

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 |

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| 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 |

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| 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 |

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| 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. |

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| 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 |

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| 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 |

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| 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 |

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| 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 |

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| 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 |

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| 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 |

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| 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 |

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| 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 |

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| 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 Mediclaim 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 |

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| 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 |

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| 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 sepcified 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 entertain appeals from the District Forum? | State Commission | National Commission | IRDA | No appeal can be made |
| 344 | Which of the following consumer disputes redressal agencies entertain 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 |

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| 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. |

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| 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. |

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| 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 |

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| 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 |

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| 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 |

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| 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 |

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| 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 |