



*Chartered Insurance  
Institute of Nigeria*

*Chief Examiners' Report*

*April 2018 Examination*

*Certificate in Insurance (CI-CII)*

CF1

CHARTERED INSURANCE INSTITUTE OF NIGERIA

<p><b>CERTIFICATE IN INSURANCE</b> CF1 - INSURANCE, LEGAL AND REGULATORY APRIL 2018</p>
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**INSTRUCTIONS**

- Two hours are allowed for this paper which consists 100 questions.
- **READ THE INSTRUCTIONS ON PAGE 2 CAREFULLY BEFORE ANSWERING ANY QUESTIONS.**
- Provide the information requested on the answer form and on form B.
- Handle the answer form with care and do not write notes on it. You are allowed to write on the inside pages of this question book, but you must hand it in at the end of the examination.
- No marks are deducted for incorrect answers, so do not leave any questions unanswered.
- If you bring a calculator into the examination room, it must be silent battery or solar-powered non-programmable calculator. The use of electronic equipment capable of being programmed to hold alphabetic or numerical data and/or formulae is prohibited. You may use a financial or scientific calculator, provided it meets these requirements.
- The answer form and this question book **MUST BOTH BE HANDED IN PERSONALLY BY YOU** to the invigilator before you leave the examination Hall, after completing the details requested below. **FAILURE TO COMPLY WITH THESE REGULATIONS WILL RESULT IN YOUR ANSWER FORM NOT BEING MARKED AND YOU MAY BE PREVENTED FROM ENTERING FOR THIS EXAMINATION IN FUTURE.**

**QUESTION BOOK RETURNED WITH ANSWER FORM TO INVIGILATOR**

CANDIDATE'S SIGNATURE .....

STUDENT'S REGISTRATION NUMBER .....

CANDIDATE EXAMINATION NUMBER ..... DATE.....

CHARTERED INSURANCE INSTITUTE OF NIGERIA

CERTIFICATE IN INSURANCE

CF1 - Insurance, Legal and Regulatory

## INSTRUCTIONS TO CANDIDATES

### READ THE INSTRUCTIONS BELOW BEFORE ANSWERING ANY QUESTIONS

The questions 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 or best. Select your answer for each question and indicate it on the answer form by filling in the appropriate box with a horizontal pencil mark.

Example:

In order to be insurable, the risk to be insured, as far as the insured is concerned, must be

- (a) avoidable
- (b) fortuitous
- (c) inevitable
- (d) unavoidable

The answer is option (b).

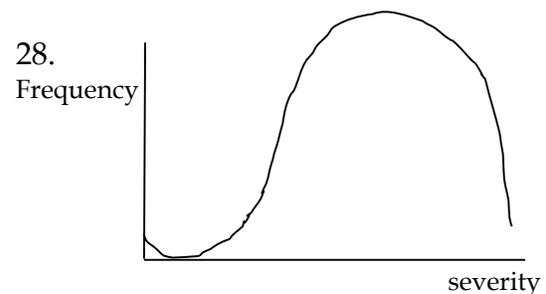
## ATTEMPT ALL QUESTIONS

1. In exchange of a fee, the insurer promises to?
  - (a) Receive Premium
  - (b) Create Common Pool
  - (c) Pay Claims
  - (d) Ensure Law of large numbers
2. The insurer holds the received premiums in
  - (a) Common Pool
  - (b) Safe
  - (c) Equitable Premium
  - (d) Large Numbers
3. The item that is protected by an insurance policy is the;
  - (a) Customer type
  - (b) Scope of cover
  - (c) Subject matter of insurance
  - (d) Subject matter of contract
4. The cause of loss is referred to
  - (a) Risks
  - (b) Perils
  - (c) Chance
  - (d) Uncertainty
5. The simplest and oldest form of life assurance is
  - (a) Credit insurance
  - (b) Marine assurance
  - (c) Term Assurance
  - (d) Fidelity Guarantee
6. .... provides for payment of the sum assured on the death of one life if that takes place during the lifetime of another
  - (a) Whole life assurance
  - (b) Endowment assurance
  - (c) Assurances for children
  - (d) Contingency assurance
7. .... Provides for payment to the annuitant on the death of another named person.
  - (a) Reversionary annuity
  - (b) Annuity certain
  - (c) Guaranteed annuity
  - (d) Immediate annuity
8. Surrender values will be applicable to?
  - (a) Fire insurance
  - (b) Motor insurance
  - (c) Life insurance
  - (d) Personal accident insurance
9. "Impact by vehicles" is a peril covered by;
  - (a) Standard fire policy
  - (b) Fire and special perils insurance
  - (c) Theft insurance
  - (d) Engineering insurance
10. The policy that pay for goods damaged in a motor accident is
  - (a) Motor insurance
  - (b) Comprehensive insurance
  - (c) Good-in-transit insurance
  - (d) Special perils insurance

11. Losses arising from the dishonesty of an employee is covered by;
- (a) Business interruption insurance
  - (b) Fidelity guarantee insurance
  - (c) 'All Risk' Insurance
  - (d) Contactors' 'all risks
12. Which of these liability policies that will cover losses caused by professional negligence?
- (a) Employers Liability insurance
  - (b) Directors' and officers' liability insurance.
  - (c) Professional indemnity insurance
  - (d) Public liability insurance
13. Which of these types of motor insurance gives the least form of cover?
- (a) Act only
  - (b) Third party only
  - (c) Third party, fire and theft
  - (d) Comprehensive
14. A moped is covered under;
- (a) Private car insurance
  - (b) Commercial vehicle insurance
  - (c) Motor cycle insurance
  - (d) Motor trade insurance
15. The cost of carriage of goods in a vessel is referred to as.
- (a) Hull
  - (b) Freight
  - (c) Cargo
  - (d) Liabilities
16. The Warsaw Convention 1929 applies to:
- (a) Motor Insurance
  - (b) Marine Insurance
  - (c) Aviation Insurance
  - (d) Liabilities Insurance
17. Which of these is not a form of accident insurances?
- (a) Credit insurance
  - (b) Fidelity guarantee
  - (c) Legal expenses
  - (d) Business interruption
18. Which of these policies will pay out a lump sum upon the policyholder being diagnosed as having certain forms of major illnesses.
- (a) Private medial insurance
  - (b) Sickness insurance
  - (c) National health insurance
  - (d) Critical illness insurance
19. Which of these is not a compulsory insurance?
- (a) Fire insurance
  - (b) Motor insurance

- (c) Employers' liability insurance  
(d) Marine insurance
20. Which of these is not a specialist service provider to the insurance industry?
- (a) Risk management consultants  
(b) Credit rating specialists  
(c) Disaster recovery specialists  
(d) None of the above
21. Lloyd's coffee house was opened in
- (a) 1568  
(b) 1688  
(c) 1666  
(d) 1861
22. The Great Fire of London took place in
- (a) 1568  
(b) 1688  
(c) 1666  
(d) 1861
23. The risk with the tendency of loss, no loss or profit is classified as
- (a) Particular risk  
(b) Pure risk  
(c) Non-financial risk  
(d) Speculative risk
24. The risk that affects members of the society at large is

- (a) Particular risk  
(b) Pure risk  
(c) Fundamental risk  
(d) Dynamic risk
25. The term "Fortuitous event" has to do with
- (a) Insurable interest  
(b) Profitability  
(c) Certainty  
(d) Uncertainty
26. Law of large number has to do with term;
- (a) Public policy  
(b) Homogeneous exposure  
(c) Public policy  
(d) Fortuitous event
27. Which of these is an uninsurable risk?
- (a) Deliberate act  
(b) Fortuitous event  
(c) Not against public policy  
(d) Homogeneous exposure



This diagram represents

- (a) High frequency and low severity  
(b) Low frequency and high severity

- (c) Low frequency and low severity  
(d) High frequency and high severity
29. .... can be defined as that which give rise to a loss
- (a) Peril  
(b) Chance  
(c) Hazard  
(d) Uncertainty
30. By operating a pool of risk system, the law of large numbers assists insurers in making:
- (a) Reliable claim payment predictions  
(b) Reliable investment return predictions  
(c) Reliable new business predictions  
(d) Reliable premium income predictions
31. Which of these is not a reason why risk management is important?
- (a) It reduces the potential for loss  
(b) It increases the likelihood of occurrence  
(c) It gives shareholders a greater degree of confidence  
(d) It provides a disciplined approach to quantifying risks
32. Which of these is not a step involved in managing risk?
- (a) Risk identification  
(b) Risk analysis  
(c) Risk rating  
(d) Risk control
33. Risk sharing with the insured will entail the use of
- (a) Excess  
(b) Sum insured  
(c) Reinsurance  
(d) Risk surveying
34. Which policy will cover the theft of money while in the insured's premises?
- (a) Fire and special perils insurance  
(b) Theft insurance  
(c) Fidelity guarantee insurance  
(d) Money insurance
35. Which of these is not a liability insurance?
- (a) Product liability insurance  
(b) Professional indemnity insurance  
(c) Fidelity guarantee insurance  
(d) Public liability insurance
36. Which of these policies will cover the loss of profit?

- (a) Fidelity guarantee insurance  
(b) Business interruption insurance  
(c) Credit insurance  
(d) Professional indemnity insurance
37. Which of these is an indirect seller of insurance?
- (a) Direct insurance company  
(b) Reinsurance company  
(c) Insurance broker  
(d) Insurance agent
38. An expert appointed by the insurer to process large or complex claims is
- (a) Broker  
(b) Underwriter  
(c) Risk Surveyor  
(d) Loss adjuster
39. A company that is owned by policyholders is called
- (a) Reinsurance company  
(b) Captive company  
(c) Mutual company  
(d) Proprietary company
40. Which type of insurance company does not provide insurance to members of the general public?
- (a) Captive  
(b) Composite  
(c) Mutual  
(d) Proprietary
41. Which individuals provide financial backing for Lloyd's syndicates?
- (a) Underwriter  
(b) Names  
(c) Managing agents  
(d) Member agents
42. The cedant is
- (a) The insured  
(b) The broker  
(c) The insurer  
(d) The agent
43. An agreement enforceable by law is
- (a) Average  
(b) Insurance  
(c) Contract  
(d) Offer
44. Which of these cases has to do with postal acceptance?
- (a) Hyde v Wrench (1840)  
(b) Household fire insurance Co v. Grant (1870)  
(c) Curie v Misa (1875)  
(d) Carter v Boehm (1766)
45. In which of these cases is the term consideration defined?
- (a) Hyde v Wrench (1840)  
(b) Household fire insurance Co v. Grant (1870)  
(c) Curie v Misa (1875)  
(d) Carter v Boehm (1766)

46. Which of these is not a way through which the relationship between the principal and agent can arise?

- (a) Consideration
- (b) Consent
- (c) Necessity
- (d) Ratification

47. .... arises where a person is entrusted with someone else's good and it becomes necessary to act in a certain way in order to preserve the property in an emergency

- (a) Agency of consent
- (b) Agency by apparent authority
- (c) Agency by ratification
- (d) Agency by necessity

48. An insurance broker recommends and arranges an insurance policy for the client and collects the premium for the insurer. The broker subsequently advises the client on how to make a claim. At what point in this scenario is the insurer the broker's principal?

- (a) Recommendation of the policy
- (b) Arrangement of the policy
- (c) Collection of the premium
- (d) Advising of the claim

49. Which of these is not a feature of insurable interest?

- (a) Subject-matter
- (b) Contract
- (c) Legal relationship
- (d) Financial value

50. .... is the name given to the financial interest a person has in the subject-matter of insurance.

- (a) Subject matter
- (b) Legal relationship
- (c) Subject matter of insurance
- (d) Subject matter of contract

51. Insurable interest in the subject matter of insurance must have a

- (a) Legal Value
- (b) Legal Relationship
- (c) Financial Relationship
- (d) Financial value

52. Insurable interest in marine insurance must exist at .....

- (a) Inception of the contract
- (b) Time of Loss
- (c) Both at inception of the contract and at the time of loss
- (d) None of the above

53. Insurable interest in theft insurance must exist at .....

- (a) Inception of the contract
- (b) Time of loss

- (c) Both at inception of the contract and at the time of loss
- (d) None of the above
54. Insurable interest in life assurance must exist at .....
- (a) Inception of the contract
- (b) Time of loss
- (c) Both at inception of the contract and at the time of loss
- (d) None of the above
55. When must insurable interest first exist in order for a private motor insurance policy to be enforceable at law?
- (a) At the time of quotation
- (b) On completion of the proposal form
- (c) When the policy is issued
- (d) At the time of a claim
56. Insurable interest in the subject-matter of an insurance contract will not arise.
- (a) At common law
- (b) Under contract
- (c) Under statute
- (d) At criminal law
57. Which of these does not have insurable interest in property insurance?
- (a) Agents
- (b) Third parties
- (c) Bailees
- (d) Tenants
58. Which insurable principle has to do with the duty of disclosure?
- (a) Utmost good faith
- (b) Indemnity
- (c) Subrogation
- (d) Contribution
59. To whom does the duty of disclosure apply in contracts of insurance?
- (a) The proposer
- (b) The insurer only
- (c) Both insurer and proposer
- (d) Third parties
60. Those facts an insurer would regard as likely to influence the acceptance and assessment of the proposed risk is called?
- (a) Moral hazard
- (b) Utmost good faith
- (c) Proximate cause
- (d) Material facts
61. The fact that the insured should disclose is
- (a) Facts of law
- (b) Facts that increases the risk
- (c) Facts of public knowledge
- (d) Facts that a survey should have revealed
62. When considering a proposal for a fire insurance policy on a property, what fact is NOT

- normally considered to be materials?
- (a) Details of any mortgage secured on the property.
- (b) The materials used to construct the building
- (c) The purpose for which the building will be used
- (d) Whether or not the risk premises are under the sole occupation of the proposer.
63. Which of these is not a way for termination of agency?
- (a) Mutual agreement
- (b) Agency withdrawal
- (c) By death, bankruptcy or insanity of either party
- (d) By ratification
64. The proximate cause of a loss is.
- (a) The only cause
- (b) The dominant cause
- (c) The last cause
- (d) The first cause
65. The peril named in the policy as covered is
- (a) Insured perils
- (b) Excepted perils
- (c) Excluded perils
- (d) Uninsured perils
66. The peril that is not mentioned in the policy as
- either insured or not insured is
- (a) Insured perils
- (b) Excepted perils
- (c) Excluded perils
- (d) Uninsured perils
67. Ola falls from her bicycle and is injured. She is taken to hospital where she dies due to an infection caught at the hospital. What is the proximate cause of her death?
- (a) The fall from her bicycle
- (b) The infection
- (c) Riding her bicycle
- (d) Her stay in hospital
68. The insurance principle that has to do with financial compensation is
- (a) Proximate cause
- (b) Contribution
- (c) Subrogation
- (d) Indemnity
69. Which of these is not a contract of indemnity
- (a) Personal accident
- (b) Fire insurance
- (c) Theft insurance
- (d) Motor insurance
70. Which of these is not an option of providing indemnity
- (a) Repair
- (b) Reinsurance
- (c) Replacement
- (d) Reinstatement

71. Roy effects two personal accident policies. The first policy provides ₦25,000 cover for loss of limb. The second policy provides ₦30,000 cover for loss of limb. What is the total amount that Roy will receive in the event of a valid loss of limb claim?
- (a) ₦25,000  
 (b) ₦27,000  
 (c) ₦30,000  
 (d) ₦55,000
72. Which of these is not a form of modifying indemnity?
- (a) Agreed value policies  
 (b) Cash payment  
 (c) First loss policies  
 (d) 'New for old' cover
73. Hugh Brown & Co. has a fire in their shop and claimed for a loss of ₦600. The loss adjuster reported that the value of goods was ₦10,000 but only insured for ₦8,000. How much will the insurer pay for the loss?
- (a) ₦480  
 (b) ₦600  
 (c) ₦8,000  
 (d) ₦10,000
74. Mr. Adamu's garage ₦200,000 and insured for ₦150,000 under which subject to average. If he suffers 50,000 insured loss, how much will his insurers pay?
- (a) ₦12,500  
 (b) ₦33,333  
 (c) ₦37,500  
 (d) ₦50,000
75. Which of these are Corollary of Indemnity?
- (a) Insurable interest and subrogation  
 (b) Utmost good faith and contribution  
 (c) Proximate cause and indemnity  
 (d) Contribution and subrogation
76. Which of these is not a requirement for contribution to arise?
- (a) Common interest  
 (b) Common location  
 (c) Common peril  
 (d) Common subject-matter
77. The case on common interest is?
- (a) North British and Mercantile v Liverpool and London and Globe (1877)  
 (b) Castellan v Preston (1883)  
 (c) Gaskarth v Law Union (1876)  
 (d) Pawsey v Scottish Union and National (1907)

78. The right of an insurer to call upon others similarly but not necessarily equally, liable to the same insured to share the cost of an indemnity?
- Indemnity
  - Utmost good faith
  - Subrogation
  - Contribution
79. The right of an insurer, following payment of a claim, to take over the insured's rights to recover payment from a third party responsible for the loss is
- Indemnity
  - Utmost good faith
  - Subrogation
  - Contribution
80. Which of these is not part of the modifications to the principle of contribution
- Non-contribution clauses
  - Rateable proportion
  - More specific insurance clauses
  - Market agreements
81. Musa's house is valued of ₦100,000 by two insurers. The first policy has a sum of ₦50,000 and the second policy has a sum of ₦100,000. A fire causes damage of ₦60,000 to repair. What is the maximum amount that Musa will receive from the first insurer?
- ₦20,000
  - ₦25,000
  - ₦30,000
  - ₦50,000
82. Subrogation right may not arise from?
- Tort
  - Statute
  - Common interest
  - Subject matter of insurance
83. An insurer pays ₦10,000 and allows the insured to retain the salvage, valued at ₦1,000, in settlement of a claim for damage caused by a negligent third party. How much can the insurer claim from that third party when exercising its subrogation rights.
- ₦1,000
  - ₦9,000
  - ₦10,000
  - ₦11,000
84. Under the rules of the financial services authority insurance intermediaries are to hold a professional indemnity cover for the sum of
- ₦500,000
  - ₦1 million
  - ₦5 million
  - ₦10 million
85. A businessman has 50 employees making overalls in

- a factory. What Insurance must he have by law?
- (a) Business interruption  
(b) Employers' liability  
(c) Products liability  
(d) Public liability
86. The regulator of insurance practice in Nigeria is
- (a) Nigerian Insurers Association  
(b) National Insurance Commission  
(c) Nigerian Council of Registered Insurance Brokers  
(d) Institute of Loss Adjusters of Nigeria
87. The policy condition that has to do with dispute settlement is
- (a) Contribution  
(b) Endorsement  
(c) Subrogation  
(d) Arbitration
88. The loss assessor is appointed by
- (a) The insurer  
(b) The insured  
(c) The broker  
(d) The agent
89. The fees of the loss adjuster is paid by
- (a) The insurer  
(b) The insured  
(c) The broker
- (d) The agent
90. .... provider commercial, financial and prudential advice on the management of assets and liabilities – especially where long term management and planning are critical factors
- (a) Underwriter  
(b) Risk surveyor  
(c) Loss Assessor  
(d) Actuaries
91. .... is the world's largest representative organisation for international and wholesale insurance and reinsurance companies
- (a) Lloyd's market association  
(b) Institute of risk management  
(c) International underwriting association of London  
(d) British insurance brokers association
92. .... Has been at the forefront of insurance education and professionalism for nearly 100 years.
- (a) CII  
(b) ABI  
(c) BIBA  
(d) IIB
93. The term "Rateable Proportion" has to do with which insurance principle?
- (a) Indemnity

- (b) Contribution  
(c) Subrogation  
(d) Proximate cause
94. The penalty for under insurance is
- (a) Contribution  
(b) Excess  
(c) Franchise  
(d) Average
95. The amount which the insured bears for each and every loss is called?
- (a) Contribution  
(b) Excess  
(c) Franchise  
(d) Average
96. "New for old" is applicable to
- (a) Cash payment  
(b) Repair  
(c) Replacement  
(d) Reinstatement
97. The measure of indemnity in liability insurance is?
- (a) The sum insured  
(b) Market value  
(c) The amount of any court award  
(d) Local market price
98. The leading case in the principle of proximate cause is
- (a) Pawsey v. Scottish Union and National (1907)  
(b) North British and Mercantile v. Liverpool London and Globe (1977)  
(c) Household Fire Insurance Co. v grant (1879)  
(d) Curie v Misa (1875)
99. Under the terms of the Rehabilitation of Offender Act 1974, a fine imposed will carry a rehabilitation period of
- (a) 1 year  
(b) 3 years  
(c) 5 years  
(d) 7 years
100. Which of these conditions is not needed for a valid contract to exist.
- (a) Memorandum of understanding  
(b) Offer and acceptance  
(c) Consideration  
(d) Intention to create legal relationship

**CF1 – INSURANCE, LEGAL AND REGULATORY**

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

**SUMMARY**

Pass Rate: 58.0%

Highest Score: 93%

Lowest Score: 33%

Average Score: 69.7%

CF2

CHARTERED INSURANCE INSTITUTE OF NIGERIA

**CERTIFICATE IN INSURANCE**  
**CF2 - GENERAL INSURANCE BUSINESS**  
**APRIL 2018**

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CF2 - General Insurance Business

**INSTRUCTIONS TO CANDIDATES**

**READ THE INSTRUCTIONS BELOW BEFORE ANSWERING ANY QUESTIONS**

The questions 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 with a horizontal pencil mark.

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).

## ATTEMPT ALL QUESTIONS

1. Which of these is not a main class of Motor Insurance?
  - (a) Private cars
  - (b) Third Party only
  - (c) Motor cycles
  - (d) Commercial vehicles
2. Which of these gives the widest cover in Motor Insurance?
  - (a) Road Traffic Act only
  - (b) Third Party only
  - (c) Third Party, Fire and Theft
  - (d) Comprehensive
3. The minimum cover for Third Party Property Damage under the RTA 1988 is
  - (a) £100,000
  - (b) £150,000
  - (c) £250,000
  - (d) £300,000
4. The Comprehensive Motor Insurance will cover:
  - (a) Loss or damage to accessories
  - (b) Wear and tear and depreciation
  - (c) Own damage loss
  - (d) Damage to tyres due to road punctures
5. Comprehensive cover will exclude :
  - (a) Personal accident cover
  - (b) Medical expenses
  - (c) Personal belongings and clothing
  - (d) Young drivers' excess
6. Under a Third Party Only Motor Cycle Policy, what cover is provided as standard?
  - (a) Damage to clothing and personal effects
  - (b) Emergency treatment fees
  - (c) Medical expenses
  - (d) Personal accident benefits
7. The largest group of commercial vehicles is
  - (a) Goods-carrying vehicle
  - (b) Passenger-carrying vehicles
  - (c) Agricultural and forestry vehicles
  - (d) Vehicles of Special Construction.
8. Which of these is not an optional extension in Motorcycle Insurance?
  - (a) Trailers
  - (b) Liability for passengers
  - (c) Driving other cycles
  - (d) Invalid carriages

9. Which of the following do not form part of the standard cover that is provided under a Comprehensive Private Motor Insurance Policy?
- (a) Accidental damage to the insured vehicle
  - (b) Driver's personal accident benefit
  - (c) Recovery of a vehicle after breakdown
  - (d) Recovery of a vehicle to a repairer after an accident
10. .... is arranged to provide disablement due to sickness.
- (a) Medical expenses insurance
  - (b) Critical health insurance
  - (c) Sickness insurance
  - (d) Personal accident insurance
11. .... is arranged to provide compensation in the event of death or serious injury by accident, and to mitigate loss of income.
- (a) Medical expenses insurance
  - (b) Critical health insurance
  - (c) Sickness insurance
  - (d) Personal accident insurance
12. .... is arranged to provide compensation in the event that an individual seeks medical treatment outside the NHS when they are ill.
- (a) Medical expenses insurance
  - (b) Critical health insurance
  - (c) Sickness insurance
  - (d) Personal accident insurance
13. The personal accident insurance provides a weekly benefit for a period of:
- (a) 21 weeks
  - (b) 52 weeks
  - (c) 104 weeks
  - (d) 204 weeks
14. The sickness insurance excludes sickness contracted within the first ..... days.
- (a) 2 days
  - (b) 7 days
  - (c) 14 days
  - (d) 21 days
15. Under which circumstance will the benefits from a medical expenses policy become payable?
- (a) On diagnosis of a critical condition
  - (b) On undergoing minor surgery
  - (c) When unable to work due to illness
  - (d) When unable to work due to accident

16. How many options for settlement are available in household claims?

- (a) 2
- (b) 4
- (c) 5
- (d) 6

17. 'New for Old' is applicable to

- (a) Cash payment
- (b) Reinstatement
- (c) Repair
- (d) Replacement

18. Building in a household insurance will not include:

- (a) Garages
- (b) Contents
- (c) Greenhouse
- (d) Sheds

19. Ahmadu's travel insurance policy provides cover under all available sections of cover for him and his family. Which of the following occurrence(s) will he not make a claim from his insurer?

- (a) Loss of his daughter's limb while on holiday
- (b) Loss of his wife's jewellery on holiday
- (c) Medical expenses for him while on holiday
- (d) Theft from home while away on holiday

20. An insurance document, which brings together fire, special perils, theft, business interruption, money and other types of insurance for a small business, in a single contract is

- (a) An 'all-risks' policy
- (b) An open cover
- (c) A trader's combined policy
- (d) A collective policy

21. The Standard Fire Policy will not cover:

- (a) Fire
- (b) Tempest
- (c) Lightening
- (d) Explosion

22. The Standard Fire Policy will cover:

- (a) Fire not as a result of its own spontaneous fermentation
- (b) Explosion resulting from fire
- (c) Earthquake or subterranean fire
- (d) Fire from its own Spontaneous fermentation

23. The qualification of 'Domestic purposes' in standard fire policy applies to

- (a) Fire
- (b) Tempest
- (c) Lightening

- (d) Explosion
24. Which of these is not part of perils of nature?
- (a) Escape of water
  - (b) Storm
  - (c) Flood
  - (d) Ground heave
25. Social perils will NOT include
- (a) Riot
  - (b) Impact
  - (c) Strikers
  - (d) Malicious persons
26. If a policy has an excess of ₦250, how much will the insurer pay for a loss of ₦350?
- (a) ₦100
  - (b) ₦250
  - (c) ₦350
  - (d) ₦600
27. .... is a peril insured against accidental escape of water from any automatic sprinkler installation.
- (a) Flood
  - (b) Escape of water
  - (c) Storm
  - (d) Sprinkler leakage
28. Which of these was legally defined in Oddy v. Phoenix Assurance Co. Ltd (1966)?
- (a) Subsidence
  - (b) Ground leave
  - (c) Landslip
  - (d) Earthquake
29. Which of these perils is better insured under a First loss basis?
- (a) Fire
  - (b) General accident
  - (c) Theft
  - (d) Motor
30. For theft of shop stock to be covered under a standard theft policy, there would only need to be
- (a) Forcible and violent entry or exit
  - (b) Forcible and violent entry and exit
  - (c) Forcible or violent entry or exit
  - (d) Forcible or violent entry and exit
31. Assume that a money policy has a limit of ₦500 in respect of money left out of the safe on the insured's premises overnight. How much would the insurers pay for a loss of ₦750.
- (a) ₦100
  - (b) ₦250
  - (c) ₦350
  - (d) ₦600
32. The definition of money under a standard money policy will not include:

- (a) Bank and currency notes  
 (b) Lottery tickets  
 (c) Luncheon vouchers  
 (d) Postage stamps
33. Which of these is not a section under Group legal benefit policies?
- (a) Employment cover  
 (b) Personal cover  
 (c) Motor cover  
 (d) Property disputes cover
34. In exchange of a fee, the insurer promises to
- (a) Receive premium  
 (b) Create common pool  
 (c) Pay claims  
 (d) Ensure law of large numbers
35. The item that is protected by an insurance policy is the
- (a) Customer type  
 (b) Scope of cover  
 (c) Subject matter of insurance  
 (d) Subject matter of contract
36. Under a typical legal expenses policy, what limit of cover, if any, usually applies within the period of cover?
- (a) Cover is usually unlimited
- (b) Overall cover is usually limited but there is no further limit per claim  
 (c) Overall cover is usually unlimited but there is a limit per claim  
 (d) Overall cover is usually limited and there is also a limit per claim
37. The indemnity period is applicable to
- (a) Fidelity Guarantee insurance  
 (b) Business interruption insurance  
 (c) Legal expensive insurance  
 (d) Motor insurance
38. .... is the total income arising from the activities of the business.
- (a) Turnover  
 (b) Gross profit  
 (c) Net profit  
 (d) Indemnity period
39. Which of these is not a common business interruption policy?
- (a) Fire and special perils  
 (b) 'All risks'  
 (c) Engineering  
 (d) Personal accident
40. Which of these is not a liability policy?

- (a) directors' and officers' insurance  
 (b) professional indemnity insurance  
 (c) Legal expenses insurance  
 (d) Product liability insurance
41. Which of these policies will pay for losses as a result of the insured's legal liability to third parties?
- (a) Employers' liability insurance  
 (b) Public liability insurance  
 (c) Product liability insurance  
 (d) Legal expense insurance
42. 'Any person who is under a contract of service or apprenticeship' is
- (a) Insured  
 (b) Assessor  
 (c) Employee  
 (d) Employer
43. .... is a form of personal insurance offered to purchasers of consumer durables, usually electrical goods to guarantee the performance of the products for a period of time.
- (a) Open cover  
 (b) Floating insurance  
 (c) Extended warranties  
 (d) fidelity guarantee
44. A butcher wishes to arrange protection against claims made by customers who become ill as a result of eating their meat pies. Which insurance policy will meet their needs?
- (a) An employers' liability policy  
 (b) A product liability policy  
 (c) A personal accident and sickness policy  
 (d) A professional indemnity policy
45. With which of the following types of loss will the uninsured loss recovery service under a Comprehensive Motor Policy NOT assist the insured?
- (a) Loss of use of the vehicle whilst it is being repaired  
 (b) Personal injury  
 (c) Policy excess  
 (d) Repairs to the insured vehicle
46. What is the process of underwriting new motor business?
- (a) To ensure the vehicle is roadworthy  
 (b) To arrive at a fair premium for the risk

- (c) To comply with the Road Traffic Acts
  - (d) To collect data for the Motor Insurers' Bureau
47. Where in the policy document is the restriction on the use of the insured's car shown?
- (a) General conditions
  - (b) General exclusions
  - (c) Policy extensions
  - (d) Policy warranties
48. The conduct of claim condition of the insurance gives the insurer the right to:
- (a) Impose restrictions on the use of the vehicle to prevent a claim
  - (b) Handle the claim in order that it may be dealt with to the best advantage
  - (c) Refuse to pay a claim if the policy conditions are not met
  - (d) Seek arbitration to settle a dispute over the amount to be paid in the event of a claim
49. Following repair of partial damage to the insured's building, to whom does the insurer usually make payment?
- (a) The insured
  - (b) The insured's broker
  - (c) Loss adjuster
  - (d) The repairers
50. What is the main role of a motor engineer appointed by the insurer?
- (a) To determine who is responsible and liable for any damage to the vehicle
  - (b) To ensure the terms and conditions of the policy have been met
  - (c) To inspect and assess the damaged vehicle prior to authorizing a claim
  - (d) To repair the damaged vehicle under the terms of the policy
51. Who would have the authority to recommend a repairer following a claim?
- (a) Broker
  - (b) Hire purchase company
  - (c) Insured
  - (d) Insurer
52. What is not covered under a Standard Comprehensive Private Motor Policy?
- (a) Emergency medical expenses
  - (b) Loss of vehicle use
  - (c) Passenger liability
  - (d) Personal accident
53. Which of these is a factor that must be disclosed by the proposer?

- (a) Facts of Law  
 (b) Facts of public knowledge  
 (c) Facts that increases the risk  
 (d) Facts where the insurer has waived its rights
54. The Rehabilitation period for licence endorsement (NOT drink driving) is
- (a) 1 year  
 (b) 4 years  
 (c) 5 years  
 (d) 7 years
55. The cause of loss is referred to as:
- (a) Perils  
 (b) Hazard  
 (c) Chance  
 (d) Uncertainty
56. The factor that could influence the risk to occur is
- (a) Perils  
 (b) Hazard  
 (c) Chance  
 (d) Uncertainty
57. .... which relates to human aspects that may influence the outcome of risk.
- (a) Good physical hazard  
 (b) Tangible hazard  
 (c) Bad physical hazard  
 (d) Moral hazard
58. Which of these documents is used by the insurer to receive information about the risk to be insured?
- (a) Cover Note  
 (b) Policy document  
 (c) Endorsement  
 (d) Proposal form
59. The material information are usually disclosed in the
- (a) Cover note  
 (b) Policy document  
 (c) Endorsement  
 (d) Proposal form
60. Which of these is not a means through which the proposer provides information to the insurer?
- (a) Surveys  
 (b) Endorsement  
 (c) Slip presentation  
 (d) Supplementary questionnaires
61. The person that provides information about the risks to be protected by insurance is
- (a) The insured  
 (b) The insurer  
 (c) The loss assessor  
 (d) The loss adjuster
62. .... is the amount paid to an insurer in consideration of the insurer agreeing to cover the risk.

- (a) Insurance claim
  - (b) Insurance premium
  - (c) Insurance reserve
  - (d) Insurance rate
63. What is the premium for a liability cover where the limit of liability is the sum of ₦40million and the rate of 1 per milles
- (a) ~~₦4,000~~
  - (b) ₦40,000
  - (c) ~~₦400,000~~
  - (d) ~~₦4,000,000~~
64. Adjustable premium is used in
- (a) Motor insurance
  - (b) Fire insurance
  - (c) Employers' liability insurance
  - (d) Theft insurance
65. Flat premium is used in
- (a) Motor insurance
  - (b) Fire insurance
  - (c) Employers' liability insurance
  - (d) Theft insurance
66. In relation to an Employers' Liability Insurance Policy, what is likely to form the premium base, to be used to establish the premium to be paid?
- (a) Sales receipts
  - (b) Sum insured

- (c) Total salary bill
  - (d) Turnover
67. The document that shows that both the insured and the insurer clear as to the terms agreed between them is
- (a) Proposal form
  - (b) Policy
  - (c) Cover note
  - (d) Endorsement
68. The evidence of the contract of insurance is
- (a) Proposal form
  - (b) Policy
  - (c) Cover note
  - (d) Endorsement
69. .... is a document issued as evidence that insurance has been granted, pending the issuance of a policy.
- (a) Proposal form
  - (b) Renewal notice
  - (c) Cover note
  - (d) Endorsement
70. Which of these is not contained in a Motor Certificate of Insurance?
- (a) Registration number of vehicle
  - (b) Name of policyholder
  - (c) Address of policyholder
  - (d) Expiry date

71. The Certificate of Insurance for Employers' Liability Insurance must be kept for
- (a) 2 years
  - (b) 10 years
  - (c) 40 years
  - (d) 50 years
72. Which of the following is not contained in Employers' Liability Insurance Certificate of Insurance?
- (a) Limitation as to use
  - (b) Name of policyholder
  - (c) Date of commencement of cover
  - (d) Expiry date
73. Which of these is not found in a policy document?
- (a) Heading
  - (b) Declaration
  - (c) Signature
  - (d) Exceptions
74. The name and address of the insurers is found in
- (a) Heading
  - (b) Declaration
  - (c) Signature
  - (d) Exceptions
75. The Preamble is the same as the
- (a) Recital clause
  - (b) Signature
  - (c) Operative clause
  - (d) Conditions
76. The perils that are covered in the policy are stated in
- (a) Recital clause
  - (b) Operative clause
  - (c) Exceptions
  - (d) Policy schedule
77. The perils that are not covered in the policy are stated in
- (a) Recital clause
  - (b) Operative clause
  - (c) Exceptions
  - (d) Policy schedule
78. The personal details of the insured is found in
- (a) Recital clause
  - (b) Operative clause
  - (c) Exceptions
  - (d) Policy schedule
79. .... states that the proposal form is the basis of the contract and will be incorporated within the policy.
- (a) Recital clause
  - (b) Operative clause
  - (c) Exceptions
  - (d) Policy schedule
80. Which of these documents are used by insurers to alter the content of a policy?
- (a) Proposal form
  - (b) Renewal notice
  - (c) Cover note

- (d) Endorsement
81. Which of the following is not regarded as a common policy condition?
- (a) Alteration
  - (b) Exception
  - (c) Fraud
  - (d) Contribution
82. Which of these conditions is applicable where there are two or more insurers covering a risk?
- (a) Subrogation
  - (b) Arbitration
  - (c) Fraud
  - (d) Contribution
83. The right of an insurer to take over the insured's right in order to recover the payment from a third party responsible for the loss is
- (a) Subrogation
  - (b) Arbitration
  - (c) Fraud
  - (d) Contribution
84. Which of these conditions has to do with the settlement of dispute between the insurer and the insured?
- (a) Subrogation
  - (b) Arbitration
  - (c) Fraud
  - (d) Contribution
85. The penalty for under insurance is called
- (a) Cancellation
  - (b) Alteration
  - (c) Average
  - (d) Arbitration
86. A franchise is a policy term whereby:
- (a) the insured always pays an agreed amount towards a claim
  - (b) the insured never has to contribute towards a claim
  - (c) the insurer pays the full value of any claim under an agreed amount
  - (d) the insurer pays the full value of any claim which exceeds an agreed amount
87. The first amount of each and every claim for which the insured is responsible is referred to as
- (a) Excess
  - (b) Franchise
  - (c) Premium
  - (d) Average
88. A large excess is called
- (a) Franchise
  - (b) Warranty
  - (c) Deductible
  - (d) Condition

89. .... is essentially a promise made by the insured relating to facts or performance concerning the risk.
- (a) Franchise
  - (b) Warranty
  - (c) Deductible
  - (d) Excess
90. A Public Liability policy contains a condition precedent to liability concerning precautions to be taken when using cutting torches. In the event of a claim for damages arising out of the use of cutting torches, if the insured has specifically failed to comply with this condition then the insurer will normally:
- (a) Cancel the policy
  - (b) Offer part payment
  - (c) Settle and sue the insured for recovery
  - (d) Refuse to settle the claim
91. Days of Grace will not apply in
- (a) Theft insurance
  - (b) Marine insurance
  - (c) Fire insurance
  - (d) Goods-in-transit
92. The onus of proof of a loss is on the
- (a) broker
  - (b) insurer
  - (c) assessor
  - (d) insured
93. A payment made 'out of favour' is called
- (a) Excess
  - (b) Franchise
  - (c) Ex gratia
  - (d) Average
94. Large and complex claims are handled by
- (a) In-house claims staff
  - (b) In-house underwriting staff
  - (c) Loss adjusters
  - (d) Insurance brokers
95. The insured has many duties after an insured loss occurs in connection with property insurance. Which of these is not one of them?
- (a) At the insured's expense, provide all information and assistance to the insurer
  - (b) Notify the insurer as soon as possible
  - (c) Remove all damaged property immediately
  - (d) Take reasonable steps to minimize the loss

96. A factory owner insures their factory for ₦300,000. The factory catches fire, sustaining damage to the amount of ₦100,000. The insurer calculates that the true value of the property is ₦400,000. How much would the factory owner receive?
- (a) ₦75,000  
 (b) ₦100,000  
 (c) ₦300,000.  
 (d) ₦400,000.
97. Who is eligible to claim compensation from the Motor Insurers' Bureau?
- (a) Drivers who suffer injury due to mechanical failure of vehicles  
 (b) Owners of a maliciously damaged vehicle whose insurers become bankrupt  
 (c) Pedestrians injured by vehicles which fail to stop and are never traced  
 (d) Property owners whose private property is destroyed by uninsured motorists
98. The purpose of the Data Protection Act 1998 is to protect:
- (a) Computer software developers from software pirates and hackers  
 (b) Computer systems manufacturers against misuse of their products by third parties  
 (c) Corporate entities which hold data on a computer system concerning clients  
 (d) Individuals on who data is held on computer systems
99. The regulator of the Nigeria insurance industry is
- (a) Nigerian Insurers Association  
 (b) National Insurance Commission  
 (c) Chartered Insurance Institute of Nigeria  
 (d) Nigerian Council of Registered Insurance Brokers
100. Country in Os and Is is referred to as
- (a) Buffer  
 (b) Bug  
 (c) Byte  
 (d) Binary

**CF2 – GENERAL INSURANCE BUSINESS**

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

**SUMMARY**

Pass Rate: 77.4%

Highest Score: 97%

Lowest Score: 69.3%

Average Score: 31%

CF3

CHARTERED INSURANCE INSTITUTE OF NIGERIA

**CERTIFICATE IN INSURANCE**  
**CF3 - INSURANCE UNDERWRITING PROCESS**  
**APRIL 2018**

**INSTRUCTIONS**

- Two hours are allowed for this paper which consists of 75 questions.
- **READ THE INSTRUCTIONS ON PAGE 2 CAREFULLY BEFORE ANSWERING ANY QUESTIONS.**
- Provide the information requested on the answer form and on form B.
- Handle the answer form with care. Do not write notes on it. You are allowed to write on the inside pages of this question book, but you must hand it in at the end of the examination.
- No marks are deducted for incorrect answers, so do not leave any questions unanswered.
- If you bring a calculator into the examination room, it must be a silent battery or solar-powered non-programmable calculator. The use of electronic equipment capable of being programmed to hold alphabetic or numerical data and/or formulae is prohibited. You may use a financial or scientific calculator, provided it meets these requirements.
- The answer form and this question book **MUST BOTH BE HANDED IN PERSONALLY BY YOU** to the invigilator before you leave the examination Hall, after completing the details requested below. **FAILURE TO COMPLY WITH THESE REGULATIONS WILL RESULT IN YOUR ANSWER FORM NOT BEING MARKED AND YOU MAY BE PREVENTED FROM ENTERING FOR THIS EXAMINATION IN FUTURE.**

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**QUESTION BOOK RETURNED WITH ANSWER FORM TO INVIGILATOR**

CANDIDATE'S SIGNATURE .....

STUDENT'S REGISTRATION NUMBER .....

CANDIDATE EXAMINATION NUMBER ..... DATE .....

**CHARTERED INSURANCE INSTITUTE OF NIGERIA**

**CERTIFICATE IN INSURANCE**

CF3 - Insurance Underwriting Process

**INSTRUCTIONS TO CANDIDATES**

**READ THE INSTRUCTIONS BELOW BEFORE ANSWERING ANY  
QUESTIONS**

The questions in this section are numbered and **four** options follow each question. The options are labeled 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 with a horizontal pencil mark. You will find that there is space for 100 responses on the front of the answer form. You will only need to use numbers **1** to **75** inclusively.

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).

## ATTEMPT ALL QUESTIONS

1. The anniversary date of an annual policy is called:
  - (a) Birthday
  - (b) Inception date
  - (c) Renewal date
  - (d) Endorsement
2. The renewal process is very important because it allows all except one of the following:
  - (a) It allows the insurer to repudiate a claim that is not concluded with the insurance period
  - (b) It allows the insurer to review terms
  - (c) It gives the insured the choice to renew or switch insurer
  - (d) It ensures that the policyholder does not forget to renew
3. Which of these is not usually a 'one period' insurance?
  - (a) Erection All Risks
  - (b) Marine cargo
  - (c) Contractors' All Risks
  - (d) Consequential loss
4. Days of grace is a customer friendly gesture from the insurance company to the insured. Which of these is incorrect about it?
  - (a) It is an extension for a specified number of days within which the insured can renew after the renewal day
  - (b) The insured must pay extra premium to enjoy this benefit
  - (c) When premium is paid within the 'days of grace', cover applies from the original renewal date
  - (d) The insured must be willing to renew for him to benefit from it
5. Which of these policies would not enjoy the 'days of grace' benefit?
  - (a) Private Motor
  - (b) Burglary
  - (c) All Risks
  - (d) Fire Material Damage
6. When an insured request for cancellation, what premium does the insurer charge?
  - (a) Pro-rata premium
  - (b) Instalmental premium
  - (c) Short period premium
  - (d) Minimum premium
7. In which class of insurance was the term 'underwriter' first used in relation to a person carrying the risk or a proportion of it?
  - (a) Motor
  - (b) Fire
  - (c) Engineering
  - (d) Marine

8. Which of these statements is not correct in relation to contracts?

- (a) Every contract is an agreement between two parties
- (b) Every agreement is a legal contract
- (c) Every contract must have an offer
- (d) Every contract must have a consideration

9. In a contract of insurance Mr. Babs provided details of his car to High Peak Insurance company for a quote. The latter on the basis of the information supplied gave a quotation. Mr. Babs found the quotation in order and thus paid the premium for cover to commence. Which of the statement is not correct in relation to the contract?

- (a) The payment constitutes the consideration
- (b) The insurer made the offer when they gave a quotation
- (c) The insured made the offer when he gave his car details
- (d) The insured accepted the offer by paying the premium

10. A duty owed in the course of insurance transaction is

defined as 'A positive duty voluntarily to disclose, accurately and fully all the facts material to the risk being proposed, whether requested or not'. What duty would this be?

- (a) Proximate cause
- (b) Caveat Emptor
- (c) Insurable interest
- (d) Utmost good faith

11. Material fact are very fundamental in an insurance transaction. Insurers have realized this fact and have designed a template that helps proposers in putting across the facts to the risks they propose. What is this called?

- (a) Claim form
- (b) Proposal form
- (c) Discharge form
- (d) Demand form

12. The duty of disclosure is key in insurance. To whom does it apply?

- (a) Broker/Agent
- (b) Insurer and Insured
- (c) Insured
- (d) Insurer

13. As important as the duty of disclosure is, some fact are not required to be disclosed. Which of these will not be the one?

- (a) Facts relating to accidents (in motor) in the last one year
- (b) Facts that lessen the risk
- (c) Fact of public knowledge
- (d) Facts that a survey inspection should have revealed
14. Which of these will not be correct in relation to the operation of the duty of disclosure?
- (a) Where non-disclosure is fraudulent it is known as concealment
- (b) The duty of disclosure in common law starts at the beginning of negotiation and ends when the contract is formed
- (c) The duty of disclosure under the policy only starts when the contract is already in place
- (d) The duty of disclosure generally under the policy condition is continuous, at inception, until the contract is formed and afterwards during the currency of the policy
15. One of these cannot be taken as a physical hazard
- (a) Protection of the entry points into a house with strong locks
- (b) Construction of the partition walls of a building with concrete
- (c) Attitude of society that does not regard inflated claims as bad
- (d) Installation of a factory premises with sprinters.
16. In a Fire Insurance proposal, a fire risk is said to have metal fire doors and fire resisting walls. This would be considered as
- (a) Good physical hazard
- (b) Good moral hazard
- (c) Poor physical hazard
- (d) Poor moral hazard
17. As the underwriter for Motor Insurance, which fact out of these will you not consider to be material?
- (a) Details of the payment arrangement
- (b) Use of the vehicle
- (c) Age of the main driver
- (d) Place of garage overnight
18. Information and data are very key to the operations of an Insurance company. The information/data form an 'information pyramid' depicting decision taking levels. To which group are the

- reporting on the top of this pyramid meant for?
- (a) The Union
  - (b) The Customer
  - (c) The Board
  - (d) The Underwriting manager
19. Insurance companies incur various heads of expenses, which of these is sometimes referred to as the principal 'cost of production'?
- (a) Staff salary
  - (b) Rent
  - (c) ICT costs
  - (d) Claims
20. When talking about claims, insurers talk about 'frequency' and 'severity'. What does frequency connote?
- (a) How often a risk materializes into claims
  - (b) The number of times the insurer recoups from its reinsurers
  - (c) The number of times the insured is allowed to pay premium
  - (d) The biggest claim recorded within a time frame
21. When talking about claims, insurers talk about 'frequency' and 'severity'. What do they mean by severity?
- (a) This refers to how serious its effect is in term of quantum
  - (b) This refers to the remoteness of the risk situation
  - (c) It refers to partial claims in a large complex
  - (d) It refers to a situation where a risk materializes in two places at the same time
22. The study of injuries sustained from industrial accidents show the pattern of a Triangle. What class of injuries occupies the top of the triangle?
- (a) Non-injury accident
  - (b) Major injuries
  - (c) Minor injuries
  - (d) Non-reported injuries
23. Accidents leading to losses of large petrochemical refineries rarely happen, but when they do so they are usually very extensive in cost and consequence. This would be an example of:
- (a) High frequency and high severity
  - (b) High frequency and low severity
  - (c) Low frequency and low severity
  - (d) Low frequency and high severity

24. When reviewing the claims portfolio of private motor class, it was discovered that there are many claims but settlement sums were normally low. This would be an example of?
- (a) Low frequency and high severity
  - (b) High frequency and high severity
  - (c) High frequency and low severity
  - (d) Low frequency and low severity
25. The incurred loss ratio is made up of which of these constituents
- (a) Paid claims only
  - (b) Paid claims and outstanding claims
  - (c) Paid claims and repudiated claims
  - (d) Paid claims and ex-gratia claims
26. Which of the monitoring periods is suitable for measuring the performance of an individual policy?
- (a) Accounting year
  - (b) Calendar year
  - (c) Underwriting year
  - (d) Policy year
27. The policy is very important in the business of insurance. Which of these will not be correct about it?
- (a) It contains the terms, and conditions
  - (b) The policy is the evidence of the contract
  - (c) The parole evidence applies to the policy
  - (d) The contra proferentem rule applies only to policy of commercial nature
28. That part of the policy document that contains the specific details of an individual insured and subject matter insured is the:
- (a) Schedule
  - (b) Preamble
  - (c) Heading
  - (d) Proposal
29. The section of the policy that details where the actual cover is outlined is
- (a) Schedule
  - (b) Proposal
  - (c) Heading
  - (d) Operative clause
30. The part of the policy that refers to the two parties (Insurer and Insured) and also incorporated the proposal form as part of the contract is:
- (a) Operative clause
  - (b) Schedule
  - (c) Preamble
  - (d) Heading

31. Which of these is not an implied condition?

- (a) That the insured must act as if uninsured
- (b) That claims must be notified within specific time frame
- (c) That the insured must take reasonable action to minimize the loss
- (d) That the insured must not hinder the insurers in their investigation of the claim

32. When two separate policies are similarly liable to pay on the same loss (though may equal proportion), what concept of insurance is brought to play?

- (a) Average
- (b) Indemnity
- (c) Contribution
- (d) Utmost good faith

33. Mrs. Jack had a motor accident when her saloon car was hit from behind by a mini-truck belonging to a logistics company. The driver of the lorry accepted fault and reported to their insurer who accepted to repair the damage to Mrs. Jack's car. Mrs. Jack however preferred to claim under her comprehensive policy and then gave details of the negligent third party and their insurer's identity to enable her insurer recoup

their outlay. What concept is at work here?

- (a) Insurable interest
- (b) Average
- (c) Proximate cause
- (d) Subrogation

34. Mr. Right insured his building for ₦20million. A storm blew away the entire roof whose replacement cost was agreed with a building contractor for ₦5million. The insurer contended that they will penalize Mr. Right as the minimum value of the building was ₦40million; thereby offering ₦2.5million in full and final settlement. What condition of the policy did the insurer invoke?

- (a) Subrogation
- (b) Average
- (c) Contribution
- (d) Utmost good faith

35. Insurance naturally for business relationship and other reasons like to resolve disputes with their insureds amicably. Which condition in the policy precludes issues on quantum of payment from being referred to the court in the first instance?

- (a) Arbitration clause
- (b) Resolution clause
- (c) Amicable settlement condition
- (d) Neutral party clause

36. War risk is classified as a fundamental risk and is usually excluded in property related policies. Which of these normally gives war risk as a cover?
- (a) Contractors All Risk
  - (b) Erection All Risk
  - (c) Marine
  - (d) Business Interruption
37. Which of these principles of insurance is not related to the rest?
- (a) Subrogation
  - (b) Contribution
  - (c) Indemnity
  - (d) Proximate cause
38. Among the underlisted, which of these is the odd one.?
- (a) First Loss Limit
  - (b) Excess
  - (c) Franchise
  - (d) Deductible
39. Conditions of the policy have been classified into three groups, which of these is not one of them?
- (a) Conditions precedent to the contract
  - (b) Conditions subsequent to payment of claim
  - (c) Conditions subsequent to the contract
  - (d) Conditions precedent to liability
40. An undertaking made by the insured to the effect that they will ensure that a particular state of affairs is maintained throughout the duration of the policy is a
- (a) Notice
  - (b) Agreement
  - (c) Warranty
  - (d) Concession
41. An insured who is a large manufacturing concern in the bid to pay premium at a relatively low rate agreed to bear all claims that fall within a very large amount-say ₦50million. In effect the insurers will not be liable to pay any claim up to this amount. What is this called?
- (a) Excess of loss
  - (b) Average
  - (c) Franchise
  - (d) Deductible
42. The Proposal Form plays all but one of these roles:
- (a) It forms the basis of the contract
  - (b) It is a convenient means of presenting facts of the risk to the insurer
  - (c) It is a record that both parties can fall back to if necessary
  - (d) It is a platform to convey claims details to the insurer

43. Questions in the Proposal form can either be classified as General or Specific. Which of these cannot be taken as a 'General question'?
- Proposer's name
  - Description of the subject matter
  - Proposer's address
  - Period of Insurance
44. The law of large numbers in insurance relates to :
- Risks
  - Investment returns
  - Expenses
  - Interest rate
45. When a rate is expressed per mille, price is based on each
- Hundred
  - Million
  - Thousand
  - Multiple
46. In which of the insurances will sum insured not be suitable as the basis of premium rating?
- Fire and Material damage
  - Burglary
  - Public liability
  - All Risks
47. In which of these is a deposit premium paid subject to adjustment at the end of the insurance period?
- Marine Hull
  - Burglary insurance
  - Erection All Risks
  - Employer's Liability
48. Cover note is a temporary document issued in place of which documents?
- Endorsement
  - Certificate
  - Policy
  - Discharge voucher
49. The Certificate of Insurance is so important in Employers' liability insurance that it must be retained for a specific number of years after expiry. For how many years must it be retained?
- 40 years
  - 30 years
  - 20 years
  - 15 years
50. The standard fire cover is made up of three basic perils. Which of these is not one of them?
- Fire
  - Lightning
  - Storm
  - Explosion (restricted to domestic purposes only)
51. The addition of the 'Special perils' makes the Fire Policy more friendly to business concerns as many perils that are not otherwise covered in the 'Standard fire' policy are

- now included. Which of these perils is not one of the 'Special Perils'?
- (a) Lightning
  - (b) Storm
  - (c) Earthquake
  - (d) Malicious damage
52. Which of these items would you expect to be covered under a Burglary First Loss Basis cover?
- (a) Jewellery
  - (b) Tobacco and Cigarettes
  - (c) Mobile phones
  - (d) Iron rods
53. The scope of cover for Money Insurance is wide and is a kin to an 'all risks' cover. Which of the following is outside the scope of the Money Policy?
- (a) Cash on transit from insured's premises to the bank
  - (b) Money on counter in the insured's premises
  - (c) Money in the insured's bank account
  - (d) Money in a securely locked safe in the insured's office.
54. Which of these situations is covered under a standard burglary policy?
- (a) Break into the premises by damaging the main door into the premises of the insured
  - (b) Break into the premises by the use of a duplicate key
  - (c) Break into the premises while the door was left unlocked
  - (d) Break in by a visitor who hid in the premises during working hours
55. It is usual to arrange a Standard Business Interruption policy under three headings. Which of these is not one of the items?
- (a) Gross profit
  - (b) Public regulators expenses
  - (c) Accountants fees
  - (d) Wages
56. The material damage warranty in a Business Interruption Policy refers to the existence of
- (a) Stock of finished products in a warehouse
  - (b) Existence of a Burglary Policy covering stock
  - (c) Existence of a Fire policy covering insured's property
  - (d) Certification from Fire brigade as to safety of materials on insured's premises
57. The duty owed to a visitor who comes into the insured's premises for bodily injury,

- death or damaged to the visitor's property can be covered by:
- (a) Visitors' Liability Insurance
  - (b) Professional Indemnity Insurance
  - (c) Customers Protection Guarantee
  - (d) Public Liability policy
58. Which Liability Policy is usually written in conjunction with the Public Liability Policy?
- (a) Fidelity Guarantee
  - (b) Products Liability
  - (c) Professional Indemnity
  - (d) Legal Expenses
59. Under which class of insurance are 'approved repairers' commonly used?
- (a) Fire Insurance
  - (b) Money Insurance
  - (c) Professional Indemnity Insurance
  - (d) Motor Insurance
60. At which stage of the Risk Management process will the insured consider the frequency and severity of an identified risk?
- (a) Identification
  - (b) Analysis
  - (c) Control
  - (d) Implementation
61. Which professional identifies risks to which an insured is opened to and making recommendations as to their management?
- (a) Broker
  - (b) Repairer
  - (c) Surveyor
  - (d) Marketer
62. The underwriting result of an Insurance company is a combination of three items, which of these is not one of them?
- (a) Investment Income
  - (b) Loss Ratio/Claims
  - (c) Commission
  - (d) Expenses
63. When a Motor accident is caused by an uninsured or untraced driver, which body performs the role of last resort for damage or injury?
- (a) British Insurers Association
  - (b) Accident Offices Committee
  - (c) Financial Services Compensation Scheme
  - (d) Motor Insurers Bureau
64. At the end of the financial year some claims have occurred in the last few days/weeks to the end of the year that have not been notified to the insurer but for which provisions are to be made. Such claims are classified as:
- (a) Catastrophic Claims

- (b) Incurred But Not Reported Claims  
(c) Latent Claims  
(d) Large Claims
65. There are the four different levels of cover available in Motor Insurance. Which covers gives the lowest and the highest in terms of scope?
- (a) Road Traffic Act and Third Party Fire & Theft  
(b) Road Traffic Act and Comprehensive  
(c) Third Party Only and Comprehensive  
(d) Third Party Only and Road Traffic Act
66. Mr. Ibuomi was driving along the highway when he noticed that smoke was coming out of his car bonnet. He parked and discovered that the engine compartment was indeed on fire. With his fire extinguisher and assistance of other motorists he was able to put out the fire but the engine was badly damaged. Under which scope of Motor Insurance can be recoup?
- (a) Third Party Only  
(b) Third Party Fire and Theft  
(c) Comprehensive  
(d) Third Party Fire and Theft and Comprehensive
67. Under which benefit heading in personal Accident does the insurer pay weekly benefits?
- (a) Permanent Total Disablement  
(b) Medical Expenses  
(c) Temporary Total Disablement  
(d) Death
68. Insurance policies are generally issued to offer indemnity in the event of a loss but there are a few exceptions which are benefit policies. Which of these would take as a benefit policy?
- (a) Fidelity Guarantee  
(b) Personal Accident  
(c) Householders' Comprehensive  
(d) All Risks
69. In which policy are you likely to come across 'Single Article Limit'?
- (a) Motor Comprehensive  
(b) Business Interruption  
(c) Householders' Comprehensive  
(d) Personal Accident
70. Which policy have been designed to meet the needs of a person who lost his baggage in the course of transit by air from one country to another?
- (a) Goods In Transit  
(b) Personal Accident  
(c) Travel Insurance

- (d) Burglary
71. A reinsurance arrangement in which the retention is called a line and the treaty capacity expressed as multiple of lines is
- (a) Surplus Treaty
  - (b) Working Excess of Loss
  - (c) Quota Share
  - (d) Stop Loss
72. An insurer intends entering into a new line of business in which it does not have prior experience. It made a request to its reinsurer who responded that they will support them with a reinsurance programme in which they will accept 65% of all the risks while the insurer retains 35% for its own account on each risk. Which treaty arrangement will this be?
- (a) First Loss Treaty
  - (b) Stop Loss Treaty
  - (c) Surplus Treaty
  - (d) Quota Share Treaty
73. With regards to risk accumulation, insurers must pay attention to three areas of potential loss exposure, which of these is not one of them?
- (a) Single risks
  - (b) Single events
  - (c) Co-insurance
  - (d) Aggregation of losses
74. Which of these will not be an important factor in the underwriting of Motor Insurance?
- (a) Driver's age
  - (b) Identity of car vendor
  - (c) Type of use
  - (d) Geographical area
75. In a situation where there is dispute between the insured and an insurer as to what constitutes material fact, who determines whether the fact is material or not?
- (a) Insurers Association
  - (b) Arbitration panel
  - (c) The Courts
  - (d) Co-insurers

**CF3 – INSURANCE UNDERWRITING PROCESS**

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

**SUMMARY**

Pass Rate: 82.6%

Highest Score: 97%

Lowest Score: 28%

Average Score: 69.8%

CHARTERED INSURANCE INSTITUTE OF NIGERIA

**CERTIFICATE IN INSURANCE**  
**CF4 - INSURANCE CLAIMS HANDLING**  
**PROCESS**  
**APRIL 2018**

**INSTRUCTIONS**

- Two hours are allowed for this paper which consists of 75 questions.
- READ THE INSTRUCTIONS ON PAGE 2 CAREFULLY BEFORE ANSWERING ANY QUESTIONS.
- Provide the information requested on the answer form and on form B.
- Handle the answer form with care. Do not write notes on it. You are allowed to write on the inside pages of this question book, but you must hand it in at the end of the examination.
- No marks are deducted for incorrect answers, so do not leave any questions unanswered.
- If you bring a calculator into the examination room, it must be a silent battery or solar-powered non-programmable calculator. The use of electronic equipment capable of being programmed to hold alphabetic or numerical data and/or formulae is prohibited. You may use a financial or scientific calculator, provided it meets these requirements.
- The answer form and this question book MUST BOTH BE HANDED IN PERSONALLY BY YOU to the invigilator before you leave the examination Hall, after completing the details requested below. FAILURE TO COMPLY WITH THESE REGULATIONS WILL RESULT IN YOUR ANSWER FORM NOT BEING MARKED AND YOU MAY BE PREVENTED FROM ENTERING FOR THIS EXAMINATION IN FUTURE.

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**QUESTION BOOK RETURNED WITH ANSWER FORM TO INVIGILATOR**

CANDIDATE'S SIGNATURE .....

STUDENT'S REGISTRATION NUMBER .....

CANDIDATE EXAMINATION NUMBER ..... DATE .....

**CHARTERED INSURANCE INSTITUTE OF NIGERIA**

**CERTIFICATE IN INSURANCE**

CF4 - Insurance Claims Handling Process

**INSTRUCTIONS TO CANDIDATES**

**READ THE INSTRUCTIONS BELOW BEFORE ANSWERING ANY  
QUESTIONS**

The questions in this question paper are numbered and four options follow each question. The options are labeled 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 with a horizontal pencil mark. You will find that there is space for 100 responses on the front of the answer form. You will only need to use numbers 1 to 75 inclusively.

Example:

In order to be insurable, the risk to be insured, as far as the insured is concerned, must be

- (a) avoidable
- (b) fortuitous
- (c) inevitable
- (d) unavoidable

The answer is option (b)

## ATTEMPT ALL QUESTIONS

1. The insured embarks on having insurance cover for his property with the view to being compensated in case he suffers loss, this method is known as:
  - (a) Risk retention
  - (b) Risk transfer
  - (c) Risk avoidance
  - (d) Risk reduction
2. A reserve by insurer required by law and are designed to smooth fluctuations in loss ratios for certain classes of business is called
  - (a) Re-opened claims reserves
  - (b) Un-earned premium reserves
  - (c) Catastrophe reserves
  - (d) Equalization reserves
3. Personal accident and sickness insurance is regarded as a policy of ?
  - (a) Indemnity
  - (b) Contribution
  - (c) Benefit
  - (d) Subrogation
4. Standard fire cover is made up of the following
  - (a) Explosion resulting from fire
  - (b) Fire, Lightning and spontaneous fermentation
  - (c) Fire, lightning and earthquake
  - (d) Fire, lightning and limited explosion
5. When there is a larger, more complex claim, the investigation, negotiation and settlement process is placed in the hands of a professional called
  - (a) Loss Adjusters
  - (b) Loss Surveyors
  - (c) Loss Assessors
  - (d) Claims Managers
6. What type of insurance cover would a manufacturer require to enable him pay the salaries of his staff for one year following a fire loss?
  - (a) Employers' Liability insurance policy
  - (b) Business interruption insurance policy
  - (c) Money insurance policy
  - (d) Fire & special perils insurance policy
7. Which of the following methods of claim recovery is not open to insurers
  - (a) Average
  - (b) Assignment
  - (c) Contribution
  - (d) Litigation
8. A motor insurance certificate in Nigeria is issued in accordance with the

- (a) Road Traffic Act 1988  
(b) Road Traffic Act 1960  
(c) Motor vehicle (Third party insurance) Act 1945  
(d) Motor vehicle (Third party insurance) Act 1930
9. An insurer can provide the settlement of a material damage claim through the following means except
- (a) Apportionment  
(b) Repair  
(c) Reinstatement  
(d) Replacement
10. Which dispute can be dealt with by arbitration in an insurance policy?
- (a) The amount of premium charged on a policy  
(b) The amount of policy excess in respect of a claim  
(c) The total liability for a claim  
(d) The quantum loss
11. A £2000 loss occurs under a policy which is subject to a £50 franchise. Determine your company's liability.
- (a) £500  
(b) £1500  
(c) £2000  
(d) £2500
12. A building with an insured value of 100,000 has a rebuilding cost of 200,000. The policy is subject to the standard condition of average. If a fire causes damage of 50,000 what total amount, if any, is payable to the insured?
- (a) NIL  
(b) 12,500  
(c) 25,000  
(d) 50,000
13. The aim of the Claims and Underwriting Exchange (CUE) is to?
- (a) Bring together all claims and underwriting information by insurers  
(b) Eliminate multiple claims on parallel policies held by a single insured  
(c) Assist in separating individual claims from that of corporate bodies  
(d) Deal with insurance companies with bad claims and underwriting experience.
14. How would an insurer normally seek recovery of claims costs for which a third party was responsible?
- (a) Apply the contribution clause to obtain contribution from the third party's insurers  
(b) Exercise subrogation right against any negligent third party

- (c) Refer claims settlement to arbitration for apportionment of third party costs
- (d) Settle the claim on an ex-gratia basis and seek recovery from the third party.
15. When two policies cover the same loss interest and subject matter of insurance, how is the insurer who settles the claim most likely to obtain reimbursement from the other insurer?
- (a) Subrogation
- (b) Arbitration
- (c) Litigation
- (d) Contribution
16. The indemnity period under a business interruption insurance is always chosen by
- (a) The insured
- (b) The broker
- (c) The insurer
- (d) The loss adjuster
17. The basis for the settlement of loss or damage to insured vehicle is
- (a) Pay only in cash the amount of the loss or damage to the insured vehicle
- (b) Replace only what is lost or damaged
- (c) Repair, replace or pay in cash the amount of the loss or damage
- (d) Pay in cheque
18. Where in the policy document is the restriction on loss by deception by someone claiming to be a buyer or agent?
- (a) General Condition
- (b) General Exclusion
- (c) Policy Extension
- (d) Policy Warranties
19. What is the Third party Property Damage limit as contained in the Insurance Act of 2003
- (a) ₦100,000
- (b) ₦250,000
- (c) ₦500,000
- (d) ₦1,000,000
20. Which section of the policy is made personal and specific to the insured?
- (a) The Schedule
- (b) The Conditions
- (c) The Heading
- (d) The Operative Clause
21. What is the main benefit a policyholder gains from using an authorized motor repairer rather than any other repairer?
- (a) Monetary discount off hire car facilities

- (b) No requirement to provide repair estimate
- (c) Higher salvage values on written-off vehicles
- (d) Cheaper motor insurance quotations.
22. Which of these statements is not true?  
 "The statements of General Insurance practice contains a provision that a claim will not be repudiated by the insurer on the ground of \_\_\_\_\_"
- (a) The Non-disclosure of a material fact which the policyholder could not reasonably be expected to have disclosed.
- (b) Misrepresentation of a material fact unless the misrepresentation is negligent or fraudulent
- (c) That premium has not been paid
- (d) On the grounds of a breach of warranty that is unrelated to the circumstances of the loss
23. A policy covering a woodworker's risk requires the insured to sweep up wood shavings at the end of each working day, and remove them from the building. This is an example of:
- (a) A Franchise
- (b) A Warranty
- (c) A Representation
- (d) An Exclusion.
24. When will insurers normally settle a property claim where they have received and accepted an estimate?
- (a) When the estimate is approved
- (b) 30 days after the estimate is approved
- (c) When the account is submitted
- (d) 30 days after the account is submitted
25. The Motor Insurance Bureau (MIB) is responsible to pay compensation for victims of uninsured or unraced motorists under which of these types of cover?
- (a) Third Party Fire & Theft
- (b) Comprehensive cover
- (c) Third party only
- (d) Road Traffic Act only
26. In which of these areas in the various risks would the insured not be involved in proving the amount of the claims often referred to as the quantum
- (a) Third party only claims
- (b) Liability claims
- (c) Fire incident claims
- (d) Road Traffic Act claims
27. On whom does the onus of proof lie when an insurer

- refuses to pay a claim because of the operation an exclusion?
- (a) The insured  
 (b) Both insured and insurer  
 (c) The insurer  
 (d) The broker or intermediary
28. Why should insurers in respect of motor or liability claims make requirement that all notifications of fatal injury inquires, coroner's inquests or prosecutions be forwarded to them as soon as possible
- (a) To enable the insurer settle the claim within 14 days of notification  
 (b) To enable them arrange for their subrogation rights  
 (c) To enable them confirm that the final police report is submitted within 7 days  
 (d) To enable the insurer to arrange suitable defence
29. A duty that is always written into the contract and are usually found as conditions in the policy is:
- (a) Express duty  
 (b) Implied duty  
 (c) Insured's duty  
 (d) Insurer's duty
30. Under which policy condition could a claim not be partially met?
- (a) Sum insured  
 (b) Average clause  
 (c) New for old policy condition  
 (d) Voluntary or compulsory excess
31. Proximate cause was defined in
- (a) Marsden vs. City County Insurance Company (1865)  
 (b) Pawsey vs. Scottish Union & National (1907)  
 (c) Gabay vs. Lloyd  
 (d) Uddin vs. Norwich Union (2002)
32. If the proximate cause of a damage to insured's property is as a result of an "excepted peril" to the tuned of ₦2,000,000, what role will the insurer play?
- (a) The insurer will pay ₦2,000,000 in full  
 (b) The insurer is not liable  
 (c) The insurer will pay ₦2,000,000 less policy excess  
 (d) The insurer will pay ex-gratia
33. A period of time or the amount of money under which a policy would not come into force is called:
- (a) Indemnity period

- (b) Temporary sickness cover  
(c) Excess  
(d) Franchise
34. A creditor insurance policy makes provision payments against redundancy or unemployment but would generally exclude:
- (a) The first month of any period  
(b) The first two months of any period  
(c) The first three months of any period  
(d) The first six months of any period
35. An insured arranges his theft policy with a total sum insured of ₦10,000,000 and on a first loss basis of ₦2,500,000. He later suffers a loss of ₦4,000,000. What is the maximum amount payable by the insurer?
- (a) ₦1,500,000  
(b) ₦2,500,000  
(c) ₦4,000,000  
(d) ₦6,000,000
36. What is the importance of the Motor Insurance Database?
- (a) To assist Motor Insurance Bureau  
(b) To assist insurance companies to know the number of vehicles available for insurance  
(c) To assist the police in tackling motor vehicle  
(d) To assist in detecting vehicles with frequent accident
37. When a claim arises under personal accident and sickness insurance, insurers will make payment \_\_\_\_\_
- (a) Immediately the claim is notified  
(b) After the 1<sup>st</sup> 21 days of accident  
(c) Whenever it pleases the insurer to do so  
(d) When the claimant is starting to recover or has recovered
38. In motor insurance, one of the contents of the motor insurance certificate is
- (a) Limitation of Liability  
(b) Limitation as to use  
(c) Claims notification requirement  
(d) Scope of the contract
39. A legal requirement for a valid claim is that the
- (a) Claim must be made in writing  
(b) The insured must agree to contribute to betterment  
(c) Loss must be mitigated by the insured  
(d) Premium payment must have been made
40. Certificate of insurance is a requirement of the law in one

- of the following insurance contracts
- (a) Household insurance
  - (b) Money insurance
  - (c) Employers' liability
  - (d) Professional indemnity insurance
41. Which document must be produced to the insurer before a total loss claim can be settled under a private motor policy?
- (a) Certificate of insurance
  - (b) Original policy document
  - (c) Valid MOT certificate
  - (d) Vehicle registration document
42. During a storm, high winds strip the majority of the tiles from Okoye's roof. Beyond submitting a claim to his building and contents insurers, what other essential step can he reasonably be expected to take immediately?
- (a) Obtain three repair estimates from contractors
  - (b) Have the roof sheeted up and made safe
  - (c) Instruct his own loss assessor
  - (d) Move into alternative accommodation pending the response from insurer
43. The limited Act 1980 makes provision for proceedings to recover the outlay for non-injury claims would have to be issued with a stipulated number of years from the date of the accident.
- (a) 2 years
  - (b) 4 years
  - (c) 6 years
  - (d) 10 years
44. Leakage in insurance claims settlement is defined as:
- (a) The amount by which the actual settlement exceeds the amount that would have been required to make an acceptable settlement under the policy
  - (b) The amount by which the actual settlement equals the amount that would have been required payable.
  - (c) The amount by which the actual settlement is below the amount required to make an acceptance settlement under the policy
  - (d) The amount payable by the insurer at her own discretion
45. Ex-gratia payments are often made in the following circumstances except:
- (a) Where an exclusion is a borderline

- (b) Where there is a genuine oversight by the insured
- (c) Where good business relationship is not to be preserved
- (d) Where hardship would be created
46. Which of these statements is not one of the objectives of the Financial Service Authority (FSA)?
- (a) To reduce financial crime
- (b) To promote public awareness and understanding of the financial services industry
- (c) To maintain confidence in the financial system
- (d) To protect insurers
47. What is the full meaning of the acronym IBNR?
- (a) Incurred but Naturally Reported
- (b) Incurred but Not Reported
- (c) Incurred but Newly Reported
- (d) Incurred but Narrowly Reported
48. A hard leakage means an overpayment that is
- (a) Relatively easy to identify
- (b) Relatively hard to identify
- (c) Relatively uneasy to identify
- (d) Not being able to identify at all
49. The motor insurance Bureau made provision under the untraced drivers' agreement to pay compensation for
- (a) Injury only
- (b) Death only
- (c) Death or injury
- (d) Damage to properties
50. Risk retention is when a policyholder decided
- (a) To transfer the risk to insurers
- (b) Not to insure his risks
- (c) To meet the cost of its losses itself
- (d) To share the cost of its losses with insurers
51. What impact does non-payment of premium by a specified date have on any claim under a commercial fire policy?
- (a) Any third party claim must be paid but payment to the insured can be refused
- (b) After deducting the amount of unpaid premium, the balance of the claim must be paid
- (c) The claim payment must be delayed until

- the outstanding premium is paid
- (d) The claim can be refused with no payment being made
52. What effect does the application of average clause have on the amount claimed on an otherwise valid claim?
- (a) The claim is repudiated in full
- (b) A deduction is made in proportion to any amount of underinsurance
- (c) The claim paid is the mid-point between the claim amount and the loss adjuster's offer
- (d) The claim paid is the average for the type of loss
53. Once a fraudulent claim is discovered, what is the earliest point from which an insurer can make a policy void?
- (a) Next renewal date
- (b) Inception of the policy
- (c) Occurrence of the loss
- (d) Knowledge of the fraud
54. Any circumstance that would influence the judgment of a prudent insurer in fixing the premium or determining whether they will take the risk is called:
- (a) Misrepresentation
- (b) Material fact
- (c) Insurable Interest
- (d) Warranty
55. In terms of frequency and severity, the risk of windscreen damage to a motor vehicle is classified by insurers as:
- (a) High frequency and high severity
- (b) High frequency and low severity
- (c) Low frequency and low severity
- (d) Low frequency and high severity
56. A small fixed sum retained by the insured at the time of claim is called:
- (a) Indemnity
- (b) Sum insured
- (c) Excess
- (d) Average
57. Contribution and subrogation are corollaries of
- (a) Utmost good faith
- (b) Proximate cause
- (c) Insurable interest
- (d) Indemnity
58. For what claims activity do insurers normally use an outsourcing company?
- (a) To handle high volume claims business

- (b) To represent the insured during the claims process
- (c) To handle low volume, high value claims
- (d) To survey damaged properties following claims
59. An insurer wishes to receive advice regarding the overall interpretation of a policy wording. Who is the insurer most likely to consult?
- (a) The Financial Ombudsman Service
- (b) A Solicitor
- (c) A Loss Adjuster
- (d) The Financial Services Authority
60. A pedestrian is hit and injured by an uninsured driver. Which body will deal with the pedestrian's claim against the driver?
- (a) The British Insurance Brokers Association
- (b) The Financial Ombudsman Service
- (c) The Motor Insurers' Bureau
- (d) The Financial Services Authority
61. Insurable interest is one of the elements necessary to create a valid insurance contract. Which of these is not a feature of insurable interest?
- (a) Legal relationship
- (b) Subject matter
- (c) Consideration
- (d) Financial value
62. Which of these is not a physical hazard in fire insurance?
- (a) Dishonesty
- (b) Construction of the building
- (c) Nature of use
- (d) Nature of heating and electrical system
63. The role of claims personnel excludes:
- (a) Deal quickly and fairly with all claims submitted
- (b) Be able to distinguish between real and fraudulent claims
- (c) Assess the cost of a claim so that a realistic value is placed upon it prior to payment
- (d) Deciding the best market in which to place the risk
64. In case of the dispute taken to the Financial Ombudsman Service (FOS), what is the relevance of the figure £100,000 in connection with their operation?
- (a) A company with an annual turnover exceeding this amount is not eligible to complain to the FOS

- (b) Disputes in excess of this amount will trigger an investigation fee
- (c) It is the maximum binding award that can be made by the FOS
- (d) It is the minimum annual fee payable by a member subscribing to the FOS
65. A claim support service provider is known as:
- (a) Loss Complier
- (b) Loss Adjuster
- (c) Loss Protector
- (d) Loss Enforcer
66. The consequential loss policy covers:
- (a) Loss of profit, wages and contents
- (b) Wages, auditor's fees and contents
- (c) Wages, medical expenses and loss of profit
- (d) Loss of profit, wages and auditor's fees
67. If the claim on the building is settled by reinstatement, who is ultimately responsible for the work carried out?
- (a) The building contractor
- (b) The insured
- (c) The insurer
- (d) The loss adjuster
68. The indemnity period is defined as \_\_\_\_\_
- (a) The period between the time of occurrence of a claim and when it is put back to shape
- (b) The time between the inception of policy cover and the time the claim occurs
- (c) The time between the inception of cover and the time the policy terminates
- (d) The time between the occurrence of claim and the time the claim estimate is approved
69. If more than one peril has caused the loss and one of those perils is excluded from the risks insured under the policy, it is essential to establish:
- (a) The insurable interest
- (b) The physical hazard
- (c) The actual cost of damage
- (d) The proximate cause of the loss
70. Under which type of policy cover can the insured report her claim in respect of damage to third parties that suffered both injury and damage to their property?
- (a) Product liability
- (b) Public liability
- (c) Employers' liability
- (d) Workmen's compensation

71. In the event of loss or damage arising from fire and special perils, one of the duties of the insured is to

- (a) Mitigate their losses
- (b) Know whether the policy covered the loss
- (c) Know whether the policy was in force
- (d) Know whether the claim was valid

72. An insurer will refuse to pay claim in these circumstance except

- (a) When there is disclosure of material facts
- (b) When the premium was partially paid
- (c) When cover was never in force
- (d) When there is fraud involvement

73. What does a company measure against its service performance standard?

- (a) Customer requirement

- (b) Increase in sales
- (c) Competitor's performance
- (d) Its own performance as judged by staff

74. From whom must the insured obtained a report to support a holiday travel claim when valuables are taken from their hired care whilst on a package holiday abroad?

- (a) Car hire company
- (b) Local police
- (c) Tour operator
- (d) Travel agent

75. When sold alongside a household comprehensive policy, the legal expenses extension provides cover for the following cost except:

- (a) Recovery costs
- (b) Civil defence cover
- (c) Prosecution defence cover
- (d) Unemployment dispute costs

**CF4 – INSURANCE CLAIMS HANDLING PROCESS**

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

**SUMMARY**

Pass Rate: 76.2%

Highest Score: 86%

Lowest Score: 37%

Average Score: 69.0%

CHARTERED INSURANCE INSTITUTE OF NIGERIA

**CERTIFICATE IN INSURANCE**  
CF5 - MOTOR INSURANCE PRODUCT  
APRIL 2018

**INSTRUCTIONS**

- Two hours are allowed for this paper which consists 100 questions.
- **READ THE INSTRUCTIONS ON PAGE 2 CAREFULLY BEFORE ANSWERING ANY QUESTIONS.**
- Provide the information requested on the answer form and on form B.
- Handle the answer form with care and do not write notes on it. You are allowed to write on the inside pages of this question book, but you must hand it in at the end of the examination.
- No marks are deducted for incorrect answers, so do not leave any questions unanswered.
- If you bring a calculator into the examination room, it must be silent battery or solar-powered non-programmable calculator. The use of electronic equipment capable of being programmed to hold alphabetic or numerical data and/or formulae is prohibited. You may use a financial or scientific calculator, provided it meets these requirements.
- The answer form and this question book **MUST BOTH HANDED IN PERSONALLY BY YOU** to the invigilator before you leave the examination Hall, after completing the details requested below. **FAILURE TO COMPLY WITH THESE REGULATIONS WILL RESULT IN YOUR ANSWER FORM NOT BEING MARKED AND YOU MAY BE PREVENTED FROM ENTERING FOR THIS EXAMINATION IN FUTURE.**

**QUESTION BOOK RETURNED WITH ANSWER FORM TO INVIGILATOR**

CANDIDATE'S SIGNATURE .....

STUDENT'S REGISTRATION NUMBER .....

CANDIDATE EXAMINATION NUMBER ..... DATE.....

CHARTERED INSURANCE INSTITUTE OF NIGERIA  
CERTIFICATE IN INSURANCE

CF5 - Motor Insurance Products

**INSTRUCTIONS TO CANDIDATES**

**READ THE INSTRUCTIONS BELOW BEFORE ANSWERING ANY  
QUESTIONS**

The questions 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 or best. Select your answer for each question and indicate it on the answer form by filling in the appropriate box with a horizontal pencil mark. You will find that there is space for 100 responses on the front of the answer form. You will only need to use numbers 1 to 75 inclusively.

**Example:**

Following repair of partial damage to an insured's car, to whom does the insurer **usually** make payment?

- (a) The insured
- (b) The insured's broker
- (c) The motor engineer
- (d) The repairer

The answer is option (d).

## ATTEMPT ALL QUESTIONS

1. No motor insurance policy is deemed to be in force within the provision of the Road traffic Act 1998 until:
  - (a) The policy documents has been delivered by insurer
  - (b) The insured has received both the policy documents and certificate simultaneously
  - (c) The cover note or certificate of motor insurance has been delivered to the policyholder.
  - (d) A written documentary evidence is delivered
2. Among the rating considerations a prudent underwriter applies, one of the following options is unnecessary to arrive at a fair motor premium.
  - (a) Age of the vehicle
  - (b) Security Device
  - (c) Value of the Vehicle
  - (d) Nationality of the Driver
3. There are three categories of fleet Risks which follow the order as below:
  - (a) Small, average and complex fleet
  - (b) Small, medium and large fleet
  - (c) Light, medium and heavy fleet
  - (d) Moderate, heavy and complex fleet
4. In order to be able to make a claim under a motor policy subject to a LIEN CLAUSE, the claimant must;
  - (a) Prove legal interest via Hire Purchase Agreement
  - (b) Prove Insurable Interest
  - (c) Prove Insurable fiduciary Insurance Interest
  - (d) Prove Absolute Interest or Proof of Ownership
5. Mr. Bigland, due to his state function cannot be present in court's proceeding involving a negligent third party. He has asked his insurer to pursue his recovery right. What principle of Insurance governs this?
  - (a) Financial Ombudsman Services
  - (b) Motor Insurer Bureau Services
  - (c) Subrogation Proxy
  - (d) Subrogation
6. A motorist's claim was reduced by a percentage as recommended by an independent investigator as a result of his careless and reckless driving. The insurer's action conform with
  - (a) Indemnity Rule

- (b) Reasonable Care Clause  
(c) Proximate Cause Rule  
(d) None of the above
7. ROAD TRAFFIC ACT 1998 provides for a Temporary Covernote following expiry of the certificate of insurance which last for only.
- (a) Ten days  
(b) Seven days  
(c) Fifteen days  
(d) Twenty-One days
8. In claims processing, one of the undermentioned options does not have immediate bearing;
- (a) Reasonable Care  
(b) Cooperation  
(c) Admission of liability  
(d) Indemnity
9. The Body saddled with the task of administering both Un-insured and Untraced Drivers' Agreement is known as
- (a) Ministry of Transport (MOT)  
(b) Motor Insurers Board  
(c) Motor Insurance Bureau  
(d) Motor Insurers Bureau
10. The maximum award that the Ombudsman can make in any dispute refer to it is
- (a) £1,000,000.00
- (b) £500,000.00  
(c) £250,000.00  
(d) £100,000.00
11. MOTOR Industry Database plays a major role at controlling claim costs among other benefits some of these bodies except one are as abbreviated below:
- (a) NIPAR  
(b) EQUIFAX  
(c) MIAFTR  
(d) LOC
12. The motor vehicle (Third Party) Insurance Ordinance 1948 requires which of these to have motor Insurance?
- (a) The police  
(b) A motor owner using the vehicle in a private road  
(c) Ambulance owners  
(d) A motor owner using the vehicle on public road.
13. What policy would you recommend for prospects whose three cars in the last three years have remained with her in the Science Research Village, but she occasionally use them to go to the beach not too far, from the village. She rules out accident totally likewise theft and fire.
- (a) RTA Policy minimum cover  
(b) Third Party only  
(c) Laid Up cover

- (d) Alternative Security - Deposit of £500,000
14. A motor Insurance policy is normally expected to have any of the following excess with exception of one
- (a) Compulsory Excess  
(b) Young & Inexperienced Driver's Excess  
(c) Voluntary Excess  
(d) First Loss Excess
15. Motor accessories are covered up to a certain amount as specified in the policy. Which of these do not qualify as an accessory:
- (a) Car Jack  
(b) Floor mat  
(c) Car Stereo  
(d) Camera
16. When a motor policy bears a voluntary excess, it has a major effect of
- (a) Less claim occurrence  
(b) Minor claims not reported  
(c) Reducing premium payable by policyholder  
(d) Claim settlement prompt payment
17. An alternative extract which have equal weight as proposal form in the contract of motor policy is known as
- (a) Risk Statement of facts  
(b) Facts Finding Sheet  
(c) Statement of fact  
(d) Vehicle Details Extract
18. A motorcycle proposal can be rated on the basis of;
- (a) The cycle or the rider not on despatch  
(b) The cycle and use of the cycle only  
(c) The rider or the value  
(d) The cycle itself or the rider
19. The part of a motor policy detailing the basis of the contract is called;
- (a) Contract definition  
(b) Opening Clause  
(c) Contract Preamble  
(d) The Preamble
20. Under the General condition of a policy of Insurance on a vehicle, one of the following is not a feature
- (a) Notification  
(b) Average  
(c) Subrogation  
(d) Cancellation
21. A policyholder in a commercial vehicle Insurance is required to notify his underwriter of any change in risk touching:
- (a) The driver of the vehicles  
(b) Relocation of garage

- (c) Conviction of the driver  
(d) Conversion or modification of vehicle
22. Underwriting a new motor business by an underwriter is
- (a) To ensure an improvement in the risk  
(b) To determine where warranty will apply  
(c) To be able to arrive at an equitable premium  
(d) To ensure good risk is not accepted
23. If a policy has an excess of ₦10,000 on an own damage and or 10% of the claim amount which ever is higher, how much would be paid by an insurer after engineer's assessment agreed at ₦135,000.00
- (a) ₦111,500.00  
(b) ₦125,000.00  
(c) ₦135,000.00  
(d) ₦121,500.00
24. The cost of replacing a vehicle which is subject of claim with one of similar model make condition and mileage is called
- (a) Index Market Value  
(b) Current Market Value  
(c) Market Value  
(d) Manufacturer Catalogue Value
25. Risk Management in motor underwriting is set to achieve
- (a) Enforcement of rule on effective vehicle maintenance  
(b) Problem affecting the risk  
(c) Enforcement of rules regarding mobile phones while driving on the road  
(d) Reduction in overall claim cost and source of new business
26. Following an accident report on a vehicle and the engineer's report that seventy percent of the sum insured would be required to repair it, insurer would likely treat the vehicle as
- (a) Total economic waste  
(b) A write-off  
(c) Constructive total loss  
(d) Salvage
27. One body whose Electronic Data Base has helped to safeguard against fraud, to which all insurers register all settled claim on theft and total losses, is known as
- (a) MIAFTR  
(b) MIFART  
(c) MAITRF  
(d) MIFTAR
28. Through what means will you check if there is a Hire Purchase Agreement on a

- vehicle on which a total loss claim has been settled?
- (a) MIATRF  
(b) DVLA  
(c) ABI  
(d) Equifax
29. A comprehensive private motor policy excludes just one of the following:
- (a) Passenger liability  
(b) Emergency medical expenses  
(c) Personal accident (emergency treatment)  
(d) Loss of vehicle use beyond 21 days
30. An engineer engaged by an insurer on a motor damage in an accident is expected to perform the role of
- (a) Adjusting motor claim referred to them  
(b) Determining insurability of a vehicle  
(c) Inspecting and assessing damage to the vehicle  
(d) Inspecting and promptly disposing the salvage
31. A victim of motor accident whose driver cannot be traced can be compensated nonetheless as provided for by the RTA through the machinery of
- (a) ABI  
(b) EDI  
(c) MIB  
(d) Legal Aid Council
32. The state of bankruptcy or death or insolvency do not defeat the pursuit of a third party's right. This is made possible by the provision contained in
- (a) Third Parties (Rights Against Insurers) Act 1930  
(b) Section 168 of Road Traffic Act 1988  
(c) Third Parties (Right Against Insurers) 1965  
(d) Third Parties (Rights Against Insurers) 1930 & Sec 153 Road Traffic Act 1988
33. Electronic Data Interchange (EDI) allows access on internet to perform the task of:
- (a) The intermediary to print insurance documents e.g proposal certificate, schedule covernote at the point of sale.  
(b) The intermediary to generate receipt for premium paid by client to avoid suspicion.  
(c) To provide the speediest service to defeat competition.  
(d) Intermediary is given facilities to underwrite risk as if in the insurer's office.

34. The Insurance Act 2003 provides that a third party whose property is damaged by an Insured vehicle is to be compensated with the sum of;
- (a) ₦10 million
  - (b) ₦500,000
  - (c) Unlimited
  - (d) ₦1 million
35. An Industry Database Exchange of information both on motor and non-motor underwriting and claim sponsored by ABI and Equifax is known as
- (a) VIBR
  - (b) CUE
  - (c) EDI
  - (d) AE Data Exchange
36. What is the full meaning of MID and the project it is out to achieve
- (a) Motor Insurance Division - out to supplement ABI efforts on theft record
  - (b) Motor Intelligence Division - out to do discreet investigation of Insurance fraud.
  - (c) Motor Insurers' Database - aim of reducing the number of uninsured vehicles on UK roads.
  - (d) Motor Insurers' Data - out to collate all motor data for the UK Industry & EC.
37. It is required by Sec 92 - 96 of Road Traffic Act of 1988 that "relevant and prospective disability" must be notified to Secretary of State relative to
- (a) Physical Health feature of the driver
  - (b) Physical Performance Ability of the driver
  - (c) Physical and total fitness of drivers
  - (d) Physical fitness of drivers
38. Assume an agent presently with a motor dealer calls the office i.e. underwriting desk to obtain approval to charge a rate of 5.5% on new car instead of 7% minimum with no further discount, what premium will be charged on five new Peugeot 207 each costing ₦1,950,000.00 each
- (a) ₦536,250
  - (b) ₦136,500
  - (c) ₦682,500
  - (d) ₦530,250
39. Two agreements which the MIB reached with the Secretary of State concerning motor users liabilities are
- (a) The Untraced Drivers Agreement
  - (b) The Uninsured Drivers Agreement
  - (c) The Uninsured Motors Agreement
  - (d) a and b

40. A private policy provides cover for loss or damage for radio or audio equipment up to

- (a) A reasonable amount not exceeding £500
- (b) £250.00 with excess of £10
- (c) A policy quoted amount
- (d) A defined financial limit "stated in the policy".

41. An insured receives a renewal notice a day to his policy expiry in his E-mail box but desires to make some changes to the risk at renewal. What fastest method can such insured use?

- (a) Reply E-mail with Detail
- (b) Call his Agent to instruct him
- (c) Use "SERVICE INFORMATION" on the policy
- (d) Use EDI facilities

42. Which motor policy would be engaged in meeting Mr. X enquiring for 2 newly acquired twelve-seater Urvan buses to convey school children:

- (a) Light Van Policy
- (b) Commercial Vehicle Policy

- (c) Own Good Vehicle
- (d) Private Bus (School Van)

43. Driver and Vehicle licensing Authority (DVLA) seek to perform the following function:

- (a) To regulate the production of licences
- (b) To regulate the issuing of licenses to Drivers
- (c) To regulate the issuing of licenses for vehicles
- (d) (b) and (c)

44. A private vehicle motor policy issued to cover a car on a comprehensive scope will cover the following except

- (a) Accidental collision, overturning of vehicle
- (b) Theft of the vehicle
- (c) Fire damage
- (d) Riot, mutiny and hostility

45. Under a commercial vehicle policy a limited liability third party property damage up to £5M is granted though can be increased on request. What is the reason for this?

- (a) services of accidents from one occurrence
- (b) One insured can be involved in several accidents

- (c) Heavy potential damage cause can be unquantifiable
- (d) All of the above
46. Additional benefits available in a private motor policy are
- (a) Personal accident cover up to a limit
- (b) loss of goods/samples
- (c) (a) and (d)
- (d) medical expenses up to a limit
47. An independent engineer have ordered the repair of a commercial vehicle after inspection to which the policyholder has expressed satisfaction. The claim cheque for the sum of ₦254,805.00 should be drawn in whose name:
- (a) The policyholder
- (b) The Insured
- (c) The Engineer
- (d) The Repairer
48. Under the Uninsured Drivers Agreement, Claims for property damage are subject to an excess of?
- (a) £100
- (b) £250
- (c) £300
- (d) £500
49. What does part VI of the Road Traffic Act 1988 deal with?
- (a) Third party liabilities
- (b) Principal road safety provisions
- (c) Licensing of drivers of vehicles
- (d) Driving instruction
50. Which of the EC Motor Directives has the basic intention of simplifying the process of claiming against a foreign insurer when an EU citizen is involved in a motor accident outside their normal country of residence?
- (a) First
- (b) Second
- (c) Third
- (d) Fourth
51. \_\_\_\_\_ will normally set out the basis of the contract?
- (a) The preamble
- (b) Definitions
- (c) Foreign use
- (d) Schedule
52. What is the process of underwriting new motor business?
- (a) To ensure the vehicle is roadworthy
- (b) To arrive at a fair premium for the risk
- (c) To comply with the Road Traffic Act
- (d) To collect data for the Motor Insurers' Bureau
53. Where in the policy document is the restriction on the use of the insured's car shown?

- (a) General conditions  
 (b) General exclusions  
 (c) Policy extensions  
 (d) Policy warranties
54. The conduct of claim condition of the insurance policy gives the insurer the right to:
- (a) Impose restrictions on the use of the vehicle to prevent a claim  
 (b) Handle the claim in order that it may be dealt with to the best advantage  
 (c) Refuse to pay a claim if the policy conditions are not met  
 (d) Seek arbitration to settle a dispute over the amount to be paid in the event of a claim
55. Following repair of partial damage to the insured's car, to whom does the insurer usually make payment?
- (a) The insured  
 (b) The insured's broker  
 (c) The motor engineer  
 (d) The repairers
56. What is the main role of a motor engineer appointed by the insurer?
- (a) To determine who is responsible and liable for any damage to the vehicle
- (b) To ensure the terms and conditions of the policy have been met  
 (c) To inspect and assess the damaged vehicle prior to authorizing a claim  
 (d) To repair the damaged vehicle under the terms of the policy.
57. Who would have the authority to recommend a repairer following a claim on a motor policy?
- (a) Broker  
 (b) Hire purchase company  
 (c) Insured  
 (d) Insurer
58. In the event that an uninsured motorist is involved in an accident, where might an injured third party obtain compensation?
- (a) DVLA  
 (b) FOS  
 (c) MIAFTR  
 (d) MIB
59. What are the main rating considerations on a private motor insurance?
- (a) Type of vehicle, district and business use  
 (b) Type of vehicle, drivers over 21 and distance travelled

- (c) Type of vehicle, experience of drivers and goods to be carried
- (d) Type of vehicle, experience of drivers and use of vehicle
60. What is not covered under a standard comprehensive private motor policy?
- (a) Emergency medical expenses
- (b) Loss of vehicle use
- (c) Passenger liability
- (d) Personal accident
61. What is the role of MIAFTR?
- (a) To provide a register of motor vehicles that are a total loss or stolen and not recovered.
- (b) To provide a register to detect fraudulent personal insurance claims
- (c) To provide assistance in pursuing a personal injury claim following a motor accident.
- (d) Internet companies
62. The umbrella body of Nigerian insurer's
- (a) NAICOM
- (b) NIA
- (c) NICON
- (d) NCRIB
63. Lloyd's motor syndicates can only accept business from \_\_\_\_\_
- (a) Ordinary broker
- (b) Lloyd's brokers
- (c) Single tied agents
- (d) Multi-tied agent
64. \_\_\_\_\_ was set up a few years ago with the aim of reducing the number of uninsured vehicles on UK roads
- (a) Green card
- (b) Motor insurers' bureau
- (c) Motor insurers' database
- (d) Driver and vehicle licensing authority
65. Which of these will give the widest cover in motor insurance?
- (a) 'Act only' policy
- (b) Third party only
- (c) Third party, fire & theft insurance
- (d) Comprehensive policy
66. What document is tentatively raised to provide policyholder with the main details of cover granted?
- (a) Temporary policy
- (b) Coverbook
- (c) Certificate
- (d) Covernote
67. Which of these is not parts of the details in a motor certificate?
- (a) Certificate number
- (b) Declaration
- (c) Address of the insured
- (d) Commencement

68. Which of these is not contained in the policy schedule
- (a) Premium
  - (b) Make of vehicle
  - (c) Policy number
  - (d) Policy conditions
69. If ECOWAS Brown Card is equivalent of Green Card what is the purpose of these cards?
- (a) To use insured vehicle in another country.
  - (b) To use the insured vehicle beyond expiry date
  - (c) To serve as passport out the country
  - (d) To provide special international passage for the vehicle
70. Where is the term specified rider used as rating factor
- (a) Motorcycles for soldiers
  - (b) Motor fleet
  - (c) Motor cycle underwriting
  - (d) None of the above
71. What made it possible for the Direct Line Insurers to save large cost of running their business?
- (a) Non-involvement of agents, brokers and payment of commission
  - (b) Reduced office space
  - (c) Tax relief
  - (d) Technology
72. Which of these options would not qualify as reason for insurers to request for to accident claim form
- (a) To assist in dealing with the claim quickly and efficiently
  - (b) To assist establishing and dealing with issue of liabilities
  - (c) To have clear basis to repudiate the claim
  - (d) Establishing the validity of the claim.
73. On what ground would Lloyd's brokers accept motor business from intermediaries
- (a) Payment of premium with bank draft
  - (b) Written undertaking by the insured
  - (c) On receipt indemnity
  - (d) On receipt of payment of premium guarantee
74. Identify which of the underlisted that is not a motor product?
- (a) Private car insurance
  - (b) Motorcycle insurance
  - (c) Machinery breakdown
  - (d) General cartage (commercial vehicle) insurance

75. In a third party personal injury accident claim, highly relevant to claim handling is

- (a) Road Safety Corps Report
- (b) Motor Garage Report
- (c) Dealer's Report
- (d) Police report

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**CF5- MOTOR INSURANCE PRODUCTS**

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

**SUMMARY**

Pass Rate: 44.5%

Highest Score: 83%

Lowest Score: 46%

Average Score: 63.10%

CHARTERED INSURANCE INSTITUTE OF NIGERIA

**CERTIFICATE IN INSURANCE**  
**CF6 - HOUSEHOLD INSURANCE PRODUCTS**  
**APRIL 2018**

**INSTRUCTIONS**

- Two hours are allowed for this paper which consists of 75 questions.
- **READ THE INSTRUCTIONS ON PAGE 2 CAREFULLY BEFORE ANSWERING ANY QUESTIONS.**
- Provide the information requested on the answer form and on form B.
- Handle the answer form with care. Do not write notes on it. You are allowed to write on the inside pages of this question book, but you must hand it in at the end of the examination.
- No marks are deducted for incorrect answers, so do not leave any questions unanswered.
- If you bring a calculator into the examination room, it must be a silent battery or solar-powered non-programmable calculator. The use of electronic equipment capable of being programmed to hold alphabetic or numerical data and/or formulae is prohibited. You may use a financial or scientific calculator, provided it meets these requirements.
- The answer form and this question book **MUST BOTH BE HANDED IN PERSONALLY BY YOU** to the invigilator before you leave the examination Hall, after completing the details requested below. **FAILURE TO COMPLY WITH THESE REGULATIONS WILL RESULT IN YOUR ANSWER FORM NOT BEING MARKED AND YOU MAY BE PREVENTED FROM ENTERING FOR THIS EXAMINATION IN FUTURE.**

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**QUESTION BOOK RETURNED WITH ANSWER FORM TO INVIGILATOR**

CANDIDATE'S SIGNATURE .....

STUDENT'S REGISTRATION NUMBER .....

CANDIDATE EXAMINATION NUMBER ..... DATE .....

**CHARTERED INSURANCE INSTITUTE OF NIGERIA**

**CERTIFICATE IN INSURANCE**

CF6 - Household Insurance Products

**INSTRUCTIONS TO CANDIDATES**

**READ THE INSTRUCTIONS BELOW BEFORE ANSWERING ANY  
QUESTIONS**

This question paper is in two sections: Section A and Section B.

**SECTION A**

The questions in Section A are numbered and Four options follow each question. The options are labeled 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 with a horizontal pencil mark. You will find that there is space for 100 responses on the front of the answer form. You will only need to use numbers 1 to 50 inclusive.

Example:

Which insurance principle does new for old overrule?

- (a) - Average
- (b) - Contribution
- (c) - Indemnity
- (d) - Subrogation

The answer is option (c).

## ATTEMPT ALL QUESTIONS

1. Household policies are
  - (a) Single policy
  - (b) Tied policy
  - (c) Package policies
  - (d) Benefit policies
2. .... offer only the product of a single insurer.
  - (a) Multi-tied agents
  - (b) Combined agents
  - (c) Brokers
  - (d) Single-tied agents
3. The cause of loss is
  - (a) Peril
  - (b) Uncertainty
  - (c) Hazard
  - (d) Severity
4. Which insurance principle does New for Old over rule?
  - (a) Average
  - (b) Contribution
  - (c) Indemnity
  - (d) Subrogation
5. A household policy has a pedal cycle extension. A ₦1,000 bicycle is stolen whilst left unattended and chained to a lamppost. There is a ₦50 excess. How much would be paid?
  - (a) Nil
  - (b) ₦950
  - (c) ₦1,000
  - (d) ₦1,050
6. The process whereby intermediaries can now submit proposals directly onto insurer's computer systems via a phone line. What is the process called?
  - (a) Digit Interactive Transmission
  - (b) Electronic Data Interchange
  - (c) Hypertext Transfer Protocol
  - (d) Uniform Resource Location
7. You are asked to provide contents cover for one occupation in shared accommodation. What restriction would you normally impose?
  - (a) Alarm warranty
  - (b) Forcible violent entry or exit clause
  - (c) Indemnity condition
  - (d) Unoccupancy warranty
8. A contents insurance policy that indemnifies a policyholder for loss of money will exclude claims arising from the theft of:
  - (a) An employer's credit card
  - (b) Current postage stamps

- (c) Luncheon vouchers  
(d) Traveller's cheque
9. What published annual statistics will an insurer use to index-link the buildings sum insured at renewal?
- (a) Government inflation index  
(b) House price increase  
(c) House rebuilding cost index  
(d) Retail price index
10. The sum insured for Buildings Insurance is normally calculated on:
- (a) Current market value of the house  
(b) Purchase price of the house  
(c) Rebuilding cost of the house  
(d) Rentable value of the house
11. Among the general exclusions on a household policy, damage is excluded when caused by
- (a) A lightning strike  
(b) A terrorist explosion  
(c) Oil leakage from an oil-fired central heating system  
(d) Water from an overflowing cold water tank
12. A householder submits a claim under the frozen food extension. The insurer will decline the claim if the loss is caused by:
- (a) An electrical power cut to the property during a windstorm  
(b) A previously notified electricity power cut to the property by the supplier  
(c) A rat chewing through the freezer's electricity supply  
(d) The householder accidentally switching off the power supply to the freezer
13. The single article limit in the policy is
- (a) 1%  
(b) 5%  
(c) 7.5%  
(d) 10%
14. Which of this peril is covered in Household policy?
- (a) Wear, tear and maintenance  
(b) Falling tree  
(c) Electrical or mechanical breakdown  
(d) Damage to records, cassettes, compacts etc
15. Single trip is a form of
- (a) Caravan insurance

- (b) Personal accident insurance  
(c) Travel insurance  
(d) Household insurance
16. In personal accident benefits, certain hazardous activities is excluded from the cover in .....
- (a) Sickness benefit  
(b) Medical expenses  
(c) Standard form  
(d) Sub-standard form
17. In shared and rented homes, the premises must not be unoccupied for a period of more than
- (a) 10 days  
(b) 30 days  
(c) 60 days  
(d) 90 days
18. The case of Donoghue V. Stevenson (1932) is often cited as the source of the
- (a) Law of contract  
(b) Legal consideration  
(c) Tort of negligence  
(d) Tort of nuisance
19. .... is a false statement made about a person which causes injury to him.
- (a) Nuisance  
(b) Defamation  
(c) Trespasses  
(d) Negligence
20. The right of the insurer to stand in the position of the insured to claim from the third party tortfeasor is
- (a) Indemnity  
(b) Subrogation  
(c) Contribution  
(d) Proximate cause
21. Under what division of laws would breach under statutory provision be treated regarding negligence
- (a) Law of torts  
(b) Law of contract  
(c) Criminal law  
(d) Unwritten law
22. A claim inspector is:
- (a) An Arbitrator  
(b) An Adjuster  
(c) An Employee of the insurer  
(d) A trained criminal investigator
23. The term unliquidated damages mean:
- (a) The cost have been fixed already  
(b) The amount of damages is not known in advance and only court of law can fix it  
(c) The decision or damages does not recognize bankruptcy

- (d) The damages cannot be finished in one payment
24. The following is a defamation of what.... "An agreement enforceable by law between two or more persons to do or abstain from doing some acts, their intention being to create legal relations and not exchange of mutual promises"
- (a) A contract  
 (b) Legal business relationship  
 (c) Commercial Business  
 (d) Trade
25. How does insurer protect themselves against fraudulent claims?
- (a) By the insertion of specific condition in the policy  
 (b) By warranting the truth of all information  
 (c) Getting indemnity from insured  
 (d) Subjecting policy to enduring truth
26. .... is an independent person appointed by an insurer to look into a claim by conducting investigation on it from the start to the conclusion of the claim.
- (a) A Surveyor  
 (b) A Loss Adjuster
- (c) A Claim Handler  
 (d) A Claim Investigator
27. Which of the underlisted details is not necessary in a claim form?
- (a) Occupancy of the premises  
 (b) Description of lost items  
 (c) Estimated amount of loss  
 (d) Corporate Tax Certificate
28. The onus of proof that a loss occurs solely rests on?
- (a) The Loss Adjuster appointed by Insurers  
 (b) The Insurer  
 (c) The Insured  
 (d) The Police
29. The ABI, GISC Code of practice requires that insurers must acknowledge claim notification within
- (a) 24 hours  
 (b) 2 days  
 (c) 5 days  
 (d) 21 days
30. The full meaning of GISC is
- (a) General Insurance Standard Council  
 (b) General Inspectorate Supreme Council

- (c) General Insurance Supervisory Council  
(d) General Insurance & Supervision Commission
31. A claim cannot be settled by:
- (a) Barter method (Trade by barter)  
(b) Payment of money  
(c) Reinstatement  
(d) Replacement
32. All except one of the options below is not required in a proposal form.
- (a) Certificate of occupancy  
(b) Use of the property  
(c) Sum Insured  
(d) Risk Address, Age of property
33. Which of the bodies below was created as independent dispute resolution facility?
- (a) Financial Ombudsman Service  
(b) Motor Insurance Bureau  
(c) Amalgamated Claim Bureau  
(d) Consumers Right Protection
34. If 'FIND' is one of the measures adopted by insurers to fight fraud, what is 'FIND'?
- (a) Fraud Investigation Database  
(b) Fraud Intelligence Database  
(c) Fraud Information Directive  
(d) Fraud Investigation Department
35. 'CUE' means:
- (a) Claims and Underwriting Exchange  
(b) Claims Un-established - Data Exchange  
(c) Claims Under-processing Exchange  
(d) b and c above
36. Which of the options under is not a factor limiting claim payment?
- (a) Nationality  
(b) Sum insured  
(c) Policy Excess  
(d) Average
37. In which of the underlisted options would insurers not be held liable to pay the insured for a loss in a Travel Insurance policy?
- (a) Cost of bringing home the insured person

- (b) Emergency treatment medically including surgical fees
- (c) Expenses for medical treatment two weeks after the return to the country
- (d) Additional hotel and travelling expenses of the patient who must be the insured
38. The maximum limit of liability payable on a Home-Business policy is
- (a) £200,000.00
- (b) £100,000.00
- (c) £500,000.00
- (d) £50,000.00
39. The rise of ground after the moisture content of the soil increase is referred to what?
- (a) Land tremor
- (b) Land hiss
- (c) Land caving
- (d) Heave
40. What is the usual period of cover for a household policy?
- (a) 90 days
- (b) 100 days
- (c) 6 months
- (d) 12 months
41. In a household policies which of this may not be part of the cover provided?
- (a) Outbuilding within premises for the domestic servants
- (b) Pathways & Drives
- (c) Oil & gas tanks
- (d) Baggages & Travel kits
42. Under what section of the proposal form would you find the name, address and occupation of the proposer?
- (a) General questions
- (b) Schedule of the policy
- (c) Declarations
- (d) Specific question
43. Which of this defines a building in a household policy?
- (a) The main structure including fence swimming pool
- (b) The fenced landed property
- (c) Landed property on which there is a foundation to start the building
- (d) Any form of structure on a land including plants
44. A household policy is divided into
- (a) Three sections
- (b) Seven sections
- (c) Ten sections
- (d) fifteen sections

45. What would you call the downward movement of the land on which a building is standard?
- Land hiss
  - Land charting
  - Land slide
  - Subsidence
46. 'The falling away the land' is known as:
- Gulley
  - Land Ditching
  - Erosion
  - Landslip
47. In livestock rating, which one of the options below would not be a rating factor?
- Name and breed of the livestock
  - The purchase price of the livestock
  - History of illness of the livestock
  - None of the above
48. One of the buildings described below does not belong to Non-standard risks as the three others. Identify it
- A bungalow building besides a military barrack
  - Unoccupied properties
  - Thatched properties
  - Building located in subsidence prone areas
49. When insurers take legal action in the name of the insured in recovery of a claim payment against negligent party this is called
- Subrogation Right
  - Legal Recovery Right
  - Proxy
  - Vicarious Right
50. Which of the underlisted option does not allow for the deduction of wear and tear or depreciation in claims settlement?
- New for old
  - Replacement
  - Indemnity
  - Repairs
51. Whose duty it is to fix sum insured on a building proposed for insurance?
- The Insured
  - The Estate Valuer
  - The Surveyor
  - The Insurers Surveyor
52. The Tort of Negligence is rooted in the case law Blyth v. Birmighan Waterworks 1856 but what exactly is key point stressed in the judgement?
- Wrongful act
  - Duty of Care
  - Alertness
  - Avoidance of accident

53. In which of the case law below do we have strict liability defined as reference point and authority to cite?
- (a) Ryland & Fletcher 1868
  - (b) Donoghue v. Stepheson 1932
  - (c) Blyth v. Birmighan Waterworks 1856
  - (d) a & b above
54. The focus of criminal law is best expressed among which of the option below:
- (a) To control behaviours that harms the community
  - (b) To control the behaviours threatens the peace of the community
  - (c) To wipe of all the miscreant and hoodlum in the society
  - (d) a & b above
55. The provisions of laws in the Defective Premises Act 1972 does not apply to building used for commercial or industrial premises. Is this true?
- (a) False
  - (b) True
56. In instance where a claim is made too late, beyond the time period it should have been filed, such a claim is referred to as:
- (a) Time-barred
  - (b) Out of bound
  - (c) Judicial-barred claim
  - (d) Statute-barred
57. The foremost benefit that accrue to an insured that have transferred their risks to insurers is what?
- (a) Peace of mind
  - (b) Collection of claim money
  - (c) To share money from pool
  - (d) Collect back premium after 2 years if there is no loss
58. An engineer has house contents that worth ₦25,000,000.00 but rented the apartment. What cover would you recommend for him?
- (a) Caravan Insurance
  - (b) Houseowner policy
  - (c) Contents only insurance
  - (d) Contents & Building insurance
59. What product would you suggest to an owner who has four flats in Lagos but resident in Egypt as overseas staff of High Commission? All the flats were rented out. None occupied by him
- (a) Building & Contents only
  - (b) Household Contents

- (c) Building only Insurance  
(d) All Risk
60. The involvement of both Building Societies and Conventional Banks in traditional insurance business gave birth to the identity name of :
- (a) Bancassurance  
(b) Captive Bank Insurance  
(c) Bank offshore  
(d) Bank Alliance Insurance
61. The establishment of the marketing of insurance prompting dealing or relating straight with the insurance consumers is called?
- (a) Direct Negotiation  
(b) Non-Commissioned marketing  
(c) Direct Insurance  
(d) Franchise
62. .... tied agents are those offering only the product of a single insurer.
- (a) Sole  
(b) Multi-tied  
(c) Single  
(d) Freelance and Independent
63. .... Offer the policies of more than one insurer for each product.
- (a) Independent intermediaries  
(b) Free Agents  
(c) Cash Agents  
(d) Multi-tied Agents
64. The modern means of keeping record of transaction for easy retrieval is known as
- (a) Internet Services storage  
(b) Data storage  
(c) Electronic Document storage  
(d) Electronic Files System
65. In IT what does 'MIS' mean?
- (a) Market Intelligence Service  
(b) Motor Intelligence Storage  
(c) Management Information Systems  
(d) Market Information Storage
66. The term 'EDI' is rightly expressed by which of the options below?
- (a) Exchange of Data Information  
(b) E-Data Information  
(c) Electronic Data Interchange

- (d) Electronic Devices on Internet
67. The use of passwords, logging out of the computer systems and restricting of access of personnel to only some part of the systems among other measures are examples of what in IT
- (a) Examples of Claims administration  
 (b) Examples of underwriting techniques  
 (c) Examples of security procedures  
 (d) Examples of compliance with acquisition
68. ECD was adopted by European Community in the year 2000 solely to incorporate the Directive into national law. What is ECD?
- (a) Electronic Community Directive  
 (b) Electronic Control of Data  
 (c) Electronic Commerce Directive  
 (d) None of the above options
69. Which of the underlisted included EDI networks specifically for ease of insurance networking:
- (a) MLPE
- (b) Motor Certificate  
 (c) Instep  
 (d) Insurance programmes
70. What in particular does IT actually mean?
- (a) IT = Internet  
 (b) IT = Information Tracking  
 (c) IT = Information Technology  
 (d) IT = Intelligence Tools
71. .... is the maximum number of days that cover can be granted on sports equipment.
- (a) 60 days  
 (b) 10 days  
 (c) 20 days  
 (d) 5 days
72. Damage to wall of a building caused by coal fire 'over a period of time' costing about ₦25,000.00 to be repaired would be
- (a) Settled by insurer  
 (b) Not be settled by insurers  
 (c) Regarded as outside the scope of cover  
 (d) Fully covered by insurer
73. The amount which the insured bears for each and every loss is
- (a) Indemnity

- (b) Franchise  
(c) Policy limit  
(d) Policy excess
74. Unrecovered damages can also be referred to as:
- (a) Reserve damages  
(b) Reverse damages  
(c) Resolve damages
- (d) Reservation damages
75. A verbal but defamatory statement made on a person is known as:
- (a) Slander  
(b) Nuisance  
(c) Libel  
(d) Strict liability

**CF6 – HOUSEHOLD INSURANCE PRODUCTS**

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

**SUMMARY**

Pass Rate: 0%

Highest Score: 0%

Lowest Score: 0%

Average Score: 0%

CHARTERED INSURANCE INSTITUTE OF NIGERIA

**CERTIFICATE IN INSURANCE**  
**CF7 - HEALTHCARE INSURANCE PRODUCTS**  
**APRIL 2018**

**INSTRUCTIONS**

- Two hours are allowed for this paper which consists of 100 questions.
- **READ THE INSTRUCTIONS ON PAGE 2 CAREFULLY BEFORE ANSWERING ANY QUESTIONS.**
- Provide the information requested on the answer form and on form B.
- Handle the answer form with care do not write notes on it. You are allowed to write on the inside pages of this question book, but you must hand it in at the end of the examination.
- No marks are deducted for incorrect answers, so do not leave any questions unanswered.
- If you bring a calculator into the examination room, it must be a silent battery or solar-powered non-programmable calculator. The use of electronic equipment capable of being programmed to hold alphabetic or numerical data and/or formulae is prohibited. You may use a financial or scientific calculator, provided it meets these requirements.
- The answer form and this question book **MUST BOTH BE HANDED IN PERSONALLY BY YOU** to the invigilator before you leave the examination Hall, after completing the details requested below. **FAILURE TO COMPLY WITH THESE REGULATIONS WILL RESULT IN YOUR ANSWER FORM NOT BEING MARKED AND YOU MAY BE PREVENTED FROM ENTERING FOR THIS EXAMINATION IN FUTURE.**

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**QUESTION BOOK RETURNED WITH ANSWER FORM TO INVIGILATOR**

CANDIDATE'S SIGNATURE .....

STUDENT'S REGISTRATION NUMBER .....

CANDIDATE EXAMINATION NUMBER ..... DATE .....

**CHARTERED INSURANCE INSTITUTE OF NIGERIA**

**CERTIFICATE IN INSURANCE**

CF7 - Healthcare Insurance Products

**INSTRUCTIONS TO CANDIDATES**

**READ THE INSTRUCTIONS BELOW BEFORE ANSWERING ANY  
QUESTIONS**

The questions 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 or best. Select your answer for each question and indicate it on the answer form by filling in the appropriate box with a horizontal pencil mark.

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)

## ATTEMPT ALL QUESTIONS

1. At the outset the concept of healthcare that was free at the point of use for every citizen. This does not mean
  - (a) Almost all hospitals compulsory purchased by the state
  - (b) Hospital doctors were employed by the NHS
  - (c) General practitioners (GPs) were not to continue to be self-employed
  - (d) All health treatment would be provided free at point of need
2. Charges for spectacles and dental treatment was introduced by NHS in
  - (a) 1947
  - (b) 1949
  - (c) 1951
  - (d) 1957
3. One of the Architects of what was to become the NHS was
  - (a) Tony Blair
  - (b) Don Cameron
  - (c) Theresa May
  - (d) Winston Church Hill
4. Beveridge's report led to a white paper in
  - (a) 1909
  - (b) 1911
  - (c) 1944
  - (d) 1946
5. The NHS was established by
  - (a) Amenrin Bevan
  - (b) William Beveridge
  - (c) Lloyd George
  - (d) Winston Churchill
6. The NHS today:
  - (a) Has seen a continued drift towards private dentists
  - (b) Organises GP services into locally managed primary care trusts (PCTs)
  - (c) Organizes hospitals and ambulance services into health and ambulance trusts
  - (d) All of the above
7. Which of these is not a main difference between the public and private sector health providers?
  - (a) Time spent waiting
  - (b) The Public sector allows complete choice of specialist
  - (c) The private sector may offer treatments using techniques or technology that may not be available through the NHS
  - (d) Certain private hospitals may not have

- intensive care back-up technology available
8. NHS will cover
- (a) Emergencies
  - (b) Complementary or 'alternative' medicine
  - (c) Cosmetic surgery
  - (d) None of the above
9. .... includes therapies outside of 'traditional' medicine.
- (a) Emergencies
  - (b) Complementary or 'alternative' medicine
  - (c) Cosmetic surgery
  - (d) NHS services
10. Chiropractic is an example of
- (a) Emergencies
  - (b) Complementary or 'alternative' medicine
  - (c) Cosmetic surgery
  - (d) NHS services
11. Which of these is not an advantage of buying private medical treatment?
- (a) Less time waiting for operations
  - (b) Choice of consultants
  - (c) Choice of a private room with comfortable facilities
  - (d) Subsidy from government for treatment
12. The private medical treatment will cover the cost of
- (a) Normal pregnancy and asthma or diabetes
  - (b) Chronic illness such as asthma or diabetes
  - (c) Minor surgery
  - (d) Cosmetic surgery
13. Which of these is noted to have come into being during the 1920s and 1930s?
- (a) Provident associations
  - (b) Health trust
  - (c) Private medical insurance
  - (d) NHS
14. Which of these is not a feature of provident insurers?
- (a) Non-profit making organisation
  - (b) Operating surpluses regarded as part of reserves
  - (c) Have shareholders and pay dividends
  - (d) Losses from their activities cannot attract tax relief
15. The largest provident association is
- (a) AXA PPP Healthcare
  - (b) WPA
  - (c) BUPA
  - (d) BCWA Healthcare

16. Which of these provident association converted in 1996 to a commercial insurance company?
- (a) AXA PPP Healthcare
  - (b) WPA
  - (c) BUPA
  - (d) BCWA
17. The feature of commercial insurers that are in the healthcare insurance is
- (a) Non-profit making organisation
  - (b) Operating surpluses regarded as reserves
  - (c) Have shareholders and pay dividends
  - (d) Losses from their activities cannot attract tax relief
18. .... plans trace their ancestry as a movement back to late Victoria times.
- (a) Third party administrators
  - (b) Health and dental cash plan
  - (c) Health trusts
  - (d) Commercial insurers
19. The small but significant proportions of private medical schemes that are run on behalf of employers for their employees is called
- (a) Third party administrators
  - (b) Health and dental cash plan
  - (c) Health Trusts
  - (d) Commercial insurers
20. .... is an alternative way for employer to deliver private healthcare for employees.
- (a) Third party administrators
  - (b) Health and dental cash plan
  - (c) Health trusts
  - (d) Commercial insurers
21. Which of these is not a feature of Health Trusts?
- (a) The employer pays money into a medical trust
  - (b) The trustees determine what benefits employees are entitled to
  - (c) Trusts have usually been limited to schemes with around 3000 or more member
  - (d) It is an insurance policy and so payments into the fund attract insurance premium tax
22. Premiums in Healthcare Insurance are subjected to
- (a) Value added tax
  - (b) Insurance premium tax
  - (c) Value added tax and insurance premium tax
  - (d) None of the above

23. The medical insurance market's division does not include:
- (a) Individual-paid
  - (b) Company-paid
  - (c) Voluntary employee-paid groups
  - (d) None of the above
24. Healthcare insurers can distribute their products directly to customers in a number of ways which does not include:
- (a) Having mobile sales consultants
  - (b) Using the mail to send potential customers information
  - (c) Television, radio, newspaper and SMS text advertisements
  - (d) None of the above
25. Which of the Healthcare provider entered the market with a product that has no claims discount?
- (a) BUPA
  - (b) PPP (now known as AXA PPP Healthcare)
  - (c) Prime Health (now Standard Life Healthcare)
  - (d) BCWA Healthcare
26. What percentage of humans belong to state health insurance scheme?
- (a) 25
  - (b) 50
  - (c) 75
  - (d) 100
27. Private Health Insurance is inextricably linked with the rules that govern state health insurers. The potential customer does not include:
- (a) Employees whose income is below the earnings ceiling for contribution assessment
  - (b) Employees whose income is above the earnings ceiling for contribution assessment
  - (c) The self employed
  - (d) Civil servant
28. The number of ways to compare the UK's healthcare system with those in other countries will not include:
- (a) How long people live on average
  - (b) The citizen's income in recent years
  - (c) Infant mortality
  - (d) The proportions of GDP spent on healthcare
29. An international medical insurance will not cover

- (a) Surgeon's, anaesthetist's and physician fees  
 (b) Drugs and dressing  
 (c) Ambulance costs  
 (d) Complementary or alternative medicine
30. Travel Insurance is not rated on:
- (a) Age  
 (b) Occupation  
 (c) The countries to be visited  
 (d) Any pre-existing conditions that are to be covered
31. Which of these are healthcare products have the wildest coverage in the UK market?
- (a) Health cash plan  
 (b) Dental insurance and capitation plan  
 (c) Private medical insurance  
 (d) None of the above
32. Medical insurance will not enable people to
- (a) Avoid having to wait for treatment  
 (b) Find themselves in a mixed sex ward  
 (c) Have a private room and be in more comfortable surroundings than NHS ward  
 (d) Have the choice of a specialist consultant
33. Private medical insurance is classified as a life insurance.
- (a) True  
 (b) False
34. The private medical insurance is a renewal class of insurance.
- (a) True  
 (b) False
35. The PMI cannot be cancelled if
- (a) The policyholder fails to pay the premium  
 (b) The policyholder dies  
 (c) The policyholder moves abroad  
 (d) None of the above
36. Insurers commonly band the hospital accommodation to which their customers may have access according to .....
- (a) The age of person  
 (b) Income of the proposer  
 (c) Cost of the treatment provided  
 (d) Government regulation
37. The personal PMI products are roughly divided into four main categories, which does not include:

- (a) Comprehensive  
(b) Third party  
(c) Budget  
(d) International
38. .... gives the widest scope of cover in personal in personal PMI products.
- (a) Comprehensive  
(b) Third party  
(c) Budget  
(d) International
39. Which of these is not used by insurers to determine the cost of the procedure?
- (a) Major plus  
(b) Intermediate  
(c) Minor  
(d) Comprehensive
40. The most common types of out-patient treatment will not include:
- (a) Pathology  
(b) Radiology  
(c) Surgery  
(d) Consultation
41. The examination of the blood and urine is .....
- (a) Pathology  
(b) Radiology  
(c) Surgery  
(d) Consultation
42. .... provides cover similar to comprehensive policies with
- the exception of certain benefits.
- (a) Standard  
(b) Third party  
(c) Budget  
(d) International
43. The list of exclusions under a PMI policy does not look daunting.
- (a) True  
(b) False
44. Group PMI policies are for groups of individuals that work for the same employer or belong to the same organisation.
- (a) True  
(b) False
45. Which of these does not fall into the categories of Group PMI policies?
- (a) Small group scheme  
(b) Large group scheme  
(c) Involuntary scheme  
(d) Voluntary scheme
46. The Employee Assistance programme under the group PMI does not include:
- (a) Family and domestic difficulties  
(b) Mental and addictive illness  
(c) Cost of radiology  
(d) Legal advice

47. Most PMI policies are supported by a
- (a) Mortality table
  - (b) Continental scale of benefit
  - (c) Table of benefit
  - (d) None of the above

Bola takes out a PMI and to save money he chooses a ~~₦~~100 annual excess, saving 10% on his premiums. And the standard premium for the cover in ~~₦~~1,000 using this to answer questions 48 and 49 below:

48. How much will the insurer pay for a claim of ~~₦~~500 to Bola?
- (a) ~~₦~~100
  - (b) ~~₦~~400
  - (c) ~~₦~~500
  - (d) ~~₦~~1,000
49. How much is Bola paying to the insurer based on the standard premium above?
- (a) ~~₦~~100
  - (b) ~~₦~~900
  - (c) ~~₦~~1,000
  - (d) ~~₦~~1,100
50. Typically a healthcare cash plan pays ..... of the cost of treatment up to a fixed annual limit.

- (a) 10 - 20%
- (b) 20 - 50%
- (c) 50 - 80%
- (d) 50 - 100%

51. Dental insurance policies are written usually as annual renewable general insurance policy.

- (a) True
- (b) False

52. A capitation plan is a form of budgeting rather than a 'true' insurance policy.

- (a) True
- (b) False

53. Which of these is not a typical benefits under dental insurance?

- (a) New patient examination
- (b) Preventative care
- (c) Cover for accidents, injuries and treatment abroad
- (d) None of the above

54. Which of these is not part of the NHIS Scheme in Nigeria?

- (a) HMOs
- (b) NHIS registered providers
- (c) NHIS as regulator
- (d) NAICOM

55. The principal law regulating health insurance in Nigeria is the
- (a) Insurance Act 2003
  - (b) NCRIB 2003
  - (c) NHIS 1999
  - (d) PENCOM Act 2004
56. Which of these is not a benefit included on an international medical insurance policy for expatriates that are unlikely to be included in a UK plan?
- (a) Chronic conditions
  - (b) Evacuation and repatriation cost
  - (c) GP costs
  - (d) None of the above
57. Healthcare insurance policies will not cover
- (a) Acute condition
  - (b) Acute phases of chronic conditions
  - (c) Pre-existing conditions
  - (d) None of the above
58. The main reason for applying limits on certain benefits available from healthcare insurance policies is to restrict
- (a) The sickness of the insured
  - (b) The expenses of the insurer
  - (c) The financial exposure of the insurer
  - (d) The morbidity rate of the insured
59. A table of healthcare insurance benefit is a schedule of
- (a) Premium discount
  - (b) Type of medical services covered
  - (c) Morbidity restrictions available
  - (d) None of the above
60. Health cash plans provide a fixed cash benefit for
- (a) all treatment
  - (b) UK based treatment
  - (c) Specific treatment
  - (d) International treatment
61. Excesses are offered to customers on healthcare insurance policies in return to .....
- (a) Higher premium
  - (b) Lower premium
  - (c) Same premium
  - (d) Claims premium
62. .... is an alternative to PMI
- (a) Major Index
  - (b) Commercial Insurance
  - (c) Sickness and accident Insurance
  - (d) Payment protection Insurance
63. Which of these policies is often an addout to another policy?
- (a) Major Index

- (b) Payment protection Insurance  
(c) Sickness and accident Insurance  
(d) Long term care Insurance
64. Another name for mortgage payment protection insurance is:
- (a) Major Index  
(b) Payment protection Insurance  
(c) Sickness and accident Insurance  
(d) Long term care Insurance
65. .... is a policy that covers mortgage, sickness and accident with employment.
- (a) Major Index  
(b) Payment protection Insurance  
(c) Sickness and accident Insurance  
(d) Long term care Insurance
66. .... pays a weekly or monthly benefit if the insured is unable to work because of an illness or injury.
- (a) Major Index  
(b) Payment protection Insurance  
(c) Sickness and accident Insurance  
(d) Long term care Insurance
67. .... takes care of the elderly and the infirm.
- (a) Major medex  
(b) Payment protection insurance  
(c) Sickness and accident insurance  
(d) Long-term care insurance
68. Which of these is not part of the definition of ADLs under long term care insurance?
- (a) Sleeping  
(b) Dressing  
(c) Toileting  
(d) Mobility
69. .... is another name for Income Protection Insurance.
- (a) Long-term disability  
(b) Long-term care Insurance  
(c) Sickness and accident insurance  
(d) Major medex
70. Which is the oldest cover among the underlisted?
- (a) Income protection insurance  
(b) Long-term disability insurance  
(c) Long-term care insurance

- (d) Permanent health insurance
71. Which of these policies that will pay out a pre-determined lump sum on the occurrence of stock?
- (a) Long-term disability insurance  
 (b) Critical illness insurance  
 (c) Long-term care insurance  
 (d) Sickness and accident insurance
72. Which of these policies will pay the sum insured at the occurrence of sickness like kidney failure, benign brain tumour aorta graft surgery?
- (a) Long-term disability  
 (b) Major medex  
 (c) Critical illness insurance  
 (d) Health cash plans
73. The reason why soft benefits are growing in popularity does not include:
- (a) Many such services are hard to source  
 (b) Soft services may have a perceived value far in excess of the actual cost to the insurer  
 (c) The insurer can differentiate its services from its competitors  
 (d) None of the above
74. A passive helpline will provide information on a menu basis.
- (a) True  
 (b) False
75. Private medical insurance does not usually cover the cost of preventive medicine or health check-ups, which are usually known as.....
- (a) Soft benefits  
 (b) Health screening  
 (c) Active Helpline  
 (d) Income protection
76. A private GP has just written out a prescription for you who pays for it? is it:
- (a) NHS  
 (b) the GP  
 (c) You  
 (d) HMO
77. The right cover to choose in healthcare insurance will not depend on
- (a) The location of NHS  
 (b) The individual's own priorities  
 (c) The greatest risks to their livelihood  
 (d) What they can afford
78. In underwriting of healthcare risk, the exclusion of pre-existing medical conditions

- from benefit payment is a standard approach.
- (a) True  
(b) False
79. .... is the term for the statistics that are used to estimate the probable life expectancy of a member.
- (a) Mortality risk  
(b) Mortality  
(c) Morbidity risk  
(d) Morbidity
80. .... Is the term for the statistics used to estimate the probability of the occurrence of certain medical conditions.
- (a) Mortality risk  
(b) Mortality  
(c) Morbidity risk  
(d) Morbidity
81. Which of these is not an exclusion in healthcare insurance policy?
- (a) Chronic condition  
(b) Consultations with a GP  
(c) Malaria fever  
(d) Routine dentistry
82. Which of these is a factor that the healthcare insurance underwriter not consider?
- (a) Gender  
(b) Club membership  
(c) Start date of illness, duration and severity  
(d) Frequency of symptoms
83. The changes affecting the healthcare insurance market does not include .....
- (a) Marital status of members  
(b) New medical technology  
(c) Aging population  
(d) Changing health risks
84. The cost is mainly affected by .....
- (a) Age  
(b) Per person price  
(c) Hospital accommodation  
(d) All of the above
85. .... is where any medical condition that occurred prior to the policy start-date are, at least initially, excluded from benefit
- (a) Moratorium underwriting  
(b) Health screening  
(c) Mortality rate  
(d) Pre-existing medical condition
86. A health insurance policy has a franchise of ₦500 in the event of a medical claim of ₦600. How much will the insurer pay to the insured?

- (a) NIL
  - (b) ₦100
  - (c) ₦500
  - (d) ₦600
87. The constituent of a medical insurance permission will not include?
- (a) Underwriting, claims and product design
  - (b) Mortality risk
  - (c) Sales and marketing cost
  - (d) Profit
88. Which of these may cover pre-existing conditions?
- (a) Health cash plus
  - (b) Dental plus
  - (c) Major index
  - (d) Sickness and accident insurance
89. Which of these is not underwritten as a life insurance policy?
- (a) Payment protection insurance
  - (b) Long-term care insurance
  - (c) Critical illness insurance
  - (d) Income protection insurance
90. A situation whereby the insurer is consulted prior to the member receiving medical treatment is called
- (a) Case management

- (b) Health screening
  - (c) Pre-authorization
  - (d) Income protection insurance
91. Which of these is not an advantage of the electronic data interchange?
- (a) The whole process is quicker
  - (b) Some data check way be incorporated
  - (c) It does not improve the quality of data
  - (d) Paperwork is eliminated
92. In the event of a loss which documents will the insurer use to collect information about the loss?
- (a) EDI
  - (b) Claims form
  - (c) Doctor's report
  - (d) Assessment sheet
93. .... is regarded as a person having knowledge and expertise relevant to the injury or illness to which the treatment relates.
- (a) Under worker
  - (b) Recognized specialist
  - (c) Loss assessor
  - (d) None of the above
94. .... is the increase year-on-year in the cost of delivering medical costs
- (a) Claims cost
  - (b) Underwriting expenses
  - (c) Medical cost inflation

- (d) None of the above
95. .... Defined as a national half day
- (a) Managed care
  - (b) A 'session'
  - (c) Clinical guideline
  - (d) Controlling claims cost
96. .... is a generic term that lacks a precise definition
- (a) Managed care
  - (b) A 'session'
  - (c) Clinical guideline
  - (d) Controlling claims cost
97. Health cash plan claims will not take this form;
- (a) Claims where treatment is carried out by a known provider
  - (b) Higher value claims
  - (c) Third party claim
  - (d) High value frequency claims
98. In which of these will no claim be required except for an insured event such as an accident?
- (a) Health cash plan
  - (b) Dental insurance
  - (c) Capitation plan
  - (d) None of the above
99. .... is an Act that establishes the right to access their health records to the

individuals to whom they relate and other persons

- (a) Access to medical reports Act 1988
  - (b) Access to health records Act 1990
  - (c) Data protection Act 1998
  - (d) Disability discrimination Act 1995
100. Which of these is not a reason for health care insurers in seeking to control costs
- (a) Negotiating pricing agreements with hospitals
  - (b) Producing financial incentive for specialists to undertake more day case surgery
  - (c) Increasing the commission to intermediaries
  - (d) Developing managed care techniques

**CF7 – HEALTHCARE INSURANCE PRODUCTS**

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

**SUMMARY**

Pass Rate: 66.7%

Highest Score: 93%

Lowest Score: 76%

Average Score: 67.0%