

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
1	Who is protected under the incontestability clause included under a life insurance policy?	Insurer	Insured	Insurance agent	Insurance broker
2	Section 45 (Indisputability Clause) of the Insurance Act protects the insured from rejection of claim by the insurer, provided the policy has completed _____. Choose the most appropriate option.	One year	Two years	Five Years	Seven Years
3	As per the suicide clause, if the insured dies as a result of suicide after 3 years of the issue of policy, what does the beneficiary receive as claim?	Nothing	Premium paid by the insured	2 X Premium paid by the insured	Full face amount of the policy
4	What does First Premium Receipt signify?	Free look period has ended	It is evidence that the policy contract has begun	Policy cannot be cancelled now	Policy has acquired a certain cash value
5	Identify the document that evidences a contract between the insurer and insured.	Proposal form	Claim form	Nomination form	Policy document
6	If complex language is used to word a certain policy document and it has given rise to an ambiguity, how will it generally be construed?	In favour of insured	In favour of insurer	The policy will be declared as void and the insurer will be asked to return the premium with interest to the insured	The policy will be declared as void and the insurer will be asked to return the premium to the insured without any interest
7	With regards to misstatement of age select the valid option I: An understatement of age will result in the original policy being reissued for a reduced amount II: An overstatement of age will usually result in a refund of premium payment	I only	II only	I and II	Neither I nor II
8	Which among the following is not a part of a standard policy document?	Policy schedule	Standard provisions	Policy specific provisions	Policy forfeiture provisions
9	Give us the proof of contract between the insurer and the insured.	Proposal form	Claim form	Nomination form	Policy document
10	Gives us an example of a standard policy provision.	A clause precluding death due to pregnancy for a lady who is expecting at the time of writing the contract	Suicide clause	A clause precluding certain illnesses	A clause granting certain privileges to the policyholder
11	Gives us an example of a policy specific provision.	Premium payment	Mis-statement of age	Claim provision	A clause precluding death due to pregnancy for a lady who is expecting at the time of writing the contract
12	Which of the below forms the first part of a standard insurance policy document?	Policy schedule	Standard provisions	Specific policy provisions	Claim procedure

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
13	Select the correct statement.	The policy document has to be signed by a competent authority but need not be compulsorily stamped according to the Indian Stamp Act.	The policy document has to be signed by a competent authority and should be stamped according to the Indian Stamp Act.	The policy document need not be signed by a competent authority but should be stamped according to the Indian Stamp Act.	The policy document neither needs to be signed by a competent authority nor it needs to be compulsorily stamped according to the Indian Stamp Act.
14	What will happen if the insured person loses the original life insurance policy document?	The insurance company will issue a duplicate policy without making any changes to the contract	The insurance contract will come to an end	The insurance company will issue a duplicate policy with renewed terms and conditions based on the current health declarations of the life insured	The insurance company will issue a duplicate policy without making any changes to the contract, but only after a Court order
15	Which among the following documents will be issued by the insurance company on receipt of subsequent premiums after the first premium?	Revival premium receipt	Restoration premium receipt	Reinstatement premium receipt	Renewal premium receipt
16	In order for the policy to acquire a guaranteed surrender value, for how long must the premiums be paid as per regulations?	2 consecutive years	4 consecutive years	3 consecutive years	5 consecutive years
17	For an insurance policy nomination is allowed under _____ of the Insurance Act, 1938.	Section 10	Section 38	Section 39	Section 45
18	Identify the circumstances under which the policyholder would need to appoint an appointee.	Insured is a minor	Nominee is a minor	Policyholder is not of sound mind	Policyholder is not married
19	Illustrate the purpose of grace period.	It is a period within which policyholder may cancel the policy if he / she does not like the same	It grants the policyholder additional time to pay his / her premium	It provides a period within which policyholder must raise a complaint in case of any grievance	It provides a period after which policyholder must pay his / her overdue premium
20	All of the following statements are true with regards to nomination EXCEPT:	Policy nomination is not cancelled if the policy is assigned to the insurer in return for a loan	Nomination can be done at the time of policy purchase or subsequently	Nomination can be changed by making an endorsement in the policy	A nominee has full rights on the whole of the claim
21	When is a policy deemed to be lapsed?	If the premiums are not paid on due date	If the premiums are not paid before the due date	If the premium has not been paid even after expiry of grace period	If the policy is surrendered
22	Construct a situation that would require evidence of insurability at revival.	It has been a week since the policy has lapsed	Policy has been lapsed for more than a year	Policy has been in force for a year	Loan against policy has been sought
23	Construct a valid argument in favour of policy loans	A loan of any amount can be obtained easily	Insured can decide the terms and conditions of the loan	There is no legal obligation to repay the loan	No collateral is required
24	Select the correct statement with regards to grace period. Choose the most appropriate option	The standard length of the grace period is one month or 31 days	The standard length of the grace period is one quarter	The standard length of the grace period is one week	The standard length of the grace period is one fortnight
25	Which of the below alteration will be permitted by an insurance company?	Splitting up of the policy into two or more policies	Extension of the premium paying term	Change of the policy from with profit policy to without profit policy	Increase in the sum assured

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
26	Explain the concept of surrender value.	Maximum compensation available under policy	Cash value associated with the policy in case the premiums have been paid for 3 years at least	Minimum compensation available under policy	Compensation available under policy at any given point of time
27	How many persons can be nominated under a policy? Choose the most appropriate option.	Exactly One	Exactly Two	Exactly Three	One or more than one
28	Describe the purpose of nomination.	To transfer rights to the policy	To appoint a person to receive policy monies in the event of assured death	To surrender the policy	To create an estate
29	Describe the purpose of assignment.	To transfer rights to the policy	To appoint a person to receive policy monies in the event of assured death	To surrender the policy	To create an estate
30	Illustrate the process involved in ordinary revival of policy.	Write a new policy whose date of commencement is within two years of the original date of commencement of the lapsed policy	Payment of arrears with interest	Get a loan on the lapsed policy as a consideration for revival purposes	Pay premium arrears in instalments
31	Which of the below document is not accepted as a standard age proof document?	School leaving certificate	Passport	Horoscope	Employer's certificate
32	Which of the below statement is correct with regards to 'anti selection'?	Anti selection is the process used by the insurance company to ensure it does not end up selecting unethical agents	Anti selection is the tendency of people, who suspect or know that their chance of experiencing a loss is high, to seek out insurance eagerly and to gain in the process.	Anti selection is the process used by the insurance company to ensure it does not end up launching insurance products that are not suitable for the prospective policyholders	Anti selection is the process used by the insurance company to ensure it does not end up selecting wrong investment products for deploying premiums collected from the policyholders.
33	Who among the following individuals are considered as high risk by insurance companies? Choose the most appropriate option.	Individuals who regularly consume 'paan masala'.	Teetotaller	Individuals who are under the influence of sedatives and other stimulants	Individuals who consume non-vegetarian food regularly
34	Who among the following is likely to be exposed to health hazard in his/her occupation?	Yoga instructor	Film stunt artist	Dancer in a nightclub	Person exposed to mining dust
35	Who among the following is likely to be exposed to accidental hazard in his/her occupation? Choose the most appropriate option.	Medical professional	Tourist guide	Demolition experts	Marketing executive who is regularly on the field
36	_____ implies that if the life assured dies from a specified cause within a given period, only a decreased amount of death benefit may be payable.	Mortality rate	Lien	Anti selection	Mortgage

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
37	Which of the below statement is incorrect with regards to numerical rating method of underwriting?	Under this method underwriters assign positive rating points for all negative or adverse factors	Under this method underwriters assign positive points for any positive or favourable factors.	Under this method the total number of points so assigned will decide how much Extra Mortality Rating, it has been given	Under this method if the EMR is very high, insurance may even be declined.
38	Which of the following statement is incorrect with regards to judgement method of underwriting?	Under this method subjective judgment is used	This method is especially used in case of complex cases	In this method the company may seek expert opinion of medical doctor	In this method the underwriter assign positive or negative rating points to adverse factors
39	Vimal is a 32 year healthy, non smoker, teetotaler individual, who applies for life insurance from ABC Ltd. Insurance Company. Which of the following statement will hold true with regard to risk acceptance by the insurance company?	Risk will be accepted at ordinary rates	Risk will be accepted with an extra over the tabular rate of premium.	Risk will be accepted with a lien on sum assured	Risk will be accepted with a restrictive clause
40	If Brijesh, a 40 year old individual, is perceived as 'sub-standard risk' by the insurance company, then which of the following statement will hold true with regard to risk acceptance by insurance company?	Risk will be accepted at ordinary rates	Risk will be accepted at lower rates	Risk will be accepted with an extra over the tabular rate of premium.	Risk will be declined
41	What is meant by risk classification? Choose the most appropriate option.	The process in which individual lives are categorised and assigned to different risk classes depending on the degree of risks they pose	The tendency of people, who suspect or know that their chance of experiencing a loss is high, to seek out insurance eagerly and to gain in the process.	The process of evaluating each proposal for life insurance in terms of the degree of risk it represents and then deciding whether or not to grant insurance and on what terms.	The process in which the applicants who are exposed to similar degrees of risk are placed in the same premium class.
42	_____ means that applicants who are exposed to similar degrees of risk must be placed in the same premium class.	Selection of risk	Anti-selection	Moral hazard	Equity
43	Which of the below statement is correct with regards to 'sub-standard lives' under risk classification? Choose the most appropriate option.	Substandard lives consist of those individuals whose anticipated mortality corresponds to the standard lives represented by the mortality table.	Substandard lives consist of those individuals whose anticipated mortality is significantly lower than standard lives and hence could be charged a lower premium.	Substandard lives consist of those individuals whose anticipated mortality is higher than the average or standard lives, but are still considered to be insurable.	Substandard lives consist of those individuals whose impairments and anticipated extra mortality are so great that they could not be provided insurance coverage at an affordable cost
44	Which of the following statement is correct with regards to 'declined lives' under risk classification?	Declined lives consist of those individuals whose anticipated mortality corresponds to the standard lives represented by the mortality table.	Declined lives consist of those individuals whose impairments and anticipated extra mortality are so great that they could not be provided insurance coverage at an affordable cost	Declined lives consist of those individuals whose anticipated mortality is higher than the average or standard lives, but are still considered to be insurable.	Declined lives consist of those individuals whose anticipated mortality is significantly lower than standard lives and hence could be charged a lower premium.

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
45	If an insurance company accepts a risk with a lien on sum assured, then what does this imply?	Lien implies that if the life assured dies from a specified cause within a given period, only a decreased amount of death benefit may be payable.	Lien implies that the risk is being accepted by the company for a limited period	Lien implies that the insurance company is accepting the risk at lower rate of premium as compared to tabular rate	Lien implies that the insurance proposal is postponed till a specified period
46	When the insurer promises to pay the insured a specified amount at the end of the term, if the insured survives the plan's entire term, then the claim will be known as _____.	Survival benefit payment	Surrender of policy	Death claim	Maturity claim
47	If insurance company makes periodical payments to the insured at specified intervals during the term of the policy, then these payments are being made as per _____.	Survival benefit payments	Surrender value	Rider benefit	Conditional assignment
48	A life insurance company paid the treatment costs to insured during the event of hospitalisation of the insured during the policy term. This is an example of _____.	Survival benefit payments	Surrender value	Rider benefit	Conditional assignment
49	ABC Insurance Company has offered an insurance plan to Krishna with a provision of survival claim. How will the company ascertain the survival claim? Choose the most appropriate option.	Claim will be ascertained as per the conditions stipulated in the policy	Claim will be ascertained based on dates which are determined at the beginning of the contract itself.	Claim will occur when the policyholder decides to cancel the contract	Claims will be ascertained based on the medical and other records provided by the policyholder in support of his claim.
50	Kavita purchases a CI rider along with a term insurance plan from ABC Insurance Company. How will the company ascertain the claim for the CI rider? Choose the most appropriate option.	Claim will be ascertained as per the conditions stipulated in the policy	Claim will be ascertained based on dates which are determined at the beginning of the contract itself.	Claim will occurs when the policyholder decides to cancel the contract	Claims will be ascertained based on the medical and other records provided by the policyholder in support of his claim.
51	A _____ is a demand that the insurer should make good the promise specified in the contract.	Claim	Repudiation	Foreclosure	Grievance
52	Which of the following statement is incorrect with regards to 'surrender' of the policy?	Surrender value that is payable to insured is usually a percentage of the premiums paid	A policy can be surrendered only if it has acquired paid-up value	Actual surrender value paid to the insured is always less than the Gross Surrender Value	Surrender value is payable on voluntary termination of the policy contract by insured
53	Which of the following statement is incorrect with regards to critical illness rider? Choose the most appropriate option.	A specified amount is paid as per policy terms, in the event of diagnosis of a critical illness.	The illness should have been covered in the list of critical illnesses specified by the insurance company.	CI rider is an example of claims that may occur during policy term	The life insurance policy contract terminates after the rider payments are made.
54	Nimesh bought a 20 year Unit Linked Insurance Plan. In the event Nimesh dies within the policy term which of the below will be paid?	The surrender value will be paid	Premiums paid will be returned after deducting the dues	Lower of sum assured or fund value will be paid	Higher of sum assured or fund value will be paid

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
55	What is the period up to which a policy can be repudiated by the insurance company if material facts presented by the insured in the proposal are false?	Up to 15 days	Up to 6 months	Up to 1 year	Up to 2 years
56	As per IRDA regulations, 2002, what is the stipulated period within which claim under a life insurance policy shall be paid or be disputed, provided that the company has received all relevant papers.	Within 15 days	Within 20 days	Within 30 days	Within 3 months
57	In case of presumption of death of life insured, which of the following documents needs to be submitted by the nominee?	Death certificate from municipal corporation	Decree from a competent court	Employer's certificate	Inquest report
58	Brijesh purchased a 20 year ULIP from ABC Insurance Company. If Brijesh dies before the maturity of the policy then insurance company will have to pay _____.	Surrender value	Premiums after deducting the dues	Lower of sum assured or fund value	Higher of sum assured or fund value
59	Which of the following claim can be payable only to the nominee or assignee?	Death claim	Maturity claim	Survival benefit	Surrender value
60	Which of the below document is an additional document required to be submitted for claim in case of accidental death as compared to natural death?	Certificate of burial or cremation	Treating physician's certificate	Post mortem report	Employer's certificate
61	Which of the following document needs to be submitted by the nominee in the event of natural death of insured? Choose the most appropriate option.	Inquest report	Treating physician's certificate	Post mortem report	FIR
62	Rahul had purchased insurance cover from ABC Insurance Company for a period of 20 years. On completion of 20 years, the company pays fund value to Rahul as maturity claim. Which type of plan was taken by Rahul?	Participating plan	Return of premium plan	ULIP	Money back plan
63	Vishal had taken insurance of Rs. 50 lakh for a period of 25 years. On maturity, the insurer pays the maturity claim minus the survival benefits received during the term of the policy. Which type of plan was taken by Vishal?	Participating plan	Return of premium plan	ULIP	Money back plan

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
64	Sudhir had taken an insurance cover of Rs. 25 lakh from ABC Insurance Company 20 years back. On maturity, the company pays sum assured plus accumulated bonuses less dues (outstanding premium) as maturity claim to Sudhir. Which type of plan was taken by Sudhir?	Participating plan	Return of premium plan	ULIP	Money back plan
65	Kapil had taken insurance cover of Rs. 50 lakh for a period of 25 years. Kapil dies in a car accident during the policy term and the company pays sum assured plus accumulated bonuses to his nominee. Which type of claim was paid by the insurance company?	Maturity claim	Death Claim	Rider benefit	Survival benefit
66	Non-life insurers must ensure that they do not insure assets that are _____	Bought out of public money	Bought using bank loans	Bought out of illegal funding	Bought by mortgaging property
67	How is the claim calculated in case of fire insurance?	Percentage of loss caused by fire	Purchase value of damages caused by fire	Current value of Assets	Depreciated Value of Assets
68	Subrogation follows from the principle of _____	Indemnity	Insurance	Risks Coverage	Risk Mitigation
69	_____ is the process an insurance company uses to recover claim amounts paid to a policy holder from a negligent third party.	Underwriting	Nomination	Subrogation	Contract
70	_____ can also be defined as surrender of rights by the insured to an insurance company that has paid a claim against the third party.	Subrogation	Contract	Nomination	Underwriting
71	In the concept of Insurance, Risk always implies a _____	Doubt	Mitigation	Probability	Tangible Value
72	A condition which increase the probability of a loss or its severity and affects associated risk is known as _____	Rider	Hazard	Speculation	Mitigation
73	The provisions of the Indian Contract act, _____ govern all contracts in India, including insurance contracts.	1919	1929	1887	1872
74	For an Insurance claim to be paid, the associated loss incurred due to the risk must be _____ and _____	definite, measurable	Static, Speculative	Dynamic, Critical	Pure, Marginal
75	_____ Insurance is available to cover both fundamental and particular risk	Medical	Life	Commercial	Agricultural

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
76	Dynamic Risks are based on which type of classification?	Extent of Damage	Nature of Environment	Consequence	Tenure
77	_____ risks cannot be insured.	Speculative Risks	Dynamic Risk	Static Risk	Fundamental Risk
78	_____ is not a type of Hazard.	Legal Risks	Social Risks	Moral Risks	Physical Risks
79	In certain cases when value of loss cannot be easily estimated or ascertained at the time of loss, a principle known as the _____ is adopted.	Ascertained Value	Speculated Value	Agreed Value	Imposed Value
80	The concept of "utmost good faith" relates that it is the positive duty of the proposer to _____ disclose, accurately and fully all facts material to the risk being proposed, whether requested or not."	Completely	Voluntarily	Definitively	Accurately
81	An Insurance contract generally becomes void when there is _____ with intent to deceive	Abetment	Misrepresentation	Concealment	Fraud
82	A statement made during negotiation of a contract of insurance is called _____.	Declaration	Affidavit	Representation	Agreement
83	_____ Misrepresentation are considered to be oversight while making a statement.	Innocent	Fraudulent	Intended	Mutual
84	The event, whose occurrence actually leads to the loss, is known as a _____	Peril	Risk	Uncertainty	Hazard
85	Which of the following is not a pure risk	Suicide	Death	Accident	Sickness
86	Where a proposal form is not used, the insurer shall record the information _____.	Orally	In writing	Contract	Document
87	Insurance contract whether in the form of a policy or a cover note is called_____.	Proposal form	Cover	Material	Prospectus
88	A form, to be filled in by the proposer for insurance, furnishing and all material information required by the insurer is called_____.	Material	Cover	Proposal form	Declaration form
89	_____ shall mean and include all important, essential and relevant information in the context of underwriting the risk to be covered by the insurer.	Cover	Proposal form	Material	Declaration form
90	Document issued by the insurer or on its behalf to the prospective buyers of insurance is called_____.	Proposal form	Cover	Prospectus	Declaration form

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
91	Where a proposal form is not used, the insurer shall record the information obtained orally or in writing, and confirm it within a period of _____.	30 days	15 days	45 days	60 days
92	What are used in a insurance contract to limit the liability of the insurer under a contract?	Agreements	Warranties	Contract	Bonds
93	Select the correct statement regarding warranty	It is a part of both cover notes and policy document.	It is a part of both insurance notes and terms document.	It is a part of terms and condition document.	It is not only a part of insurer conditions but also a policy document.
94	If the warranty is breached, the risk agreed to initially is altered and the _____ is allowed to discharge himself from further _____ from the date of breach.	Liability and Insurer and	Insurer and liability	Agent and Insurer	Policy holder and Insurer
95	What we call the standard practice of insurers to issue policies in a standard form; covering certain perils and excluding certain others?	Regular Practice	Endorsements	Terms	Agreement
96	_____ and _____ together constitute the evidence of the contract.	Policy and endorsement	Terms and Conditions	Warranties and Contract	Bonds and endorsement
97	_____ is attached to the policy and forms.	Endorsements	Agreement	Terms and conditions	Policy breakup details
98	Choose the right statement: Endorsement normally required under a policy related to: a) Transfer of property to another location b) Cancellation of insurance	Only Statement (a) Applies	Only Statement (b)	Both Statements Apply Individually	Both Statement Apply Mutually Exclusive
99	Endorsement normally required under a policy related to change in _____	Risk and Address	Address and Name	Risk and Policy	Premium and Risk
100	Contracts of insurance are expressed in writing and the insurance policy wording are drafted by whom?	Agent	Insurers	Insurance holder	Beneficiary
101	Clauses printed or typed in the margin of the policy are to be given _____ than the wording within the body of the policy.	Least importance	Equal importance	Not important	More importance
102	_____ rules are applied if there is any ambiguity or lack of clarity in policy wordings.	Policy	An ordinary grammar and punctuation	Clause	Insurers
103	An insurance policy is evidence of a commercial _____ of construction	Contracts	Rules	Contract and the general rules	General rules

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
104	In any document, the usage of wordings and its meaning can be easily construed by _____	An ordinary man	Well educated man	Trained person	An Insurers
105	Many words used in insurance policies have been the subject of previous legal decisions and those decisions of a _____ will be binding on a _____ decision.	Lower court and higher court	Higher court and lower court	Higher court and Supreme court	Supreme court and lower court
106	Arrange the following parts of a policy document into correct order. (i) Preamble (ii) Operative clause (iii) Proviso (iv) Schedule (v) Attestation (vi) Conditions and Privileges	(i), (iv), (v),(vi), (ii) and (iii)	(i), (iii), (iv), (v), (vi) and (ii)	(i), (v), (iii), (iv), (vi) and (ii)	(i), (ii), (iii), (iv), (vi) and (v)
107	The schedule of a policy document, mentions several significant particulars. Which of the following may not appear in the schedule.	Premium Amount	Policy Number	Name of Proposer	Method of Premium Payment
108	Choose the correct expanded form for NCB	National Credit Bureau	No Claim Bonus	Non-Commissioned Banks	National Cooperative Bank
109	The amount of the premium to be paid by each depends on a rate which is determined by factors: a) The probability of loss due to a loss event (caused by an insured peril) b) The estimated amount of loss	Only Option (a) alone applies	Only Option (b) alone applies	Both Option (a) & (b) apply together	Both Option (a) & (b) apply mutually exclusive
110	If the average amount of loss as a result of fire was 200000 and mean or average probability of the loss was 1 out of 100. What is the mean or average expected loss?	1000	10000	2000	20000
111	The sub pools are created by a) Dividing the risks into different categories b) Depending on the degree of risk c) The estimated amount of loss	Both Option (a) & (b) apply together	Both Option (a) & (c) apply together	Both Option (b) & (c) apply mutually exclusive	Both Option (a) & (c) apply mutually exclusive
112	The process of classifying risks and deciding into which category they fall is important _____	For agent	For insurer	For rate making	For insured

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
113	The process of determining whether a risk offered for insurance is acceptable, and if so, at what rate, terms and conditions the insurance cover will be accepted is known as	Cover letter	Underwriting	Bond	Agreement
114	Which of the following steps are comprises for underwriting in a technical sense? a) Assessment and evaluation of hazard and risk in terms of frequency and severity of loss b) Formulation of policy coverage and terms and conditions c) Fixing of rates of premium	Both Option (a) & (b) apply together	Both Option (a) & (c) apply together	Both Option (b) & (c) apply together	All Options (a), (b) & (c) apply together
115	The need for careful underwriting and risk classification in insurance arises from the simple fact that _____	All risks are equal	Not all risks are equal	Many risks are not equal	Every risks are equal
116	Underwriting skills are acquired through a continuous learning process involves: a) Adequate training b) Field exposure c) Deep insights	Both Option (a) & (b) apply together	Both Option (a) & (c) apply together	Both Option (b) & (c) apply together	All Options (a), (b) & (c) apply together
117	A marine insurance underwriter must be aware about	Causes of fire	Problems encountered by cargo/goods in transit or storage	the process involved in an industry	Likely causes of fire
118	A Health underwriter needs to understand the risk profile of the insured: a) Medical aspects b) The process involved in an industry c) Fitness levels and family history	Both Option (a) & (b) apply together	Both Option (a) & (c) apply together	Both Option (b) & (c) apply together	All Options (a), (b) & (c) apply together
119	Classifying the risks depending on the characteristics and degree of risk posed, an appropriate rate of premium may be levied is the main purpose of _____	Cover letter	Underwriting	Bond	Agreement
120	The main feature of underwriting are: a) Identify risk based upon the characteristics b) Determine the level of risk presented by the proposer c) Ensure that the insurance business is conducted on sound lines	Both Option (a) & (b) apply together	Both Option (a) & (c) apply together	Both Option (b) & (c) apply together	All Options (a), (b) & (c) apply together

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
121	If the insurance company issues policies on risks that are uninsurable or charges premiums much lower than is required to cover the risk, it would result in _____.	Contractual obligations	Jeopardizing the insurer's ability to meet its contractual obligations	Jeopardizing the agent's ability	To meet the insurer contractual obligations
122	An insurer who wants to charge very high rates for risks that do not warrant such high rates may find that its business is _____.	Non-competitive and unsustainable	At loss	Unsustainable	Huge profit
123	The objectives of underwriting are achieved, in short, by deciding: a) The level of acceptability b) Adequacy of premium and other terms	Both Option (a) & (b) apply together	Both Option (a) & (c) apply together	Both Option (b) & (c) apply mutually exclusive	Both Option (a) & (c) apply mutually exclusive
124	Insurance is based on transfer of risk to the _____.	Agent	Insured	Insurer	Profit
125	By purchasing an insurance policy, _____ arising from the peril against which the property is insured.	The insurer is able to reduce the impact of financial losses	The policy reduces the impact of the financial losses	The insured is able to reduce the impact of financial losses	The agent is able to reduce the impact of financial losses
126	Which insurance helps to protect the insured from financial losses that would arise as a result of a sudden death or disablement due to accident?	Health	Motor	Personal accident	Personal
127	Accidental insurance does not include (a) Terminal Illness (b) Pre Existing Disease (c) Traffic Mishaps (d) Industrial Mishaps	Both (a) & (c) are correct	Both (a) & (b) are correct	Both (b) & (c) are correct	Both (c) & (d) are correct
128	Accidental insurance does not include: (a) Mental Disorders (b) Injuries in daily activities (c) Injuries caused while at duty (d) Pre-existing Physical Disorders	Both (a) & (c) are correct	Both (a) & (d) are correct	Both (b) & (d) are correct	Both (c) & (d) are correct
129	A Personal Accident Policy covers: (a) Death arising out of accident (b) Permanent total disability (c) Illness (d) Pregnancy complications	Both (a) & (b) are correct	Both (a) & (d) are correct	Both (b) & (c) are correct	Both (c) & (d) are correct
130	Temporary total disability and Death arising out of accident are the policies of: (a) Personal accident (b) Health Insurance (c) Motor Insurance (d) Industrial Worker Insurance	Both (a) & (b) are correct	Both (a) & (d) are correct	Both (b) & (c) are correct	Both (c) & (d) are correct

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
131	Insurance plans cover a set of commonly _____ and the amounts that are payable for contingencies.	Defined clauses	Needed contingencies	General Rules	Contracts
132	Which of the following is not an 'add on' covers for an insurance? (a) Medical expenses (b) Family transportation (c) Imported medicines (d) Unemployment Expenses	Only Option (a) is correct	Only Option (b) is correct	Only Option (c) is correct	Only Option (d) is correct
133	Normally, Personal Accident policies offer worldwide cover available on ____ Hrs. basis.	24	12	48	50
134	The minimum and maximum age of entry for a health Insurance policy applicant are:	5 & 80	16 & 100	21 & 90	18 & 80
135	Totally disabled for lifetime viz paralysis of all four limbs, comatose condition, loss of both eyes/both hands/both limbs or one hand and one eye and one leg or one hand and one leg is known as	Permanent total disability	Permanent partial disability	Temporary total disability	Total disability
136	Partially disable for lifetime is known as	Permanent total disability	Permanent partial disability	Temporary total disability	Total disability
137	Totally disable for temporary period of time is known as	Permanent total disability	Permanent partial disability	Temporary total disability	Total disability
138	Payment of a fixed sum per week to a maximum number of weeks for which the compensation would be payable is known as	Weekly compensation	Daily	Sum of 4 weeks	Number defined week
139	_____ and _____ involve payment of the sum insured, in the event of PPD, compensation varies from a fixed percentage of sums insured.	Death benefit and TTD	Death benefit and PPD	Death benefit and PTD	TTD and PPD
140	Which of the following is not a common exclusions of Disablement arising from a) Self injury or suicide b) War and allied perils c) Accident while under influence of alcohol or drugs d) Accident while on duty	Only Option (a) is correct	Only Option (b) is correct	Only Option (c) is correct	Only Option (d) is correct
141	Who amongst the following cannot take an Insurance policy? (a) An adult individual for self (b) An adult individual for family (c) A minor for self (d) An employer for all workers	Only option (a) is correct.	Only option (b) is correct.	Only option (c) is correct.	Only option (d) is correct.

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
142	As the value of a lost life or a lost limb cannot be estimated or indemnified, the amounts payable for such disabilities are termed as what?	Benefits	Loss	Maturity	Payment due
143	The Sum Insured offered by a company is based on	The insured's income	The policy conditions	Agreement mentioned in the insurance bond	None
144	If a person has more than one policy with different insurer, in the event of accidental death, PTD, PPD, claims would be paid under _____.	First policy	All the policies	Latest policy	Preferred
145	The premium calculation may depend on which factors?: a) City of residence b) Occupation c) Age d) Financial Capability of Individual	Both (a) & (b) are correct	Both (b) & (c) are correct	Both (b) and (d) are correct	Both (c) & (d) are correct
146	For Insurance purpose, a loss excepted due to perils like _____ is not covered.	Machinery Breakdown	Ionization and radiation	Pollution and contamination losses.	War and war like activities
147	Protection against damages caused by fire can be covered by insurance for a duration upto _____	6 months	One Year	5 Year	Life-time
148	In case of the floater polices, the premium _____ pattern may again vary from insurer to insurer	rating	payment	calculation	underwriting
149	FMCG companies who store salable stock goods at various locations, which kind of insurance policies should they opt for to cover their inventory under a common premium and sum assured.	Goods Insurance Polices	Transit Insurance Polices	Godown Safety Insurance	Floater Insurance Polices
150	The premium charged for stored good insurance is not dependent on the following parameters	Extent of applicable threat	Nature of good stored	Assumed Profit on sale of such goods	Time of the year
151	A Commercial enterprises will not need one of the following types insurance	Anti-Money Laundering Insurance	Fire Insurance	Consequential Loss Insurance	Bankers Indemnity Insurance
152	_____ does not cover theft by employees, family members or other persons	Consequential Loss Insurance	Burglary Insurance	Money Insurance	Bankers Indemnity Insurance
153	An enterprise may encounter an event of loss of cash while being handled at office location or at an external location. Such losses are covered by:	Consequential Loss Insurance	Burglary Insurance	Money Insurance	Bankers Indemnity Insurance
154	Differentiate between insurance needs of a commercial enterprise and individuals	The insurance needs of a business enterprise is much larger than that of individuals	The insurance needs of a business enterprise is much lesser than that of individuals	The insurance needs of a business enterprise is same as that of individuals	The insurance needs of a business enterprise and of individuals have no co-relation

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
155	Compare the asset value of a commercial enterprise and individuals	The asset value of a business enterprise is much larger than that of individuals	The asset value of a business enterprise is much lesser than that of individuals	The asset value of a business enterprise is same as that of individuals	The asset values of a business enterprise and of individuals cannot be compared
156	Distinguish between the reasons behind an insurance being taken by a commercial enterprise as compared to those by individuals	The demand for insurance in a large enterprise is often mandated by certain legal requirements	The insurance taken by individuals is for future financial planning.	Both take insurance cover to minimize setback caused by perils	Monetary damaged caused to large enterprises is larger than those of individuals
157	_____ value policies are not issued to cover stocks, which are covered on Market value basis	Reinstatement	Declaration	Full Coverage	Premium
158	Consequential Loss policy provides indemnity for loss of what is termed as _____	Gross profit	Net Profit	Net Profit - Standing Charges	Gross Profit - Standing Charges
159	Consequential Loss policy can only be taken in conjugation with which of the following:	Burglary Insurance	Floater's Insurance Policy	Standard fire and Special perils	Money Insurance
160	_____ policy covers the entire staff without showing names or positions.	Blanket Insurance	Corporate Insurance	Group Insurance	Collective Insurance
161	Choose the correct expanded form for NBFC	National Bureau of Finance Companies	Non Banking Financial Company	Non-Bank Finance Company	Non-Banking Financial Corporation
162	Which of the following acts are not covered under the Bankers Indemnity Insurance	Dishonest Employees	Forgery of Receipts	Cash Theft	Market Inflation
163	For Bankers Indemnity Insurance, the premium calculations are not based on:	Additional sum insured	Number of staff	Location of Branches	Number of branches
164	Coverage under which section of Jewelers Block policy is mandatory	Section 1	Section 2	Section 3	Section 4
165	Which Section of Jewelers Block policy covers losses or damages under the conditions where the property mentioned in insurance is in the custody of the insured and other specified person	Section 1	Section 2	Section 3	Section 4
166	Which of the following statement/s is / are true? I. It is very well understood that insurance is a 'promise' II. The policy is a 'witness' to that promise	Only I	Only II	Both I and II	Neither I nor II

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
167	Which of the following statement/s is / are true? I. How well an insurer performs is evaluated by how well it keeps its claims promises II. The only key rating factor in insurance is the claims paying ability of the insurance company	Only I	Only II	Both I and II	Neither I nor II
168	The regulator (IRDAI) is a key stakeholder in the claim process because its objective is to: I. Maintain order in the insurance environment II. Protect insurers' interest III. Ensure long term health of insurers	I and II	I and III	II and III	I, II and III
169	Which of the following statement/s is / are true? I. The main objective of insurance agents / brokers is to sell insurance policies II. Insurance agents / brokers are also expected to service the customers in the event of a claim	Only I	Only II	Both I and II	Neither I nor II
170	Which of the following statement/s is / are true? I. A claim is serviced only through the services of a Third Party Administrator (TPA) authorized by the insurance company II. A claim may be serviced either by the insurance company itself or through the services of a Third Party Administrator (TPA) authorized by the insurance company	Only I	Only II	Both I and II	Neither I nor II
171	In case of a _____, the customer does not pay the expenses at the time of admission or treatment. The network hospital provides the services based on a pre-approval from the insurer/TPA and later submits the documents to the insurer/TPA for settlement of the claim.	Reimbursement claim	Cashless facility	Pre-approved claim	"Treat first, pay later" claim

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
172	In case of a _____, the customer pays the hospital from his own resources and then files his claim with Insurer/TPA for payment of the admissible claim	Reimbursement claim	Cashless facility	Pay-as-you-go claim	"Treat first, pay later" claim
173	Which of the following is the first step in the claim process?	Registration	Coding of the claim	Intimation	Verification of documents
174	TPA provides following services I. Cashless facility II. Data compilation and analysis III. A 24 hour call centre and assistance for the customers IV. Network of hospitals and other medical facilities	I, II and IV	II, III and IV	I, III and IV	I, II, III and IV
175	Which of the following are stakeholders in the insurance claim process?	Regulator	Third party administrator	Insurance agents / brokers	All of the above
176	Which of the following details are included in the discharge summary? I. Name, age, gender and description of the patient II. Date and time of admission and discharge III. Description of the patient's condition at the time of admission, temperature, pulse, blood pressure etc. and the reason for admission IV. Investigations done	I, II and IV	II, III and IV	I, III and IV	I, II, III and IV
177	Which of the following is the first instance of contact between the customer and the claims team?	Claim Registration	Coding of the claim	Claim Intimation	Verification of claim documents
178	In a hospital bill, the charges for duty medical officer will be included under which head?	Room rent	Procedure charges	Consultant charges	Miscellaneous charges
179	Which of the following statement/s is / are true? I. In case of a planned hospitalisation, the customer could inform the insurance company that he is planning to avail a hospitalization II. In case of emergency admission to a hospital, the intimation would be made after the hospitalization has taken place	Only I	Only II	Both I and II	Neither I nor II

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
180	The call centre of the TPA will provide information relating to: I. Coverage and benefits available under the policy II. Processes and procedures relating to health claims III. Guidance relating to the services and cashless hospitalization IV. Information on network hospitals	I, II and IV	II, III and IV	I, III and IV	I, II, III and IV
181	In case of an emergency admission to a hospital, intimation to the insurance company is required within _____ hours of admission.	4	8	12	24
182	Hospital admission intimation can be made to an insurance company through which of the following channels?	Fax	Calling the call centre	Email	Any of the above
183	Answer with reference to internal document formats used by claims team for processing a claim. Which of the following is usually a single sheet where the entire processing notes are captured?	Scrutiny sheet	Document verification sheet	Quality checks / control format	All of the above
184	Which of the following statement/s is / are true? I. Once a claim is registered in the system, a reserve for the same is created in the accounts of the insurer II. Once a reserve amount is created, this amount is freezed as the upper limit above which the claim cannot be paid. However this amount may be revised downwards if the actual payout amount is lower than the reserve amount	Only I	Only II	Both I and II	Neither I nor II
185	For a claim to be processed, which of the following are most important documents? I. Documentary evidence of illness II. Treatment provided III. In-patient duration IV. Investigation reports	Only I and II	Only I and IV	I, II and IV	I, II, III and IV
186	Health insurance is based on concept of _____.	Mortality	Morbidity	Risk selection	Probability

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
187	Which of the following statement is correct with regard to underwriting?	It is a process of risk selection and risk pricing	It is defined as the likelihood and risk of a person becoming ill or sick thereby requiring treatment or hospitalization	Underwriting risk decreases due to various adverse factors, such as being overweight or underweight	Underwriting risk increases due to certain favourable factors like lower age, a healthy lifestyle etc
188	Underwriting is a process of: I. Risk Selection II. Risk pricing	Only I is true	Both I and II are true	Both I and II are false	Only II is true
189	Identify the true statement I. Morbidity increases due to various adverse factors, such as being overweight or underweight, personal history of certain past and present diseases or ailments. II. Morbidity decreases due to certain favourable factors like lower age, a healthy lifestyle etc.	Only I is true	Only II is true	Both I and II are true	Both I and II are false
190	_____ is the process of assessing the risk appropriately and deciding the terms on which the insurance cover is to be granted.	Risk Aversion	Risk Selection	Morbidity	Underwriting
191	_____ refers to the likelihood and risk of a person becoming ill or sick thereby requiring treatment or hospitalization.	Mortality	Risk Selection	Morbidity	Probability
192	In health insurance morbidity premiums are higher for: I. Infants II. Young adults III. Adults beyond the age of 45	Only I	I and II	I and III	I,II and III
193	The probability of an individual suffering from a chronic ailment is higher in I. Infants II. Young adults III. Adults beyond the age of 45	Only III	I and II	I and III	I,II and III
194	Medical underwriting can lead to _____.	Moral hazard	Morale hazard	Cream Skimming	Adverse selection
195	Which of the following factors affect morbidity? I. Age II. Gender III. Income	Only I	I and II	I and III	I,II and III

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
196	Identify the true statement I. The morbidity premiums for infants and children are higher than young adults due to increased risk of infections and accidents. II. The morbidity premiums for adults beyond the age of 45 years, are higher, as the probability of an individual suffering from a chronic ailment like diabetes is much higher.	Only I is true	Only II is true	Both I and II are true	Both I and II are false
197	Identify the habits that can increase the morbidity risk. I. Consumption of tobacco II. Consumption of alcohol III. Practicing yoga	Only I	I and II	I and III	I,II and III
198	Identify the occupations that have higher risk to accidents. I. Blaster II. X-ray machine operator III. Driver	Only I	I and II	I and III	I,II and III
199	Identify the occupations that have higher health risks. I. X-ray machine operator II. Miners III. Yoga instructor	Only I	I and II	I and III	I,II and III
200	Which of the following statement is correct with regard to 'selection of risks'?	The process of evaluating each proposal for health insurance in terms of the degree of risk it represents and then deciding whether or not to grant insurance and on what terms	The tendency of people, who suspect or know that their chance of experiencing a loss is high, to seek out insurance eagerly and to gain in the process	The process of assessing the risk appropriately and deciding the terms on which the insurance cover is to be granted	The likelihood and risk of a person becoming ill or sick thereby requiring treatment or hospitalization
201	Which of the following statement is correct with regard to 'anti-selection'?	The process of evaluating each proposal for health insurance in terms of the degree of risk it represents and then deciding whether or not to grant insurance and on what terms	The tendency of people, who suspect or know that their chance of experiencing a loss is high, to seek out insurance eagerly and to gain in the process	The process of assessing the risk appropriately and deciding the terms on which the insurance cover is to be granted	The likelihood and risk of a person becoming ill or sick thereby requiring treatment or hospitalization
202	Which of the following statement is correct with regard to 'morbidity'?	The process of evaluating each proposal for health insurance in terms of the degree of risk it represents and then deciding whether or not to grant insurance and on what terms	The tendency of people, who suspect or know that their chance of experiencing a loss is high, to seek out insurance eagerly and to gain in the process	The process of assessing the risk appropriately and deciding the terms on which the insurance cover is to be granted	The likelihood and risk of a person becoming ill or sick thereby requiring treatment or hospitalization

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
203	_____ means that applicants who are exposed to similar degrees of risk must be placed in the same premium class.	Risk Classification	Equity	Risk Selection	Adverse selection
204	_____ is the process where individuals are categorized and assigned to different risk classes depending on the degree of risks they pose.	Risk Classification	Equity	Risk Selection	Adverse selection
205	Which of the following statement is correct with regard to 'Risk Classification'?	The process of evaluating each proposal for health insurance in terms of the degree of risk it represents and then deciding whether or not to grant insurance and on what terms	The tendency of people, who suspect or know that their chance of experiencing a loss is high, to seek out insurance eagerly and to gain in the process	The process of assessing the risk appropriately and deciding the terms on which the insurance cover is to be granted	The process where individuals are categorized and assigned to different risk classes depending on the degree of risks they pose
206	Which of the following health insurance products pay for actual medical expenses incurred due to hospitalization? I. Indemnity cover II. Fixed benefits cover	Only I	Only II	Both I and II	Neither I nor II
207	A critical illness cover provides cover for which of the following disease/s? I. Stroke II. Asthma III. Cancer	Only I	I and II	I and III	I,II and III
208	Identify the true statement I. Indemnity covers pay for actual medical expenses incurred due to hospitalization. II. Fixed benefits cover for a fixed sum per day for the period of hospitalization.	Only I is true	Only II is true	Both I and II are true	Both I and II are false
209	Identify the true statement I. If insurance cover is on benefit basis, then it will cover all of the expenses incurred or amount spent during hospitalisation. II. If insurance cover is on indemnity basis, then the amount will be paid on the occurrence of a certain event as stated in the insurance policy and is not related to the actual expenditure incurred.	Only I is true	Only II is true	Both I and II are true	Both I and II are false

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
210	Which of the following is/are example of day care procedure? I. Eye surgeries II. Chemotherapy III. Dialysis	Only I	I and II	II and III	I,II and III
211	Which of the following is / are example/s of pre-hospitalisation expenses? I. Medicines II. Doctors fees III. Medical tests	Only I	I and II	II and III	I,II and III
212	All of the following statements related to individual cover are TRUE except:	An individual insured under individual cover cannot seek cover for dependent parents in law, dependent siblings etc.	It is possible to cover each of dependent insureds under a single policy with a separate sum insured chosen for each insured person	Each person insured under the policy can claim up to the maximum amount of his sum insured during the currency of the policy	Premium under individual cover will be charged for each individual insured according to his age and sum insured chosen and any other rating factor
213	Top-up plans that allow the deductible to be crossed post a series of hospitalizations during the policy period are known as _____.	Catastrophe based high deductible plan	Super top up plan	Threshold plan	Co-pay plan
214	Which of the following is / are example/s of fixed benefit insurance plans? I. Hospital daily cash insurance plans II. Critical illness insurance plans III. Senior citizens plan	Only I	I and II	II and III	I,II and III
215	In hospital daily cash policy, an upper limit is provided on: I. The daily cash payout per illness II. The duration of the policy III. Doctor's fees	Only I	I and II	II and III	I,II and III
216	Hospital daily cash policy can be purchased as: I. A stand alone policy II. Add on cover to a regular indemnity policy III. Supplementary cover to a regular hospital expenses policy	Only I	I and II	II and III	I,II and III
217	Identify the true statement I. Critical illness policies are usually available for persons in the age group of 21 years to 65 years. II. The sum insured offered under these policies is quite low.	Only I is true	Only II is true	Both I and II are true	Both I and II are false

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
218	Identify the true statement I. Health plus life combi products are jointly designed by the two insurers and marketed through the distribution channels of both insurers II. For health plus life combi products, the claims are handled by the insurers jointly	Only I is true	Only II is true	Both I and II are true	Both I and II are false
219	Which of the following is an example of package policy? I. Health plus life combi product II. Shopkeepers policy III. Householder's policy	Only I	I and II	II and III	I,II and III
220	Identify the true statement I. Jan Arogya Bima policy is designed to provide cheap medical insurance to poorer sections of the society. II. The coverage of Jan Arogya Bima policy is along the lines of the individual Medclaim policy and the cumulative bonus and medical check-up are also included.	Only I is true	Only II is true	Both I and II are true	Both I and II are false
221	Identify the true statement I. Jan Arogya Bima policy is available to individuals only and cannot be extended to family members. II. Children between the age of three months and five years can be covered under Jan Arogya Bima policy provided one or both parents are covered concurrently	Only I is true	Only II is true	Both I and II are true	Both I and II are false
222	Which of the following is an example of Permanent Total disability?	Paralysis of all four limbs	Loss of fingers	Loss of Phalanges	Loss of toes
223	Identify the true statement I. The insurer facilitates a cashless access to the health service and directly makes payment to the network provider for the admissible amount. II. Under cashless facility, the insured has to make payment for amounts beyond the policy limits and for expenses which will be later paid by the insurer.	Only I is true	Only II is true	Both I and II are true	Both I and II are false
224	Individual health insurance covers are offered to _____.	Retail customers	Corporates	Government schemes	All of the above

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
225	Group health insurance covers are offered to _____.	Retail customers	Corporates	Government schemes	All of the above
226	Which of the following begin with the proposal form of insurance? I. Principle of utmost good faith II. Principle of indemnity III. Duty of disclosure of material information IV. Principle of subrogation	Only II	I and II	I and III	I, II, III and IV
227	The proposer is asked to declare full details of all earlier losses suffered by him / her, whether or not they were insured. Why is this information required? I. This will give the insurer information about the subject matter of insurance and how the insured has managed the risk in the past II. Underwriters can understand the risk better from such answers and decide on conducting risk inspections or collecting further details	Only I	Only II	Both I and II are true	Earlier losses have no role to play in the underwriting of the current risk
228	Where a proposal form is not used, the insurer shall record the information obtained orally or in writing, and confirm it within a period of _____ thereof with, the proposer and incorporate the information in its cover note or policy	3 days	7 days	10 days	15 days
229	Which of the statement/s below is / are correct with regard to a prospectus? I. A prospectus is usually in the form of a brochure or leaflet and serves the purpose of introducing a product to such prospective buyers. II. Issue of prospectus is governed by IRDA Act	Only I is true	Only II is true	Both I and II are true	Both I and II are false
230	Which of the following should be included in the prospectus? I. Scope of benefits II. Extent of insurance cover III. Warranties, exceptions and conditions of the insurance cover	Only I	Only I and II	Only II and III	I, II and III

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
231	Which of the following information mentioned in the prospectus is correct with regards to riders? I. The allowable riders on the product should also be clearly stated with regard to their scope of benefits II. The premium related to all the riders put together should not exceed 50% of the premium of the main product	Only I is true	Only II is true	Both I and II are true	Both I and II are false
232	Premium is the _____ paid by the insured to the insurer for insuring the subject matter of insurance, under a contract of insurance.	Contribution	Consideration	Fee	Subscription
233	Which of the following statement/s is / are true with regards to premium? I. According to Section 64 VB of the Insurance Act, premium is to be paid in advance, before the start of the insurance cover II. This section is a special feature of non-life insurance industry in India	Only I is true	Only II is true	Both I and II are true	Both I and II are false
234	Which of the following statement/s is / are true with regards to premium? I. Section 64 VB of the Insurance Act ensures that only when the premium is received by the insurance company, a valid insurance contract can be completed II. Section 64 VB of the Insurance Act ensures that only when the premium is received by the insurance company, the risk can be assumed by the insurance company	Only I is true	Only II is true	Both I and II are true	Both I and II are false
235	Where an insurance agent collects a premium on a policy of insurance on behalf of an insurer, he shall deposit to the insurer the premium so collected in full without deduction of his commission within _____ of the collection excluding bank and postal holidays	Twenty-four hours	Three days	Five days	Seven days
236	The premium to be paid by any person proposing to take an insurance policy, may be made in which of the following methods?	Cash	Any recognised banking negotiable instrument	Postal money order	Any of the above

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
237	In case the proposer / policyholder opts for premium payment through net banking or credit / debit card, the payment must be made through net banking account or credit / debit card issued in the name of _____	Proposer / policyholder	Proposer / policyholder or any blood relative	Proposer / policyholder or any family member	Any of the above
238	XYZ Private Ltd has applied for an insurance cover. The premises are being inspected for determining the actual rate applicable and the exact premium is not finalized. In such a scenario, where the preparation of the policy is pending and for providing the cover on a provisional basis, which of the following can be issued by the insurance company?	Certificate of insurance	Cover note	Provisional policy	Temporary policy subject to conditions and warranties
239	Cover notes are predominantly used in case of which of the below? I. Marine insurance II. Health insurance III. Life insurance IV. Motor insurance	I and II	III and IV	I and IV	II and III
240	In which of the following scenarios, an insurance cover can be provided on a provisional basis through a cover note?	In case of complex policies which involve long negotiation	In case of policies where the premises are being inspected for determining the actual rate applicable	In case of policies where the exact premium is not finalized	Any of the above
241	Which of the following statement/s is / are true with regard to a cover note? I. A cover note is stamped II. The wording of the cover note makes it clear that it is subject to the usual terms and conditions of the insurer's policy for that class of insurance	Only I is true	Only II is true	Both I and II are true	Both I and II are false
242	Which of the following statement/s is / are true with regards to a cover note? I. If the risk is governed by any warranties, then the cover note would state that the insurance is subject to such warranties II. The cover note cannot be made subject to special clauses like Agreed Bank Clause, Declaration Clause etc.	Only I is true	Only II is true	Both I and II are true	Both I and II are false
243	In case of motor policies, a _____ provides evidence of insurance in cases where proof may be required.	Cover note	Certificate of insurance	Warranty document	Endorsement document

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
244	In _____, in addition to the policy, a certificate of insurance is issued as required by the governing Act.	Fire insurance	Motor insurance	Health insurance	Property insurance
245	In case of motor insurance, the certificate of insurance provides evidence of insurance to: I. Police II. Registration Authorities	Only I	Only II	Both I and II	No certificate is required as the policy document is sufficient proof of evidence of insurance
246	The earliest kind of risks to be handled through the concept of insurance was losses due to:	Train accidents	Road accidents	Misadventure at sea	Earthquakes
247	In the earlier days, the business guilds or societies in Europe operated on a _____ funding losses by members due to shipping losses, fire, death of members, or loss of livestock.	Profit sharing	Equity sharing	Subscription sharing	Cargo value sharing
248	In the earlier days, the business guilds or societies in Europe operated on a sharing basis funding losses by members due to: I. Shipping losses II. Fire III. Death of members IV. Loss of livestock	Only III	I, II or III	II or IV	I, II, III or IV
249	In the earlier days, traders gathered at the Lloyd's Coffee House in London to agree to share the losses to their goods being carried by ships, due to perils of the sea which included: I. Pirates who robbed on the high seas II. Bad sea weather spoiling the goods III. Sinking of the ship due to any reason	Only III	I or II	I or III	I, II or III
250	The Life Insurance Companies Act, 1912 made certification by an actuary for which of the following: I. Premium-rate tables II. Periodical valuation of companies III. Solvency margins IV. Launch of new products	Only I	Only III	I and II	II and III
251	All the following statements related to nationalisation of insurance are correct EXCEPT:	Life insurance business was nationalised on 1st September 1956	Life Insurance Corporation of India (LIC) was formed in 1956	At the time of nationalisation of life insurance, there were 170 provident fund societies and 75 companies doing life insurance business in India at that time	From 1956 to 1999, the LIC held the sole right to do life insurance business in India

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
252	All the following statements related to nationalisation of insurance are correct EXCEPT:	With the passing of General Insurance Business Nationalisation Act (GIBNA) in 1972, the non-life insurance business was nationalised	During nationalisation of general insurance business, the General Insurance Corporation of India (GIC) and its four subsidiaries were set up	At the time of nationalisation of general insurance, there were 75 provident fund societies and 170 general insurers in India doing non-life insurance business were merged with the formation four subsidiaries of the GIC of India	Life Insurance Corporation of India (LIC) was formed in 1956
253	Healthcare is nothing but a set of services provided by various agencies and providers including the government, to: I. Promote health of people II. Maintain health of people III. Monitor health of people IV. Restore health of people	Only IV	I and IV	II, III and IV	I, II, III and IV
254	For healthcare to be effective it must be:	Comprehensive	Adequate	Affordable	All of the above
255	All the following statements are correct EXCEPT:	Health status of a person varies from person to person	It is not feasible to make the healthcare infrastructure available at same level for all types of health problems	It is possible and necessary to make the healthcare infrastructure available at same level for all types of health problems	The health care facilities should be based upon the probability of the incidence of disease for the population
256	All the following statements are correct EXCEPT:	Health status of a person varies from person to person	It is feasible to make the healthcare infrastructure available at same level for all types of health problems	It is not necessary to make the healthcare infrastructure available at same level for all types of health problems	The health care facilities should be based upon the probability of the incidence of disease for the population
257	The need to set up the healthcare facilities in any area whether a village or a district or a state will be based upon the various health care factors called indicators of that area such as: I. Size of population II. Death rate III. Sickness rate	Only III	II and III	I and III	I, II and III
258	The need to set up the healthcare facilities in any area whether a village or a district or a state will be based upon the various health care factors called indicators of that area such as: I. Disability rate II. Social and mental health of the people III. General nutritional status of the people	Only III	II and III	I and III	I, II and III

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
259	The need to set up the healthcare facilities in any area whether a village or a district or a state will be based upon the various health care factors called indicators of that area such as: I. Environmental factors such as if it is a mining area or an industrial area II. How much of the health care system is likely to be used III. Socio-economic factors such as affordability	Only III	II and III	I and III	I, II and III
260	All the following statements with regard to Primary Health Centres are correct EXCEPT:	PHCs have been established for every 5000 population	PHCs are referral units for about six sub-centres	All PHCs provide outpatient services	Majority of PHCs have four to six in-patient beds
261	All the following statements with regard to Primary Health Centres are correct EXCEPT:	PHCs have been established for every 30000 population	PHCs are referral units for about six sub-centres	Majority of PHCs have four to six in-patient beds	A PHC is manned by a female health worker, also called the Auxiliary Nurse Mid-wife (ANM) and a male health worker
262	All the following statements with regard to Primary Health Centres are correct EXCEPT:	PHCs have been established for every 30000 population	PHCs are referral units for Community Health Centres	All PHCs provide outpatient services	Majority of PHCs have four to six in-patient beds
263	All the following statements with regard to Primary Health Centres are correct EXCEPT:	PHCs have been established for every 30000 population	PHCs are referral units for about six sub-centres	All PHCs provide outpatient services	According to the norms each PHC should have at least 30 beds, one operation theatre, X-ray machine, labour room and laboratory facilities
264	All the following statements with regard to Community Health Centres are correct EXCEPT:	CHCs have been established for every 30,000 population	CHCs are referral units for 4 PHCs	CHCs provide specialist care facilities	According to the norms each CHC should have at least 30 beds, one operation theatre, X-ray machine, labour room and laboratory facilities
265	All the following statements with regard to Community Health Centres are correct EXCEPT:	CHCs have been established for every 1 lakh population	CHCs are referral units for 6 sub-centres	CHCs provide specialist care facilities	According to the norms each CHC should have at least 30 beds, one operation theatre, X-ray machine, labour room and laboratory facilities
266	Risk inspection is conducted when the sum insured ____.	Is large	Is small	Is moderate	Is medium
267	Risk inspection is generally conducted by_____.	Engineers	Insurer	Policy holder	Government
268	Risk inspection is done for deciding the rates of _____.	Premium	Bonus	Salary	Remuneration

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
269	Which section of IRDA Act deals with "the matters relating to licensing of surveyors and loss assessors" and their roles and responsibilities etc.	Section 64J	Section 64A	Section 64R	Section 64UM
270	_____ are experts in inspecting and evaluating losses in specific areas.	Evaluators	Surveyors	Loss Assessors	Claim
271	Insurance Surveyors and Loss Assessors Regulations, Act was formulated in the year	2000	1996	2003	1992
272	Which of the following sections of 'Insurance Regulatory and Development Authority Act, 1999' is applicable for the Insurance Surveyors and Loss Assessors Regulations, Act	Section 26	Section 19	Section 41	Section 55
273	In how many categories are the Surveyors and Loss Assessors defined	4	3	5	6
274	As per Section 64 UM of Insurance Act, the minimum amount of claim to be applicable on an Insurance Policy for an individual surveyor to be employed	Rs. 50,000	Rs. 25,000	Rs. 20,000	Rs. 45,000
275	The time duration allotted to a Surveyor and Loss Assessor to submit their assessment report is ____ days	15	30	45	60
276	The clause of arbitration does not apply to _____ insurance	Goods	Marine	Automobile	Agricultural
277	If while obtaining a Industrial Insurance policy, the insured did not do a full-disclosure, and liable under breach of trust, and the insurer has declined the claim settlement. They both can settle the issue through _____	Grievance Redressal Authority	Insurance Ombudsman	Litigation	Consumer Forum
278	Disputes relating to question of liability are to be settled through _____	Mutual Consensus	Ombudsman	Litigation	Actuaries
279	Arbitration and Conciliation Act, was formulated in	1992	1995	1996	1999
280	To apply for a claim, in case of damage caused by flood or cyclone, a report from _____ would be necessary	Police Department	Meteorological Office	Fire Department	Surveyor/ Loss Assessor
281	A police report may not be needed in the following case	Damage by Cyclone	Damage by Fire	Damage In Road Accident	Damage In Transit
282	On the occurrence of a loss, the insured is expected to act as if he is uninsured. In other words, he has a duty to take measures to _____ the loss.	Minimize	Assess	Protect	Project

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
283	The legal rules of _____ provide guidelines to decide whether the loss is caused by an insured peril or an excluded peril.	Loss Assessment	Loss Minimization	Proximate Cause	Loss Protection
284	The liability to gather proof that the loss incurred is within the scope of the policy is upon	Insurer	Insured	Surveyor/ Loss Assessor	Underwriter
285	Claim settlement made towards a vehicle damaged, but been under hire-purchase agreement , shall be	given to the vehicle owner	Subjudice	kept on hold	given to the financiers
286	Why do insurers need material information?	For documentation purposes	Decide on risk acceptance and the terms and conditions associated	To comply with regulatory requirements	To improve customer service
287	Which element of a valid contract relates to insurance premium?	Offer and acceptance	Capacity of parties to contract	Free consent	Consideration
288	Identify the choice which relates to inaccurate statements, which are made with any fraudulent intention.	Representation	Misrepresentation	Coercion	Fraud
289	Identify the option that can be treated as a valid contract.	Ramesh buys a property from his friend for a throwaway price	Ramesh enters into a contract when he is not in a sound state of mind	Ramesh bribes an official to get into a contract	Ramesh provides false information to get Mahesh to sign a contract
290	Compare gambling and insurance.	Gambling and insurance both are the same	Gambling has no insurable interest involved but insurance does have	Insurance has only profitable outcomes while gambling could result in losses.	Gambling is legally enforceable but insurance is not
291	Summarise "Contracts of Adhesion" for us.	These contracts are drafted by both parties and have to be accepted by both	These contracts are drafted by one party and the other can only accept or reject it	These contracts are drafted by one party and the other has to accept it	These contracts are binding on both parties
292	Ramesh fudges his company balance sheet before selling out the company. Categorise his action into one of the following options.	Mistake	Coercion	Misrepresentation	Fraud
293	What is the subject matter of life insurance?	Premium	Human life	Property	Goodwill
294	Select a scenario that show cases the principle of uberrima fides.	Timely payment of premium	Disclosing all material information on an insurance proposal form	Faking all material information on an insurance proposal form	Disclosing all irrelevant information on an insurance proposal form
295	In relation to life insurance look at the two statements below and select the true one(s) I: Age is material information and may affect the terms of underwriting II: If age is found to be different, the only effect is on the premium rate	Only statement I is true	Only statement II is true	Both, statement I and II are true	Neither statement I nor II is true
296	Select a reason for discharging a contract under common law.	Frustration	Mistake	Misrepresentation	Concealment

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
297	Label the document that is used to lay down the terms of the insurance contract when it is bought. Choose the most appropriate option.	Policy	Agreement	Authorisation	Endorsement
298	Label the interest that the insured has in the subject matter of life insurance. Choose the most appropriate option.	Speculative interest	Wager interest	Insurable interest	Indemnity interest
299	How would you describe the agreement between the insurer and the insured? Choose the most appropriate option.	Interim agreement	Provisional agreement	Constant agreement	Contingent agreement
300	The main difference between legal contracts in general and insurance contracts is that:	Insurance contracts are contracts of Uberrima Fidei	Insurance contracts are legally enforceable contracts	Insurance contracts are always profitable	Insurance contracts are not subject to any regulation whatsoever
301	Advise Mr. Rajan on the point / time when insurable interest has to be present in case of life insurance.	Only at the time of taking the policy	Only at the time of making a claim	At the time of taking a policy and at the time of making a claim	In case of life insurance no insurable interest is required
302	Advise Miss Anita on the point / time when insurable interest has to be present in case of property insurance.	Only at the time of taking the policy	Only at the time of making a claim	At the time of taking a policy and at the time of making a claim	In case of property insurance no insurable interest is required
303	Mahesh takes out an insurance policy on his house. He sells his house after a couple of months of taking the policy. In case there is some damage to the house, can Mahesh receive the claim?	Yes, because insurable interest was present at the time of taking out the policy	Yes, if the current owner of the house allow	Yes, if the damage is within one year of his selling the house	No, because there is no insurable interest present
304	Mr Rajan fell off a horse and landed in a puddle. He had to lie in the puddle for along time because the fall had broken his leg, this resulted in him contracting severe pneumonia. He was treated in a nearby hospital where he dies as a result of pneumonia. What is the proximate cause of death in this case?	Pneumonia	Leg injury sustained as a result of the fall	Negligence of doctors	Hospital treatment
305	Ramesh is married and wants to buy a life insurance cover on his friend's life. Find out if he will be able to do so.	Yes, Ramesh can buy insurance on his friend's life	No, Ramesh cannot buy life insurance on his friend's life because he is married	No, Ramesh cannot buy life insurance on his friend's life because there is no insurable interest present	No, Ramesh cannot buy life insurance on his friend's life because of the principle of caveat emptor
306	Which of the following bodies regulates insurance companies in India?	RBI and Finance Ministry together	SEBI and AMFI together	IRDA	Finance Ministry
307	Who among the following are not regulated by IRDA?	Third Party Administrators	Insurance Brokers	CASA Agents	Corporate Agents

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
308	Which of the below statement is incorrect?	The prime purpose of insurance regulation is to protect the policyholder	Regulations made by IRDA are to ensure that insurance companies should exist not as financially sound organisations but as socially responsible organisations.	Insurance is an absolutely legal contract, in compliance with the provisions of the Indian Contract Act and other laws of the country	IRDA regulates companies from their registration onwards and monitors all their major activities like investments, accounting etc.
309	What is the prime purpose of insurance regulation? Choose the most appropriate answer.	To ensure that rural areas and weaker sections of population gets adequate insurance coverage	To ensure that insurance companies generate sufficient profits so that they can survive in the long term	To ensure that insurance cover is extended to all the citizens of India	To protect the policyholder
310	Which of the following bodies can issue license to work as individual agents in India?	Finance Ministry	Government of India	Life Insurance Corporation (LIC) and General Insurance Corporation (GIC) jointly	IRDA
311	Which of the following bodies regulates capital market in India?	RBI	SEBI	IRDA	AMFI
312	Which of the following bodies regulates banks in India?	RBI	SEBI	IRDA	AMFI
313	Third Party Administrators (TPAs) are regulated by which of the following body?	Life Insurance Council and General Insurance Council jointly	IRDA	Insurance Brokers Association of India	Finance Ministry
314	Which of the following is the basic insurance legislation of the country, that governs insurance business in India?	Insurance Act, 1938	IRDA Act, 1999	Deposit Insurance and Credit Guarantee Corporation Act, 1961	Public Liability Insurance Act, 1991
315	Insurance agents who hold licence to act as agents for both life insurer, general insurer and health insurer are called _____.	Brokers	Corporate Agents	Third Party Administrators	Composite Insurance Agents
316	_____ was established in 2000 as an independent authority to regulate and develop the insurance industry.	RBI	SEBI	IRDA	AMFI
317	Which of the following bodies has prescribed regulations for protecting the interests of policyholders stipulating obligations on both insurers as well as intermediaries?	Life Insurance Council and General Insurance Council jointly	Policyholders' Association of India (PAI)	IRDA	Life Insurance Corporation and General Insurance Corporation jointly
318	Which of the below Act has provisions for monitoring and control of operations of insurance companies?	IRDA Act, 1999	Deposit Insurance and Credit Guarantee Corporation Act, 1961	Public Liability Insurance Act, 1991	The Insurance Act, 1938

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
319	If insurance firm accepts such applicants who are at a greater than normal risk or are not insurable, but conceal / falsify information about their actual condition or situation so that they get insurance, then this will be known as _____. Choose the most appropriate option.	Insurance screening	Adverse selection	Underwriting lapse	Proposal review
320	The Insurance Act came into effect on _____.	1st June 1938	1st July 1938	1st June 1939	1st July 1939
321	The IRDA was established in the year _____ under the IRDA Act, 1999.	1999	2000	2002	2003
322	The Insurance Act, 1938 prohibits use of rebates as an inducement to take an insurance policy under _____.	Section 38	Section 41	Section 45	Section 64VB
323	The Insurance Act, 1938 specifies rules for nomination of insurance policies under _____.	Section 38	Section 41	Section 45	Section 64VB
324	Minimum academic qualification of specified person is	Class 10	Class 12	Graduate	Post Graduate
325	An applicant seeking appointment as an insurance agent of an Insurer shall submit an application in Form _____ to the _____ of the Insurer.	I-A, Designated Official	A. I-A, Appellate Officer	I-B, Designated Official	I-B, Appellate Officer
326	Integrated Grievance Management System has been launched by _____.	Policyholders' Association of India	IRDA	Life Insurance Council	Government of India
327	Which of the following can form the basis for a valid consumer complaint?	Shopkeeper not giving any discounts on the product.	Price charged by shopkeeper is as per MRP on package	Shopkeeper's fails to provide a certain product.	The goods bought by consumer suffer from one or more defects
328	Which of the following cannot form the basis for a valid consumer complaint?	Price charged by shopkeeper is in excess of what is displayed on package	The goods bought by consumer suffers from one or more defects	Shopkeeper's fails to provide a certain product.	An unfair trade practice or restrictive trade practice has been adopted
329	Which of the following is a tool for monitoring grievance redress in the insurance industry?	National Commission	Ombudsman	IGMS	State Commission
330	Which of the following consumer disputes redressal agencies have power of civil court?	District forum	State Commission	National Commission	All of the above
331	Which of the following consumer disputes redressal agencies has supervisory jurisdiction over State Commission?	District forum	National Commission	Ombudsman	None of the above

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
332	Which of the below, by mutual agreement of the insured and the insurer, can act as a mediator and counsellor within the terms of reference in case of dispute? Choose the most appropriate option.	Insurance agent	Ombudsman	Insurer	Insurance broker
333	If a customer is aggrieved by an order made by the District Forum then where can he / she appeal against such order?	State Commission	National Commission	Ombudsman	No appeal can be made
334	If a customer is aggrieved by an order made by the State Commission then where can he / she appeal against such order?	District Forum	National Commission	Ombudsman	No appeal can be made
335	Which of the below act makes provision for the establishment of Consumer Councils and other authorities for the settlement of consumer's disputes in India?	Insurance Act, 1938	IRDA Act, 1999	Banking Regulation Act, 1949	Consumer Protection (Amendment) Act, 2002
336	Which of the following has the supervisory jurisdiction over State Commission?	District Forum	National Commission	Ombudsman	None of the above
337	What is the maximum amount that can be awarded by Ombudsman in case of grievance?	Up to Rs 10 lakh	Up to Rs 20 lakh	Up to Rs 50 lakh	Up to Rs 100 lakh
338	Which of the following statement is incorrect with regard to process of filing a complaint with a Consumer Court?	No one else other than the complainant himself / herself can file a complaint with the State or National Commission	There is no fee for filing a complaint with State Commission or National Commission	The complaint can be filed personally or can even be sent by post	No advocate is necessary for the purpose of filing a complaint
339	Who among the following are not included in the definition of 'consumer' as per Consumer Protection (Amendment) Act, 2002?	Any person who buys any goods for a consideration and includes any user of such goods.	Any person who hires or avails of any services for a consideration	Any person who avails any service and is also the beneficiary of that service	A person who obtains goods for resale or for any commercial purpose
340	Which of the following protocol is incorrect with regard to the recommendations that Ombudsman needs to follow?	Recommendations should be made within 6 month of the receipt of such a complaint	The copies should be sent to both the complainant and the insurance company	Recommendations have to be accepted in writing by the complainant within 15 days of receipt of such recommendation	A copy of acceptance letter by the insured should be sent to the insurer and his written confirmation sought within 15 days of his receiving such acceptance letter
341	If a policyholder wishes to file a complaint with National Commission, then what is the amount of fees payable by him / her?	Rs. 100	2.5% of the claim amount or Rs. 500 whichever is lower	1% of the claim amount	No fees is payable for filing customer complaint with National Commission
342	Which of the following is a central repository of insurance grievance data?	National Commission	Ombudsman	IGMS	State Commission

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
343	Which of the following consumer disputes redressal agencies entertains appeals from the District Forum?	State Commission	National Commission	IRDA	No appeal can be made
344	Which of the following consumer disputes redressal agencies entertains appeals against the orders of any State Commission?	District Forum	National Commission	IRDA	No appeal can be made
345	If a policyholder wishes to seek compensation up to Rs. 20 lakh from insurance company against a grievance, then where can he / she lodge the complaint? Choose the most appropriate option.	District Forum	State Commission	National Commission	IRDA
346	Which of the following is not a direct indicator of Service Quality	Reliability	Empathy	Assurance	Sales Data
347	Which of the following is not a contributor towards Customer Lifetime value	Historical	Present	Potential	Speculated
348	Choose the correct expanded form for IGMS	Indo-German Management School	Integrated Government Management System	Indian Genome Mapping Scheme	Integrated Grievance Management System
349	_____ are a set of rules and regulations that set the rules and guidelines to effectively address complaints and grievances of policy-holders.	Complaints-handling procedures	Grievance Redressal procedure	Risk grievance procedure	Damage grievance procedure
350	The _____ has framed rules known as Redressal of Public Grievances Rules, 1998.	IRDA	NBFC	SEBI	Central Government
351	The assignment or transfer upon reasons in writing to be communicated to the policy holder subject to such decision being challenged by way of petition before the _____.	Grievance Redressal Authority	Consumer Redressal Authority	Seller Redressal Authority	Administrative Redressal Authority
352	The insured can resolve a dispute by approaching the Ombudsman under _____	Complaints Handling Procedure	Grievance Redressal Procedure	Risk Grievance Procedure	Redressal of Public Grievances Rules
353	Which of the following is the main objective of consumer protection Act? (i) To protect the interest of policy holders (ii) To protect the interest of investors (iii) To provide simple, speedy and inexpensive Redressal to the consumer grievances	Only Statement (i) is correct	Both Statement (i) & (ii) is correct	Only Statement (iii) is correct	Both Statement (i) & (iii) is correct

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
354	“Redressal of Public Grievances Rules, 1998”, came into force on _____	33523	36110	35777	30573
355	Which of the following is an objective of Redressal of public grievances rules? (i) Aim at resolving complaints relating to the settlement of disputes (ii) Protection of consumer's interest (iii) Providing grievances to consumer	Only Statement (i) is correct	Both Statement (i) & (ii) is correct	Only Statement (iii) is correct	Both Statement (i) & (iii) is correct
356	Which of the following is a function of Ombudsman? (i) Redressal of grievances to consumer (ii) protection of consumer's interest (iii) Redressal of grievances from the policyholders	Only Statement (i) is correct	Both Statement (i) & (ii) is correct	Only Statement (iii) is correct	Both Statement (i) & (iii) is correct
357	Which of the following has been recommended by Commission that the Grievance Redressal Authorities (GRA) should be constituted to deal ? (i) Disputes between the insured and the insurer (ii) Disputes between insured and the intermediaries (iii) Disputes between the insurer and the intermediaries (iv) Any Dispute between insured, Insurer and the intermediaries	Both Statement (i) & (ii) is correct	Both Statement (i) & (iii) is correct	Both Statement (ii) & (iii) is correct	Only Statement (iv) is correct
358	Who shall deal with the disputes between the insured and the insurer?	Consumer Group	Grievance Redressal Authorities (GRA)	Consumer Authority	Consumer Commission
359	Who shall deal with the disputes between the insurer and the intermediaries?	Consumer Authority	Consumer Group	Consumer Commission	Grievance Redressal Authorities (GRA)
360	_____shall have no jurisdiction in cases relating to third party motor vehicle insurance and marine insurance.	Consumer Commission	Consumer Authority	Grievance Redressal Authorities (GRA)	Consumer Group
361	Redressal of Public Grievances Rules, 1998 created the system of _____	Insurance Agency	Insurance Surveyors	Insurance Ombudsman	Consumer Forum
362	On which date was the consumer protection act. Formed	27130	25196	31770	25164
363	Which of the following is NOT an example of nonverbal communication?	Signaling okay with a hand gesture	Gesturing in an empty room	Wearing jewelry	Raising your voice
364	Personal distance is defined as	18 inches to 4 feet.	12 feet and up.	touching to 18 inches.	4 to 12 feet.

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
365	Nonverbal communication is made up of	behavior other than words that is intended to convey a message.	body language actions	any instance in which a stimulus other than words creates meaning in either a sender's or a receiver's mind.	all human behavior.
366	Identify the place of origin of modern day insurance.	Vatican City in Rome	Hanging Gardens of Babylon	Lloyds Coffee House in London	Big Apple in New York
367	Which of the below can be used to describe insurance in general?	Providing subsidies to the poor	Betting of people's losses	Generating profits from other's losses	Sharing of losses of few by many
368	The inhabitants of Rhodes adopted a practice whereby, if some goods were lost due to jettisoning during distress, the owners of goods (even those who lost nothing) would bear the losses in some proportion. Which phenomenon is illustrated in this scenario?	Capitalism	Socialism	Mutual Insurance	Tyranny
369	Illustrate the principle of pooling in relation to insurance.	Gathering people having similar assets and exposed to similar risks	Gathering people having different types of assets and exposed to different risks	Gathering people having similar type of assets but exposed to different risks	Gathering people having different type of assets but exposed to similar risks
370	In the olden days, Chinese traders used to keep their goods in different boats while sailing through treacherous waters. Analyse why?	Chinese boats were small and they carried heavy goods	The Chinese Government mandated that goods should be distributed among multiple shipping companies so that there is equal distribution of business	Chinese traders placed their goods in multiple boats because it provided insurance against total loss	Chinese traders placed their goods in multiple boats because it was cheap
371	Identify a non-physical asset from the list of options mentioned here.	Car	House	Goodwill	Air-conditioner
372	Manish asks his insurance advisor the primary purpose of insurance. Help Manish identify the primary purpose of insurance from the below given options.	Share the the losses of many among many	Share the losses of many among few	Share the losses of few among many	Speculation
373	Tell us what lead to the formulation of insurance.	Hazards	Indemnity	Loss	Risk
374	Which of the below method of risk management is also known as self-insurance	Risk avoidance	Risk retention	Risk reduction and control	Risk transfer
375	When would you choose to go for insurance?	After the contingent event has occurred	When the probability of event occurrence is low but severity is high	When the probability of event occurrence is low along with the severity	When you can finance the losses of the contingent event on your own
376	Which of the following is the first Indian insurance company?	The Oriental Life Insurance Co. Ltd	Triton Insurance Co. Ltd.	Bombay Mutual Assurance Society Ltd.	National Insurance Company Ltd.
377	Name the public sector life insurance company formed as a result of nationalisation of life insurance in India.	General Insurance Corporation of India	Life Insurance Corporation of India	Oriental Insurance Company of India	National Insurance Company Ltd.

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
378	Discuss the risk management technique employed by an individual when he purchases insurance.	Risk avoidance	Risk retention	Risk transfer	Risk mitigation
379	Discuss the difference between insurance and assurance.	Insurance: Protection against an event that will happen Assurance: Protection against an event that might happen	Insurance: Protection against an event that might happen Assurance: Protection against an event that will happen	Both insurance and assurance refer to the same thing	Insurance: Guaranteed protection against an event that might happen Assurance: Protection against an event that might happen is not guaranteed
380	Mr. Poddar has used insulated wiring in his house so as to reduce the chances of damage due to fire. Identify the risk management technique practiced here.	Risk avoidance	Risk retention	Risk transfer	Risk reduction and control
381	Shaheen refuses to go on a business trip to Iraq because of violence in the destination country. Identify the risk management technique practiced here.	Risk avoidance	Risk retention	Risk transfer	Risk reduction and control
382	Suresh has purchased a life insurance policy so that his family members do not have to depend on anyone in case of his untimely death. Identify the risk management technique practiced here.	Risk avoidance	Risk retention	Risk transfer	Risk reduction and control
383	Smita has setup a reserve fund to be used for repairs in case the house is damaged for some reason. Identify the risk management technique practiced here.	Risk avoidance	Risk retention	Risk transfer	Risk reduction and control
384	Which of the below statement is correct?	Insurance protects the asset from damage	Insurance prevents losses	Insurance reduces the possibility of loss	Insurance indemnifies the insured in the event of a loss
385	You are an insurance surveyor. On behalf of the insurer why will you survey and inspect a property prior to insurance?	To assess the risk for rating purposes	To arrive at the valuation of the property by looking at the surroundings	To find out how far the property is from city	To get a look at the neighbouring properties also
386	Who originally proposed the concept of Human Life Value?	William Faulkner	Mr. N Malhotra	Economist Adam Smith	Prof. Hubener
387	Describe an asset in general. Choose the most appropriate option.	An asset is something that is freely available	An asset is something that yields value or return	An asset is something that yields no return and only provides utility	An asset is something that cannot be owned
388	The principle of indemnity is applicable to _____.	Life insurance	General insurance	Life insurance and general insurance	Neither life insurance nor general insurance
389	Which among the following cannot be categorised under risks faced by ordinary people?	Living too long	Dying too early	Natural wear and tear	Living with disability
390	Identify the two factors that need to be considered while calculating HLV.	Net earnings of the breadwinner and number of family members	Net earnings of the breadwinner and annual rate of interest	Net earnings of the breadwinner and his job type	Net earnings of the breadwinner and insurance purchased

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
391	Which among the following methods is a traditional method that can help determine the insurance needed by an individual?	Human property value	Life term proposition	Human life value	Future Life Value
392	Identify the component that is not a part of the life insurance business.	Asset	Risk	Principle of mutuality	Speculation
393	Tell us which among the following choices cannot be an asset.	Air	Car	House	Goodwill
394	What was the primary argument behind "Buy term insurance and invest the difference elsewhere"? Choose the most appropriate option.	Term insurance is the best form of insurance	Investing balance premiums in other investment instruments could yield a higher return	The policyholder can take higher risks by investing the balance premium in equities	Non-term insurance has the lowest yields
395	All of the following are advantages of cash value insurance contracts EXCEPT:	Inculcates saving discipline	Safe and secure investment	Income tax benefits	Lower yields
396	All of the following are disadvantages of cash value insurance contracts EXCEPT:	Lower yields	Safe and secure investment	Returns subject to corroding effect of inflation	Low accumulation in early years
397	Which of the below statement is incorrect?	Under mutuality, the funds of various individuals are combined	Mutuality is also known as pooling	Under mutuality we have funds flow from one source to many	Mutuality provides protection against the economic loss arising as a result of one's untimely death. This loss is shouldered and addressed through having a fund that pools the contributions of many who have entered into the life insurance contract
398	Mr. Rajan earns Rs. 1,20,000 a year and spends Rs. 24,000 on himself. Suppose the rate of interest is 8% (expressed as 0.08). Calculate the HLV in this case.	Rs. 12,00,000	Rs. 13,00,000	Rs. 14,00,000	Rs. 15,00,000
399	Ramesh is 55 years old and has 5 working years left for retirement. Currently his annual income is Rs. 5,00,000 and he has purchased a life insurance policy of Rs. 15,00,000. If he were to die prematurely in the current year itself, then how much will his family get from the life insurance company?	Rs. 20,00,000	Rs. 15,00,000	Rs. 10,00,000	Rs. 500,000
400	With respect to insurance differentiate between contracts of assurance and contracts of indemnity.	Under contracts of assurance the benefit payable is determined after the event occurs	Under contracts of indemnity the benefit payable is fixed in advance	Under contracts of assurance the benefit payable is determined before the event occurs	Under contracts of indemnity there is no benefit payable if the event occurs
401	Prajakta earns Rs. 2,40,000 per annum. She spends Rs. 1,00,000 per annum on herself. The market rate of interest is 7%. Calculate Prajakta's life insurance amount through the HLV method.	Rs. 15,00,000	Rs. 20,00,000	Rs. 10,00,000	Rs. 24,00,000

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
402	Compare the probability of a contingent event with regards to life and general insurance.	The probability of the event happening stays constant through time with regards to both life and general insurance	The probability of the event happening increases in case of general insurance and decreases in case of life insurance	The probability of the event happening increases in case of life insurance and decreases in case of general insurance	The probability of the event happening increases in case of life insurance and stays constant in case of general insurance
403	Analyse the two statements below and determine the true one(s) Statement I: The contingent event occurs certainly in case of general insurance Statement II: The contingent event occurs certainly in case of life insurance	Statement I is true	Statement II is true	Statements I and II are true	Statements I and II are false
404	Suggest a class of insurance that will provide protection against loss of goodwill.	Life insurance	Property insurance	Liability insurance	Personal insurance
405	Explain to us why young people are charged less life insurance premium when compared to old people.	Young people don't need life insurance as much as old people	Young people cannot afford to buy costly life insurance products due to their low income	Mortality is directly proportional to age	Mortality is inversely proportional to age
406	_____ planning involves how much you should save for your after working life and where should you invest those funds.	Estate	Tax	Education	Retirement
407	List the term used to denote the rise in the general level of prices of goods and services in an economy over a period of time. Choose the most appropriate option.	Hyperinflation	Inflation	Deflation	Stagflation
408	What is the term used to refer to the value of what you own minus the value of what you owe?	Net worth	Income statement	Financial plan	Net budget
409	Assess the impact of inflation on your investment returns.	Inflation has no impact on the investment returns	Inflation has a positive impact on the investment returns	Inflation has a corroding impact on the investment returns	Inflation boosts investment returns
410	Examine the options below and identify the one which is not a credit management decision. Choose the most appropriate option.	Investing money in a bank deposit	Financing your house with mortgage	Paying utility bills through credit card	Securing a home loan to buy a house
411	Identify the stage of life when an individual will appreciate his long term savings the most.	Childhood	Just married	Teen age	Post retirement
412	Suggest a good time to start financial planning.	Post retirement	After marriage	On receipt of first salary	During childhood
413	Creating a current cash flow statement and balance sheet help with which step of the financial planning process?	Development of financial goals	Determining current financial position	Evaluating alternatives	Implementing a financial plan

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
414	Performing an analysis of current income and expenditure flows is termed as _____.	Net worth analysis	Budgeting	Personal financial planning	Sensitivity analysis
415	Which of the following is the least likely way that you may benefit from having an understanding of personal finance?	Becoming Director of a large bank	Making your own financial decisions	Becoming a financial planner	Assessing advice of another financial planner
416	What is the purpose behind buying insurance?	Wealth creation	Management of expenses	Protection against uncertainty	Receive income tax sops
417	What happens in the distribution phase of retirement planning?	Small savings are made on a regular basis to accumulate a corpus	Corpus is consolidated	Corpus is converted into withdrawal/annuities for meeting income needs post retirement	High risk investments are made
418	Describe the purpose of tax planning. Choose the most appropriate option.	Tax evasion	Planning your investments in a manner such that maximum benefits are applicable	Provide for taxes	Pay tax on time
419	Explain risk tolerance. Choose the most appropriate option.	Types of risks one can take	Amount of risk one is willing to bear while investing	Instruments of risk management	Period for which one is willing to risk his investments
420	Illustrate the computation a person would use to determine current value of a desired amount for the future.	Simple interest	Present value of single amount	Future value of single amount	Future value of series of deposits
421	What is involved in future value calculations? Choose the most appropriate option.	Discounting	Compounding	Internal rate of return	Simple interest
422	Illustrate the first step of financial planning process.	Develop financial goals	Implement a financial plan	Analyse current financial situation	Evaluate and revise actions
423	Illustrate as to how the internet aids in the process of financial planning. I: Provides information related to various facets of financial planning II: Provides updated information regarding performance of various investment products III: Provides quotations which can aid in making financial decisions	I only	II only	III only	I, II and III
424	Identify a product that can be categorised under transactional products.	Bank deposits	Gold	Lockers	Life Insurance
425	Identify a product that can be categorised under contingency products. Choose the most appropriate option.	Bank deposits	Shares	Bonds	Life Insurance
426	In India, whole life plans _____.	Pay death benefits on death of the assured	Pay death benefits post-retirement	Pay death benefits post 80 years of age	Pay death benefits on payment of 30 successful annual premiums
427	Describe the primary objective behind buying an insurance product.	Tax planning	Investment security	Protection against the loss of economic value of an individual's productive abilities	Wealth accumulation

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
428	The premium paid for whole life insurance is _____ than the premium paid for term assurance	Lower	Equal	Higher	Substantially lower
429	Identify the flip side of a term insurance plan.	It is the cheapest form of insurance	It can be converted to a whole life insurance plan	It doesn't provide any returns on maturity	It comes handy as an income replacement plan
430	Identify the policy where the premium is payable throughout the life of the assured.	Whole life	Endowment life	Annuity policies	Money back
431	Pick an attribute that can be associated with life insurance policies.	Inseparability	Heterogeneity	Intangibility	Superlative returns
432	Mortgage redemption insurance is an example of _____.	Decreasing term insurance	Increasing term insurance	Term insurance with return of premium	Term insurance with fixed returns
433	Select the option that is true with regards to term insurance plans.	Term insurance plans come with life-long renewability option	All term insurance plans come with a built-in disability rider	Term insurance can be bought as a stand-alone policy as well as a rider with another policy	There is no provision in a term insurance plans to convert it into a whole life insurance plan
434	The conversion option in a term insurance plan can be used to convert the policy into which of the following options?	Whole life plan	Unit linked insurance plan	Money back plan	Mortgage redemption (decreasing term insurance)
435	Name the policy that combines pure life insurance with a savings element. If the insured lives upto some specified time then he/she receives the policy face value.	Mortgage redemption policy	Increasing term policy	Decreasing term policy	Whole life policy
436	List the term used to describe with profit policies.	Interest paying policies	Participating policies	Dividend policies	Bonus sharing policies
437	Describe a tangible product.	A tangible product refers to physical objects that cannot be perceived by touch	A tangible product refers to physical objects that can be directly perceived by touch	A tangible product is one that has infinite value	A tangible product is one that has no value
438	Describe an intangible product.	An intangible product refers to products that can only be perceived indirectly	An intangible product refers to physical objects that can be directly perceived by touch	An intangible product is one that has infinite value	An intangible product is one that has no value
439	You are paying a higher premium towards your life insurance policy as compared to others. What impact will it have on the compensation paid (as compared to others) to the beneficiary in the event of your death?	Compensation remains the same	Compensation will be higher	Compensation will be lower	There will be no compensation
440	_____ is an example of an intangible product.	Car	Soap	Life insurance	House
441	Inter-temporal allocation of resources refers to _____.	Postponing allocation of resources until the time is right	Allocation of resources over time	Temporary allocation of resources	Diversification of resource allocation
442	From the below given options identify a non-traditional life insurance product.	Term assurance	Universal life assurance	Whole life assurance	Endowment assurance

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
443	From the below given options identify a traditional life insurance product.	Term assurance	Universal life assurance	Variable life assurance	Unit linked insurance
444	Describe one of the major innovations of the universal life insurance policy. Choose the most appropriate option.	No premiums after first year	Completely flexible premiums after first policy year	Reduced premiums after first year	Regular payouts after first year
445	Why is cash in the accumulation account not guaranteed in case of variable life insurance products?	Money is invested in Government debt	Money is invested in stocks through mutual funds where there are no guarantees	Money is used for CAPEX.	Money is used to service insurer's debt
446	Identify a limitation of traditional life insurance products.	High yields	Clear and visible method of arriving at surrender value	Well defined cash and savings value component	Rate of return is not easy to ascertain
447	All of the statements are false with respect to ULIP's EXCEPT:	Policyholder benefits / returns depend on the assumptions and discretion of the life insurance company	Investment risk is borne by the insurer	ULIPs are transparent with regards to their term, expenses and savings components	ULIPs are bundled products
448	Suggest a non-traditional life insurance product.	Term assurance	Variable life assurance	Whole life assurance	Endowment assurance
449	Non-traditional life insurance products satisfy a certain motive of many investors. Select the most appropriate option.	Guaranteed benefits	Fixed returns	Wealth accumulation	Protection of capital
450	Which among the following is not a limitation of traditional life insurance products? Choose the most appropriate option.	Difficult to ascertain surrender values at any given point of time	Insufficient coverage	Cash value component not well defined	Limited rate of return
451	Choose the correct statement.	In a variable life insurance policy, the monthly / yearly premiums can vary as per the preference of the insured	Variable life insurance is a permanent life insurance policy	In a variable life insurance policy the investment risk is borne by the insurer	The policy provides fixed guaranteed returns which are specified at the beginning itself
452	Name the two areas related to non-traditional insurance products where the customers can exercise their choice.	Altering premium and benefit structure and choose how to invest premium proceeds	Alter rate of return and choose when to invest premium proceeds	Alter rate of return and choose how to invest premium proceeds	Alter rate of return and premium structure
453	Where was the Universal Life Policy introduced first?	USA	England	France	Germany
454	Expand the term ULIP.	Unit Less Insurance Policy	Unit Linked Investment Policy	Unit Linked Insurance Policy	Union Linked Insurance Policy
455	What does unbundling of life insurance products refers to?	Correlation of life insurance products with bonds	Correlation of life insurance products with equities	Amalgamation of protection and savings element	Separation of the protection and savings element
456	A policy is effected under the MWP Act. If the policyholder does not appoint a special trustee to receive and administer the benefits under the policy, the sum secured under the policy becomes payable to _____.	Next of kin	Official Trustee of the State	Insurer	Insured

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
457	Which Section of the MWP Act provides for security of benefits under a life insurance policy to the wife and children.	Section 38	Section 39	Section 6	Section 45
458	MRI provides _____ protection for home loan borrowers.	Social	Financial	Physical	Tangible
459	Keyman is a term insurance policy where the sum assured is linked to _____.	Business profitability of the company	Number of employees	CEO's personal income	Personal incomes of all the employees
460	Who is a keyman?	Person who has key to the office lock	Person critical to business operations	Person who left the business	Person willing to join the business
461	Identify the benefits of taking out a keyman insurance policy.	Offset business start-up costs	Offset business continuity costs	Offset business recovery costs	Promote worker harmony
462	Categorise Mortgage Redemption Insurance under one of the following options mentioned here.	Increasing term insurance	Decreasing term insurance	Variable life insurance	Universal life insurance
463	In case of policy effected under the MWP Act, the policy monies shall be payable to _____.	Trustee	Appointee	Assignee	Nominee
464	Select the factor that is linked to the sum assured under a keyman insurance policy.	Keyman income	Business profitability	Business history	Inflation index
465	Select the loss covered under keyman insurance.	Property theft	Losses related to the extended period when a key person is unable to work	Losses caused due to errors and omission	General liability
466	What is the tax treatment offered under keyman insurance?	Policy returns are tax exempt	Premiums are treated as business expense and are tax exempt	Premiums are taxable	Policy returns are taxable
467	If you need to purchase a keyman insurance policy, then what is the information that is going to be sought by the insurer to assess the application?	Business' audited financial statements and filed IT returns	Salary of the CEO	Name of the CEO	Names of all the employees
468	Expand the term MRI.	Most Reliable Insurance	Mortgage Redemption Insurance	Money Redemption Insurance	Money Reliable Insurance
469	Why MRI referred to as decreasing term assurance?	Cover remains constant through policy period	Cover decreases along with policy term	Cover increases along with policy term	Premium increases with policy term
470	What will be looked at in order to determine the sum assured under keyman insurance?	Keyman's current financial statements	Keyman's past financial statements	Audited financial statements of the business and IT returns	IT returns of the keyman
471	Which among the following are components used to calculate the gross premium? I: Net Premium II: Expense loading III: Loading for contingencies IV: Bonus loading	I and II	II and III	I and IV	I,II,III and IV
472	What does the term "premium" denote in relation to an insurance policy?	Profit earned by the insurer	Price paid by an insured for purchasing the policy	Margins of an insurer on a policy	Expenses incurred by an insurer on a policy

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
473	Illustrate the purpose of having capital adequacy norms for insurers.	To increase net interest income	To increase profitability	To maintain sufficient reserves to address present and future needs	To subsidise insurance for poor people
474	What does valuation in life insurance mean?	The process of arriving at the profit of a life insurance company	The process of determining the net premium for a life insurance policy	The process of arriving at the bonus in a life insurance company	The process by which the value of all the existing policies is ascertained in a life insurance company
475	Identify the option that can be termed as policy withdrawal.	Surrender of policy in return for acquired surrender value	Discontinuation of premium payment by policyholder	Policy upgrade	Policy downgrade
476	All of the following are components of ULIP premiums EXCEPT:	Policy allocation charge	Investment risk premium	Mortality charge	Social security charge to fulfill rural obligations of the insurance company as mandated by IRDA
477	Formulate a way of defining surplus with regards to insurance companies.	Excess value of cash inflow over cash outflow	Excess value of cash outflow over cash inflow	Excess value of liabilities over assets	Excess value of assets over liabilities
478	In case of _____, a company expresses the bonus as a percentage of basic benefit and already attached bonuses.	Reversionary bonus	Compound bonus	Terminal bonus	Persistency bonus
479	From the options mentioned below select the one that is not a factor in determining life insurance premium.	Mortality	Rebate	Reserves	Management expenses
480	Select the true statements.	The typical loading to a net premium would have 3 parts: a) a constant amount for premiums b) a constant amount for each '1000 sum assured' and c) a constant amount per policy	The typical loading to a net premium would have 3 parts: a) a percentage of premiums b) a constant amount for each '1000 sum assured' and c) a constant amount per policy	The typical loading to a net premium would have 3 parts: a) a percentage of premiums b) a constant percentage for each '1000 sum assured' and c) a constant amount per policy	The typical loading to a net premium would have 3 parts: a) a percentage of premiums b) a constant amount for each '1000 sum assured' and c) a percentage amount per policy
481	With regards to valuation of assets by insurance companies, what is the value at which the life insurer has purchased or acquired its assets?	Discounted future value	Discounted present value	Market value	Book value
482	In which case does a company express the bonus as a percentage of basic benefit and already attached bonuses?	Reversionary bonus	Compound bonus	Terminal bonus	Persistency bonus
483	Name the two policy features on which rebates on premium can be offered by the insurer.	Policy plan and risk cover	Policy plan and mode of premiums	Sum assured and mode of premiums	Sum assured and policy plan
484	Who bears the mortality risk in case of ULIP's?	Insurer	Insured	Insured or insurer as specified in the terms of the policy	Insurer and the mutual fund where the money is invested
485	Discover the scenario wherein the insurer may charge extra premium from the insured.	Insured is able to afford the extra charge	Insured is a standard risk	Insured is a non-standard risk	Insured has purchased other insurance
486	_____ is an example of standard age proof.	Ration card	Horoscope	Passport	Village Panchayat Certificate

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
487	The free look period of a policy lasts for _____ days.	15	30	45	60
488	Money laundering is the process of bringing _____ money into an economy by hiding its _____ origin so that it appears to be legally acquired.	Illegal, illegal	Legal, legal	Illegal, legal	Legal, illegal
489	_____ needs to be mentioned in the Agent's report. Choose the most appropriate option.	Matters of health, habits and occupation, income and family details	Matters related to the heart	Matters related to current affairs	Matters related to personal ambitions
490	_____ are recorded and mentioned by the doctor in his / her report called the medical examiner's report. Choose the most appropriate option.	Financial details	Personal hygiene	Details pertaining to physical features like height, weight, blood pressure	Details related to hospitalisation preferences
491	Identify the formal legal document used by insurance companies that provides details about the product. Choose the most appropriate option.	Proposal form	Proposal quote	Information docket	Prospectus
492	Identify the feature that will be checked in a medical examiner's report.	Emotional behaviour of the proposer	Height, weight and blood pressure	Social status	Truthfulness
493	Isolate the valid combination Type of Age proofs: I: Standard II: Non-Standard Age Proofs a: Passport b: Horoscope c: Panchayat Certificate	I b	I c	II a	I a
494	Which among the following is not a KYC document?	Photograph	Age proof	Address proof	Horoscope
495	Mahesh is a drug dealer. He doesn't have a regular job. He made Rs. 1 million from sales of drugs. He can't buy a house or car etc. with the money. If he does the Government will get suspicious and start investigating the drug dealer. So the drug dealer opens a bar / tavern and pads the books to show huge profits on the tavern, and pays his taxes on the money. This is an example of?	Fraud	Misrepresentation	Money Laundering	Tax jugglery

Insurance Agents - Model Question Bank

SR No	Question	Alternative 1	Alternative 2	Alternative 3	Alternative 4
496	<p>Look at the scenarios mentioned below and select the ones that need to be flagged under an AML program</p> <p>I: A customer cancels a transaction and requests to do a second transaction for less amount in order to avoid providing his identity proof.</p> <p>II: A customer requests an unusually high dollar transaction and cannot explain the reason for the transaction or the source of the cash</p> <p>III: A customer appears nervous and asks unusual questions about your record keeping</p> <p>IV: A customer tries to bribe a teller</p>	I only	II only	III only	I,II,III and IV
497	IRDA has built into its regulations a consumer-friendly provision called as free look period. Describe the same.	A free look period provides a window to the insured where he is not required to pay premiums	A free look period provides a window to the insured where he can return the policy if he does not like it	A free look period provides a window to the insured where he can submit claims	A free look period provides a window to the insured where he can add nominations on the policy.
498	Name the insurance regulator in India.	Insurance Regulatory and Development Authority	Institute of Insurance and Risk Management	Insurance Institute of India	National Insurance Academy
499	Identify the factor impacting risk in case of insurance.	Face value	Moral hazard	Cash value	Policy document
500	Many proposals are underwritten and accepted for insurance without calling for a medical examination. This form of underwriting is referred to as?	Healthy underwriting	Non-medical underwriting	Non-adverse underwriting	General underwriting

ANSWER SHEET TO 1C-38 QUESTION BANK OF 500 QUESTIONS IN ENGLISH.																			
Qst	Ans	Qst	Ans	Qst	Ans	Qst	Ans	Qst	Ans	Qst	Ans	Qst	Ans	Qst	Ans	Qst	Ans	Qst	Ans
1	B	51	A	101	D	151	N/A	201	B	251	C	301	A	351	A	401	B	451	B
2	B	52	D	102	B	152	N/A	202	D	252	C	302	C	352	D	402	D	452	A
3	D	53	A	103	C	153	N/A	203	B	253	D	303	A	353	C	403	B	453	A
4	B	54	D	104	A	154	N/A	204	A	254	D	304	B	354	A	404	N/A	454	C
5	D	55	D	105	D	155	N/A	205	D	255	C	305	C	355	A	405	C	455	D
6	A	56	C	106	B	156	N/A	206	A	256	B	306	C	356	C	406	D	456	B
7	C	57	B	107	D	157	N/A	207	C	257	D	307	C	357	A	407	B	457	C
8	D	58	D	108	B	158	N/A	208	C	258	D	308	C	358	B	408	A	458	B
9	D	59	A	109	C	159	N/A	209	D	259	D	309	B	359	D	409	C	459	A
10	D	60	C	110	C	160	C	210	D	260	A	310	D	360	N/A	410	A	460	B
11	D	61	B	111	A	161	B	211	D	261	D	311	B	361	C	411	D	461	C
12	A	62	C	112	C	162	N/A	212	B	262	B	312	A	362	A	412	C	462	B
13	B	63	D	113	B	163	N/A	213	B	263	D	313	B	363	D	413	B	463	A
14	D	64	A	114	B	164	N/A	214	A	264	A	314	A	364	A	414	B	464	B
15	D	65	B	115	B	165	N/A	215	A	265	B	315	D	365	C	415	A	465	B
16	C	66	C	116	D	166	C	216	D	266	N/A	316	C	366	C	416	C	466	B
17	C	67	A	117	B	167	C	217	A	267	N/A	317	C	367	D	417	C	467	A
18	B	68	A	118	B	168	B	218	C	268	N/A	318	A	368	C	418	B	468	B
19	B	69	C	119	B	169	C	219	C	269	N/A	319	B	369	A	419	B	469	B
20	D	70	A	120	A	170	B	220	A	270	N/A	320	B	370	C	420	B	470	C
21	C	71	C	121	B	171	B	221	D	271	N/A	321	B	371	C	421	B	471	D
22	B	72	B	122	A	172	A	222	A	272	N/A	322	B	372	C	422	C	472	B
23	C	73	D	123	A	173	C	223	A	273	N/A	323	A	373	D	423	D	473	C
24	A	74	A	124	C	174	D	224	A	274	N/A	324	A	374	B	424	A	474	A
25	A	75	B	125	C	175	D	225	B	275	N/A	325	A	375	B	425	D	475	A
26	D	76	B	126	C	176	D	226	C	276	N/A	326	B	376	C	426	A	476	D
27	D	77	A	127	B	177	C	227	C	277	N/A	327	D	377	B	427	C	477	D
28	B	78	B	128	B	178	C	228	D	278	N/A	328	C	378	C	428	C	478	B
29	A	79	C	129	A	179	C	229	C	279	N/A	329	C	379	B	429	C	479	B
30	B	80	B	130	B	180	D	230	D	280	N/A	330	D	380	D	430	A	480	B
31	C	81	B	131	B	181	D	231	A	281	N/A	331	B	381	A	431	C	481	D
32	B	82	C	132	D	182	D	232	B	282	N/A	332	B	382	C	432	A	482	B
33	C	83	A	133	A	183	A	233	A	283	N/A	333	A	383	B	433	C	483	C
34	D	84	A	134	D	184	A	234	B	284	N/A	334	B	384	D	434	A	484	A
35	C	85	A	135	A	185	D	235	A	285	N/A	335	D	385	A	435	A	485	C
36	B	86	B	136	B	186	B	236	D	286	B	336	B	386	D	436	B	486	C
37	A	87	B	137	C	187	A	237	A	287	D	337	B	387	B	437	B	487	A
38	A	88	C	138	A	188	B	238	N/A	288	B	338	A	388	B	438	A	488	A
39	A	89	C	139	B	189	C	239	N/A	289	A	339	D	389	C	439	B	489	A
40	C	90	C	140	D	190	D	240	N/A	290	B	340	A	390	B	440	C	490	C
41	A	91	B	141	C	191	C	241	N/A	291	C	341	D	391	C	441	B	491	D
42	A	92	B	142	A	192	C	242	N/A	292	D	342	C	392	D	442	B	492	B
43	C	93	A	143	A	193	A	243	N/A	293	B	343	D	393	A	443	A	493	D
44	B	94	B	144	B	194	C	244	B	294	B	344	B	394	B	444	B	494	D
45	A	95	C	145	B	195	B	245	N/A	295	A	345	A	395	D	445	B	495	C
46	D	96	A	146	D	196	C	246	C	296	C	346	D	396	B	446	D	496	B
47	A	97	A	147	B	197	B	247	C	297	A	347	D	397	C	447	D	497	B
48	A	98	D	148	C	198	D	248	D	298	C	348	D	398	A	448	B	498	A
49	A	99	B	149	N/A	199	B	249	D	299	D	349	B	399	B	449	C	499	B
50	D	100	B	150	N/A	200	A	250	C	300	A	350	D	400	C	450	D	500	B