



NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF LAW, DEPARTMENT OF COMMERCIAL LAW
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi – Abuja
2022_2 Examination

COURSE CODE: CLL432

COURSE TITLE LAW OF BANKING AND INSURANCE II

CREDIT UNITS: 4

INSTRUCTIONS:

- (a) Indicate your Matriculation Number clearly
- (b) Attempt Question one (1) and any other three (3) questions
- (c) Question one (1) is compulsory and carries 25 marks; while the other questions carry 15 marks each.
- (d) Using appropriate statutory and judicial authorities, present all your points in a straightforward, coherent and orderly manner.

TIME ALLOWED: 3 Hours

QUESTION 1:

Legacy Clearing Ltd took out a marine insurance policy with Boundless Insurance Company Ltd to insure some steel pipes which were to be imported from China against all risks. The goods were to be shipped from China to Onne Port in Nigeria. The said goods were eventually shipped from Kuala Lumpur, Malaysia instead of China. The ship could not berth in Onne Port and had to leave for Lagos Port. The goods were never delivered to Legacy Clearing Ltd. Now, Legacy Clearing Ltd has instituted a claim against Boundless Insurance Company Ltd to be indemnified for the loss of the goods. Assess the liability of Boundless Insurance Company Ltd. **25marks**

QUESTION 2:

- a. Define Insurance Underwriting. **5marks**
- b. Analyse the duties of an insurance underwriter. **10marks**

QUESTION 3:

Desirous of taking advantage of the Nigerian government's ease of doing business initiatives, the Quebec Chamber of Commerce and Collaboration sent a team to come and interact with local businesses and familiarise themselves with the regulatory as well as legal framework of business in the country. Your services have been retained to provide the guide on legal and related matters:

- a. The team members asked to know the Nigerian position on assignment of insurance contracts. **4 marks**
- b. If assignment is possible within the Nigerian context, what are the forms of assignment? **6marks**
 - a. Assuming Gracious Rentals Limited took out a policy of insurance with Pinnacle Insurance Plc and, as a security for an advance, assigns the policy to Great Nigeria Bank Plc. What will be the effect of such an assignment of the policy? **5marks**

QUESTION 4:

In a seminar organised by the Nigerian Insurance Association, the lead speaker stirred the hornet's nest when he stated that insurance is not for everybody. According to him, except one is an accomplished businessperson, he or she rarely does anything that will require him/her to take out an insurance policy, whether against risk or liability. You have been invited to counter the position of the speaker, particularly in the context of the types of liability insurance and the role, if any, of liability insurers **15marks**

QUESTION 5:

- a. State clearly the procedure to be followed in third party claims. Support your answer with relevant judicial pronouncements. **8marks**
- b. What is the time limit for the settlement of claims under the Insurance Act? Support your answer with the relevant provisions of the Act. **7marks**

QUESTION 6:

Write short note on the following:

- a. Product liability. 5marks
- b. General liability. 5marks
- c. Professional liability. 5mark