

## INSURANCE

### SCHEME OF EXAMINATION

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

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

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

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

### DETAILED SYLLABUS

NO	CONTENTS	NOTES
1.	INTRODUCTION	<ul style="list-style-type: none"> <li>i. Meaning</li> <li>ii. Historical development               <ul style="list-style-type: none"> <li>-Pre and Post independence era and Legislations</li> </ul> </li> <li>iii. Insurance contracts               <ul style="list-style-type: none"> <li>- Parties to Insurance contract</li> <li>- Essential features of Insurance contract</li> </ul> </li> <li>iv. Risks:               <ul style="list-style-type: none"> <li>- Meaning.</li> <li>- Effect of risks on the society.</li> <li>- Classification of risks.</li> <li>- Insurable and un-insurable risk.</li> </ul> </li> <li>v. Hazards:               <ul style="list-style-type: none"> <li>- Meaning.</li> <li>- types.</li> </ul> </li> <li>vi. Functions of Insurance:               <ul style="list-style-type: none"> <li>- Primary functions.</li> <li>- Secondary functions.</li> </ul> </li> <li>vii. Benefits of Insurance</li> <li>viii. Perils:               <ul style="list-style-type: none"> <li>- Meaning</li> <li>- Differences among perils, risks and hazards.</li> </ul> </li> </ul>

<p>2.</p>	<p><b>PRINCIPLES OF INSURANCE:</b></p> <p>(1) Insurable Interest  (2) Utmost Good Faith  (3) Proximate Cause  (4) Indemnity  (5) Subrogation  (6) Contribution</p>	<p>(1) <u>Insurable Interest</u>  i. Meaning  ii. Essential features of insurable interest  iii. Application of insurable interest in life assurance and property insurance</p> <p>(2) <u>Utmost Good Faith</u>  i. Meaning  ii. Insured and insurer's duty of disclosure  iii. Breaches and effects</p> <p>(3) <u>Proximate Cause</u>  i. Meaning  ii. Application of proximate cause on claims</p> <p>(4) <u>Indemnity</u>  i. Meaning  ii. Methods of providing indemnity by insurer  iii. Application of indemnity in property and liability insurance</p> <p>(5) <u>Subrogation</u>  i. Meaning  ii. Insurer's right under Subrogation  iii. Insured's duty under Subrogation</p> <p>(6) <u>Contribution</u>  i. Meaning  ii. Application  iii. Conditions necessary for contribution</p>
<p>3</p>	<p><b>DOCUMENTS USED IN EFFECTING CONTRACT</b></p> <p>(1) Proposal Forms  (2) Cover Notes  (3) Certificate Of Insurance  (4) Policy</p>	<p>(1) <u>Proposal Forms</u>  i. Meaning  ii. Functions and uses  iii. Contracts where proposal forms are used</p> <p>(2) <u>Cover Notes</u>  i. Meaning  ii. Contents of Cover notes  iii. Functions and uses of Cover notes</p>

		<p>iv. Contracts where Cover notes are issued</p> <p>(3) <u>Certificate of Insurance</u></p> <ol style="list-style-type: none"> <li>i. Meaning</li> <li>ii. Certificate of Insurance in <ul style="list-style-type: none"> <li>- Motor</li> <li>- Marine</li> <li>- Employer's liability</li> </ul> </li> </ol> <p>(4) <u>Policy</u></p> <ol style="list-style-type: none"> <li>I. Meaning</li> <li>ii. Component parts of a policy</li> <li>iii. Parties to a policy</li> </ol>
4.	<p>INSURANCE PRACTICE</p> <ol style="list-style-type: none"> <li>1) Re- insurance</li> <li>(2) Insurance Renewals</li> <li>(3) Insurance Claims</li> <li>(4) Insurance Premium</li> </ol>	<p>(1) <u>Re –insurance</u></p> <ol style="list-style-type: none"> <li>i. Meaning.</li> <li>ii. Forms ( Facultative and Treaty).</li> <li>iii. Functions.</li> <li>iv. Uses.</li> </ol> <p>(2) <u>Insurance Renewals</u></p> <ol style="list-style-type: none"> <li>i. Meaning of renewal notice</li> <li>ii. Renewal procedure</li> <li>iii. Legal status of renewal notice</li> <li>iv. No claim Discount (NCD)- meaning and uses</li> <li>v. Long term Agreement (LTA) – meaning and uses</li> </ol> <p>(3) <u>Insurance Claims</u></p> <ol style="list-style-type: none"> <li>i. Meaning of claims</li> <li>ii. Claim procedure <ul style="list-style-type: none"> <li>- Notification</li> <li>- Documentation (Claim forms)</li> <li>- Investigation</li> <li>- Discharge voucher</li> <li>- Payment</li> </ul> </li> <li>iii. Duties of the Insured and the underwriter in claims</li> <li>iv. Functions of Loss Assessors and Loss</li> </ol>

		<p>Adjusters.</p> <p>(4) <u>Insurance Premium</u></p> <ul style="list-style-type: none"> <li>i. Meaning</li> <li>ii. Factors to be considered when determining a premium</li> <li>iii. Factors responsible for loading premium</li> <li>iv. Return premium <ul style="list-style-type: none"> <li>- Partial and full return</li> <li>- Reasons for returning premium</li> </ul> </li> </ul>
6.	<p><b>NON – LIFE INSURANCE PRODUCT</b></p> <ul style="list-style-type: none"> <li>(1) Motor Insurance</li> <li>(2) Fire Insurance</li> <li>(3) Theft Insurance and Burglary Insurance</li> <li>(4) Money Insurance</li> <li>(5) Fidelity Guarantee Insurance</li> <li>(6) Engineering Insurance</li> <li>(7) Marine Insurance</li> <li>(8) Aviation Insurance</li> <li>(9) Employer’s liability</li> <li>(10) Public liability</li> <li>(11) Professional Indemnity</li> <li>(12) Business Interruption Insurance( Consequential loss)</li> <li>(13) Personal Accident Insurance</li> </ul>	<ul style="list-style-type: none"> <li>(1) <u>Motor Insurance</u> <ul style="list-style-type: none"> <li>i. Meaning</li> <li>ii. Types of policies in Motor Insurance <ul style="list-style-type: none"> <li>- Private car</li> <li>- Commercial vehicle</li> <li>- Motorcycle</li> <li>- Agricultural and Forestry vehicle</li> <li>- Special types ( fork lifts, Tractors , caterpillars)</li> </ul> </li> <li>iii. The scope of cover <ul style="list-style-type: none"> <li>- Act only</li> <li>- Third party only</li> <li>- Third party, fire and theft</li> <li>- Comprehensive</li> </ul> </li> <li>vi. ECOWAS Brown Card ( meaning and uses)</li> </ul> </li> <li>(2) <u>Fire Insurance</u> <ul style="list-style-type: none"> <li>i. Meaning</li> <li>ii. Standard fire policy cover</li> <li>iii. Special perils (earthquake, flood, riot and strike)</li> <li>iv. Properties covered <ul style="list-style-type: none"> <li>- Building and its contents</li> <li>- Machinery and plant</li> <li>- Stocks</li> </ul> </li> </ul> </li> </ul>

		<p>v. Buyers of fire insurance</p> <ul style="list-style-type: none"> <li>- Individuals</li> <li>- Corporate bodies</li> <li>- Government agencies</li> </ul> <p>(3) <u>Theft Insurance and Burglary Insurance</u></p> <p>I. Meaning</p> <p>ii. Properties covered</p> <ul style="list-style-type: none"> <li>- Household properties</li> <li>- Stocks</li> <li>- Machinery and Plants</li> </ul> <p>iii. Theft insurance and Burglary Insurance in business and private premises</p> <p>iv. Differences between Theft Insurance and Burglary Insurance</p> <p>(4) <u>Money Insurance</u></p> <p>i. Meaning</p> <p>ii. What constitutes money ( cash, cheque, postal order )</p> <p>iii. Types of cover available</p> <ul style="list-style-type: none"> <li>- In transit only</li> <li>- In safe or strong room after business hours</li> <li>- In custody of a staff e g cashier</li> </ul> <p>(5) <u>Fidelity Guarantee Insurance</u></p> <p>i. Meaning</p> <p>ii. Types of policies in fidelity guarantee Insurance</p> <ul style="list-style-type: none"> <li>- Named policy</li> <li>- Position policy</li> <li>- Blanket policy</li> </ul> <p>iii. Bond ( meaning)</p> <p>iv. Differences between commercial guarantee and bonds.</p> <p>(6) <u>Engineering Insurance</u></p> <p>i. Meaning</p> <p>ii. types of engineering Insurance</p> <ul style="list-style-type: none"> <li>- Boiler</li> <li>- Explosion</li> <li>- Computer all risks</li> </ul> <p>iii. Scope of Engineering Insurance</p>
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		<ul style="list-style-type: none"> <li>- Material damage</li> <li>- Liability cover</li> </ul> <p>(7) <u>Marine insurance</u></p> <ul style="list-style-type: none"> <li>i. Meaning</li> <li>ii. Marine perils</li> <li>iii. Type of cover</li> </ul> <ul style="list-style-type: none"> <li>- Hull policy</li> <li>- Cargo policy</li> <li>- Freight policy</li> </ul> <p>(8) <u>Aviation Insurance</u></p> <ul style="list-style-type: none"> <li>i. Meaning</li> <li>ii. Types of Aviation policy</li> </ul> <ul style="list-style-type: none"> <li>- Aviation hull policy</li> <li>- Cargo policy</li> <li>- Freight policy</li> <li>- Liability arising from aircraft operation</li> <li>- Liability to passengers and non-passengers</li> </ul> <ul style="list-style-type: none"> <li>iii. Aviation risks</li> <li>iv. Factors affecting</li> <li>v. International regulations of Aviation Insurance</li> </ul> <ul style="list-style-type: none"> <li>- Montrel Convention</li> <li>- Hague Rule</li> <li>- Warsaw convention</li> </ul> <p>(9) <u>Employer's Liability</u></p> <ul style="list-style-type: none"> <li>i. Meaning</li> <li>ii. Policy covered (employees compensation policy)</li> <li>iii. Level of benefits payable</li> <li>iv. Perils covered</li> </ul> <p>(10) <u>Public Liability Insurance</u></p> <ul style="list-style-type: none"> <li>i. Meaning</li> <li>ii. Types</li> </ul> <ul style="list-style-type: none"> <li>- Personal liability policy</li> <li>- Product liability policy</li> </ul> <p>(11) <u>Professional Indemnity</u></p> <ul style="list-style-type: none"> <li>i. meaning</li> <li>ii. Professionals that require professional indemnity</li> </ul> <p>( Doctors, Lawyers, Insurance brokers,</p>
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		<p>Accountant, Architects)</p> <p>(12) <u>Business Interruption Insurance</u></p> <ol style="list-style-type: none"> <li>i. Meaning ( consequential loss)</li> <li>ii. Causes of business interruption <ul style="list-style-type: none"> <li>- Machinery breakdown</li> <li>- Fire Incident</li> </ul> </li> </ol> <p>(13) <u>Personal Accident Insurance</u></p> <ol style="list-style-type: none"> <li>i. Meaning</li> <li>ii. Risks covered: <ul style="list-style-type: none"> <li>- Death</li> <li>- Bodily injury</li> <li>- Permanent disability</li> <li>- Total temporary disability</li> <li>- Medical expenses</li> </ul> </li> <li>iii. Forms of personal Accident Insurance ( personal and group)</li> <li>iv. Benefits ( Death, Bodily Injury and medical expenses)</li> <li>v. Buys of personal and group accident policy</li> </ol>
7.	INSURANCE MARKET ( OPERATORS)	<ol style="list-style-type: none"> <li>i. Meaning</li> <li>ii. Market Operators <ol style="list-style-type: none"> <li>( a ) Insurance Companies</li> <li>( b ) Reinsurance Companies</li> <li>( c ) Insurance Intermediaries (Brokers and Agents)</li> <li>( d ) Insurance Buyers <ul style="list-style-type: none"> <li>- Individual and private</li> <li>- Corporate and public institutions</li> </ul> </li> <li>( e ) Insurance Sellers <ul style="list-style-type: none"> <li>- Insurance Companies</li> <li>- Re-insurance Companies</li> </ul> </li> <li>( f ) Supporting Services ( Assessor and Loss Adjusters)</li> </ol> </li> </ol>
8.	INSURANCE REGULATOR ( 1 ) Nigerian Insurance Association (NIA )	<ol style="list-style-type: none"> <li>(i) Meaning</li> <li>(ii) Role/ Functions</li> <li>(iii) Purpose</li> </ol>

	<p>(2) Nigerian Council of Registered Insurance Brokers ( NCRIB )</p> <p>(3) Institute of Loss Adjusters of Nigeria (ILAN )</p> <p>(4) National Insurance Commission (NAICOM)</p> <p>(5) Chartered Insurance institute of Nigeria (CIIN)</p>	(iv) Membership
9.	COMMON INSURANCE TERMINOLOGIES	<p>Meaning of</p> <p>i. Hazards</p> <p>ii. Perils</p> <p>iii. Concealment</p> <p>iv. Disclosure</p> <p>v. Days of grace</p> <p>vi. Ex- gratia payment</p> <p>vii. Extra- premium</p> <p>viii. Endorsement</p> <p>ix. Excepted perils</p> <p>x. Subject matter of Insurance</p> <p>xi. Under Insurance</p> <p>xii. Return Premium</p> <p>xiv. Surrender Value</p> <p>xv. Cover note.</p>

### **SUGGESTED READING LIST**

1. Insurance for Beginners By Oloyede, F. A. and Rauf-Lawal, S. A.
2. Introduction to Insurance By Robert Ngarakwe and Dr. Nwezeaku, N. C.



3. Principles and Practice of Insurance By Robert Ngarakwe and Dr. Nwezeaku, N. C.
4. Insurance Fundamentals By Adeola Banjo, K. (Mrs.)
5. Principles and Practice of Insurance Adeola Banjo, K. (Mrs)
6. Introduction to Insurance – A Nigeria Perspective By Victor I. Okonkwo.
7. Insurance For Beginners By Rauf- Lawal, Semiu A. O