



NATIONAL OPEN UNIVERSITY OF NIGERIA
14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS
SCHOOL OF LAW
MARCH/APRIL 2014 EXAMINATION

COURSE CODE: LAW432

COURSE TITLE: LAW OF BANKING AND INSURANCE II

TIME ALLOWED: 3 HOURS

INSTRUCTION: QUESTION ONE IS COMPULSORY AND YOU ARE TO ANSWER ANY OTHER THREE (3) QUESTIONS. All questions carry 17.5 marks.

1. Otunba Ashilehin built his retirement home in Maitama Abuja. He insured it with March insurance company against fire. Three years later, when he was in India for a medical check up, he received a call that part of his Abuja home has been destroyed by fire. Otunba plans on laying a claim to March insurance company for the loss he has suffered. What does he have to prove to be entitled to his insurance claim?
2. "A contract of insurance should be of utmost good faith and the insured and assured must be ready and willing to engage voluntarily in such a transaction. The court cannot foist on a party by a coercive order to enter into a contractual transaction, more especially that of insurance" - *Irukwu v T.M.I.B.* Discuss this statement.
3. March bank plc wants to expand its business by setting up an insurance company. The management of the bank is scared that the registration of its insurance company would be terminated. Advice March bank plc.
4. Johnson took a life insurance policy with March Insurance plc on 5th January 2014. The terms of the contract provided that acceptance of the insurance policy is subject to the payment of the first premium. The premium was tendered on 4th February 2014. on 3rd February, Johnson was involve in a motor accident that claimed his

life. Joke his widow and next of kin plans to institute court proceedings to enforce the insurance policy. Advise the parties.

5. Sales representatives from March Insurance Plc came to P.J Morgan, an Architectural Firm to advertise the investment plans of the insurance company. Dotun, due to the nature of his job as a construction worker, decided to take up a life insurance policy with the company, he was enjoying the conversation with one of the pretty sales representatives and disclosed to her that he had colon cancer. Dotun did not indicate his ailment in the form. The insurance company found out about the state of his health and decided to repudiate the contract on the basis of non-disclosure. Discuss the legal issue and advise the parties.
6. "A contract of insurance is meant to indemnify the assured and not to enrich him over and above that which was necessary to enable him recoup his loss". Critically analyse this statement.