues on the same level Ccommunication from an organisation to the public Communication from the departmental head to the unit head				
3.	One o (a) (c)	f the ways of tackling filters as a barrier to effective communication is by giving the message in different ways (b) writing the message sending a reminder (d) engaging the services of a translator				
4.	Internation (a) (b) (c) (d)	the transmission of information between two friends in an organisation the transmission of information from a manager to another manager in an organisation the transmission of information between or among family members the transmission of official information between or among members of the same company or group of companies				
5.	Which (a)	n of the following is not a form of internal business communication? Memos (b) Intercom (c) Meetings (d) None of the above				
6.	One o	f the following is not a formal means of communication. Grapevine (b) Newsletter (c) Meetings (d) e-mails				
7.	Exterr (a) (b) (c) (d)	the transmission of information from an organisation to a person or entity outside the organisation transmission of information between or among unit heads in an organisation transmission of information between or among staff of an organisation transmission of information between or among unit heads in an organisation transmission of information between or among unit heads in an organisation				
8.	The po	urpose of internal communication includes all except one of the following. To request information (b) To provide information To board information (d) To record information				
9.	One o (a) (c) (d)	f the goals of external business communication is to improve an organisation's image (b) support the government improve staff corporate social responsibilities promote staff				
10.	One o (a) (b) (c) (d)	f the ways of improving an organisation's external communication is by choosing dress code for the organisation's executives choosing correctly what information to be shared with external bodies emphasising external rather than internal communication organising meetings with external bodies				

11.	Oral	communication is most suitable in situ	ations	where								
	(a)	many people are involved	(b)	immediate feedback is required								
	(c)	a lot of information is required	(d)	the sender is a foreigner								
12.		erences in the understanding and use o	f body	language during communication may								
	(a)	gender differences	(b)	language differences								
	(c)	cultural differences	(d)	emotional state								
13.	Feed	back in business communication is bes	st defin	ed as								
	(a)	the exchange of information betwee	n an en	ncoder and a decoder								
	(b)	non-verbal response to a message										
	(c)	verbal response to a message										
	(d)	the response or acknowledgement o	f the de	ecoder to the encoder								
14.	One of the benefits of feedback to an organisation is that it											
	(a)											
	(b)	reduces staff strength (c) generates staff strength										
	(d)	has the capacity to increase product	ivity									
15.	Nega	ative feedback requires all the following	g excep	ot								
	(a)	attention (b) action	(c)	retaliation (d) evaluation								
16.	Operational feedback is usually given											
	(a)	intentionally	(b)	externally								
	(c)	internally	(d)	by special government agencies								
17.	One	One of the benefits of effective customer service to an organisation is										
	(a)	negative publicity	(b)	positive corporate image								
	(c)	victory in court cases	(d)	increased staff strength								
18.	One	One of the following is not advisable in handling customers' complaints.										
	(a) Attentive Listening (b) Acknowledging the challenge(s)											
	(c)	Interrogating the complainant where	e neces									
	(d)	Promising to meet all the complaina										
19.	is	/are optional in a formal report.										
	(a)	Terms of reference	(b)	The title of the report								
	(c)	Findings	(d)	Additional materials								
20.	Form	nal reports can be used for audiences th	at are -									
	(a)	within an organisation only	(b)	outside an organisation only								
	(c)	within and outside an organisation	(d)	None of the above								
21.	The 1	relevance of terms of reference in a for	mal rep	port is that it								
	(a)	is more important than other section	-									
	(b)	(b) shows the title of the report										
	(c)	•										
	(d)	shows the name of the writer	,									

22.	(a) (b) i	ar differs fron loes not requi s only circula s only used fo	re a reply ted by the		wing way (d)		of the above		
23.	Which of (a) a (b) r	of the following circulated must be concidental to the concidental to the for a concident to the formal to the formal to the formal to the following the formal to the following the formal to the following the f	ng is true al to a group se and com	bout circula of people aplete	rs? The		(d)		the above
24.	(a) i (b) a	ablic commun mprove brance advance an en a) and (b)	l awarenes	s and make	job exe	cution	better	of the a	bove
25.		s meetings ind club		the following	-	pt r partme	_	(d)	management
26.	(a) a (b) t (c) t	eting, a motion a proposal by he act of mov he act of re-so he act of re-an	a member ing an iten cheduling a	n to be disco	ussed a later	date	pported	by anot	her member
27.	(a) c	oved proposal locumented ed by the com		committee r	neeting (b)	sched			
28.	(a) a (c) a	ex in a meeting additional cost additional remains additional remains of the	t of running	g a meeting ached to the		(b)	a list o	f peopl	e in attendance
29.	meetings (a) (c) (c) (d)		ates of the f and the las	First meeting t minutes in cipal office	g in a ye a year rs of an	ear cou count organi	nt	C	of minutes of
30.	(a) r	ations' genera egular basis o ooth regular a	only		(b) (d)		c basis o	•	
31.	_	nental meeting operational		known as neral	meetii (c)	ngs. open		(d)	closed door
32.	(a) c	er's feedback comments and online forms	•	-	gh	(b) (d)	grapev survey		

33.	Dicho (a) (c) (d)	choose betwee	een two a topic	questionnaire answers es raised in the	-	(b)		to heir resp	oonses					
34.	By the (a) (c)	e structure of b Title and Ter Summary ar	rms of R		mes first	(b) (d)	Introd Recon	uction nmendat	tion(s)					
35.	-			the following it except the address	•	ation ab			t person in an or designation					
36.	The sy	mbol ### in a beginning	-	elease indicates middle	s its (c)	end	(d)	none o	of the above					
37.	One of (a) (c) (d)	They are mo	following is not applicable to billboards. ey are mobile (b) They are placed in strategic locations ey are usually expensive ey can contain their user's contact or website address d magazine adverts have the advantage of											
38.	Specia (a) (b) (d)	reaching their eaching their	sed magazine adverts have the advantage of eaching their audience at a specified time eaching their audience on time (c) reaching the cost of production eaching out to their target audience quickly and easily											
39.	The co (a) (c)	ost of television the presenter the time slot	on duty		(b) (d)	the or	ganisati of the ab	on adve	rtising					
40.	Transi (a)	t adverts can l buildings	be done (b)	on road sides	(c)	T-juno	etions	(d)	bicycles					
41.	One of (a) (c) (d)	people do no it is not wide	ot like lis espread	adverts is that stening to radio en to the statio	os (b)									
42.	To giv (a) (b) (c) (d)	effectively u	tilise avalues for the total		nication		_	a speake	er must					
43.	Which (a) (c)	of the follow The use of be Politeness	_	s not guarantee guage	effectiv	ve preser (b) (d)	Good	voice qu speech	ıality					
44.	One or (a) (c)	f the following Microsoft W Microsoft Po	ord	iter programme nt	es serves	s as an as (b) (d)	Micro	esentatio soft Exc la Firefo	cel					

45.	The application of technology to business										
	(a)			ver requiremen	nt	(b)		s its rev			
	(c)	increases its c	ost of	production		(d)	increas	ses its re	evenue		
46.		of the following of the		ation's		is not af					
47.	Sensor	rs		•		-					
.,.	(a) (c) (d)	perform huma think and act	like hu		(b) d optica	_	m non-h	iuman c	operations		
48.	In Info	ormation Techn	ology	Communicatio	n, (IoT)	ı, (IoT) means					
	(a) (c)	Internet of Tr Internet of Th	ade		(b) (d)	,					
49.		if the followin	_	•							
	(a)	Faxes	(b)	Emails	(c) W	/hatsApp	(d) N	one of t	the above		
50.	One of the office functions which cannot be automated through the use of the technology is its										
	(a)	payroll	(b) ł	ousiness decisi	ons (c)	record k	eeping	(d)	accounting		
SECT	ION B	: (Questions	51 - 60) Pick the W	ord tha	t is Cor	rectly S	pelt			
51.		strong and und		•			,	•			
	(a)	Kleptomania	(b)	Kletomania	(c)	Kclep	tomania	(d)	Kleptomana		
52.		- is a natural la g into a new on		e that develops	s from t	the proce	ess of tw	o or m	ore languages		
	(a)	creleo	(b)	creole	(c)	croole		(d) crie	eole		
53.		of Chinua Acho psot humurou					nously	(d) pos	st-humustly		
54.		one of the Ro	omance	languages w	hich sp	read wo	rldwide	in the	15 th and 16 th		
	centur (a)	Portugese	(b)	Potuguese	(c)	Portug	geze	(d)	Portuguese		
55.	I could	d not believe th	at Judi	th was so to	trust hi	im.					
	(a)	niave	(b)	naieve	(c)	nartivo	e	(d)	naïve		
56.	Paul's	parents are bo	th litera	ary							
	(a)	artests	(b)	artysts	(c)	artiste	s	(d)	hartistes		
57.	My ho	bby,, is to n	nany -	a joke.							
	(a)	transpoting	(b)	trainsporting	g (c)	transp	otting	(d)	trainspotting		
58.	For in	quiries, please		_	_						
	(a)	codinator	(b)	coordinator	(c)	cordin	atore	(d)	corordinator		

- 59. --- is a vice.
 - (a) Faithfulness (b) Faithfulness (c) Fatefulness (d) Faithfulness
- 60. The money you were given is for ---- expenses.
 - (a) miselaneous (b) miscelenous (c) miscellanuis (d) miscellaneous

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

- 61. (a) You are to be employed on the condition that you will remain unmarried for the next five years.
 - (b) You are to be employed on the condition that you will remain unmarried till the next five years.
 - (c) You are to be employed on the condition that you will remain unmarried in the next five years.
 - (d) You are to be employed on the condition that you will remain unmarried throughout the next five years.
- 62. (a) Teaching job is such a skillful one.
 - (b) The teaching job is such a skillful one.
 - (c) Teaching job is such skillful one.
 - (d) The teaching job is such skillful one.
- 63. (a) Himself and Myself have worked together for ten years.
 - (b) Myself and himself have worked together for ten years.
 - (c) He and me have worked together for ten years.
 - (d) He and I have worked together for ten years.
- 64. (a) The ATM machine is not dispensing money at the moment.
 - (b) The ATM machine is not paying money at the moment.
 - (c) The ATM is not paying money at the moment.
 - (d) The ATM is not dispensing money at the moment.
- 65. (a) We do not have much seats in the conference hall.
 - (b) We do not have much seat in the conference hall.
 - (c) We do not have so much seats in the conference hall.
 - (d) We do not have many seats in the conference hall.
- 66. (a) The manager has asked the driver to provide the full details of the accident.
 - (b) The manager has asked the driver to provide the fullest details of the accident.
 - (c) The manager has asked the driver to provide the details of the accident.
 - (d) The manager has asked the driver to provide the full detail of the accident.
- 67. (a) The management is investigating the unlawful theft of the company's computers.
 - (b) The management is investigating the illegal theft of the company's computers.
 - (c) The management is investigating the thefting of the company's computers.
 - (d) The management is investigating the theft of the company's computers.
- 68. (a) Our office furnitures are worn out. (b) Our office furnitures is worn out.
 - (c) Our office furniture is worn out. (d) Our office furniture have worn out.

- 69. (a) Kate is by far the most brilliant of the two girls.
 - (b) Kate is by far the more brilliant of the two girls.
 - (c) Kate is by far the highest brilliant of the two girls.
 - (d) Kate is by far the best brilliant of the two girls.
- 70. (a) I like the way you address her. (b) I am liking the way you address her.
 - (c) I likes the way you address her. (d) I like the way you addresses her.

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

Which of the sentences is correctly punctuated?

- 71. (a) "Your temperature is alright", the nurse said to the boy.
 - (b) "Your temperature is alright". The nurse said to the boy.
 - (c) Your temperature is alright," the nurse said to the boy".
 - (d) "Your temperature is alright"; the nurse said to the boy.
- 72. (a) when she comes here I shall ask her about it.
 - (b) When she comes here I shall ask her about it.
 - (c) When she comes here, I shall ask her about it.
 - (d) When she comes here; I shall ask her about it.
- 73. (a) My uncle is a poor uneducated honest simple man but I love him.
 - (b) My uncle is a poor, uneducated honest simple, man but I love him.
 - (c) My uncle is a poor, uneducated, honest, simple man; but I love him.
 - (d) My uncle is a poor; uneducated; honest; simple man but I love him.
- 74. (a) Alas! She has failed in life. (b) Alas!, She has failed in life!
 - (c) Alas! she has failed in life. (d) Alas: She has failed in life!
- 75. (a) The reason for her delay is this 'she didn't want to get up early'.
 - (b) 'The reason for her delay is this', she didn't want to get up early.
 - (c) The reason for her delay is this; she didn't want to get up early.
 - (d) The reason for her delay is this: she didn't want to get up early.
- 76. (a) On the evening of a day late in September! the first heavy rain began to fall.
 - (b) On the evening of a day late in september, the first heavy rain began to fall.
 - (c) On the evening of a day late in September, the first heavy rain began to fall.
 - (d) on the evening of a day late in september, the first heavy rain began to fall.
- 77. (a) There was one very obvious reason for Glorias failure, her inability to study.
 - (b) There was one very obvious reason for Gloria failure, her inability to study.
 - (c) There was one very obvious reason for Glorias' failure, her inability to study.
 - (d) There was one very obvious reason for Gloria's failure: her inability to study.
- 78. (a) The man was amazing, and was able to play: the piano, violin, double bass, trombone, harp, and drums.
 - (b) The man was amazing, and was able to play (the piano, violin, double bass, trombone, harp and drums).
 - (c) The man was amazing and was able to play the piano, violin, double bass,

		trombone, har	p and d	lrums.					
	(d)	The man was trombone, har		-	able to	play the pian	o violi	n, double ba	.ss,
79.	(a)	The directive will be closed			age 467	7, second parag	raph) tl	hat the Institu	te
	(b)		stated o	quite clearly (1	page 46	57 second parag	graph) t	that the Institu	ute
	(c)		stated o	quite clearly (p	page, 46	67 second parag	graph) 1	that the Institu	ute
	(d)	The directive will be closed			page 46	57, second para	graph t	hat the Institu	ute
80.	(a) (c)	She asked me		_	(b) (d)			I got married	
	(0)	She asked hie.	, which	i got married.	(u)	She asked in	ic when	i i got marrico	1.
		E - ATTEMPT			•			la tha blank	_
space	_	estions below	carer	uny choose i	ne opu	ion that corre	ctiy iii	is the blank	
81.		nanager is leavir	ng the c	company to	a new a	appointment els	sewhere	e.	
	(a)	take over	(b)	take on	(c)	take up	(d)	take off	
82.	They	the scene be	efore th	e accident occ	urred.				
	(a)	leaves	(b)	has left	(c)	will leave	(d)	had left	
83.	I have	never humi	liated in	n my life.					
	(a)	being so	(b)	so being	(c)	been so	(d)	so been	
84.	It is (a)	- this backgroun for (b)	nd that agains		tand the with	e issues clearly (d)	on		
85.	The marrive	nembers of the a	associat	tion were just	roundir	ng their disc	ussion	when the pol	ice
	(a)	up	(b)	off	(c)	of	(d)	in	
86.	I tend	ered for the con	tract bu	ıt my applicati	on				
	(a)	fell in	(b)	fell through	(c)	fell off	(d)	fell down	
87.	Since (a)	we were not giv make up	ven all (the things we n make over	requeste (c)	ed, we should - make out	with (d)	what we have make do	: .
88.	My bo	oss hoped that th	he new	employee t	o help t	the clients.			
	(a)	can be able	(b)	is able	(c)	will be able	(d) must be ab	le
89.	This e	engine is that superior than		nore superior	than	(c) more super	rior to	(d) superior	to
90.	By the (a) (c)	e time they will should have fi will finish		we the wor (b) (d)	could	l have finish finished			

SECTION F - ATTEMPT ALL QUESTIONS (Questions 91 - 100) Read the passages below carefully and answer the questions which follow.

The need to ensure that children imbibe the culture of discipline early in life cannot be overemphasised. One of the ways parents can ensure that their children grow up to become responsible and disciplined adults is by setting boundaries, that is, spelling out what is acceptable and appropriate or otherwise. This enables people to maintain healthy relationships and to stay out of trouble always. Unfortunately, many parents, especially those who themselves grew up under very strict parents or teachers, find it difficult to lay down any boundaries at all. Such parents are usually adamant to enforcing discipline in the homes with the excuse that they will never like their children to go through 'such unpleasant experience' as they. Even when a child acts in a way that needs a firm boundary and an immediate consequence imposed, these parents may rather prefer to dismiss the action with very loose warnings without taking an action.

In many cases, children raised in homes where discipline and boundaries are played down on end up being bossy themselves. They also exhibit antisocial behaviour, having not been made to

		equences of such behaviour early		ai beliavioui	i, naving n	iot been made to	J					
91.	Why a	according to the passage do pare	ents raised t	by strict par	ents or tea	chers fail to se	t					
	bound	laries in their homes?										
	(a)	They detest disciple.	(b)	They feel	it is unnec	cessary.						
	(c)	They hate their children going	through such	h experience	e.							
	(d)	They like undisciplined children	en.	_								
92.	Which	Which word can substitute the word 'boundaries' as it is used in the passage?										
	(a) lin	nits (b) barriers	(c)	gates	(d)	hurdles						
93.	Which	n of the following is a good title	for the passa	age?								
	(a)	Parents and their Children	(b)	The Right	t Way to R	Raise a Child						
	(c)	Setting Boundaries in Homes	(d)	None of t	he above							
94.	What is the paradox expressed in the passage?											
	(a)	Many parents do not like to dis	scinline their	r children								

- Many parents do not like to discipline their children.
- Parents who fail to control their children for the fear of being bossy usually end (b) up raising children who are bossy themselves.
- Parents who are not bossy like bossy children. (c)
- No parent likes a bossy child. (d)
- 95. Which of the following is not true according to the passage?
 - Parents who suffered the legacy of strict teachers or parents are usually lenient with disciplining their children.
 - Parents who grew up under strict parents or teachers are more likely to discipline (b) their children than those who did not.
 - Children whose parents are loose with discipline are likely to exhibit antisocial (c) behaviour.
 - (d) There is every need to set boundaries in the home.

Ladies and gentlemen, I heartily welcome you to today's epoch-making event and one of the best political rallies ever in this democratic dispensation. Before proceeding in this speech, I wish to acknowledge the presence of our very distinguished guest, a philanthropist and an August visitor, Alhaji Kabiu Mohammed, for his unwavering support and commitment towards the progress and success of our noble party and towards the candidature of Chief Nnadimma Augustus. Alhaji, you are welcome.

Like I said earlier, today is a great day — a day that you and I will decide who champions the course of this noble state for the next four years or more; a day when as bona fide citizens, we join hands to change the trajectory of our state by nominating and subsequently electing one of our own illustrious sons, Chief Nnadimma as the party's gubernatorial candidate and thereafter, as the state governor.

Distinguished Ladies and Gentlemen, may I remind you that Chief Nnadimma has meritoriously served our state in different capacities: as the secretary to one of the former state governors, as a commissioner, just to mention but a few. We also know him to be a philanthropist and lover of humanity and peace. At this juncture, I wish to disabuse your minds on his opponent's accusation that he is a religious bigot. I stand here to clearly state that he is far from that. Although he once demolished some churches in some areas in the state and replaced them with shrines so as to ensure that our traditional religion, which he is an adherent of, does not go into extinction

Ladies and gentlemen, I enjoin you to vote for Chief Nnadimma as a vote for him is a vote for progress, equity, good governance and much more.

Thank you all for your patient listening.

(d)

96.	The t (a)	one of the passage is - argumentative (b)		(c)	persuasive	(d) e	xpository					
97.	From	the passage, we can d	educe that Ch	ief Nnad	imma is a							
	(a)	Christian (b) B	udhist (c)	Traditio	onal Religion we	orshippe	r (d) Moslem					
98.	What (a)	t is the relationship bet friends	ween the spea		Chief Nnadimm	•						
	(a) (c)	colleagues	(d)		abours	e pontic	ai party					
99.	The u	The use of the word 'disabuse' in paragraph 3 by the speaker suggests that										
	(a)											
	(b)	•										
	(c)	people dislike Chief	Nnadimma		(d) None of t	the above	e					
100.	Which o	of the following is not	stated in the p	assage a	bout Chief Nna	dimma?	He is					
	(a)	a young politician	(b)	seeki	ng a political p	ost						
	(c)	involved in the state	politics									

the speaker's ideal candidate for the state gubernatorial position

Chief Examiner's Comment

74% of the candidates passed with an impressive performance.

Comments on Overall Performance

The overall performance was impressive.

Suggestion(s) on Improvement(s) (if any)

Candidates are advised to continuously prepare adequately for future examinations.

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

FOUNDATION

F05 – INSURANCE UNDERWRITING PROCESS YEAR 2025 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 a silent battery or solar-powered non-programmable calculator. The use of a 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 2025 DIET CANDIDATES' INSTRUCTIONS

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.

SEC . 1.	Apart from private motor and household, "helplines will be a feature in policy										
	(a)	employer's			(b)	personal ac		r J			
	(c)	travel insura	•		(d)	fire and spe		ls			
2	Anal	ysing the upsid	le and de	ownside of the	risk is tl	he risk stag	ge in risk	management.			
	(a)	control	(b)	analysis	(c)	identification	on (d)	quantification			
3.		professional enination of the			erwriter	to assist in	carryin	g out physical			
	(a)	broker	(b)	loss adjuster	(c)	surveyor	(d)	planner			
4.		the officer wite surveyor.	thin the	insurance comp	oany tha	at make use of	f the repo	ort and findings			
	(a)	Underwriter			(b)	Investment	Expert				
	(c)	Auditor			(d)	Claims Adr	-	or			
5.		n analysing ris	k, two	measurements a	are very	important, o	ne is fre	equency and the			
	(a)	average	(b)	betterment	(c)	quantum	(d)	severity			
6.	Most	general insura	nce poli	icies are issued	for r	nonths.					
	(a)	36	(b)	48	(c)	24	(d)	12			
7.	_					_		surance policies.			
	(a) (c)	Contractor's Burglary	All Ris	sks	(b) (d)	Consequent Fire and Sp		rils			
8.		n an insurer de of premiun		cancel cover, t	the pren	nium returned	to the in	nsured is on the			
	(a)	single	(b)	level	(c)	pro-rata	(d)	short period			
9.				ision to cancel ver on prem			the insu	urer will charge			
	(a)	short-period		(b) single	e (c)	pro-rata (d)	minim	um deposit			
10.	The i	-		ll these roles ex	cept						
	(a)	calculates a		-							
	(b)			f which risk to a	-						
	(c)			al account for the							
	(d)	prepares the	policy of	document as ev	idence (of the contract	•				
11.				-	e to do	something in	agreed	circumstance is			
	-	ect to a legal pr uberrimae fi	-	anown as	(b)	utmost goo	d foith				
	(a) (c)				(b) (d)	utmost good		2			
12.		caveat empt		disclosure of m		fact speaks	ioi itseii	L			
14.	 is not true of the duty of disclosure of material information.(a) The duty rests on the proposer(b) The duty rests on the Insurer										
	(a) (c)	The duty res		(0)	The duty le	oto OII tII	C IIISUICI				
	(d)	•		d to inception a	nd not i	d not renewals					
	(4)	The duty is		a to meephon a	1101 1	ciic wais					

13.	doo (a) (b) (c) (d)	les not affect the duty of fair presentation during the currency of the policy contract. Information relating to relocation to another risk address Information relating to change in the nature of business Information already made known to the insurer Information on circumstances that increase the risk of loss nnot be classified as a physical hazard.										
14.	car (a) (b) (c) (d)	Condition of to Dishonest per Fire resistant	the phys son who doors in	ohysical hazard sical state of a von to had a previou a all exit points ice lock on the	vehicle is fraud of the h	nouse						
15.		the professional etion of the risk Broker		said to act as t	the "eye"	es and e Adjust		the und	derwriter in the Actuary			
16.	is 1 (a)	not an essential Consideration		t of a contract. Acceptance	(c)	Occup	ation		(d) Offer			
17.	is 1 (a) (b) (c) (d)	 (b) Any information that is in the public domain/knowledge (c) Any fact which those concerned with the class of insurance and field of activity understand as of fair presentation 										
18.	which	Decisions within a company are basically made at three levels within the organisation, which are all these except at level.										
	(a)	board	(b)	manager	(c)	operat	ional	(d)	informal			
19.		ons in an organism utilises the in consultants	formati	on/ data provid			s/ depar					
20.		considered as th	e main	or principal co	st of pr e	nduction	when	viewin				
20.		luction entity.	ic mam		-			v ic w iii;				
	(a)	Premium	(b)	Commission	(c)	Reserv	/es	(d)	Claims			
21.	Period (a) (c)	lic Payment Ord Business Inter Personal Injur	rruption		connecti	ion with (b) (d)		on in R				
22.	Severi (a) (b) (c) (d)	inflation and i	s is in m its effec circle in	nonetary terms	surance	:						
23.	total 1	arement of frequences of a large judge fied as	•	-	-	-						

	(a) (c)	High Frequent Low Frequen	-		•	o) d) L	_		-	High Severity igh Severity
24.	Risk a (a) (b) (c) (d)	fire which spi storm and flo motor accider many insured	read acrod dam	oss buildings oss buildings over a car that wa	ngs in a n area s a total	n esta wrec	te k		opping	g complex
25.		tion for losses vial year is refer OLR (Outstar IBNR (Incurr	red to anding L	ns oss Ratio)	(1	d not o) d)	yet bee: ELR (I CLO (Earned	Loss R	,
26.		Ratio of data ex 00% of the prenant (b)		not earne	d in the	finan				o consideration loss ratio. aggregate
27.		ame used for the nd group data i policy		0 1	ed ye	ear.	t level			dividual policy
28.		ccumulation of claims. extended	a large	e number o		s all (c)		able to	one co	ommon event is maxima
29.	Long (a) (c)	tail claims are n fire and speci travel insuran	al perils	•	(1	 o) d)	burglar	•		1
30.	called	cost.		ich is a cos						ze of the risk is
31.		enumeration giv surer is called . commission			ntermed	•	or brok	er that overri		ices business to
32.	return		nission	. , _			, ,		Ü	a for Brokers is
	 (a)	10%	(b)	12.5%	(0	c)	15%		(d)	20%
33.		ncentive schen dures that lead reduced prem low claims ra	to lowe ium scl	r claim is .		to pi	(b) (d)	upfror		k management ount benefit ratio
34.		nderwriting re- leration is calle underwriting aggregate net	d result		(1	npany o) d)		gross j	premiu	investment into

35.	The un	nderwriting rest claims	ult of th (b)	dividends	company (c)	does not have . commission	as a d	expenses	
36.	based	on information	is refer	red to as cla	ims	me reflecting ac	•		es/
	(a)	cycle	(b)	consolidati	on (c)	run-off	(d) a	nggregation	
37.	When (a)	rates in the ind hardening	lustry aı (b)	re reducing, t melting	the marker (c)	t is fragmenting	(d) so	oftening	
38.	doe (a) (c)	Amendment t Weather relate	o legisl	ation		n of the market Leadership char Major disaste	nge at t	he institute	
39.	At a ti	me in the indus hardening	•	en rates are in melting	ncreasing, (c)	the market is s consolidating			
40.	pol	icy.		maximum lo		uld occur on a r		is is relevant	in
	(a) (c)	personal accident			(b) (d)	public liabilit fire and speci		S	
	(0)	private motor			(4)	The and speci	ar perm	S	
41.	factor		rked esp	pecially in th	e open, ar	resulting in dand small vessels	_		ds,
	(a)	large loss	(b)	catastrophe	(c) target risk	(d)	risk layering	,
42.		e of reinsuranc the insurance c				n layers as a m √an	ultiple	of lines, a li	ne
	(a)	quota share			(b)	linear treaty			
	(c)	excess of loss	treaty		(d)	surplus treaty			
43.					entage wil	of his company l use a/an tre stop loss		particular cla quota shar	
44.	The m (a)	nain source by very request note		nformation is roposal form		to the underwr		he offer letter	
45.	Comme	rcial vehicles t	end to a	attract higher	premium	s due to all the	option	s below exce	ept
	(a) (c)	frequency of type of cargo		d to carry	(b) (d) tende	union to whic			ges
46.	is c	considered to be	e the ma	ajor rating fa	ctor in per	rsonal accident	insuran	ice.	
	(a)	Age		<i>J</i>	(b)	Pastime activ			
	(c)	Occupation			(d)	Family circur	nstance	es	
47.	consid	lerations in	class of		isiness.	obesity will be i	-	nt underwriti	ng
	(a)	employer's lia		11mom c 2	(b)	all risks insur			
	(c)	permanent he	aiui iiis	urance	(d)	burglary insu	ance		

- 48. You are told that in the underwriting consideration of a type of insurance, underwriters were concerned more about the use to which an item will be put, the market where it would be sold, and its potential to cause third party insurers. The type of cover under consideration here is the ... policy.
 - erection all risk (a)

(b) product liability

(c) legal expenses

- business interruption (d)
- 49. In ... type of insurance, the most important consideration is the resistance to forced entry through doors and windows.
 - theft (a)

(b) fire and special perils

(c) consequential loss

- boiler pressure (d)
- 50. The major consideration is ... policy is the trade and processes of the proposal and the extent of flow of visitors to the places of business.
 - product liability (a)

(b) pollution liability

public liability (c)

fidelity guarantee (d)

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

- 51. The law of large numbers in insurance enables the insurer to determine a more accurate rate than when there are few risks units.
- The policy is effectively evidence of the contract and not the contract. 52.
- The Household Policy is subject to declaration at the end of the insurance period, because 53. premium was calculated on estimated value.
- The Employee Compensation Insurance in Nigeria is administered by a pool owned by 54. all insurance companies.
- A product liability policy is usually sold in conjunction with another policy professional 55. indemnity.
- The insured in the employers' liability policy are the workmen. 56.
- 57. The material damage provision is found in the fire and special perils policy.
- The EML is considered by the insurer to be an accurate reflection of the worst financial 58. effect that the maximum foreseeable loss could be.
- 59. Notification Condition can be said to be a condition precedent to the contract.
- An excess and a deductible are basically the same, the distinguishing factor being size. 60.

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

A company owned by some foreigners has just completed an industrial complex where they manufacture variety of plastic products used for domestic and for plumbing related purposes. You are to advise them as they wish to get their insurance packages right from inception.

- What type of cover will you advise them to put in place for the plants, machinery, and 61. equipment bought for them by their home office to be transported?
 - Marine Cargo (b)

Aviation Hull (c)

Burglary (d) Marine Hull

- 62. They are thinking ahead that after the commencement of operations, what policy will stabilise them in the event of a serious fire where they are not able to get back to production for a period of time?
 - Fire and Special Perils (a)

All Risks (b)

Business Interruption (c)

(d) **Professional Indemnity**

(a) Marine Hull (b) Goods-in-Transit (c) Motor Commercial (d) Erection All Risks 64. The insurance company approached to give fire and special perils cover indicated a rat with a proviso, "subject to satisfactory survey". Who in the professional pool will the company send to the risk location for this purpose? (a) Lawyer (b) Engineer (c) Actuary (d) Surveyor 65. There is a concern about the integrity of staff in charge of the assets of the company raw materials, cash and finished goods. Which policy will you recommend? (a) Group Personal Accident (b) All Risk (c) Fidelity Guarantee (d) Professional Indemnity The core operation of any insurance company is the acceptance of risk through the process of underwriting. This process involves many documentations and is guided by internationall acceptable principles. 66. Traditionally, what is the most common mechanism which the underwriter received information about the risk to be insured. (a) Prospectus (b) Website (c) Journal Review (D) Proposal Form 67. Pricing is easier for insurers when dealing with a large number of similar homogenour risks. This is known as (a) statistical variety (b) industry review (c) law of large numbers (d) concentration analysis 68. Which document will the underwriter issue when they have taken a decision to accepthe risk but all information/documents are yet to be received? (a) Offer letter (b) Cover note (c) Endorsement (d) Demand note unknown at the start of the period of insurance. Which of these will be an example of such? (a) Employer's Liability (b) Fire and Special Perils (c) All Risks (d) Personal Accident 70. The internet has revolutionised the way insurers sell certain insurance products with the presence of so many aggregators. Which of these is mostly sold through this means? (a) Fidelity Guarantee (b) Product Liability (c) Private Motor (d) Contractors All Risks	63. They are concerned about taking their finished products to their distributor country. Which policy will protect in the event of products damaging or during journey from the factory to the various places.									
(c) Motor Commercial (d) Erection All Risks 64. The insurance company approached to give fire and special perils cover indicated a rat with a proviso, "subject to satisfactory survey". Who in the professional pool will the company send to the risk location for this purpose? (a) Lawyer (b) Engineer (c) Actuary (d) Surveyor 65. There is a concern about the integrity of staff in charge of the assets of the company raw materials, cash and finished goods. Which policy will you recommend? (a) Group Personal Accident (b) All Risk (c) Fidelity Guarantee (d) Professional Indemnity The core operation of any insurance company is the acceptance of risk through the process of underwriting. This process involves many documentations and is guided by internationally acceptable principles. 66. Traditionally, what is the most common mechanism which the underwriter received information about the risk to be insured. (a) Prospectus (b) Website (c) Journal Review (D) Proposal Form 67. Pricing is easier for insurers when dealing with a large number of similar homogenour risks. This is known as (a) statistical variety (b) industry review (c) law of large numbers (d) concentration analysis 68. Which document will the underwriter issue when they have taken a decision to accept the risk but all information/documents are yet to be received? (a) Offer letter (b) Cover note (c) Endorsement (d) Demand note unknown at the start of the period of insurance. Which of these will be an example of such? (a) Employer's Liability (b) Fire and Special Perils (c) All Risks (d) Personal Accident		_		the fact	ory to the vari	ous pluc		Goods-in-	Transit	
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information about the risk to be insured. (a) Prospectus (b) Website (c) Journal Review (D) Proposal Form 67. Pricing is easier for insurers when dealing with a large number of similar homogenour risks. This is known as (a) statistical variety (b) industry review (c) law of large numbers (d) concentration analysis 68. Which document will the underwriter issue when they have taken a decision to accept the risk but all information/documents are yet to be received? (a) Offer letter (b) Cover note (c) Endorsement (d) Demand note unknown at the start of the period of insurance. Which of these will be an example of such? (a) Employer's Liability (b) Fire and Special Perils (c) All Risks (d) Personal Accident 70. The internet has revolutionised the way insurers sell certain insurance products with the presence of so many aggregators. Which of these is mostly sold through this means? (a) Fidelity Guarantee (b) Product Liability	underv	writing.	This process			-			_	
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69. Adjustable premiums necessitating deposit premium are used when the exposure unit is unknown at the start of the period of insurance. Which of these will be an example of such? (a) Employer's Liability (b) Fire and Special Perils (c) All Risks (d) Personal Accident 70. The internet has revolutionised the way insurers sell certain insurance products with the presence of so many aggregators. Which of these is mostly sold through this means? (a) Fidelity Guarantee (b) Product Liability	68.						•		decision to	accept
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presence of so many aggregators. Which of these is mostly sold through this means? (a) Fidelity Guarantee (b) Product Liability		, ,		•		` '				
(a) Fidelity Guarantee (b) Product Liability	70.									
		, ,				, ,		•	isks	

Mazi Ugo Kenny, a young businessman, has just opened a manufacturing company. He came to you that he was advised to take two vital policies in relation to assets – fire and special perils and business interruption questioning the rationale in premium outlay on two insurance covers. Please attend to his enquiries.

You will tell him that the standard fire policy cover the following risk except ...

71.

	(a) fire	e (b) the	heft	(c)	lightning	(d)	explo	sion (from domestic gas use	es only)		
72.			aden the	scope	of the fire			er is added to the standard nich of these is not one of su Malicious Damage Lightning			
73.	and ad	lditional	expense in item	es as a under	result of	mate	rial lo	covers the actual or potential ss covered under property ion policy? Variable Cost	_		
	(c)	Gross P	•				(d)	Auditor's Fee			
74.	interru	ption poge. This is	olicy in s the l damag	respec ge prov	t of the e			y be a requirement in the a property policy covering connecting condition bilateral agreement			
75.	He will be told that in business interruption insurance, the maximum time the income of the business could be affected as a result of damage is known as										
	(a)	indemn					(b)	period of insurance			
	(c)	mainter	nance pe	eriod			(d)	testing period			

Chief Examiner's Comment

63.54% of the candidates passed the examination, though above average, but could be better.

Comments on Overall Performance

Performance was above average. Candidates should prepare adequately for the examination

Suggestion(s) on Improvement(s) (if any)

Candidates are advised to undertake more thorough studies and ensure they are well-prepared for the examinations.

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

FOUNDATION

F06 – MOTOR INSURANCE PRODUCTS YEAR 2025 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 a silent battery or solar-powered non-programmable calculator. The use of a 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 2025 DIET CANDIDATES' INSTRUCTIONS

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:

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.	department is very important to the image and rating of an insurance company that it is called the shop window.											
	(a)	Underwriting	(b)	Claims	(c)	Reinsurance	(d) In	vestment				
2.		n-life insurance parts of legal aspections. Proximate Cau Insurance inter	ct of in ise		ple did (b) (d)	the Marine Ins Subrogation Indemnity		Act 1906 a	ıffect			
3.	his per housed as part	ick purchased a ersonal assistan owner's Insuran t of its sales pro ge, which princi Betterment	it information in the information of the interval in the inter	rmed his insu e Electronics co all buyers. In	rance company the even	company to a runknown to to nt of a loss to	add it to hem has the set i	o the exi insured th n the cour	sting ne set rse of			
4.	Where	ecident report for e information is licyholder detai statement of ir enquiry follow	obtain ls as ca suranc	ed over the tel optured by way	ephone.	-						
5.	The ac (a) (c) (d)		le ne drive	l serve all exce (b) er at the particu le is insured by	Identi ılar time	fy parties invo		he accider	nt			
6.	The re (a) (b) (c) (d)	payment of proholding a liable	dheren emium e third	on in the motor ce to traffic rul with a stated p party accounta n a roadworthy	es eriod ible							
7.	The di (a) (c)	sputes to be ref acceptance of bodily injury o	liabilit		e in resp (b) (d)	pect of issues of qua stolen but re		theft cases	S			
8.	-	rofessional used arages is a/an engineer	•	surance compa		agree the met		cost of re	pairs			
9.	Under	normal circum	stances	s, the maximun	n an ins	urer will pay	for a tota	al loss clai	im is			
	(a) (c)	sum insured inception sum	insure	d	(b) (d)	invoice value market value						
10.	specif	e claims involving ind number of	years	s from date of t	he accio	dent.		-	nin a			
	(a)	6	(b)	4	(c)	3	(d)	2				

11.	11. Most insurance companies in Nigeria settle their claims within a month of the receipt of the discharge voucher. What is the maximum time frame allowed under the Insurance Act?									-	
	(a)	45 days	(b)	60 da	ys	(c)	90 day	'S	(d)	120 d	ays
12.	The ex (a) (c)	kact amount the homogeneou aggregate	_	uired to	pay cl	aims exp (b) (d)	claims	_		terms i	s
13.	When (a)	talking about dividends	the com (b)	bined o claim	-	g ratio, . (c)	is not			of it. mmissi	on
14.	_	rocess undertauced to them i	-	insurers	to dete	ermine tl	he amou	ınt to be	e char	ged for	any risk
	(a)	segregation		(b)	calib	ating	(c)	rating	(d)	evaluat	ion
15.	Vehic	les coming int	o the ma	arket ne	wly are	given a	dvisory	rating b	ased	on thes	e criteria
	(a) (c)	manufacture value of the		ion		(b) (d)	-	mance of frepairs		vehicle	
16.	_	oods-carrying vicle use?	vehicles	, insure	rs norm	ally wou	ıld opera	ate ra	ating t	ables ir	n relation
	(a)	2	(b)	3		(c)	4		(d)	5	
17.		nanagement is ving scenarios turnover fro scheduled ve	except . m logist	 ics inco	-	n and als	so finds (b) (d)		ıte dri	ver trai	ning
18.		a fleet policy I by the marke 2	t to give	yea	rs' und		g experi			er an o	bligation
19.		ooklet publish nage work rela insurer	•	-		on all t			xcept	•	executive
20.		nation in whice ect of earning initial discou accelerated N	or losing int	-			guaran	lar type nteed NO ionary s	CD	isk with	hout any
21.	premi	cussing the ra um". This clas			ferring			eference		made	
22.	` , •	vidence of Roa renewal endo motor cover	ad Traffi orsemen	c Act c	` /		olicy is	. ,	nium	paymeı	nt

23.	is n (a) (b) (c) (d)	Profitability is Rates comes u Many compar	true of the insurance cycle. rofitability is high in a soft market ates comes up again during hard market lany companies fail during soft market period ruring period of profits, many more companies enter s to be a minimum number of vehicles owned by a policyholder for it to be											
24.	underv	vritten as a "fle	et" risk	. This number	usually	will be	•							
	(a)	20	(b)	15	(c)	10	(d)	5						
25.	Road r	risks policy can value of the ca		d on all these (b) named of	-		sis (d) tr	ade plate						
26.	Softwa	are houses offer	r inform	ation distribu	tion in te	rms of								
	(a) (c)	car registration claims/ theft s			(b) (d)	premium/ ra uninsured ve								
27.	Direct sell intermediaries have increased their scale of operation taking the concept o "own branding" and they perform the following roles except													
	(a)	process claims	S		(b)	handle unde	U							
	(c)	pay claims		(d)	engage	e in profit sha	ring arra	angements						
28.	are sol	d in contempor	ary tim	es is		-		urance products						
	(a)	agency	(b)	telephone	(c)	internet	(d)	cable TV						
29.	require	ement for third	party lia	ability is			has the	minimum lega						
	(a)	international p	passport		(b)	brown card								
	(c)	valid visa			(d)	internationa	l driving	glicense						
30.	ICOBS classify customers into two, one of which is consumers and the other is													
	(a)	commercial cu	ustomer		(b) prospective clients									
	(c)	patrons			(d)	business par	tners							
31.	The lic	censing of moto	or vehic	les is decentra	lised on	the basis of.	in Nig	eria.						
	(a)	Local Govern			(b)	Regional Bl	_	,						
	(c)	Federal Const	ituencie	es	(d)	State Govern								
32.	is n	ot a function of	f NAIC	OM.										
	(a)	To approve s	tandards	s, conditions a	nd warra	nties for poli	cies							
	(b)	To act as advi				-		t						
	(c)	To approve ra	tes of co	ommission for	all class	ses of insuran	ce							
	(d)	To determine	the num	nber of insurer	s to unde	erwrite a risk								
33.	info	ormation is not	statutor	rily required or	n the mo	tor certificate	of insu	rance.						
	(a)	Sum insured			(b)	Registration								
	(c)	Limitation as	to use		(d)	Name of pol								

34.	There are two types of certificates in Motor Insuregistration number but the other which does not (a) anonymous (b) omnibus (c)	
35.	Regulations prescribes that details of the certification for months.	ate of motor insurance must be retained
	(a) 6 (b) 12 (c)	15 (d) 18
36.	The section of the policy that customises the pol cover given and personalises it is called the	•
	(a) proposal form (b) schedule (c)	cover note (d) signature clause
37.	The standard medium by which the policyholde risk is rated and the premium is calculated is call (a) certificate of insurance (b) prospectus	ed the
38.	The statement of facts is normally issued to the in (a) police (b) insurer (c)	nsured by the broker (d) surveyor
39.	section of the policy outlines the cover offered (a) Preamble (b) Condition (c) Oper	• •
40.	is not an absolute exclusion under the motor p (a) War (b) Riot (c) Earthquake	•
41.	The condition inserted in the policy that gives the negligent third party from the outset of the claim (a) average (b) betterment (c)	is
42.	If a claim is accepted for loss or damage but the a referred	
	(a) the Magistrate Court (b) (c) to the regulatory body (d)	for arbitration to the trade association
43.	In a situation where the insurer receives claims in it could pay the insured the amount of indemnitinsured to settle any amount in excess of the indistinuation is called the	ty provided by the policy, leaving the
	(a) agreed value(b)(c) liability eviction clause(d)	reinsurance clause limit of indemnity exceeded
44.	The warning that the law requires every insurer in that an insurance agent who completes an applic insured is deemed to have done so as the agent duty of (a) notification (b) insurable interest (c	ation or proposal form on behalf of the
45.	An "Enabling Act" can be said to (a) allow the police to fasten the prosecution (b) allow an industry to enable its professions (c) give the courts powers to make new law (d) give specified officers of the State power	als decide cases

- 46. Following the recent review of motor insurance premium by NAICOM, ... is the new third party property damage limit prescribed for a private motor policy with effect from January 2024.
 - (a) \aleph 1.5million (b) \aleph 2.0million (c) \aleph 2.5million (d) \aleph 3.0million
- 47. The following statements are true of the emergency treatment benefit in every motor policy except ...
 - (a) the payment must be made irrespective of who is to blame
 - (b) the fee has to be paid by the motorist (or their insurer)
 - (c) the payment reduces the NCD entitlement one step
 - (d) the insured person can be anyone in or out of the vehicle
- 48. The rehabilitation period commences from the date of ...
 - (a) committal of offence

(b) arrest by the police

(c) first arraignment in court

- (d) conviction
- 49. The insurer takes sufficient steps to draw the terms to the insured's attention so that the insured is given reasonable opportunity to know the disadvantageous terms that exist before entering into the contract. This action is called ...
 - (a) caveat emptor

(b) transparency requirement

(c) Prospectus

- (d) contracting in
- 50. The ECOWAS Brown card is used in ...
 - (a) Central Africa

(b) African continent as a whole

(c) Southern Africa

(d) West Africa

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

- 51. The major intermediary for the marketing at motor insurance products in the insurance industry in Nigeria are the individual agents.
- 52. Motor vehicle licensing in Nigeria is vested in the Federal Road Safety Corps.
- 53. The claims service is of utmost importance to the policyholder and is thus described as the "shop window".
- 54. The need that the subject matter exists and that they will benefit from its continued existence relate to the principle of indemnity.
- 55. Insurers will always endeavor to return the policyholder to the position they were in prior to the accident. This relates to the principle of indemnity.
- 56. A policyholder lodged a claim that his vehicle was damaged by a negligent third party who accepted liability and volunteered his insurance cover details. The policyholder's insurer repaired their insured's car and sent the bill to the third-party's insurer for reimbursement. This is contribution at work.
- 57. The accident report form and the statement of insurance collated by the insurer from telephone report conversation by a policyholder serve the same purpose of conveying accident details to the insurer.
- 58. If the claim is in anyway fraudulent because the quantum was greatly exaggerated or forged documents were indemnity for that claim.
- 59. Claims for damage to the policyholder's vehicle can only proceed if cover granted is on either third-party fire and theft or comprehensive.
- 60. The satisfaction note is used at the inception of the insurance cover to signify that the vehicle is worthy to be accepted for comprehensive cover.

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

61.

The Managing Director of EFG Limited approached you that the company has a sizeable number of vehicles used in the course of their operations. The company is meticulous in the maintenance of their vehicles and wishes to take the opportunity of benefitting from their good claims record. They wish to know about fleet policy which they believe they can have for their 75 vehicles.

What is the minimum number of vehicles that can be accepted for fleet?

	(a)	25	(b)	20	(c)	10	(d)	5			
62.	How i	many categories	s of flee (b)	et are there?	(d)	5	(d)	6			
63.		a new Insurer rrent insurer ob 7 years			•		s' claim	s experience is 2 years			
64.	The p (a) (c)	remium calcula tariff agreed value		-	on (b) (d)	own experience		erience			
65.	All these are the attractions of fleet policy arrangement except (a) Premium is usually substantial and Insured seeks value for money (b) The claims procedure does not follow the insurer's normal investigative procedures and claims are paid gross as presented by the policy holder. (c) The range of cover offered may be greater than would otherwise be available (d) A good claims history is reflected in the premium charged and this is the main rating factor.										
_		ocument is ger ance, it is also a	-	_							
66.		ection of the policyholder and definitions	the insu	arer is called the	e	nts that compris					
67.	Items (a)	such as radio, of spare parts	CD play (b)	ver, and floor m supplements	ats are:	regarded as attachments	(d)	accessories			
68.	docun		-			can be found in	n par (d)				
69.		mount that it w				-					
		tion and mileag total value		-	(c)	market value		contribution			
70.	Unins (a) (c)	ured loss recov business inter legal expense	ruption	policy	(b) (d)	all risk policy occasional bu		ise policy			

71.	The type of certificates where vehicles are referred to but not specifically identified are called certificates.										
	(a)	neutral	(b)	marine		(c)	warranty	(d)	blanket		
72.		ocument produc	•		r thro	ough whi	ch facts relation	ng to th	ne subject matter		
	(a)	proposal form				(b)	discharge for	m			
	(c)	prospectus				(d)	policy bookle				
73.	Motor insurance is a special type of cover because of the Road Traffic Act provisions policy of motor insurance is of no effect until a is delivered to the policyholder. (a) proposal form (b) supplementary form (c) motor vehicle certificate (d) offer								licyholder.		
74.		ispute, the issue	is refer	red to as	• • • • • • • • • • • • • • • • • • • •	-	•		mount to be paid		
	(a) c	ourt (b)	arbitra	tion ((c) 1	trade ass	ociation	(d)	Regulator		
75.	The alt (a) (c)	ternative to the notification co discharge form	ondition	al form is		(b) (d)	proposal forr statement of				

Motor insurance as a contract involves the combination of more than one document from

inception to completion. What are these documents and their importance?

Chief Examiner's Comment

The overall performance reflects a relatively average pass rate of 36.99%, with Lagos and Abuja recording the highest number of successful candidates. While not definitive, this may be attributed to their access to lectures that complement their personal study efforts.

It may be beneficial to advise candidates in other regions to take advantage of similar opportunities, especially as some tuition providers now offer virtual lectures.

Comments on Overall Performance

The performance was below 40% and can be better. Candidates need to study more.

Suggestion(s) on Improvement(s) (if any)

Candidates are advised:

- (i) to start preparations early;
- (ii) set aside specific time during the week and weekend for study;
- (iii) back up by attending tuition classes.

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

FOUNDATION

F07 - HOUSEHOLD INSURANCE PRODUCTS YEAR 2025 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 a silent battery or solar-powered non-programmable calculator. The use of a 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 2025 DIET CANDIDATES' INSTRUCTIONS

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:

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 form by filling in the appropriate.

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

- 1. "Excess Clause" in an insurance policy is defined as ...
 - (a) a limit placed on total payouts
 - (b) a refund process for unused coverage
 - (c) a feature that guarantees additional coverage for natural disasters
 - (d) the amount the policyholder must contribute before a claim is paid
- 2. NAICOM play the role of ... as it relates to protecting Nigerian policyholders.
 - (a) drafting exclusive policies for insurers
 - (b) arbitrating disputes between policyholders and insurers
 - (c) regulating compliance and enforcing claims processing guidelines
 - (d) increasing taxes on insurance companies
- 3. ... scenario will typically be excluded under household insurance.
 - (a) Theft after a home break-in (b) Structural damage from wear and tear
 - (c) Fire damage to personal property (d) Water damage from a burst pipe
- 4. ... represent the term "sum insured" in an insurance policy.
 - (a) The monthly premium paid by the policyholder
 - (b) The maximum amount payable in a claim
 - (c) A bonus paid for no claims made
 - (d) The actual value of damaged items
- 5. Calculating of premiums by an insurer for household insurance is ...
 - (a) based on the risk factors and value of the property
 - (b) based solely on the policyholder's credit score
 - (c) using a flat rate for all policyholders
 - (d) based on the insurer's annual profits
- 6. In household insurance, "policy exclusion" means ...
 - (a) risks or damages not covered by the policy
 - (b) optional add-ons for extended coverage
 - (c) coverage for pre-existing damages
 - (d) an additional fee charged for certain claims
- 7. "All-risk insurance" in the context of household policies can be explained as ...
 - (a) coverage for only fire and flood risks
 - (b) coverage for specific named perils
 - (c) comprehensive coverage for most risks except exclusions
 - (d) insurance that has no exclusions at all
- 8. ... is the main benefit of a "replacement cost" coverage policy?
 - (a) Covering the cost to replace items with new equivalents
 - (b) Reimbursement of the depreciated value of damaged items
 - (c) Guaranteeing that s no claims will be denied
 - (d) Including coverage for unrelated damages
- 9. "Deductible" is included in household insurance policies because it ...
 - (a) limits the liability of the insurer
 - (b) guarantees lower premiums for policyholders
 - (c) discourages policyholders from filing minor claims
 - (d) excludes certain types of claims entirely

- 10. "Underinsurance" in household policies is ...
 - (a) having coverage that exceeds the value of insured property
 - (b) insuring property for less than its actual value
 - (c) a policy with no deductible
 - (d) a specialised policy for high-value homes
- 11. "Fire insurance" is designed to cover ...
 - (a) damage caused by intentional fire by the policyholder
 - (b) losses from uninsured natural disasters
 - (c) structural wear and tear over time
 - (d) loss or damage caused by accidental fire
- 12. The purpose of "accidental damage coverage" is to ...
 - (a) cover intentional damage to the property
 - (b) insure the policyholder against natural disasters
 - (c) cover sudden, unintentional damages to the home or its contents
 - (d) waive deductibles for specific claims
- 13. "Proof of ownership" is important when filing claims because it ...
 - (a) speeds up the claims approval process
 - (b) prevents disputes over unrelated damages
 - (c) verifies the insured value of stolen or damaged items
 - (d) eliminates the need for a deductible
- 14. "Wear and tear" may not be covered by household insurance because it ...
 - (a) is considered an intentional act by the policyholder
 - (b) results from normal use and is excluded from most policies
 - (c) is too expensive for insurers to cover
 - (d) only applies to very old properties
- 15. The meaning of "actual cash value" in a policy is ...
 - (a) reimbursement for the cost of replacing items at their current market value
 - (b) payment for the original purchase price of items
 - (c) coverage for the sentimental value of items
 - (d) the cost of repairing items regardless of depreciation
- 16. "Co-insurance" in household insurance is ...
 - (a) a feature that splits costs between two insurers
 - (b) a clause requiring the policyholder to cover a portion of the loss
 - (c) an optional benefit for premium discounts
 - (d) insurance for multiple properties under one policy
- 17. In an insurance policy, the phrase "premium loading" refers to ...
 - (a) an additional charge for high-risk policies
 - (b) a discount applied for no claims made
 - (c) the process of filing a claim (d) a penalty for filing multiple claims
- 18. "Grace period" in an insurance policy is the ...
 - (a) period when the policyholder cannot file claims
 - (b) period when the insurer assesses claims
 - (c) time allowed after the premium due date to avoid policy cancellation
 - (d) time required for claim approval

- 19. "Tenant insurance" typically cover ...
 - (a) protection against landlord's property damage
 - (b) personal belongings and liability inside a rented property
 - (c) structural repairs to the rental property
 - (d) damage to the property owned by the landlord
- 20. In insurance context, the term "underwriting" means the ...
 - (a) process to dispute claims
 - (b) act of settling claims
 - (c) method used to determine claim payouts
 - (d) process of setting premiums based on risk factors
- 21. The "total loss" clause in household insurance is a clause that ...
 - (a) limits claims based on depreciation
 - (b) applies only to fire-related claims
 - (c) guarantees full reimbursement if the home is destroyed
 - (d) helps policyholders recover from a partial loss
- 22. "Water damage" coverage generally include ...
 - (a) damage caused by flooding from external sources
 - (b) all water-related incidents regardless of the cause
 - (c) damage from natural weather events like hurricanes
 - (d) damage caused by accidental overflow, leaks, or burst pipes
- 23. "Riders" in insurance policies are ...
 - (a) standard terms and conditions of the policy
 - (b) sections of the policy that explain exclusions
 - (c) additional coverages or benefits that modify a policy
 - (d) refunds provided for unused premiums
- 24. The major benefit of fire insurance under Nigerian law is ...
 - (a) mandatory coverage for public buildings ensures property safety
 - (b) premiums are subsidised by the government
 - (c) covers losses due to natural disasters
 - (d) eliminates the need for liability insurance
- 25. "Flood exclusion" in household insurance policies is a ...
 - (a) waiver that reduces premiums in flood-prone areas
 - (b) policy feature that automatically includes flood coverage
 - (c) special coverage for properties at risk of flooding
 - (d) clause that excludes coverage for damages caused by floodwater
- 26. "Loss of rent" coverage in household insurance is coverage for ...
 - (a) legal fees related to renting disputes
 - (b) damages to a tenant's personal property
 - (c) rental income loss due to property damage
 - (d) the homeowner's income tax payments

- 27. "Replacement cost" in household insurance means the ...
 - (a) amount needed to repair the property after depreciation
 - (b) cost to replace the damaged property with new items of similar quality
 - (c) cost of hiring contractors for repairs
 - (d) original cost of the property before the damage
- 28. "Exclusion", in an insurance policy, means a ...
 - (a) feature that adds extra coverage to the policy
 - (b) list of perils or risks that are not covered under the policy
 - (c) discount offered to policyholders with low-risk properties
 - (d) clause that automatically extends coverage after a claim
- 29. "Moral hazard" in insurance refers to the ...
 - (a) risk of loss due to improper maintenance by the policyholder
 - (b) risk of claims being denied due to false information
 - (c) tendency of insured individuals to take more risks because they are covered
 - (d) potential for the insurer to default on paying claims
- 30. "Floating policy" work in household insurance as it ...
 - (a) applies to specific items that are frequently moved, like jewelry or artwork
 - (b) covers all types of home-related damages
 - (c) is valid for a set period of time and needs to be renewed frequently
 - (d) covers only the structure of the home
- 31. In household insurance policy, "storm damage" typically cover damages caused by...
 - (a) flood

- (b) pests or insects
- (c) civil disturbances
- (d) severe wind, hail, and rain
- 32. "Personal accident" coverage help in household insurance by ,,,
 - (a) covering medical expenses for pets
 - (b) covering accidental damage to the property
 - (c) compensating for losses from fire-related accidents only
 - (d) providing compensation for accidental injuries or death of the policyholder or family members
- 33. A "standard home policy" is typically designed to cover ...
 - (a) personal belongings, structural damage, and liability risks
 - (b) only the structure of the home (c) only the contents inside the house
 - (d) only natural disaster-related damage
- 34. The primary goal of "fire damage insurance" in household policies is to ...
 - (a) cover the damage caused by fires within the home
 - (b) cover water damage caused by sprinklers during a fire
 - (c) provide legal representation during fire-related lawsuits
 - (d) cover fire damage to neighboring properties
- 35. "Building insurance" differ from "contents insurance" in that ...
 - (a) building insurance covers personal property, while contents insurance covers the structure of the home
 - (b) building insurance covers the physical structure of the property, while contents

- insurance covers personal belongings
- (c) both policies cover the same risks
- (d) building insurance is only available for commercial properties while contents insurance is available to all forms of properties.
- 36. In household insurance, a "flood risk" assessment means ...
 - (a) an evaluation of the likelihood that a property will be affected by flooding
 - (b) a review of the policyholder's past flood-related claims
 - (c) a requirement to include flood insurance in the policy
 - (d) a process of offering coverage only in flood-prone areas
- 37. "Replacement value" insurance means insurance that ...
 - (a) pays the policyholder the current market value of their property
 - (b) covers the original cost of the property
 - (c) pays the cost to repair or replace property with similar quality and condition
 - (d) only covers repairs to damaged property
- 38. In household insurance, "personal property" refer to the ...
 - (a) physical structure of the property
 - (b) personal belongings inside the home, such as furniture, electronics and clothing
 - (c) exterior features of the property, like fences and gardens
 - (d) homeowner's legal obligations
- 39. The purpose of a "home insurance inventory" is to ...
 - (a) calculate the cost of premiums
 - (b) verify the property's market value for sale
 - (c) document and value all personal belongings in the home for insurance purposes
 - (d) monitor monthly utility usage in the home
- 40. "Flood insurance" is designed to cover damage caused ...
 - (a) by hurricanes and severe windstorms
 - (b) by accidental water leaks from plumbing
 - (c) by rising water, heavy rainfall, or river overflow
 - (d) to the personal property from fire or theft
- 41. In household insurance, a "deductible" is the ...
 - (a) maximum amount the insurer will pay for a claim
 - (b) total value of personal property covered by the policy
 - (c) amount of premium the insurer discounts for safe property maintenance
 - (d) amount the policyholder must pay before the insurance company starts paying for a claim
- 42. "Experience rating" in insurance underwriting is ...
 - (a) adjusting premiums based on the insured's claims history
 - (b) setting rates according to geographic risk factors
 - (c) excluding high-risk individuals from standard policies
 - (d) offering discounts for claims-free periods

- 43. A "claims-free bonus" in household insurance is a ...
 - (a) premium increase for filing a claim
 - (b) bonus payout given to policyholders after a claim
 - (c) refund on premiums paid at the end of the policy period
 - (d) discount or bonus for policyholders who have not filed any claims during a policy period
- 44. In household insurance, "home emergency" offers coverage for ...
 - (a) home repairs related to wear and tear
 - (b) damage caused by home emergencies like burst pipes, heating failure, or electrical problems (c) for emergency medical expenses
 - (d) insurance against burglary or theft
- 45. In household insurance, "subsidence" refers to ...
 - (a) damage caused by excessive rain
 - (b) the sinking or settling of the ground beneath the property, leading to damage
 - (c) the impact of winds on the structure of the house
 - (d) damage caused by earthquakes
- 46. In household insurance, "personal injury" coverage includes injuries ...
 - (a) sustained by the policyholder during home repairs
 - (b) resulting from natural disasters like earthquakes
 - (c) sustained by the homeowner while traveling
 - (d) caused to third parties on the insured property
- 47. In household insurance, "policy period" means the ...
 - (a) time frame during which a policyholder can file a claim
 - (b) waiting period before a claim is paid out
 - (c) duration of time the policy is valid, typically one year
 - (d) time before the policyholder must renew their insurance
- 48. In household insurance, "wear and tear" means ...
 - (a) coverage for the gradual deterioration of property due to aging and regular use
 - (b) coverage for damages caused by accidents
 - (c) the process of repairing damaged property
 - (d) a special policy feature to protect appliances
- 49. In household insurance, "excessive heat" cover means ...
 - (a) damage caused by fire or overheating electrical appliances
 - (b) coverage for high-temperature damage to the roof and foundation
 - (c) dmage caused by excessive heat due to external factors, such as heat waves
 - (d) damage caused by air conditioning system malfunctions
- 50. ... is the meaning of "deductible" in a home insurance policy.
 - (a) The total amount of the claim the insurance company will cover
 - (b) The policyholder's share of the financial responsibility for the damages before insurance kicks in
 - (c) The amount the policyholder will be refunded if they do not file a claim
 - (d) The cost of regular home maintenance

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

- 51. Household insurance policies typically include liability coverage for third-party injuries on the property.
- 52. A standard household insurance policy includes coverage for damages caused by earthquakes.
- 53. Flood damage is automatically included in household insurance policies in Nigeria.
- 54. Household insurance policies cover damages caused by electrical faults in the home.
- 55. Theft is covered under most household insurance policies in Nigeria.
- 56. Household insurance policies automatically renew each year unless the policyholder opts out.
- 57. Liability insurance coverage in household policies only applies to accidents caused by the homeowner's negligence.
- 58. Household insurance policies typically include coverage for personal belongings, such as furniture and electronics.
- 59. Accidental damage to personal property inside the home is covered under a standard household policy.
- 60. Household insurance policies automatically cover all the contents of a property, regardless of their value.

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

The Bennetts, a family of four, were on vacation abroad when their youngest child fell ill. Their travel insurance policy included medical coverage, ensuring that hospital and treatment costs were covered. The insurer arranged for a medical evacuation back to their home country.

- 61. What is commonly included in travel insurance policies?
 - (a) Coverage for lost baggage and medical emergencies
 - (b) Coverage for vehicle repairs
- (c) Home security monitoring
- (d) Pet care during travel
- 62. What service did the Bennetts' insurer provide beyond cost coverage?
 - (a) Offered a discount on the vacation (b) Arranged medical evacuation
 - (c) Covered hotel upgrades
 - (d) Paid for additional family members to travel
- 63. How can travellers ensure effective use of their travel insurance?
 - (a) Read the policy details and carry emergency contact numbers
 - (b) Only travel within their home country (c) Avoid filing small claims
 - (d) Wait until they return home to report incidents
- 64. What could lead to the denial of a medical claim under travel insurance?
 - (a) Pre-existing medical conditions not disclosed (b) Taking over-medications
 - (c) Falling ill due to food poisoning
 - (d) Incurring treatment costs below the deductible
- 65. What additional benefit might a comprehensive travel insurance policy offer?
 - (a) Coverage for political evacuation (b) Free airline tickets for future travel
 - (c) Monthly rebates on premiums (d) Investment options.

Sophia rented an apartment that was destroyed by a fire caused by an electrical fault. She had renters insurance, which covered her personal belongings and provided temporary accommodation until she could find a new place to live.

- 66. What does renters insurance typically cover?
 - (a) Damage to the building structures
 - (b) Personal belongings and liability protection
 - (c) Medical expenses for unrelated injuries
- (d) The landlord's property
- 67. What additional benefit did Sophia's policy provide?
 - (a) Payment for a new apartment
- (b) Temporary accommodation
- (c) Coverage for the building's repairs
- (d) Replacement of the faulty electrical wiring
- 68. How can tenants determine the adequacy of their renters insurance coverage?
 - (a) Only consider the cost of premiums
 - (b) Inventory their possessions and estimate replacement costs
 - (c) Purchase the cheapest policy available
 - (d) Avoid coverage for personal belongings
- 69. Under what circumstance might Sophia's claim be denied?
 - (a) If the fire was due to her negligence
 - (b) If the fire was caused by natural disasters
 - (c) If her belongings were damaged
- (d) If she provided proof of loss
- 70. What additional coverage might a tenant consider for comprehensive protection?
 - (a) Auto insurance
 - (b) Liability coverage for injuries occurring on the property
 - (c) Building structure insurance
- (d) Life insurance

The Peterson family's home was severely damaged in a flood. Although they had home-owners insurance, flood damage was not covered under their standard policy. Luckily, they had also purchased a separate flood insurance policy, which covered repairs to the foundation and replacement of damaged appliances.

- 71. Why wasn't flood damage covered under the Petersons' home-owners policy?
 - (a) Flood coverage is typically excluded from standard policies
 - (b) They lived in a non-flood-prone area
 - (c) The damage was minor
- (d) They filed the claim too late
- 72. What does flood insurance typically cover?
 - (a) Only structural damage to the property
 - (b) Structural damage, foundation repairs, and some personal belongings
 - (c) Vehicle damages caused by flooding (d) Temporary accommodation costs
- 73. How can homeowners determine if they need flood insurance?
 - (a) Check their region's flood risk and coverage exclusions in their standard policy
 - (b) Assume it is included in all policies (c) Avoid flood-prone areas entirely
 - (d) Only consider it if they live near a river
- 74. What could lead to a denial of a flood insurance claim?

	(a)	Filing a claim promptly	(b) Damages	not directly caused by flooding	
	(c)	Flooding caused by a burst	t pipe		
	(d)	Pre-existing coverage for r	natural disasters		
75.	What	t additional policy might comp	plement flood ins	urance for comprehensive protectio	n?
	(a)	Earthquake insurance	(b)	Life insurance	

(d)

Cyber liability insurance

Auto insurance

(c)

Chief Examiner's Comment

The analysis of the result indicated that 75% of the candidates who presented themselves for the examination passed, which is commendable considering the past experiences.

Comments on Overall Performance

The overall performance is good.

Suggestion(s) on Improvement(s) (if any)

The Institute should continue to implore candidates to study ahead of time.

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

FOUNDATION

F08 – HEALTHCARE INSURANCE PRODUCTS YEAR 2025 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 a silent battery or solar-powered non-programmable calculator. The use of a 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 2025 DIET CANDIDATES' INSTRUCTIONS

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 form by filling in the appropriate box.

SEC 1 1.		of these serves NHIS			, , , -			,	ce in Nigeria? Government
2.	In Nig (a) (c)	eria, primary h State Governr Local Govern	nent	e is the respon	sibility (b) (d)	of Council ' Federal (
3.	In thei	r annual survey	of the		e marke	et, Laing E	Buisso	on estir	
	(a)	One	(b)	Three	(c)	Five		(d)	Six
4.	PMI pa (a) (c)	ays for treatme As an in-patie As a day patie	ent		(b) (d)	As an ou All of the			
5.	The pe	ersonal acciden 12	t policy (b)	will cover the 24	insured (c)	per day fo	or	hours.	8
6.	In Crit (a) (c)	ical Illness (CI pay lumps on Travel allowa	diagnos	-	(b) (d)	Disability Hospital	•		cer treatment
7.	Vulner (a) (c)	rable group soc Pregnant Wor Physically Ch	men	-	oducts v (b) (d)	will cover Beggars Armed F			-
8.	Which (a) (c)	of these dates Private Medic Third Party A	al Insur	rance	enth cer (b) (d)	ntury? National Workme			
9.	Anothe	er name for bas comprehensiv	-	ies is polici mid-range	es. (c)	internatio	onal	(d)	budget
10.	The Fo	our-or-Six-Wee budget	ek Polic (b)	ies are forms o international	f pol		ige	(d) co	omprehensive
11.		koko has an ex N 2,800.00 for N 100.00					oay fo		eatment?
12.	sch (a)	emes run along Self insured	g similar (b)	lines to cost p Risk share	lus sche (c)	emes. Fully ins	ured	(d)	Cost plan
13.	Which (a) (c)	of these is not Large Group & Affinity Sche	Scheme	-	? (b) (d)	Middle C	-		
14.		sessment of rise (b) existing m			pased or (c)		excep (d)		al status

15.	contair	ned in Section.	• • • • • • • • •	closure to the in	ce Act 2	2003 in Nigeria	•				
	(a)	54	(b)	55	(c)	68	(d)	69			
16.	(a) (b)	To provide for To provide for all employ or pay the retire	r fair ai r an ope ees ement b	ective of the End adequate assen and fair systements to all station to employe	essmen em of gr	ts for employer naranteed and a se company did	rs dequate d not pu	e compensation			
17.	Which (a) (c)	of these is not Capital Product Desig		urance benefit	to healt (b) (d)	h insurer? Medical Trea Stop Loss	tment				
18.	The name for choosing to have treatment abroad in the lowest cost country offering a similar quality is health (a) arbitrage (b) financing (c) tourism (d) cover										
19.	The PN (a) (d)	MI policy will a dies fails to pay the		cancelled if the	insured (b) (d)	is sick relocate abroad					
20.	An am (a)	amount which the insured will bear for each and every loss is called a or an excess (b) franchise (c) limit (d) indemnity									
21.	Treatm (a) (c)	nent that does r day case treats in-patient trea	ment	a patient to stay	(b) (d)	pital overnight complementa prosthesis					
22.	Before (a) (c)	borrow to fun- the state fund	d their		ne rich (b) (d)	tended to contribute to fund it by the					
23.	Which (a) (b) (c) (d)	to provide for for all employ to pay the retin to provide reh	an ope vees rement abilitat	-	m of gu taff who es with	naranteed and a cose company di work disability	dequate d not po	210? e compensation at in place such			
24.	The principal differences between National Health Service and the Private Healthcare System will include all except (a) the time spent waiting to be treated and choice regarding when to be treated (b) the choice of facilities (c) the private sector allows a complete choice of specialist (d) the private sector are not allowed to use technologies not available at the NHS										
25.	Which (a) (c)	ich of these is non-essential surgery that will change a person's appearance? PMS (b) Emergencies Complimentary medicine (d) Cosmetic surgery									

26.	Which o	of these is not a			ting treat	ment fro	om the privat	te medical se	ctor?
	(a)	Less time was	iting for	r operations	(b)	Choic	e of consulta	ınt	
	(c)	Free medical	treatme	ent	(d)	Choic	e of hospital		
27.	Which	n of these is not	t a crite	rion for the pr	ovident i	nsurers	?		
	(a)	Are not profit	t-makin	g	(b)	Have	shareholders	1	
	(c)	Count all their	ir opera	ting surplus as	s part of t	heir res	erves		
	(d)	Are equally u	ınable to	o attract tax re	elief for a	ny losse	es		
28.	Which	n of these is the	largest	provident ass	sociation?	•			
	(a)	AXA	(b)	NHS	(c)	BUPA	(d)	HSA	
29.	Which	n of these is not	t a reins	urance benefi	t to healtl	h insure	er?		
	(a)	Capital			(b)	Stop le	oss		
	(c)	Product desig	gn		(d)	Medic	al treatment		
30.	A gro	wing proportion	n of pri	vate medical s	schemes a	are now	run on beha	lf of employe	ers
		eir employees,	by						
	(a)	third-party ad			(b)		and dental of	-	
	(c)	national healt	th servi	ce	(d)	private	e medical in	surance	
31.	Accor	ding to Agusto	& Co,	what percenta	age of Nig	gerians l	have health i	insurance?	
	(a)	1 %	(b)	3%	(c)	5%	(d)	7.5%	
32.	Which	n of these is not	t a bene	fit of the Aug	sto & Co	report?			
	(a)	Provides info		_		-			
	(b)	Examines the					•	of operators	
	(c)	Reviews the f	financia	l condition of	operator	s	-	-	
	(d)	pay for the tre	eatment	of the identif	ied insure	eds und	er the schem	e	
33.	The m	nedical insuranc	ce mark	et is divided in	nto three	categori	ies, which do	oes not includ	le
	(a)	individual pai			(b)		nity paid gro		
	(c)	company paid		(d)	` '		• • •	oyee-paid gr	oups
24	VV /le o re	41	ما ده نام	40 may fambaa	141 4	4	4 fan 41ain an	1 os 4l	ممما
34.		the employers arises, rather th		- •		eaumem	t for their en	ipioyees as u	nese
	(a)	self-funded so		,	(b)	health	trusts		
	(c)	health and de	ntal cas	h plans	(d)	nation	al health ser	vice	
35.	Whiel	a country enanc	le tha m	oet amounte d	on healtha	ora?			
33.	(a)	n country spend USA	(b)	Japan	(c)	Spain	(d)	Ireland	
	, ,		` ′	•	, ,	•	` '		
36.		ternational med		urance policy					
	(a) (c)	home nursing all expenses f	•	ationt day nati	(b)	surged (d)	ons' fee None of th	a ahova	
	(C)	an expenses i	от ш-ра	anem uay pall	CIII	(u)	TAOHE OF HI	c above	
37.		n of these is not	t a ratin	g factor in tra					
	(a)	age			(b)	incom			
	(c)	countries to b	e visite	d	(d)	the ler	ngth of cover	r required	

38.		name for choos ar quality is ca			abroad i	n the low	est cost	countr	y offering a
	(a)	tourism	(b)	financing	(c)	cover		(d)	arbitrage
39.	The p (a) (c)	orivate medical Capitation Medical Ins		ce is also knov	wn as (b) (d)	Third	Party Ao		
40.	An ar (a)	nount which the	he insure (b)	ed will bear for franchise	r each aı (c)	-		alled (d)	claim
41.	to ret	urn you to the	state of which le	jury that is like health you we eads to your fu	re in imi	mediately ery. Chron	•	suffering tion	
42.	PMI ₁ (a)	pays for treatm in-patient	nent as a	/an day patient	(c) (out-patie	nt (d)	all of t	the above
43.	The F (a) (c) (d)	PMI policies co private cons pre-existing illness or inj	ultations conditio		(b) er has al		etic surge	ery	
44.		access accordi the cost of s	ng to ervices a loctors a	and the treatmend nursing wo	ent provi	ided r them	hich the		omers may
45.				th category of mid-range				(d)	International
46.	Hosp (a) (c)	ital charges wi operating th recuperation	eatre fac	to all except.		(b) (d)	prosthe	esis se treat	ment
47.	Treat (a) (c)	ment that does in patient tre prosthesis	-	uire patient to	stay in h	nospital o (b) (d)	compl		ary therapies ment
48.	is (a)	not a classifica major plus	ation of s (b)	surgical proced intermediate		(c)	minor	(d)	standard
49.	The p	procedure for the major plus	he remov (b)	val of skin leg intermediate		n anaestl	hetist is minor	classifi (d)	
50.	-		• .	pass for a surg				com	nlex maior

51.	The pr	ocedure for Pa	rtial thy	roidectomy for	an Ana	esthetist is	class	ified a	S
	(a)	major plus	(b)	intermediate	(c)	minor	(d)	com	plex major
52.		he term for x-ra							
	(a) Pro	osthesis	(b) Pat	thology	(c) Radiology (d) Physiotherap				
53.			-	uipment or sur	-		referr	ed to a	as
	(a)	medical cost i	nflation	l	(b)	RPI		C	
	(c)	billing			(d) accommodation fees				
54.	The Fo			ies are forms of	f				
	(a)	· ·				comprehensive policies			
	(c)	international 1	policies		(d)	budget po	olicies		
55.	Medic	al Savings Plan	ns comb	ine some forms	s of savi	ings with .	insu	rance	
	(a)	travel	(b)	fidelity	(c)	medical	((d)	money
56.	The ite	em not covered	by an i	nsurance policy	is calle	ed a/an			
	(a)	exclusion	(b)	endorsement	(c)	warranty	((d)	band
57.				d for by the em	ployer	and based	on a p	ersona	al policy,
		s with discoun	-		(1-)	M: 141. C		S -1	
	(a) (c)	Small Group Large Group			(b) (d)	Middle G Affinity S	-		ies
	` '	0 1			, ,	•			
58.				ne employer bu	-	•			
	(a)	Small Group			(b)	Middle G	-		ies
	(c)	Large Group	Scheme	S	(d)	Affinity S	schem	es	
59.				will cover emp	•				
	(a)	Small Group			(b)	Middle G	-		ies
	(c)	Large Group	Scheme	S	(d)	Affinity S	schem	es	
60.	What i	is Morbidity ris	sk? It is	the risk of					
	(a)	dying			(b)	getting in	volve	d in ac	ecidents
	(c)	falling sick			(d)	disability			
				QUESTIONS	(Quest	ions from	61 to	85)	
		e (T) or False	` '						
61.		-	_	ined by people	buying	private me	dical t	reatm	ent is that the
	will ha	ave more waitii	ng time	for surgeries.					

- ey
- PMI policies routinely include cover for the costs incurred as a result of normal 62. pregnancy and childbirth.
- Provident associations were introduced during the 1920s and 1930s. 63.
- Medical insurance is designed to pay for the treatment of acute medical conditions. 64.
- Examples of chronic conditions include asthma and diabetes. 65.
- PMI pays for the treatment of only in-patients. 66.
- The PMI policy will be cancelled if the insured is sick. 67.
- 68. The insurer could also cancel the policy if fraud is suspected.

- 69. Few PMI policies cover private consultations with a GP or the costs of medical services that are used in the treatment of pre-existing conditions.
- 70. Geographical location does not tend to determine the price band of a hospital or a hospital room.
- 71. Basic Personal PMI products gives the widest scope of cover.
- 72. Radiology is same as blood and urine test.
- 73. Limited benefit policies concentrate on providing cover for the more important or expensive types of treatment such as in-patient costs and day case treatment.
- 74. Corporate deductible policies are conventional PMI policies but where the employer has chosen to have a large deductible.
- 75. One of the disadvantages of flexible benefits schemes is that employees have control over the benefits they choose reflecting their lifestyle.
- 76. Members of an affinity group may get discounts as long as they remain a member of that affinity group.
- 77. Most traditional schemes simply exclude all pre-existing conditions.
- 78. Travel insurance covers all pre-existing conditions.

Critical Illness Insurance

Payment Protection Insurance

(a)

(c)

- 79. Income protection is usually underwriting in the same way as a life insurance policy.
- 80. Critical Illness insurance is usually underwritten in the same way as life insurance policy.
- 81. Health insurance is a social security system that guarantees the provision of needed health services to persons on the payment of contributions at regular intervals.
- 82. The international health insurance also pays for hospital bills incurred locally.
- 83. An international medical insurance policy may cover drugs and dressing.
- 84. Individuals with major medex style products may not choose to have treatment abroad.
- 85. A key element of travel insurance policy is cover for health treatment abroad.

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

Mr. Kofi Achibong is a 75 year-old man who had retired but bought an insurance policy to take care of his activities of daily living. While he was in service, he had purchased a policy that was to protect the mortgage he had taken from the bank as well as another insurance policy to take care of a range of specified illnesses that are life-threatening.

86.	Whic	ch of these policies will cover activit	ies of dai	ily living?
	(a)	Critical Illness Insurance	(b)	Long-Term Care Insurance
	(c)	Payment Protection Insurance	(d)	Pre-Funded Policy
87.	The 1	policy that will protect the mortgage	is a	
	(a)	Critical Illness Insurance	(b)	Long-Term Care Insurance
	(c)	Payment Protection Insurance	(d)	Pre-Funded Policy
88.	po	olicy will pay if the insured contacts	cancer.	
	(a)	Critical Illness Insurance	(b)	Long-Term Care Insurance
	(c)	Payment Protection Insurance	(d)	Pre-Funded Insurance
89.	-	olicy will allow Mr. Achibong to pay the insurance policy.	either re	egular premium or a single premium

(b)

(d)

Long-Term Care Insurance

Pre-Funded Policy

90.	In the (a)	case that Mr. Annuity	_	g contacto Instalmo		ncer, in (c)	what mode wil Lump Sum	l he get l (d)	his bene Regula	
travel	to Germ	nany for treatn	nent for h	er ill hea	ılth. S	She also	in Lagos Islan wants to buy in d insurance scho	ndividua		
91.	Which (a)	policy will sh Travel Insura					tional Medical	Insuranc	e (d)	NHIS
92.	What p	policy will cat Travel Insura					ermany? tional Medical l	Insuranc	e (d)	NHIS
93.	Which (a) (c)	of these is no Pre-Existing Regular Scre	Conditio		the po	olicy to (b) (d)	cater her treatm GP costs Surgery in Ge		Sermany	ı?
94.	Which (a)	of these is the Travel Insura					l buy? tional Medical l	Insuranc	e (d)	NHS
95.	The in (a) c)	dividual polic cancer treatm malaria treati	nent	ver the pa	ayme	(b) (d)	lump sum on surgery in Inc	_	is of car	ncer
also w	ants an						for both busine accident insur	-		
96.	What i	oolicy will cov	ver the ris	sks of his	trave	elling to	China?			
	(a) (c)	National Hea Travel Insura	lth Insur			(b) (d)			surance	
97.	Which Nigeri		icies will	cover f	or 24	hours	the risk of trav	velling i	n his S	tate in
	(a)	National Hea		ance		(b)	Medical Insur			
	(c)	Travel Insura	ance			(d)	Personal Acc	ident Ins	surance	
98.	In whi	ch of these po	licies is t	here a be	nefit	of 104	weeks?			
	(a)	National Hea				(b)	Medical Insur	rance		
	(c)	Travel Insura	ance			(d)	Personal Acc	ident Ins	surance	
99.	If Chie		l an accid	lent while	e in C	China, w	hich of these po	olicies th	at will 1	pay for
	(a)	National Hea	lth Insur	ance		(b)	Medical Insur	rance		
	(c)	Travel Insura	ance			(d)	Personal Acc	ident Ins	surance	
100.		e Chief Chined m benefit for t		acciden	t whi	ile in Al	kwa, which of t	these pol	licies th	at will
	(a)	National Hea	lth Insur	ance		(b)	Medical Insur			
	(c)	Travel Insura	ance			(d)	Personal Acc	ident Ins	surance	

Chief Examiner's Comments

78% of the candidates that presented themselves for the examination passed, which is impressive compared to the 6% in the October 2024 diet.

Comments on Overall Performance

There is a remarkable improvement in this diet examination.

Suggestion(s) on Improvement(s) (if any)

Candidates are to understand the roles of each operator such as NISTF, NHIS, HMOs, and Insurance.

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

FOUNDATION

F10 – INSURANCE BROKING PRACTICE - I YEAR 2025 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 2025 DIET CANDIDATES' INSTRUCTIONS.

FOUNDATION

F10 - INSURANCE BROKING PRACTICE - I

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 Broker in claims processing is to ...

- (a) pay the claim (b) support the insurer (c) support the insured
- (d) be the intermediary between the insurer and the insured.

The correct option is (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:

The insurance market consists of different categories of intermediaries. (True or False). The correct option is True (T).

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.	Anyon (a) (c)	ne who acts on the principal an agent	behalf	of another p	erson is re	ferred to (b) (d)	as under co an instructor the facilitate		V.
2.	An ins (a) (b) (c) (d)	surance broker risk evaluatio ensure promp ensuring atter annual reviev	n and a ot paym ndance	essessment ent of claims of meetings	s. with the re				
3.	to bro	omplexities of t kers is made by brokers.		-		m. This	has been a por	tential sour	
	(a) (c)	problem administrativ	e proble	em		(b) (d)	conflict of in area of dispu		
4.	A key	advantage of t	he busi	ness relation	ship betwe	een brok	ers and under	writers is .	
	(a)	prompt claim		nent		(b)	prompt unde	erwriting	
	(c)	peace of mine	d			(d)	reciprocity		
5.	The N	CRIB Act was	enacte	d in Year					
	(a)	2008	(b)	2007	(c)	2005	(d)	2003	
6.		British Insuran rs in Year 2010	ce Bro	kers' Associ	iation mer	rged wi	th the Institute (d)	te of Insur	rance
7					C	, .	1 1		
7.	1S I	not a requireme Principal Off		ne registratio	on of corpo	orate ins (b)	surance broker Details of D	_	a.
	(c)	Statutory Dep		CBN		(0)	Details of D	irector	
	(d)	Submission of	of copy	of Memoran	dum and A	Article o	of Association		
8.	,,, is/a	re (a) statutory	insurar	nce policy(ie	es) in Nige	ria.			
		Marine Insura			_			ity Insuran	ce
	(c)	Engineering 1	Insuran	ce		(d)	A and C		
9.	clients	he term for the s in identifying uity in the even	exposi	re to interna	al and exte	rnal thre		-	
	(a)	Risk Survey		11 7		(b)	Liability Sur	vey	
	(c)	Business Con	tinuity	Planning		(d)	Environmen	tal Risk Su	ırvey
10.	-	rocess of outso its behalf is ca	_	certain activ	ities of a b	roking f	irm to another	organisati	on to
	(a)	risk transfer				(b)	outsourcing		
	(c)	risk balancing	g			(d)	resource con	trol	
11.		nce contracts a		_	_	utmost g	good faith. A l	key summa	ıry of
	(a)	Rozanes v. B				(b)	Rozanes v. I	Bowen 193	8
	(c)	Rozanes v. B	owen 1	948		(d)	Rozanes v. I	Bowen 195	8

12.	The p (a) (b) (c)	urpose of the ' establish the establish the ensure the c whether to b	suitabili suitabili customer	s riter sary i	nformat		decisi	on mak	ting on		
	(d)	ensure the cu	•	• •							
13.	In Nig	geria, the curre 2000	ent Insura (b)	ance Act w 2003		ncted i (c)	n Year 2005		(d)	2007	
14.		mportant for b politically expo KYC (b)				ing the		1.		an be o tionnair	
15.		e the insured an agreed and u contract clar	nd insure inderstoc	er commit				_	oncept nd con	icise	ed upon
16.	In Nig by (a) (b)	geria, brokers' Nigerian Co Nigerian Ins	uncil Reg urers As	gistered In	suranc	ce Bro	kers				
	(c)	Insurance Ac	ct			(d)	Natio	nal Insui	ance (Commis	sion
17.		tionally, broke settlement. Thi brokers clain brokers clain	is is knov n adjustr	wn as nent servio	ce			r clients acting as A and	client		
18.	appoi	oker can man nting loss adj ensating the cl claims advoc delegated au	usters, dient. In the	collecting his scenari	claim io, the	payn	nents fr	om the	insure aims se	er and ervice	
19.	-	jor challenge a ient is clearance wi insurers		•	unter	when	structur (b) (d)	ing an i clearar global	nce wit	h NIA	ram for
20.		Consumer Inst lom (UK) appl individual co commercial	lies to	s only	(b)	-	mers in	on) Act	comm	ercial cu	ıstomer
21.	The finction (a) (c) (d)	undamental fa le placing busin management many of the	ness only t structur	y at Lloyd' e	s		(b)	from oth		urance	brokers

22.	Lloyd (a) (c)	's managing ag Process Regu Practice Regu	lation A	uthority	o be appro (b) (d)	Program Regulation Authority Program Regulation Authority				
23.	Lloyd (a) (b)	's is known as a subscription market because members pay subscription yearly majority of risk placed are shared using a number of participating underwriters who follow the term set by the lead underwriter.								
	(c)	members pay	subscri	ption mont	hly	(d)	all of	the abo	ove	
24.	In the (a)	reinsurance ma reinsurer	arket, th (b)	e insurance cedant (c		placing cedant	the busi		s called the cessionaires	
25.	The re (a) (c)	insurer who ac the second rei wholesale rei	insurer	acement fr	om anothe	r reinsur (b) (d)	the re		sionaires	
26.	One of (a)	f the key benef survey (b)		structured i gement (c		measur	ing risks (d)		and in risk tification	
27.	7. The risk management process consists of three steps, starting with risk identification ending with risk control. Risk is the intermediate step between risk identification risk control.									
	(a)	elimination	(b)	survey	(c)	analy	sis	(d)	prevention	
28.		nmending the i				rm for o	office co	ontents	insurance after	
	(a)	identification	(b)	control	(c)	elimii	nation	(d)	prevention	
29.		e of	•		se that wo	uld othe			n insurer is the	
	(a) (c)	appointing a risk floating		ng agent		(b) (d)	captui high r		rance company on	
30.	Other	services a brok	er prov	ides to clie	nts and ins	urers inc	elude .,,			
	(a) (c)	security servi- outsourcing	ce			(b) (d)	conduct compliance all of the above			
31.		eport submitted ed, typically or					isks un	derwri	tten and claims	
	(a) (c)	statement of a bordereau	account			(b) (d)	cessio month	n nly rep	ort	
32.	In a de (a) (c)	elegated author underwriting document isso				not dele (b) (d)	credit	contro	-	
33.	One m	nain benefit of a	a delega	ted authori	ty agreem	ent to the	e coverh	nolder i	is	
	(a) (c)	improved service potential depe		(b) (d)	conflict of interest increased workload					

34.	The law of agency requires a broker to perform the following duties, except (a) exercise reasonable skill and care in the performance of their principal's instructions.										
	(b) (c) (d)	to observe the	duty o	f utmost good f f accountability obedience							
35.	The requirement to avoid potential conflicts of interest when a broker represents both the insured and the insurer was established in the case of (a) North and South Trust Company v. Berkeley (1970) (b) South and North Trust Company v. Berkeley (1980) (c) North and South Trust Company v. Berkeley (1980) (d) South and North Trust Company v. Berkeley (1970)										
36.	Terms of Business Agreements (TOBA) are designed to address conflicts of interest in relationships between brokers, clients, and insurers. These agreements typically include several key elements except (a) details of service provided (b) the brokers' remuneration (c) financial penalty for violating the agreement (d) regulatory information										
37.	 What is the full meaning of NCRIB? (a) National Council of Registered Insurance Brokers. (b) Nigerian Corporation of Registered Insurance Brokers (c) National Corporation of Registered Insurance Brokers (d) Nigerian Council of Registered Insurance Brokers 										
38.	NAIC (a)	OM Act was en 2007	nacted in (b)	n Year 2003	(c)	1997	(d)	1995			
39.	insura		_	-		-		formation of an apport, is known			
	(a)	intermediating	g (b)	arrangement	(c)	mediation	(d)	agency			
40.		dividual authori f of a licensed fi	•		•	at one or more	controll	ed functions on			
	(a) CE	EO (b) co	ompliar	nce person	(c) ap	proved person	(d)	management			
41.		the daily fine im	-	by NAICOM fo	or late i	filing of annual	returns	s by a registered			
	(a)	₩10,000.00	(b)	₩5,000.00	(c)	₩3,000.00	(d)	₩2,000.00			
42.		the interest rate al Bank of Nige		-			he dead	lline, above the			
	(a)	1%	(b)	2%	(c)	2.5%	(d)	5%			
43.		spicious transa ed to the NFIU		_				anding, must be			
	(a) (c)										
	(~)	- 115011411 1 1114			(4)	1 tanonai 1 la		501100 01111			

44.	The payment of an insurance premium is a insurance contract, and no cover shall exist for paid in advance. This is stipulated under (a) S.50 of NAICOM Act (c) S.50 of Insurance Act	-								
45.	In certain circumstances, brokers receive monto the policyholder. This is referred to as furnity (a) insurers (b) brokers (controller)	•	nsurer that rightfully belongs (d) client assets							
46.	The compensation received by a broker director referred to as (a) brokerage (b) commission (commission (commis	ectly from the	e client for their services is (d) reimbursement							
47.	Motor insurance is a highly competitive sects switch brokers annually to secure better deals. (a) sticky (b) churn (competitive sects)	This practic								
48.	Proper training and competence of a broker's business. A broking firm with high staff turno (a) churn rate (c) retained Earnings									
49.	To enhance client retention, broking firms so while allocating fewer resources to (a) quality staff (b) g (c) provide adequate training	-	ise investments in key areas m and communication promoting NCRIB							
50.	Insurance broking is a profession built on truprocess and is strengthened each time the expectations. When earned, it becomes a value (a) trust benefits (c) trust capital	broker mee	ets or surpasses the client's							
51.	Poor service arises from failing to meet client expectations contributes to poor service. (a) Always completing what has been agreed by the deadline (b) Returning client calls and messages impromptly (c) Knowing the clients (d) Avoidance of error and omissions									
52.	The strength of an organisation's culture dependent and embraced by the (a) management (c) employees	nds on the ex (b) (d)	tent to which it is understood board of directors the regulator							
53.	Errors & Omissions (E&O) claims arise who financial loss. In the United Kingdom (UK), a E&O Insurance policy. In Nigeria, this policy (a) Fidelity Bond (c) Professional Indemnity Policy	clients are in	mistake results in a client's demnified under the broker's							

their position for personal gain. This type of relationship is known as ... relationship. (b) fiduciary (a) contractual (c) business (d) client service 56. In order to manage conflicts of interest, meet clients' needs and satisfy the regulatory requirement to disclose certain information to clients, Broking firms produce formal written agreements with their clients and insurers known as ... Terms and Conditions of Agreements (a) Terms of Contractual of Agreements (b) Terms of Business Agreements (d) Terms of Business Understanding (c) 57. As part of its role in setting standards for the conduct of insurance business in Nigeria and supporting the government's efforts to enhance operational transparency and ease of doing business, NAICOM issued guidelines for all insurance institutions under the title... operational conduct and business practice guidelines (a) business conduct and operational guidelines (b) (c) market conduct and business practice guidelines operational and business conduct guidelines (d) 58. NAICOM has the authority to prosecute various offenses, including... carrying on a regulated activity without being a member of NCRIB (a) carrying on a regulated activity without documentation (b) carrying on a regulated activity without authorisation (c) carrying on a regulated activity without record (d) 59. ... is not required by NAICOM for the renewal of a broker's license. Schedule of Business Transacted (a) (b) Evidence of Payment of Renewal fee Copy of CAC form C2.2 (c) Current Company's Tax Certificate. (d) 60. In broking, *Client Assets* refers to...

... is not a limiting factor for a broker's choice of insurer/underwriter to trade with.

The relationship between brokers and their clients is such that brokers must not exploit

(b)

(d)

Class of Business

Financial Security

54.

55.

(a)

(c)

(a)

(b)

(c)

(d)

Regulation.

Branch Network.

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

money in broker custody belonging to the regulator.

money in the broker's custody belonging to the insurer

money in the broker's custody belonging to the insured

The term "insurance broker" is generally used in the market to describe organisations that offer independent advice, acting in the best interest of their clients rather than being tied to a specific insurer.

money in the broker's custody belonging to possibly both the insured and

62. The main distinguishing feature of an insurance agent compared to other intermediaries is that when placing business, the insurer is their principal, not the client, to whom they are introducing the business.

- 63. Insurance brokers exist to support their clients in various ways; however, this does not include providing personalised insurance services and consultancies.
- 64. NCRIB was established to offer financial assistance to its members during times of difficulty.
- 65. NCRIB membership is classified into corporate and partnership categories.
- 66. If a broker fails to disclose a material fact to the insurer that was provided by the client, it is an error that could result in a claim under the broker's professional indemnity policy.
- 67. A broking firm authorised to conduct reinsurance business is expected to maintain a database of available reinsurance markets, including the solvency ratings and financial strength ratings (FSR) of individual reinsurers.
- 68. In insurance practice, both brokers and agents are referred to as independent intermediaries.
- 69. One reason insured individuals purchase insurance through brokers is for convenience.
- 70. The number of years a client's business has been in operation is a common criterion for segmentation in broking.
- 71. Back office function is not one of the roles within an Insurance broking organisation.
- 72. Only Lloyd's Brokers are authorised to transact business directly at Lloyd's.
- 73. The Market Conduct and Business Practice Guidelines issued by NAICOM give due consideration to the interests of all stakeholders in the insurance industry.
- 74. The process of negotiating and placing insurance to effectively meet the client's needs is referred to in the insurance market as marketing excellence.
- 75. In Nigeria, the Insurance Act states that notwithstanding any provision in any written law or enactment to the contrary, if there is a breach of a term in an insurance contract, the insurer has the right to repudiate the whole or any part of the contract.
- 76. Insurance brokers, as independent intermediaries, have the freedom to choose which insurer and products best meet their client's needs. In their selection process, brokers often prefer insurers that are listed on the stock exchange.
- 77. With a wide range of insurers to choose from, the Nigerian Insurance Act requires brokers to conduct a fair analysis. To achieve this, brokers must evaluate a sufficient number of insurers, ensuring the selection is broad enough to demonstrate their expertise and understanding of the relevant market sector.
- 78. In Nigeria, under a Delegated Authority for claims handling, the broker assumes full responsibility for managing claims, acting on behalf of the insurer and authorising claim payments.

- 79. All new insurance products must receive approval from NAICOM in accordance with the requirements of the Insurance Act in Nigeria.
- 80. In the insurance market cycle, when capital markets withdraw from the insurance sector, competition drives rates lower.
- 81. When submitting a risk to an underwriter, a broker must ensure that all material and relevant information is provided, solely through the proposal form.
- 82. One of the broker's key objectives when presenting and explaining terms to clients is to ensure that the client fully understands the coverage, as well as any applicable terms and conditions.
- 83. Corporate culture refers to the shared values, attitudes, standards, and beliefs that characterises an organisation's members and shape the identity of the organisation.
- 84. Risk retention is a key consideration for brokers when designing an insurance program for the insured.
- 85. In Nigeria, to register as a partnership insurance Broker, the Managing Partners must be current members of NCRIB.

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

AMNI Petrochemical Company Limited, a multinational oil company with its head office in the UK, has appointed Alternative Insurance Brokers Limited as the intermediary for its various insurance portfolios. The insurance program for AMNI was placed with Pacific Insurance Company, which has an existing agreement with Alternative Insurance Brokers for underwriting, claims handling and settlement. This arrangement implies that Alternative Alpha Insurance Brokers is acting as both the broker and the underwriter, thereby being responsible for settling claims when they arise.

86.	Under what circumstances can a broker act as an agent for both the insured and the insure
	imultaneously?

- (a) As a reinsurance broker on the same risk (b) As a coverholder
- (c) Delegated authority agreement (d) All of the above
- 87. Who acts as the Coverholder in the arrangement described above?
 - (a) Pacific Insurance Company Limited (b) Alternative Insurance Brokers
 - (c) AMNI Petrochemical Company Limited (d) None of the above
- 88. What is the term for an organisation that underwrites insurance risk and primarily serves one or more insurance companies or providers of insurance capacity?
 - (a) Coverholder (b) Reinsurer
 - (c) Managing General Agents (d) Alternative Risk Transfer.
- 89. What is the name of the report submitted by the Coverholder, detailing the risks underwritten and claims reported, typically on a monthly basis?
 - (a) Cession (b) Statement of Accounts (c) Bordereau (d) Template

		bed above?									
	(a)	Regulation		(b)	Separate Management						
	(c)	Audit and monitoring		(d)	Bordereau						
		- ·			e agent, purchased a brand-new						
_			nd decide	d to insu	re it through Quick Insurance						
Broke	rs Limi	ted.									
The br		-			hicle, placing the coverage with:						
•		Insurance Company Limited as		surer wit	th 50% of the risk,						
•		ine Insurance Company with 20 View Insurance Company Lim		30%.							
91. W	ho is re	cognised as the agent in the abo	ve insurar	ice transa	ction under common law?						
	(a)	Irish Garden Investment Comp	pany Limi	ted							
	(b)	Quick Insurance Brokers Limi	ited								
	(c)	ABC Insurance Company Lim	nited								
	(d)	Frontline Insurance Company	Limited								
92.	Who a	acts as the intermediary in the in	isurance p	lacement	described above?						
	(a)	Irish Garden Investment Company Limited									
	(b)	Quick Insurance Brokers Limi	ited								
	(c)	ABC Insurance Company Limited									
	(d)										
93.	Who i	s the principal in the insurance	transaction	n describe	ed above?						
	(a)	ABC Insurance Company Lim	nited								
	(b)	Quick Insurance Brokers Limited									
	(c)	Irish Garden Investment Company Limited									
	(d)	Frontline Insurance Company	Limited								
94.	What	is the relationship between the t	hree insur	ance com	npanies called?						
	(a)	Reinsurance arrangement	(b)	Fact	ıltative arrangement						
	(c)	Co-Insurance arrangement	(d) Qu	iota Share	e Reinsurance arrangement						
95.	If the	premium is calculated at 10% ar	nd the brol	ker's com	mission is 12.5%, what share of						
	the pr	emium will Ocean View Insurar	nce Compa	any Limit	ted receive?						
	(a)	N 8,750,000.00	(b)	₩3,(000,000.00						
	(c)	N 2,625,000.00	(c)	N 1,2	250,000.00						

How does the Coverholder resolve the apparent conflict of interest in the arrangement

90.

Mr. Fola Opeolu, the Managing Director of Ocean Oil Company Limited, engaged ABC Insurance Brokers to place the company's oil rig insurance with XYZ Insurance Company Limited. XYZ Insurance Company Limited, able to accept only 10% of the risk, instructed ABC Insurance Brokers to place the remaining 90% with other interested insurers.

After securing regulatory approval, ABC Insurance Brokers contacted Braithwaite Brokers at Lloyd's, who successfully placed the remaining 90% of the risk with Lloyd's syndicate.

96.	Who acts as the Retail Agent in this transaction?											
	(a)	Braithwaite B	roker at	t Lloyds		(b)	ABC 1	Insuran	ce Brokers			
	(c)	Mr. Fola Ope	olu	-		(d)	None	of the a	bove			
97.	Who is the principal in the relationship described above?											
	(a)	Mr. Fola Ope	olu			(b)	Ocean	Oil				
	(c)	ABC Insurance	ce Brok	ers		(d)	Lloyd	s syndic	cate			
98.	What is the term for Braithwaite Brokers at Lloyd's, who placed 90% of the risk?											
	(a)	The Retail Br			(b)	The W	holesa	le Broker				
	(c)	The Insured E	Broker			(d)	The In	sured A	Agent			
99.		type of relation	onship	exists betwe	een Ocean	Oil (Compan	y Limi	ted and AE	3C		
	(a)	Intermediation	n Relati	onship		(b)	Agenc	v Relat	ionship			
	(c)	Broking Relat		-	(d)	` '	_	•	Relationship			
100.	What I	is the term for	the 109	% share of the	he risk acc	cepted	by XYZ	Z Insura	ance Compa	ny		
	(a)	Cession	(b)	Capacity	(c)	Reten	tion	(d)	Subscription	n		

Chief Examiner's Comments

The contents of the course were well covered; however, the performance of the candidates was just above average as 56% of the candidates passed the examination. There is a need to read and study the coursebook thoroughly.

Comments on Overall Performance

The overall performance was average and could be better.

Suggestion(s) on Improvement(s) (if any)

Candidates are encouraged to prepare thoroughly for the examination and take advantage of available tutorial sessions.

F10 – INSURANCE BROKING PRACTICE I										
1	С	21	D	41	В	61	T	81	F	
2	С	22	В	42	С	62	T	82	T	
3	В	23	В	43	С	63	F	83	T	
4	С	24	В	44	С	64	F	84	T	
5	D	25	В	45	D	65	F	85	T	
6	В	26	В	46	С	66	T	86	D	
7	С	27	С	47	В	67	T	87	В	
8	A	28	В	48	В	68	F	88	C	
9	С	29	В	49	D	69	T	89	С	
10	В	30	A	50	С	70	F	90	В	
11	A	31	С	51	В	71	F	91	В	
12	С	32	D	52	В	72	F	92	В	
13	В	33	A	53	С	73	F	93	С	
14	В	34	В	54	С	74	F	94	C	
15	D	35	A	55	В	75	F	95	С	
16	D	36	С	56	С	76	F	96	В	
17	В	37	D	57	С	77	T	97	В	
18	С	38	С	58	С	78	T	98	В	
19	С	39	С	59	D	79	T	99	В	
20	A	40	С	60	С	80	F	100	С	