

**NNAMDI AZIKIWE UNIVERSITY AWKA**  
**FACULTY OF MANAGEMENT SCIENCES**  
**DEPARTMENT OF BANKING AND FINANCE**  
**SECOND SEMESTER EXAMINATION 2016/2017**

**COURSE TITLE: PRINCIPLES AND PRACTICE OF INSURANCE** **TIME: 2 HOURS**

**COURSE CODE: INS 202**

**DATE OF EXAM: Tuesday 15<sup>th</sup> October, 2019**

**INSTRUCTIONS: DON'T WRITE ON THE QUESTION PAPER. ANSWER QUESTION ONE AND ANY OTHER THREE QUESTIONS**

- 1a. Mention and explain the corollaries of indemnity. 4 points
- b. Governments pay lip service to regulation and supervision of businesses including insurance business. Should government continue to regulate insurance industry in Nigeria? Discuss your reasons. 8 points
- c. Outline the facts that must be disclosed in an insurance contract. 8 points
- 2a. Highlight the methods of indemnity payments. 4 points
- b. What do you understand by physical and moral hazards? 4 points
- c. Give three examples of physical hazards in the following types of insurance: Fire insurance; Marine Insurance; Agricultural insurance. 5 points
- 3a. Outline and explain the modifications in the operations of the principle of contribution. 5 points
- b. What is ex-gratia payment? 2 points
- c. Highlight five reasons for ex-gratia payments. 5 points
- d. How does moral hazards arise? 3 points
- 4a. What is insurance claim? 2 points
- b. How does claims dispute arise? 4 points
- c. Discuss the methods of resolving claims dispute. 5 points
- d. What is knock for knock agreement? 2 points
- e. Highlight the components of insurance premium. 2 points
- 5a. What is policy form? 2 points
- b. What are possible reasons for policy form cancellation? 6 points
- c. In what ways can policy forms be rectified? 6 points
6. Write notes on the following: (i) Reinsurance 2 points (ii) Proposal form 2 points  
(iii) Insurance underwriting 2 points (iv) Insurance intermediaries 3 points (v) Endorsement 2 points  
(vi) Captive Insurance 2 points (vii) Insurance certificate 2 points
- 7a. What do you understand by insurance policy conditions? 2 points
- b. Write notes on:  
Expressed condition; implied condition; general condition; and particular condition. 8 points
- c. What do you understand by insurance cover note and of what use is it? 5 points