The Role of Estate Surveyors and Valuers in Building Insurance Valuation (BIV) for Nigerian Universities and Their Environs

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Abstract: - This research sought to determine the role of estate surveyors and valuers in Building Insurance Valuation (BIV) and insurance policy to the selected universities and their environs. The survey design was used to collect the experienced opinion of estate surveyors and staff of asset and insurance units of some Universities with the use of questionnaires. Data collected for the study was processed through the Statistical Packages for the Social Science (SPSS) and analysed using both descriptive and inferential statistics such as mean score, relative importance index, and Mann-Whitney U test in order to answer the research questions and the formulated hypotheses. The results revealed that It can be seen that all the variables except one scored above the 0.60 R.I.I score which means that the respondents accepted that the variables are the roles they perform as it relates to BIV policy. The only variable that was not accepted by the respondents as the role they perform is the plate glass insurance (0.44 score). On the benefits of BIV, the outcome revealed that Accurate record on the existence and value of building coverage (Ranked 1st), Independent professional value opinion of organization building (Ranked 2nd), Evidence of existence of building for insurance underwriters and adjusters (Ranked 3rd), and Addresses the fair premium to be paid on the building (Ranked 3rd) were the benefits of BIV to the estate surveyors and valuers’ profession and the universities as perceived by the respondents.

Key words: Estate Surveyors and Valuers, Building Insurance, Valuation, Building Insurance Valuation (BIV), Nigerian Universities.

I. BACKGROUND OF THE STUDY

Undertaking a correct and an accurate building valuation policy is the cornerstone for the adoption and establishment of efficient property insurance in real estate business. Bolwidt (1997) stated that insurance valuation is a type of valuation conducted for the purpose of determining the cost of restoring a property (building) back to its initial state in case of any loss suffered resulting from accident that may lead to partial or whole damage of the property. The property owner who is called the insured is saddled with the responsibility to pay an annual sum of money known as premium, in anticipation of claiming full compensation that would bring him back to his original condition, from his selected insurance company as if no loss was suffered where such destruction occurred (Belo, 2003). The valuation process adopts some basis to determine the actual value the building would be insured for, and this will in turn specify the amount for which an insurance cover on a building and the basis on which insurance premium are computed. According to BusinessDictionary.com, insured value is the amount for which an insurance cover is bought on a building, and the basis on which insurance premium is computed. According to coinsurance clause, it must not be lower than a certain percentage (usually 80 percent) of the insurable value of the building to be able to claim a partial loss in full. Building Insurance valuation (BIV) is the prerequisite for insurance policy. It aimed at determining the compensation adequate enough to replace the insured building in a comparable state as it was prior to the occurrence of the loss, and at the same time address the two important issues that is of interest to the parties in the contract, that is, the average clause in insurance policy which absolves the insurer of any responsibility of excess payment arising from underinsurance and over-insurance which occurs due to insurance valuation that will lead to over payment of annual premium by the insured. These two scenarios actually call for adequate insurance value to be arrived at, by the professional Estate Surveyors and Valuers (Salau, 2011).

Statement of Research Problem

There are many and giant university buildings in the Nigeria University Campuses purposely built for lecture halls, laboratories, library, bookshop, conference centres, administrative offices, information and communication technology (ICT), auditorium, cafeteria, shopping mall, health centre, studios and others. Over the years some of the buildings have suffered from fire outbreaks and other disasters be it man or artificial. Most of these university buildings are specialised purpose buildings constructed to aid educational activities. Also colossal amount of money have been expended in the development and general maintenance of these buildings.

Any time fire disaster takes place, the university suffers loss of life (sometimes) and properties worth millions of naira. Typical examples of universities that have suffered from fire disaster in the country include university of Uyo, Akwaibom
II. LITERATURE REVIEW

The Concept of BIV

According to Araba (1993), insurance valuation being a subject requires careful consideration before advice is given to a client. It goes beyond cost and value, as there are other vital requirements that need to be put into consideration in its preparation. For instance, these requirements to be considered provide such answers that will meet with some questions like, what is to be insured. What risk or perils can be covered? What provision the policy of insurance contains? And what is the basis of insurance should be? According to Ogunba (2013), the method of insurance valuation is essentially replacement cost but there are some variations in the type of replacement cost, depending on the alternative bases adopted. The variations come from an examination of the basic difference between re-instatement value and indemnity as bases of valuation.

1. Indemnity claims are based on depreciated replacement cost. Reinstatement claims are based on undepreciated cost since the objective is to put the property owner in a condition equal to but not better than the condition of a new.
2. Indemnity claims are in respect of the value of the property as at the time immediately before the fire incident occurred whereas re-instatement goes further to cover the inflation in replacement costs up to the time of re-construction. This means that, for re-instatement, it is possible to receive additional claims for inflation from the time of loss to the end of rebuilding.
3. Indemnity is usually paid in cash but re-instatement claims must be authorized on orders for replacement equipment or on proof of expenditure.
4. Indemnity has no restriction in the way the money is spent. In re-instatement, there are restrictions. Usually, the replacement is restricted to the cost of building and the architects and other fees he is only entitled to a claim on indemnity basis.

It is the duty of valuer to determine the basis of valuation very clearly in order to arrive at the sum insured. This is always reflected in the insurance policy drawn by the parties.

Under reinstatement basis, the cost of rebuilding in a condition equal to but not better or more elaborate than its condition when new is assessed. The compensation here is known as new for old.

The calculation on such basis is stated below:

<table>
<thead>
<tr>
<th>Cost Component</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>The replacement cost new</td>
<td>xxx</td>
</tr>
<tr>
<td>Cost of removal of debris</td>
<td>xxx</td>
</tr>
<tr>
<td>Architects fees</td>
<td>xxx</td>
</tr>
<tr>
<td>Plan approval charges</td>
<td>xxx</td>
</tr>
<tr>
<td>Insurance value</td>
<td>xxx</td>
</tr>
</tbody>
</table>
Data on construction of comparable buildings in the form of unit cost of construction is always being obtained from professional quantity surveyor. Application of such N/M² to the external dimension area will give replacement cost new in practice. Architect fees, debris removal cost and plan approval charges etc can be obtained at various related offices (Ogunba, 2013).

Indemnity basis is the underlying principles of insurance which states that the insurer undertakes to place the insured after a loss in as nearly as possible the state he/she was prior to the loss by paying monetary compensation or partial repairs. Indemnity basis involves the cost of rebuilding less depreciation. That is, depreciated replacement cost method is adopted excluding the land value. The depreciation allowance under indemnity policy is based on the considered professional opinion of the valuer. For instance when a building which worth N40 million is insured for 30 million and the building is completely destroyed by fire, the liability of the insurer here is.

### Sum insured at the time of loss  x loss

Reinstatement at the reinstatement value

\[
i.e \quad \text{N}30\text{m} \quad \times \quad \text{N}30\text{m} = \text{N}22.5\text{m} \\
\text{N}40\text{m} \quad \times \quad 1 \\
\]

The penalty for under insurance is shown above, the insured will be compensated for the sum of N22.5 million as against N30 million he/she insured for. This is the consequence of insuring below N40 million which would have been the reinstatement value.

In the above example, if the owner insured the same building for N50 million. The over – insurance will be reflected as follows:

\[
\text{N}40\text{m} \times \text{N}50\text{m} = \text{N}40\text{million} \\
\text{N}50\text{m} \quad \times \quad 1 \\
\]

In case of fire outbreak and compete destruction, the insured will be paid N40 million, rather than N50 million of which his/her premium was actually based (Salau, 2011).

The insured value is being used by insurer to determine the periodic premium payable by the insured. Professional estate valuer is to be engaged to determine the accurate insured value in order to forestall the problem of under or over insurance being experienced in practice.

**The Principles of Insurance Valuation**

The general rule in contract of insurance is that the measure of indemnity is determined by the value not by the cost of the property. That means professional valuation is required. Insurance valuation therefore is a non-transaction driven valuation, carried out as part of an asset protection programme which determines the particular subject matter of the contract (financial interest), that a person has in the subject matter of the insurance (property) bearing in mind policy terms and conditions. Insurance contract is “uberrimafideii” (utmost good faith) in nature which require the contractual parties to be true and sincere in the course of negotiations. The insured is bound to disclose all material facts to the insurer in the proposal form, as this will serve as basis for determining the extent and nature or risk involved, sum to insure, and premium payable.

According to Aruba(1993), the principles of contract of insurance are listed below:

**Indemnity:** This aim at placing the insured at exactly the same position he was immediately before the loss occurred. It is normally adopted where the insurance arrangement is on an “indemnity” specification. Thus the valuation is made on the basis of replacing the existing property with identical or substantially similar one in a comparable condition at the time of loss. The effect of accrued depreciation is usually taken into consideration. Settlement of claims would normally be either by repairs or cash equivalent. In determining the magnitude of indemnity, the insurers will first ascertain the extent of the damage, then the reinstatement cost. They may opt for making this sum payable to the insured or undertake to reinstate the property, depending on the terms of the policy. In case of total destruction, it is by payment of a sum equal to the reinstatement cost or the loss of the sellable value, whichever is less, having considered the ratio of the sum insured and the reinstatement cost. However, reinstatement is resorted to where the damaged property is old and compensation may be limited to the difference in the market value of the property before and after its destruction. The insured in claiming indemnity is required to establish that he has sustained loss (measurable in monetary terms) by his interest in the subject matter, the extent and assessed value of his loss, and on full indemnity, to transfer to the insurer, any right against any third party in respect of that particular loss for which compensation is being sought.

**Average Clause:** This is typical of insurance contracts. It is aimed at encouraging insurance to the full value of the property at risk and serves as a protective shield for the insurer in limiting the extent of liability on pro-rata basis. A typical clause often reads:

“Whenever a sum insured is declared to be subject to average and if the property covered thereby shall at the outbreak of fire... be collectively of greater value than such sum insured, then the insured shall be considered as being his own insurer for the difference and shall bear a rateable share of the loss accordingly”.

For example, a property with an estimated reinstatement cost of N5, 000,000.00 but insured for N4, 000,000.00 was partially destroyed; the insurer’s liability is limited to three-quarter of the loss actually suffered. Assuming the partial destruction was assessed and agreed at N3, 200,000.00, then the insurer’s liability is N2, 560,000.00 only while the insured shall be deemed responsible for the shortfall of N640, 000.00 (Bailey, 1995).
The formula for this (average clause) is as follows:

\[
\text{Sum insured} \times \frac{\text{Value of asset at the time of loss}}{i.e \ N4,000,000 \times N3,200,000} = \text{N2,560,000}
\]

**The Sum Insured:** This is best represented by the current value of the property to be insured at the time of effecting policy. The sum insured is the basis of determining the premium payable on the policy, hence, should be reviewed annually with due regard to the effect of inflation on the nation’s economy, the building industry and the property market. The full value of a property for insurance purpose is its value at the time of the loss (i.e. the real value without sentiment). There is under--insurance when the sum insured is less than the full value of the property. This creates the problem of inadequate funds to meet all the losses insured against and reduces the insurers’ capital.

**Premium:** This is the consideration passing from the insured to the insurer for accepting the risk of loss. It is computed as a percentage of the sum insured based on statistical analysis of probable class and cost of claims and the degree of hazard involved. Premiums are intended to cover losses of calculated risks, cost of general business operation, overheads and surplus, if any, which is pro-rated as dividends to shareholders or proprietors at the end of the contract term. The insurer maintains his level of probability in meeting his obligations under the policy by investing the premiums collected, provide for dividends on investment and plough back the balance into further investments. The fact, this arrangement guarantees prompt payment of claims to policy holders and affords additional funds for expansion in order to spread risk with resultant ability to accept more insurance at a lower margin of individual risk and cost (Salue, 2011).

**Insurable Interest:** This is a prerequisite for enforcing claims under insurance policy. It strives a ascertaining that the insured has pecuniary interest in the preservation of the occurrence of the peril insured against. In the case of life insurance policy for a building, the lessee, lessor, mortgagee, mortgagor, trustee and the beneficiaries shall be deemed to possess insurable interest in the property, as they are all likely to incur financial loss on the occurrence of the event insured against.

**Contribution:** This is an insurance term which affords the insured the opportunity of effecting two or several insurances on same property but subject to the condition that compensation on the occurrence of any of the peril insured against shall be pro-rated by the two or several insurers.

**Subrogation:** This deals with the sharing of liability between the insurers in case of double insurance. It gives the insurers the legal right to sue a third party who negligently caused the fire or any of the events insured against. The insurers, on paying the full value of the damaged property, become entitled to the remains which might be disposed off. In effect, subrogation implies that if the insured is to receive some satisfaction, natural justice demands that the several insurers shall contribute on pro-rata basis to satisfy the loss which they have all insured against.

**Reinsurance:** This is the network of spreading risk by the insurers dealing with the public. The insurer surrenders a substantial part of his insurance to other insurers known as Reinsurers. It is affected by treaty between the insurer and the reinsurers usually undisclosed to the insured but does not in any way affects the contractual right of the insured against his insurer. Reinsurance has greatly contributed to the stability of direct underwriting companies in forestalling catastrophic losses.

**Benefits of BIV**

Undertaking an insurance valuation for both private and public estate has some potential because it helps to ascertain the actual economic worth of a property at definite point in time. According to Bolwidt (1997), the two primary benefits of insurance valuation of building are:

a. To estimate the value of the fixed assets, real- and personal property, and to determine the amount of insurance for the value at risk. Valuation reports provide a detail record of the property defined by location, building, floor, room, department and or cost centre. Included is a comprehensive description of each asset, installed and operational. All data can be entered into computerised data based programs, to facilitate periodic upgrades.

b. To have value immediately at hand to serve as guides in the event of a loss. At the time of a loss the appraiser can provide necessary data for a documented proof of loss statement. Standard insurance contracts order that the insured is responsible for the proof of loss. Without loss substantiation and further settlement of the claim, there is no value to insurance protection.

In general, Dinley (n.d) outlined the major benefits of (BIV). They include; in a situation where a serious loss occurs, the accurate sum insured will be established thereby ensuring that no financial penalty is incurred.

a. Insurance valuation exercise encompasses an on-site valuation in the first year followed by desk updates that should be provided for the next four years. With this arrangement, subsequent on-site revaluation can be carried out to ensure accurate sums insured is maintained and the initial insurance valuation fees should be compared reconciled with the current economic realities on ground to the protection provided throughout the complete five years period.
b. It will help the client to easily adapt and comply with any sudden change in the Industrial Special Risk Policy wording. For example, the previous changes to the (ISRP) wording make insurance valuations essential especially where a client has more than one location.

c. It helps to provide accurate records that will be establishing required evidence both to existence and value of building coverage.

d. Valuations are the evidence of the existence of an asset (building), for insurance underwriters and adjusters so in the event of loss occurring, a professional valuation officer can prepare a detailed claim as soon as possible and at a reduced cost, using the valuation reports and the Valuer’s field note. Also additional bases of valuation can be carried simultaneously with an insurance valuation at a minimum cost, for example, market value for the existing use for financial accounting purposes, market value for sale of surplus building.

e. It guarantees an independent professional valuation which protects the personal responsibilities of Directors and officers in an organisation. A professional, experienced valuation practice should provide uniform valuation methods avoiding inconsistencies in valuation opinion, approach and presentation.

f. It helps to discourage erosion of capital from incorrect sums insured. And also, eliminate co-insurance penalties.

According to Bolwidt (1997), building insurance valuation (BIV) helps in the identification of specific areas of high value for estimating Maximum Probable Loss (MPL), Probable Maximum Loss (PML) and Estimated Maximum Loss (EML). Also that it can help in the verification of physical building.

Other benefits of insurance valuation is that it addresses the issue of premium to the advantage of both the insured and the insurer in the insurance contract. It helps to arrive at a fair premium for the profitability and continuity of the business. Also, it prevents under-insurance and ensures steady availability of funds for settling claims for the insured, while it is a basis for advocating full value insurance and to discourage under-insurance for the insurer. Given all the above benefits of insurance valuation, underlining its practice will lead to economic waste, because it is a special concept that touches both the social and economic development of any nation. Unfortunately, and despite these potentials, the move to adopt building insurance valuation (BIV) in Nigeria’s private and public sector estate development has been very slow. The few estate professionals that tend to embrace this practice rarely perceive it as a worthwhile strategy for sustainable estate development. The situation appears to worsen in academic institutions even with recorded occurrences of disastrous fire outbreak in Nigerian Universities and Colleges.

**Types of Property Insurance Policy and Cover**

According to Bailey (1995), property insurance is categorized as non-life insurance and policy and its various form and nature are as follows:

**Building all risk policy:** Risks covered by this policy are fire (basic perils); explosion, malicious damage, riot, civil commotion or strife, aircraft, earthquake, storm or tempest, flood, burst pipes, subsidence, landlord and/or tenant’s fixtures

**Standard fire policy:** This policy protects the property owner against damage caused by fire and may be extended to include other potential risks such as consequential loss of rent, cost of alternative accommodation, etc.

**Indemnity specification:** The indemnity specification allows the insured for the restoration of his property in the event of damage or destruction, an amount (to the extent of sum insured), which has been depreciated. The measure of claim is the replacement value of the building works and structures at the time of loss and place of loss less depreciation. Where the intention of the insured is not to repair or rebuild his property in the event of damage, the measure of indemnity would be the diminution in the market value of insured property.

**Reinstatement with new specification:** The “reinstatement-with-new” Specification ensures full replacement value (to the extent of sum insured) without deduction for depreciation. The measure of claim is the full replacement value of the building works and structures with a replica or substantial identical substitute not at the time of loss but at the time of reinstatement, in condition equal but not better or more extensive than its condition when new.

**Plate glass insurance:** Plate glass is a common feature of shop premises. Due to the fact that this insurance suffers high claim frequency, it is expensive to arrange.

**Loss of rent insurance:** This policy protects against loss of rent that may be occasioned by damaged to or total loss of a property. This loss may arise during rebuilding or repairing period of a property if a tenant refused to pay rent or was entitled to a rent rebate during a period in which he was unable to enjoy the use of all or part of the premises.

**The Role of Estate surveyor and valuer in BIV**

According to Taiwo 2003, an estate surveyor and valuer as a property manager advises on the statutory payment of periodical premium by the client to the insurer. Updating the insured value and subsequent review and renewal are very important in order to reflect current trends. This function is not peculiar to private properties of individuals alone, but equally extended to assets of corporate organizations and parastatals by ensuring that fire prevention and precaution and any devices like fire extinguishers, fire alarm, fire detectors,
water sprinklers, fire hydrant etc are installed and periodically maintained as stipulated by Provisions of Building Codes and bye laws. Carrying out valuation exercise in determining the monetary worth/ value of land and buildings, for whatever purpose (compensation, probate, rating, insurance, purchase, foreclosure, mortgage, etc) is one of the sole responsibilities of an Estate surveyor and valuer as he/she is statutorily authorized by law to do so by virtue of the provisions of the Estate Surveyors and Valuers (Registration, Etc). Decree No. 24 of 1975 now CAP E.13 LFN 2007 and Land Use Act of 1978 respectively. According to Olayonwa (2006) landed property is normally used as security for loan with this arrangement, the borrower or property owner. The mortgage property can be sold to recover the mortgage loan if the mortgagor defaults in repayment. And for insurance purpose, buildings are insured against damage by accident which may include fire accident, vehicle accident and riot or from environmental element such as rain storm, lighting etc. The aim of insurance is to indemnify the property owner from all possible losses that may occur as a result of damage.

Biye, Ajayi, and Abdul-Rasheed (2004) carried out study on the estate surveyors and valuers and the magic number: A point estimate or range of value? The aim of the paper was to examine the rationale behind this approach and the attendant problems associated with it by using a qualitative research technique. Besides, the paper, amongst other things, recommended that estate surveyors and valuers should expand the scope of their services beyond the confines of point estimates so that clients be informed as to the amount of possible deviation and the magnitude of risk in the value estimate through the adoption of statistical techniques.

Olawale (2001) studied the valuation for insurance purpose “the perspective of an insurer”. The objective of the paper was to present an insurer’s viewpoint on the subject of valuation by using a qualitative research design. He observed that valuation plays an important role in establishing the market and replacement value of the property, an adequate premium is charged and paid by the insured. Recommendations were made for effective insurance valuation of properties (building) by the Estate surveyor and valuer.

Salau (2014) studied the challenges and prospects of Nigerian public buildings’ insurance valuation by Estate Surveyors and Valuers using Nigerian Geological Survey Agency, Abuja as a study area by examining two scenario of over insurance and underinsurance of the building for non-carrying out of insurance valuation by Estate surveyor and valuer. The work also further noted other challenges that would be encountered in the valuation process such as Nigerian’s fluctuating economy poses varying annual inflation rates and uneven periodic depreciation rates which culminate into serious challenges in the valuation for insurance purposes, segregation of personal items from public assets is expected during identification and enumeration exercise of insurance valuation and others. Recommendations were made for effective insurance valuation of public building which include strict enforcement of the provisions of the Nigerian Insurance Act 2003 for public buildings insurance by the National Insurance Commission (NAICOM) and a streamlined depreciation method for insurance valuation by the Nigerian Institution of Estate Surveyors and Valuers (NIESV) and creation of public awareness by all stakeholders.

III. RESEARCH METHODOLOGY
The survey design was used to collect the experienced opinion of estate surveyors. Whenever the primary data was sourced from the views and perceptions of members of a particular/selected group, a survey became necessary (Ohaja, 2003). Hence this research design helped the researcher to empirically analyse the respondents’ opinion on the focus theme.

The study was carried out in Plateau and Akwa Ibom States, Nigeria. These are the states where the federal universities under consideration are located. University of Uyo having experienced three or more incidences of ravaging fire outbreak between years 2013 - till date made choosing the institutions for this kind of study considered a rational decision.

The registered Estate surveyors and valuers in Akwa Ibom and Plateau States formed the population frame of the research. According to the directories of the Nigerian Institution of Estate Surveyors and Valuers in the two selected study areas, they were eighty four (84) and twenty one (21) registered Estate surveyors and valuers in Akwa Ibom and Plateau States, respectively. The addition of these two numbers gave one hundred and five (105) as sample size.

The study was carried out using the total enumeration sampling technique. Questionnaire was used as instrument for data collection. The questionnaire was structured into five (5) sections with forty-five (45) items. It used a five-point Likert scale for measurement of perceptions ranging from “very weak” to “very strong” and “strongly disagree” to “strongly agree”, “very low” to “very high”. The rating to be used was based on a numerical scale of 5 for highest and 1 for lowest. Section “A” addressed the demographic data of the respondents; section “B” dealt with variables on the awareness of building insurance valuation (BIV). Hence, the number of questionnaire self-administered on the respondents was one hundred and twenty-six (126)

Data collected for the study was processed through the Statistical Packages for the Social Science (SPSS) and analysed using both descriptive and inferential statistics such as mean score, relative importance index, and Mann-Whitney U test in order to answer the research questions and the formulated hypotheses. The Relative Importance Index (R.I) technique was such that If R.I < 0.60, it indicates low frequency in use; 0.60 ≤ R.I < 0.80, it indicates high frequency in use; R.I ≥ 0.80, it indicates a very high frequency in use.
IV. RESULTS AND DISCUSSION

The Role of Estate Surveyors and Valuers on BIV in the Universities

Table 1 gave the outcome of the role of estate surveyors and valuers on BIV in the selected universities. It can be seen that all the variables except one scored above the 0.60 R.I.I score which means that the respondents accepted that the variables are the roles they perform as it relates to BIV policy. The only variable that was not accepted by the respondents as the role they perform is the plate glass insurance (0.44 score).

Table 1: The role of estate surveyors and valuers on BIV in the universities

<table>
<thead>
<tr>
<th>Concepts of BIV</th>
<th>VH</th>
<th>H</th>
<th>L</th>
<th>VL</th>
<th>U</th>
<th>Tt*</th>
<th>M.S*</th>
<th>R.I.I</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation of property to serve as guide in event of loss</td>
<td>35</td>
<td>55</td>
<td>0</td>
<td>0</td>
<td>90</td>
<td>4.39</td>
<td>0.88</td>
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<tr>
<td>Value estimation of fixed assets and real property</td>
<td>30</td>
<td>60</td>
<td>0</td>
<td>0</td>
<td>90</td>
<td>4.33</td>
<td>0.87</td>
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<tr>
<td>Determination of insurance amount for the property value at risk</td>
<td>22</td>
<td>68</td>
<td>0</td>
<td>0</td>
<td>90</td>
<td>4.24</td>
<td>0.85</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Accurate records for evidence establishment in the existence and value of building coverage</td>
<td>22</td>
<td>68</td>
<td>0</td>
<td>0</td>
<td>90</td>
<td>4.24</td>
<td>0.85</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>On-site valuation and desk updates</td>
<td>22</td>
<td>62</td>
<td>6</td>
<td>0</td>
<td>90</td>
<td>4.18</td>
<td>0.84</td>
<td>5</td>
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<tr>
<td>Loss of rent insurance</td>
<td>18</td>
<td>56</td>
<td>14</td>
<td>0</td>
<td>90</td>
<td>3.98</td>
<td>0.79</td>
<td>6</td>
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<tr>
<td>Independent professional valuation to protect the personal responsibilities of top officials of an organization</td>
<td>34</td>
<td>35</td>
<td>2</td>
<td>6</td>
<td>13</td>
<td>3.79</td>
<td>0.76</td>
<td>7</td>
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<td>Indemnity specification</td>
<td>19</td>
<td>21</td>
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<td>20</td>
<td>2</td>
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<td>Standard fire policy</td>
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<td>28</td>
<td>24</td>
<td>24</td>
<td>2</td>
<td>90</td>
<td>3.27</td>
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<td>Building all-risk policy</td>
<td>11</td>
<td>29</td>
<td>18</td>
<td>32</td>
<td>0</td>
<td>90</td>
<td>3.21</td>
<td>0.64</td>
<td>10</td>
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<tr>
<td>Taking inventory of buildings</td>
<td>12</td>
<td>14</td>
<td>44</td>
<td>20</td>
<td>0</td>
<td>90</td>
<td>3.20</td>
<td>0.64</td>
<td>10</td>
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<tr>
<td>Reinstatement with new specification</td>
<td>10</td>
<td>32</td>
<td>14</td>
<td>26</td>
<td>8</td>
<td>90</td>
<td>3.11</td>
<td>0.62</td>
<td>12</td>
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<td>Plate glass insurance</td>
<td>10</td>
<td>10</td>
<td>12</td>
<td>16</td>
<td>42</td>
<td>90</td>
<td>2.22</td>
<td>0.44</td>
<td>13</td>
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</tbody>
</table>

*Tt: Total; M.S: Mean Score; R.I.I: Relative Importance Index
(Source: Author’s Survey, 2018)

The study on the role of Estate surveyors and valuers in BIV of selected university buildings within the localities that the universities were situated showed high level of the roles they performed in BIV in the Universities. This was in agreement with the study by Olawale (2001), who stated and recommended for effective insurance valuation of properties (building) by the Estate surveyor and valuers. It also aligns with a study by Bioye, Ajayi, and Abdul-Rasheed (2004) on the estate surveyors and valuers and the magic number: A point estimate or range of value. They agreed that the Estate surveyors and valuers were saddled with the sole responsibility to carry out building insurance valuation to its prospective client. This has a strong back up of the law establishing the role of Estate surveying and valuation in Nigeria.

The registered estate surveyors and valuers also gave their opinion on the improvement strategies to the awareness and compliance to BIV in the universities. The outcome can be seen in Table 1. The result showed that Improvement in Record Keeping by Organisations (Ranked 1st), Prompt Payment of Insurance Claims by Insurance Company and Premium Payment by the Organization (Ranked 1st), and Strict Penalty for Non – Observance of Insurance of Organization’s Assets by NAICOM (Ranked 3rd), were the most important strategies as agreed by the respondents. However, two of the variables had scores below the 0.60 R.I.I score which shows that the respondents did not agree that they are useful strategies.

The Benefits of BIV to the Estate Surveyors and Valuers’ Profession and the Universities

The result on Table 2 showed the benefits of BIV to the estate surveyors and valuers’ profession and the universities. The outcome revealed that Accurate record on the existence and value of building coverage (Ranked 1st), Independent professional value opinion of organization building (Ranked 2nd), Evidence of existence of building for insurance underwriters and adjusters (Ranked 3rd), and Addresses the fair premium to be paid on the building (Ranked 3rd) were the benefits of BIV to the estate surveyors and valuers’ profession and the universities as perceived by the respondents. However, since all the variables reflect scores above the 0.60 R.I.I score, it shows that the respondents were of the opinion that they are all benefits of BIV to the estate surveyors and valuers’ profession and the universities.
### Table 2: The benefits of BIV to the estate surveyors and valuers’ profession and the universities

<table>
<thead>
<tr>
<th>BIV Benefits</th>
<th>VH</th>
<th>H</th>
<th>L</th>
<th>VL</th>
<th>Ti*</th>
<th>M.S*</th>
<th>R.I.I Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accurate record on the existence and value of building coverage</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent professional value opinion of organization building</td>
<td>49</td>
<td>41</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>90</td>
<td>4.54</td>
</tr>
<tr>
<td>Evidence of existence of building for insurance underwriters and adjusters</td>
<td>28</td>
<td>62</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>90</td>
<td>4.31</td>
</tr>
<tr>
<td>Addresses the fair premium to be paid on the building</td>
<td>18</td>
<td>72</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>90</td>
<td>4.20</td>
</tr>
<tr>
<td>Creation of fair value charged to the university</td>
<td>14</td>
<td>49</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>63</td>
<td>4.22</td>
</tr>
<tr>
<td>Steady availability of fund for claim settlement</td>
<td>6</td>
<td>43</td>
<td>14</td>
<td>0</td>
<td>0</td>
<td>63</td>
<td>3.87</td>
</tr>
<tr>
<td>Aid the university in verification of its physical building</td>
<td>17</td>
<td>25</td>
<td>32</td>
<td>16</td>
<td>0</td>
<td>90</td>
<td>3.48</td>
</tr>
<tr>
<td>Discouragement of erosion of capital from incorrect sum insured</td>
<td>7</td>
<td>25</td>
<td>49</td>
<td>9</td>
<td>0</td>
<td>90</td>
<td>3.33</td>
</tr>
<tr>
<td>Prevention of under insurance</td>
<td>8</td>
<td>10</td>
<td>38</td>
<td>7</td>
<td>0</td>
<td>63</td>
<td>3.30</td>
</tr>
<tr>
<td>Elimination of co-insurance penalties</td>
<td>11</td>
<td>10</td>
<td>55</td>
<td>12</td>
<td>2</td>
<td>90</td>
<td>3.18</td>
</tr>
</tbody>
</table>

*Tt*: Total; M.S: Mean Score; R.I.I: Relative Importance Index

(Source: Author’s Survey, 2018)

The result on the benefits of BIV to the estate surveyors and valuers’ profession and the universities show that Accurate record on the existence and value of building coverage, independent professional value opinion of organization building, evidence of existence of building for insurance underwriters and adjusters and addresses the fair premium to be paid on the building were the three most ranked benefits of BIV to the estate surveyors and valuers’ profession and the universities as perceived by the respondents. However, since all the variables reflect scores above the 0.60 R.I.I score, it shows that the respondents were of the opinion that they are all benefits of BIV to the estate surveyors and valuers’ profession and the universities. This is in agreement with the study by Bolwidt (1997), who stated that all these items in variables were the benefits of BIV to the Estate surveyors and valuers as well as the institution.

### V. CONCLUSION

The study investigated the role of Estate surveyors and valuers in BIV of selected university buildings within the localities that the universities were situated. The study showed high level of the roles they performed in BIV in the Universities. This was in agreement with the study by Olawale (2001).

### VI. RECOMMENDATIONS

Based on the analysis of the findings of investigations, it was recommended that effective insurance valuation of properties (building) should be executed by the Estate surveyor and valuers.

#### REFERENCES


