

INSETA - ASSESSMENT QUALITY PARTNER

External Integrated Summative Assessment

EXAMPLAR

CLAIMS ASSESSOR: SHORT-TERM QUESTION PAPER

Occupational Certificate - Insurance Agent: Claims Assessor

SAQA ID: 99668

NQF LEVEL: 4

CREDITS: 131

DATE:		TIME:	09h00-12h00
DURATION:	3 hours (180 minutes)	MARKS:	100
		PASS MARK	70 (70%)
EXAMINER:		MODERATOR:	
INSETA PAPER SERIAL Number		ST2024/04/25-CA	

INSTRUCTIONS TO CANDIDATES:

- 1. Candidates are required to answer all questions**
- 2. This is a closed book examination.**
- 3. No written material may be brought into the examination room**
- 4. ONLY reference materials supplied with the examination paper may be utilised to answer the questions.**
- 5. The use of a calculator is permitted.**
- 6. Write legibly and neatly.**
- 7. Do not turn over this page until permitted by the invigilator.**



SECTION A

ST2024/04/25-CA – CASE STUDY 1

You are required to answer all questions in this section. Use the provided answer books to answer questions in the correct answer space of the answer book.

ABC Food Distributors is a large FMCG company in KZN. During the period of insurance, it was found that an employee, Susan, had stolen stock over a period of five months and on 5 different occasions.

- Which section will best cover such a loss?
- During the investigation, the Loss Adjuster found that Susan was previously found guilty of theft from ABC Food Distributors. They have given her a final warning during that hearing two (2) months prior to this particular incident. Will the Policy respond and motivate your answer.

Furthermore, during the investigation of this incident, it was found that another employee, Peter, had stolen stock on two separate occasions. On each occasion the employee stole R 10 000,00 worth of stock, this a total of R 20 000,00. During the same period, another employee stole R 10 000,00 of cash money. Insurers accept liability for this incident. There is no excess which needs to be applied.

As an insurance claims administrator working for YoWay Insurance (Pty) Ltd, you are required to read through all the documents pertaining to your client's claim and then answer ALL the questions that follow.

Section A [30 marks]

Question 1 – 10 marks

- 1.1 Under which section of the policy will the incidents mentioned above fall. [2 Marks]
- 1.2 Based on the date of the loss, is there cover under this policy? [2 Mark]
- 1.3 Discuss circumstances under which you would still proceed with the claim if premiums are showing as not paid? [3 marks]
- 1.4 If the policy was on a named employee basis, how would that affect your decision. [3 Marks]

Question 2 – 10 marks

- 2.1. How would the use of duplicate keys affect the claim's prospects of being paid? [2 marks]
- 2.2. Supposed that the loss was discovered after the two employees involved had left their employers, would this claim still be valid? [3 marks]
- 2.3. If one of the employees was previously found guilty of theft by the company and they are involved in the current loss, what would be your response? [5 marks]

Question 3 – 10 Marks

- 3.1. Provide Table and Furniture with a list of documents that you would require together with his completed claim form, before you can start to process his claim. [7 marks]
- 3.2. Refer to the Policy Wording in this case study. Name (3) THREE policy exclusions under the policyholders Property Owner's Liability policy. [3 marks]

Section B [55 marks]

Question 1 – 15 Marks

- 1.1 Name 5 (five) red flags or indicators of fraud that a Claims Administrator should be aware of when processing a claim. [5 marks]
- 1.2 Go through the policy wording and the schedule and decide whether this loss is covered and provide at least three reasons for your decision [10 marks]

Question 2 – 10 Marks

- 2.1 If you doubt the genuineness of the claim, what sources of information would you consult to confirm your suspicions? [2 marks]
- 2.2 Explain the principle of subrogation and explain whether it is applicable to the claim at hand. [5 marks]
- 2.3 Give an opinion on the strength of internal controls for this insured? [2 marks]

- 2.4 Supposed that the theft of money by one employee was discovered within seven (7) days, how would that affect the section under which the claim would fall under. [1 mark]

Question 3 – 30 Marks

- 3.1 Complete the attached Claims Assessment Checklist and provide a recommendation at the end on whether you would accept or repudiate the claim. Provide three reasons for your decision. ***Please answer in the provided space in the answer book.***

[20 marks]

Item	Required Yes/No	Yes (✓)	No (x)	Mark
Duly completed claim form				
Nature of claim is covered within policy				
There was no breach of any policy conditions and warranties				
Sum Insured corresponds with amount claimed				
Description of loss clear				
Claim was submitted within reasonable period after loss				
Proof of forcible entry or exit to your home (where necessary)				
Witness details included (where applicable)				
Photographs taken from the scene (if any were taken)				
Proof of ownership of stolen items				
Medical report was supplied (in case of medical claims)				
Claims history is within the limits				
Premiums are up to date				
Claim does not show signs of fraud				
Insured is not covered by other insurers on the same risk				
Proof of travel (in case of travel insurance)				
Claim amounts are justified				

Recommendation / reasons

Accept claim / repudiate claim	
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- 3.2 A loss adjuster was appointed to investigate the theft by the employee. The Loss adjuster found out the following:
- The first employee in question was also a director of the company.
 - This theft was facilitated through networked computers

Discuss how the above two findings by the Loss Adjuster would change your decision in 3.1?

[10 marks]

Section C [15 marks]

Question 1 – 10 Marks

1.1 Explain three reasons why a claim may be repudiated.

[3 marks]

1.2 Describe the process that must be followed when repudiating a claim

[5 marks]

1.3 Decide whether or not YoWay Insurance will be in a position to claim any damages from the employee who stole in this claim? Provide a reason for your decision.

[2 marks]

Question 2 - 5 Marks

State the factors to consider when deciding on an ex-gratia payment.

[5 marks]

[Total Marks : 100]

-----END OF PAPER-----