

SECTION -1 COMMON CHAPTERS

CHAPTER 1: INTRODUCTION TO INSURANCE

1. The regulator for insurance business in our country is?
Ans: insurance regulatory and development.
2. The secondary burden of risk is?
Ans: setting aside reserves for meeting potential losses in future
3. Which of the following is a method of risk transfer?
Ans: insurance.
4. Insurance is needed in one of the following situations?
Ans: Where the sole bread winner of a family prematurely dies.
5. The measures to reduce the chances of occurrence of a risk is known as?
Ans: loss prevention
6. Pick out the correct statement out of the following?
Ans: insurance is for loss of an asset
7. Pick out the correct option out of the following?
Ans: it is a method to share losses of a few by many.
8. In insurance risk retention indicates?
Ans: one decides to bear the consequences of risk oneself.
9. Govt. does not sponsor the following scheme?
Ans: Jan Arogya scheme
10. Which of the following ACT deals with insurance business?
Ans: insurance Act 1938
11. Life insurance business was nationalized in the year?
Ans: 1956
12. Insurance sector was opened to private sector insurers in the year?
Ans: 2000
13. Which was the first life insurance company set up in India ?
Ans: the oriental life insurance company ltd.
14. Which was the first non- life insurance company set up in India?
Ans: triton insurance company ltd.
15. If one refuses to bear certain manufacturing risks by contracting out the manufacturing to someone else, which risk management technique he is adopting?
Ans: risk avoidance
16. If a business house decides, based on experience, about its capacity to bear small losses up to certain limit, they are adopting the risk management technique of?
Ans: risk retention
17. The measure to reduce the degree of loss is called?
Ans: loss prevention

18. Which of the following helps in loss reduction?
Ans: education & training, making environmental changes, changes in hazardous operation
19. Which of the following statements are true?
Ans: insurance provides cover against the risk
20. As asset to be insurable must satisfy the following?
Ans: Should be generating income for the owner
Should provide comfort to the owner from which he will be deprived due to its loss?

CHAPTER 2 – CUSTOMER SERVICE

1. Define customer life time value?
Ans: sum total of economic benefits that can be achieved by building a long term relationship with the customer.
2. In the event of a service failure by an insurance company what two feelings will arise in a customer's mind?
Ans: hurt ego and a sense of unfair dealings
3. Which element given below is not one of active listening?
Ans: being critical and judgmental
4. Which of the below items is not a tangible good?
Ans: insurance
5. Which of the below stated aspects is not an indicator of service quality?
Ans: cleverness
6. What creates the first impression in customer relationship?
Ans: by being punctual, showing interest and confident
7. Pick out the correct statement out of the following ones?
Ans: trust between agent and the insurer is developed by ethical behavior
8. Active listening involves?
Ans: Doing all the above
9. The ability to perform the promised service dependably and accurately is known as?
Ans : reliability
10. What of the below stated skills relates to one's ability to interact effectively with co-workers and customers?
Ans: soft skills
11. Which of the following will promote trust?
Ans : attraction , communication and punctuality
12. Which is useful for making a good impression on the customer?
Ans: being on time always, being open, confident and positive, presenting oneself appropriately
13. The willingness and ability of service personnel to help customer and respond with speed, accuracy and attitude is known as?
Ans: responsiveness

14. Which of the following should not be done at the point of sale?
Ans: recommend insuring where the risk can be managed otherwise.
15. Which of the following is not the role of C.A at the acceptance stage?
Ans: showing no concern for issue of cover note
16. Which one is the correct sequence of the elements of trust?
Ans: trust, being present and communication
17. Making a great first impression does not include...?
Ans: reaching leisurely for the meeting
18. Body language is more effective than written communication?
Ans: true
19. Which one of the following is not the characteristic of ethical behavior?
Ans: placing interest of the client above one's own interest
20. Which one of the following are the characteristic of ethical behavior?
Ans: holding in confidence all information about his client
Making full disclosure of plans to enable his prospect to choose the best suited plans.

CHAPTER 3 : GRIEVANCE REDRESSAL MECHANISM

1. The financial jurisdiction of the district forum as per COPA 1986 is?
Ans: 20 lakhs
2. What is the expansion of IGMS?
Ans: integrated grievance management system
3. The right forum to handle consumer disputes involving a financial limit between Rs.20 lakhs and up to Rs.1 crore is?
Ans: state commission
4. Which of the following cannot form the basis for a valid consumer dispute?
Ans: shop keeper not recommending the best product from his shop
5. What is the most appropriate forum for a customer to lodge his insurance policy related complaint?
Ans: insurance ombudsman
6. What is the territorial jurisdiction of an insurance ombudsman?
Ans: specified territory only
7. What is the procedure for lodging a complaint with insurance ombudsman?
Ans: in writing addressed to the ombudsman
8. What is the time limit for approaching the ombudsman?
Ans: within one year of rejection of complaint by the insurer
9. Which of the below is a prerequisite for launching a complaint with the ombudsman?
Ans: first the complainant has to move the consumer forum before approaching ombudsman

10. What is the fee to be paid to the ombudsman for lodging a complaint?
Ans: no fee or charges are payable
11. Which is correct statement out of the following?
Ans: complaints can be launched against private insurers as also public sector companies
12. If a consumer is not satisfied with the decision of the national commission he can file an appeal before?
Ans: supreme court of India

CHAPTER 4 : REGULATORY ASPECTS OF CORPORATE AGENCY

1. State which of the following statement is correct?
Ans: agents are governed by IRDAI regulations and rules framed thereunder.
2. State which of the following is correct statement?
a) An agent can either represent more than one life insurance
b) An agent may represent more than one general insurance companies
c) An agent may represent not more than one health insurance companies
d) An agent may represent one life insurance, one general insurance, one health insurance and one each of mono line insurance company.
Ans: D
3. Composite agent means?
a) An agent appointed by two or more insurers.
b) An agent appointed by one life and one general insurer
c) An agent appointed by one life , one general and one health insurer
d) All the above statements are correct.
Ans: D
4. Appointment letter of an agent is issued by?
Ans: designated official of the insurance company
5. An insurer carrying on one particular specialized line of business like agriculture insurance or export credit guarantee business is called?
Ans: non-life insurer
6. What is the validity of pass certificate of IRDAI examination for appointment as an agent ?
Ans: twelve monts
7. State which of the following is correct?
a) Show the agency identity card to the prospect, and also disclose the agency appointment letter to the prospect on demand;
b) Disseminate the requisite information in respect of insurance product offered for sale by his insurer and take into account the needs of the prospect while recommending a specific insurance plan;

- c) Where the insurance agent represents more than one insurer offering same line of products, he should dispassionately advise the policyholder on the products of all insurers whom he is representing and the product best suited to the specific needs of the prospect;
- d) All the above are correct

Ans: D

8. State which one of the following is incorrect?

- a) Disclose the scale of commission in respect of the insurance product offered for sale,if asked by the prospect;
- b) Indicate the premium to be charged by the insurer for the insurance product offered for sale;
- c) Advise prospect to give wrong information about his health so that he gets policy protection for the family.
- d) Render necessary assistance to the policyholders or claimants or beneficiaries in complying with the requirements for settlement of claims by the insurer;

Ans: C

9. Which of the following are correct?

- a) Solicit or procure insurance business without being appointed to act as such by the insurer
- b) Induce the prospect to omit any material information in the proposal form;
- c) Induce the prospect to submit wrong information in the proposal form or documents submitted to the insurer for acceptance of the proposal ;
- d) All are correct.

Ans: D

10. Which one the following should not be done by an agent?

- a) Resort to multilevel marketing for soliciting and procuring insurance policies and / or induct any prospect / policy holder into a multilevel level marketing scheme.
- b) Interfere with a proposal introduced by any other agent
- c) Demand or receive a share of proceeds from the beneficiary under an insurance contract.
- d) All the above

Ans: D

11. For conservation of business sold, as per the IRDAI (appointment of agents) regulations 2016, an agent is obliged to do the following ;

- a) Make an attempt to ensure remittance of premium by the policyholder within the time by giving notice orally
- b) Make an attempt to ensure remittance of premium by the policyholder within the time by giving notice in writing
- c) Both are correct

Ans: C

12. IF agency appointment has been cancelled by the designated official , application for fresh agency will be considered after the lapse of a period of Years?

Ans: five years

13. Which of the following is correct?
- a) Acting as an insurance agent in violation of the provisions of the insurance Act, 1938 and regulations will attract a penalty which may extend to ten thousand rupees
 - b) Any insurer or any person acting on behalf of an insurer, who appoints any person as an insurance agent not permitted to act as such or transact any insurance business in India through any such person shall be liable to penalty which may extend to one crore rupees.
 - c) Both are correct

Ans: C

14. A Corporate agent has to be one of the following as per the IRDA's regulations 2015?
- a) It has to be a company under the new companies Act,2013
 - b) It may be a limited liability partnership firm under the Act, 2008
 - c) It can be a banking company under the banking companies Act, 1949
 - d) It can be any or all the above entities

Ans: d

15. State which of the following statements is correct?
- a) A corporate agent is not governed by the IRDAI regulations
 - b) A corporate agent need not have any certificate of registration for acting as such
 - c) Specified persons of the corporate agent need not have any certificate of registration for acting on behalf of the corporate agent
 - d) All the above statements are wrong

16. State which of the following is correct statement
- a) A corporate agent can either represent one or more than one life insurer.
 - b) A corporate agent may represent one or more than one general insurer
 - c) A corporate agent may represent not more than three health insurers
 - d) All the above statements are correct

Ans: d

17. Pick out the incorrect statement out of the following ones
- a) A corporate agent can either represent life or non- life incurrence company
 - b) A corporate agent can either represent one life or one non-life insurer only
 - c) A corporate agent can represent either one life or one non-life but not more than one insurer of either kind
 - d) All the above statements are incorrect

Ans: d

18. State which of the below mentioned statements is incorrect
- a) A corporate agent can represent any two life insurers and one-life insurers only
 - b) A corporate agent can represent any two non-life insurers
 - c) A corporate agent can represent three life insurers and one non-life insurers only
 - d) All the above statements are incorrect

Ans: d

19. Pick out the correct statement

- a) At the time of application for corporate agency, no fee is payable
- b) A fee of Rs.25,000 only is payable on receipt of a communication from the IRDAI for grant of registration
- c) A fee of Rs.10,000/- is payable on application for renewal of registration of corporate agency
- d) Application fee can be paid after it is processed and certification of registration is confirmed by the IRDAI

Ans: d

20. What is the educational qualification for specified persons?

Ans: 12th standard pass in a recognized examination

21. State which ones is correct

- a) A telemarketer is subject to all regulations of the corporate agency as also of the telecom authority of india for soliciting insurance business from insurable public
- b) A telemarketer shall not be engaged with more than three insurers
- c) A corporate agent has to enter into an agreement with telemarketer for the business of insurance
- d) All the above statements are correct

Ans: d

22. Identify the correct statement

- a) A corporate agent is barred from multi – level marketing for solicitation of insurance products
- b) Without a certificate of registration a corporate agent cannot do the business
- c) Corporate agent shall be responsible for redressal of grievances of its clients with in a fortnight of receipt of their complaints
- d) All the above statements are correct

Ans: d

23. Which is correct?

- a) For renewal of registration if application is received by the authority after the expiry a fee of Rs. 70/- is payable
- b) A corporate agent has to apply for renewal within thirty days before expiry of registration
- c) An application received later than the aforesaid time limit but before the actual date of expiry a fee of Rs.100/- is payable
- d) All the above statements are correct

Ans: d

CHAPTER 5 : LEGAL PRINCIPLES OF AN INSURANCE CONTRACT

1. Coercion is found in the following situations?
 - a) Ram, the agent, provides false information to make Ramesh to sign a proposal for life insurance
 - b) Ram uses his professional standing as an ace salesman to get Ramesh sign a proposal
 - c) ram uses threat to make Ramesh to sign a proposal for life insurance.
 - d) Without clearly understanding the salient features of the policy Ramesh signs the proposalAns: c
2. What cannot be proposed for insurance by an agent?
Ans: one's friend
3. Premium in the context of insurance is?
Ans: consideration
4. If the statement are made without fraudulent motive in the proposal they are known as
Ans: representation
5. State the correct option out of the following
 - a) life insurance contracts are not legally enforceable
 - b) though verbal, life insurance contracts are sometimes legally enforceable
 - c) life insurance is a contract between the life assured and the insurer as per the contract act,1872 and hence is enforceable in a court of lawans:c
6. Uberrima fides or the principle of utmost good faith involves in?
 - a) Disclosure of material facts about the proposal in the proposal form and related documents.
 - b) Non-disclosure of such information in the proposal form
 - c) Saying falsehood about the proposer's health condition in the proposal form
 - d) All of the aboveAns: d
7. In which of the following cases insurable interest is not present?
 - a) friends taking out life insurance on one another
 - b) spouse taking out a policy on her husband's life
 - c) A father taking out a policy on the life of his son
 - d) Employer taking out a policy on his employeesAns: a
8. Pick out the incorrect statement out of the following?
 - a) Insurable interest in life insurance should be present at the time of taking out of a policy
 - b) It need not be present at the time of proposal but should be present at the time of claim.
 - c) Insurable interest is not essential at all in an insurance contract
 - d) Insurable interest should be present both at the time of proposal and at the time of claimAns: c

9. Uberrima fides or the principle of utmost good faith is not applicable to?
Ans: commercial contracts
10. Insurable interest has been defined by?
Ans: defined on the basis of judgment given by court of law.

CHAPTER 6 : WHAT LIFE INSURANCE INVOLVES?

1. Diversification helps in reduction of financial risk through
Ans: investment of funds across many asset classes
2. Traditional method of estimating one's life insurance needs is through
Ans: human life value
3. The following is not an insurable risk.
- a) Dying too early
 - b) Dying too old
 - c) Living with disabilities
 - d) Natural wear and tear of life on account of age
- Ans: d
4. Which is not an asset for purposes of insurance?
Ans: air
5. State the correct ones from the following statements
- a) Life insurance is a contract of assurance
 - b) Medclaim is a contract of assurance
 - c) There is certainty of risk in general insurance contracts
 - d) General insurance contract is also a contract of assurance
- Ans: a
6. Reason for charging lower premium for younger person is that
Ans: mortality is age-related
7. There is no element of saving in the following plan of life insurance
Ans: term insurance
8. What is the advantage in cash value insurance contracts?
Ans: secure investment
9. Which of the below is not a component of life insurance business?
Ans: subsidy
10. Concept of HLV was propounded by?
Ans: prof. s.s. Hubener
11. Which of the following statements are true?
- a) Premium collected to pay for the death claims is called risk premium

- b) Pure premium is the amount net of risk premium less return on investments
- c) Office premium consists of loading for management expenses, catastrophic reserve and bonus
- d) All the above are correct

Ans: d

12. What are the implications of charging level premium by life insurers?

- a) Convenient for policyholder to remember and pay
- b) Results in accumulation to allow surrender value and facility of policy loan
- c) Convenient for the actuary to avoid fluctuations due to mortality
- d) All of the above

Ans: d

13. Life insurance is possible because of?

- a) principle of risk pooling where large number of people contribute to pay the losses of few,
- b) principle of large number which makes it possible to conduct insurance business
- c) mortality table helps in predicting claims by death and survival
- d) all of the above

ans: d

14. Significance of life insurance comes from?

- a) The concept of sum assured which is guaranteed
- b) Insurance moneys are available to family at the most crucial time
- c) Life insurance becomes vehicle of financial security
- d) All of the above

Ans:d

CHAPTER 7: FINANCIAL PLANNING

1. What is the best mechanism for a person to guard against unforeseen events?

Ans: life insurance

2. The best time for one's financial planning is?

Ans: on receipt of the first salary from his employer

3. State what is not the objective of financial planning?

Ans: avoidance of tax

4. Which is the contingency product?

Ans: life & general insurance

5. Which of the following is a wealth accumulation product?

- a) General insurance policy
- b) Life insurance policy with health cover
- c) Bank deposits including FDs
- d) Shares of companies

Ans: d

6. What is the relationship between investment horizon and returns on investments?
Ans: greater the investment horizons the larger the returns
7. Which will not be suitable to maximize one's discretionary income?
Ans: purchase of life insurance
8. Rise in the general price level of goods and services in an economy over a period of time is known as?
Ans: inflation
9. Two factors are combined in a savings product
Ans: deferment of consumption and parting with liquidity
10. An individual with an aggressive risk profile is likely to follow the investment style of?
Ans: accumulation
11. What is financial planning?
a) Financial planning is a process of identifying one's life goals
b) Financial planning helps in deciding how to achieve financial goals
c) Financial planning takes into account one's current and future needs, individual's risk profile and income to chart out road map for future
d) All of the above
Ans: d
12. In which economic life cycle phase insurance helps?
a) Student phase
b) Working phase
c) Retirement phase
d) All phases
Ans:d
13. Arrange the following perils to which human life is exposed in order of its severity?
Ans: living too long
14. Which of the following elements of financial planning can be ignored?
1. Risk management
2. Investment, tax and estate planning
3. Retirement planning
4. None of the above
Ans: d

CHAPTER 8 : LIFE INSURANCE PRODUCTS – 1

1. Which of the following is an intangible product?
Ans: life insurance
2. Identify the correct statement for term insurance plan?
Ans: premium remains constant & may be refunded at the end of policy period

3. Identify the correct statement for term insurance policy?
Ans: conversion to whole life policy is possible
4. Of the term policy which is correct?
Ans: a term policy can either be a standalone policy or as a rider with another policy
5. Pick out the correct statement out of the following?
- a) In a mortgage redemption policy on death of the life assured the outstanding loan is paid off by the insurer
 - b) In a term policy the outstanding loan is paid off on life assured's death
 - c) Whole life policy pays off the outstanding loan on assured's death
 - d) An endowment policy also pays off the outstanding loan on assured's death
- Ans: a
6. Which is the main objective of life insurance?
Ans: protection against life risk and diminution of economic value of human life
7. Which of the following is a kind of endowment policy?
- a) Whole life policy
 - b) Mortgage redemption policy
 - c) Capital redemption policy
 - d) Money back policy
- Ans: d
8. Pick out the correct statement in respect of an endowment policy?
Ans: there is survival benefit as well death benefit as well death benefit before the term of the policy
9. Who is the ideal customer for a term plan?
Ans: one who needs insurance but who has a low budget
10. Which is not true about whole life policy?
- a) There is no fixed term of the policy
 - b) Sum assured is paid only after the death of the life assured
 - c) Policyholder can take loan against the policy
 - d) Can't be converted in term assurance plan
- Ans: d
11. Which of the following is incorrect for joint life policy?
- a) Husband and wife
 - b) Partners of a firm
 - c) Brother and sister
 - d) One policy is issued for both lives
- ans: c
12. Which of the following is correct?

- a) The term “ PAR” implies polices which will participate in the valuation surplus of life insurer
- b) Non- par policies do not participate in valuation surplus
- c) Both a&b are incorrect
- d) Both a&b are correct

Ans: d

13. When bonus is declared under a policy payable only on maturity or earlier death of the life assured, it is called?

Ans: reversionary bonus

14. Which one is not the guideline of the IRDAI for traditional plans?

- a) In case of participating policies bonus will be guaranteed while issuing policy
- b) For single premium policies death cover will be 125% of the SP for those below 45 years and 110% for those above 45 years
- c) For regular premium policies death cover will be 10 times the annualized premium paid for those below 45 years and 7 times for others
- d) The minimum death benefit in case of traditional plans is at least the amount of sum assured and additional benefits

Ans: a

15. When bonus is payable only on the maturity of policy provided all premiums have been paid, it is called?

- a) Reversionary bonus
- b) Final additional bonus
- c) Terminal bonus
- d) B&c are correct

Ans: d

CHAPTER 9 : LIFE INSURANCE PRODUCTS - 2

1. Identify the non-traditional insurance product out of the following ones?

- a) Whole life policy
- b) Endowment policy
- c) Term insurance
- d) Universal life insurance

Ans: d

2. Pick out the incorrect statement

- a) Variable life insurance has cash value account

- b) It provides a minimum death benefit
- c) It is a permanent life insurance policy
- d) It is a temporary term cover

Ans: d

3. What is the limitation of a traditional life insurance policy?

Ans: rate of return is not easily ascertainable

4. Who are the persons who will come forward to buy ULIP?

Ans: persons with knowledge of stock market and who are comfortable to indulge in equity shares

5. What is not true of a ULIP insurance?

- a) Investment risk is borne by the insured
- b) In ULIP insurance expenses and savings element are transparent
- c) ULIP policies are bundled products
- d) Value of the units is determined in advance

Ans: c

6. Identify the incorrect statement about ULIP

- a) Minimum death benefit is guaranteed
- b) There is facility of flexibility of premium payments
- c) Cash value is not guaranteed
- d) Life assured select the investment venue for his premiums

Ans: b

7. For universal life insurance which statement is correct?

Statement 1: payment of premium can be varied

Statement 2: rate of return on cash value is market based

Ans: both statements are correct

8. The following statements about a ULIP insurance are true expect?

- a) There is guarantee of unit values
- b) Policyholder has freedom to choose different kind of funds
- c) Either a single premium or regular periodical premium is allowed
- d) Expenses are clear and transparent in a ULIP policy

Ans: a

9. As per the recent regulations which of the two non- traditional insurance policies are offered by an indian insurer?

Choice 1: unit linked insurance plan

Choice 2: variable insurance plan

Ans: both the above plans

10. Unbundling is a term used to refer to

Ans: separation of savings element from protection

11. Which is not true about ULIP ?

- a) Expenses are clearly defined
- b) Investment risks are borne by insurers
- c) Mortality charges are made clear in the beginning
- d) Value of units are decided as per formula outlined in advance

Ans: b

12. Unbundling is a term used to refer to?

Ans: separation of expenses, mortality charges and investible amount

CHAPTER 10 : APPLICATIONS OF LIFE INSURANCE

1. What is the objective behind mortgage redemption insurance?

Ans: to provide financial protection for home loan borrowers

2. Sum assured in a keyman insurance policy is linked to

Ans: inflation rate

3. Who can be a KEY MAN?

Ans: executive contributing to profits of the company

4. Mortgage redemption policy is a kind of

Ans: decreasing term assurance

5. The following losses are covered under keyman insurance policy

- a) Losses caused by errors and omissions
- b) general liability
- c) Property theft
- d) Losses during the period of keyman's inability to work

Ans: d

6. In a MWP act policy if a claim arises and if a trustee is not appointed by the life assured the claim will be payable to

Ans: official trustee of the state

7. In which of the following cases no court of law or creditor of the life assured has the power to attach the moneys?

Ans: policies taken out by the deceased under MWP act

8. Which of the two below statement is true in MWP act policies?

Statement: 1 maturity claim cheques are payable to the assured

Statement 2 : maturity claim cheques are payable to trustees

Ans: statement 2 is correct

9. In the above example, governed by MWP act provisions, if death claim is payable it will be paid to

Ans: trustees

10. Which of the following is not considered as deductible expenses paid to employees in an insurance policy?

1: health insurance benefits payable to employees in a group policy

2: keyman life insurance benefits payable to the beneficiaries to the deceased employee

Ans: 2 only

11. Who can't take the policy under the provisions of married women's property Act?

Ans: a married lady belonging to Hindu, Sikh & Christian community

12. Who cannot be a beneficiary in a policy issued under MWP Act 1874?

Ans: mother

CHAPTER 11 : PRICING AND VALUATION IN LIFE INSURANCE

1. Life insurance policy lapses when

Ans: on non – payment of premium within the days of grace

2. In the case of ULIP policies the investment risk borne by

Ans: the insured

3. What is the definition of premium in a life insurance contract?

Ans: consideration or price paid by the assured for purchasing the policy

4. Which of the following factor does not determine the premium in a life insurance contract?

5. What is meant by policy withdrawal?

Ans: surrender of a policy for Cash value

6. Which of the below defines surplus in a life insurance business?

a) Excess value of assets over liabilities

b) Excessive liabilities

c) Excessive assets

d) Excess of liabilities over assets

Ans: a

7. What is not a component of ULIP premiums?

Ans: social security charge

8. Rebates payable by the insurer on the premium are based on

Ans: sum assured chosen by the assured

9. Pick out the correct statement of the following ?

- a) Interest rates have no impact on the premiums
- b) Higher the interest assumed the lower will be the premium
- c) Lower the interest rate assumed lower will be the premium
- d) Higher the interest assumed higher will be the premium

Ans: b

10. In valuation of assets the insurer takes the below mentioned value
- A) book value of assets at which the assets were originally purchased
 - B) discounted present value
 - C) market value of the assets as on date of valuation
 - D) discounted future value

ans: a

11. bonus as a percentage of a basic benefit and as attached bonuses is known as
- ans: compound bonus

12. Which is correct statement out of the following?

- a) Business strain arises as a direct result of excess expenses at new business stage
- b) Business strain arises on account of excess premium leading to surrender of policies
- c) Business strain may arise on account of complexities of policy term
- d) Business strain may arise on account of difficulty experienced by the company in securing new business

Ans: a

CHAPTER 12 : DOCUMENTATION – PROPOSAL STAGE

1. First premium receipt signifies that
Ans: it is evidence that risk has been covered
2. The evidence of the contract of a life insurance contract is?
Ans: policy document
3. For subsequent premiums received by the company, it will issue
Ans: renewal premium receipt
4. When the life assured losses the original policy document the following will be done
 - a) If a court order is obtained the insurer will issue a duplicate policy without any changes in the original contract
 - b) The insurance contract will come to an end
 - c) The insurer will issue a duplicate policy on the original terms and conditions

d) Based on the current health status in a declaration by the life assured a duplicate policy will be issued

Ans:c

5. Of the below which is the correct statement?

a) If the policy document is signed by a competent authority it need not be stamped according to the Act

b) The policy document has to be stamped as per the indian stamp Act but need not be signed by the competent authority

c) The policy document has to be stamped as per the stamp Act and signed by the competent authority

d) Policy document need not be signed nor is it required to be stamped

Ans: c

6. The first part of the standard insurance policy document is

Ans: policy schedule

7. In a standard policy document the standard provisions will be the following

a) The rights and privileges and other conditions as applicable in the contract

b) Date of commencement date of maturity and date of last premium

c) Nominee's name and relationship with the life assured

d) Signature of the competent authority and policy stamp

Ans: a

8. A clause excluding the death of the proposer, if pregnant at the time of entering into a contract of life assurance will be included in the

Ans: specific provisions of the policy

9. Rearrange the 3 stages of money laundering in proper sequence

Ans: placement, layering and integration

10. Which of the following is not a part of KYC document?

a) Photo & proof of identification

b) Certificate of medical fitness

c) Proof of address

d) Age proof

Ans: b

11. A policyholder not satisfied with the terms and conditions of the policy can return the same within 15days of the receipt of the policy. What this facility is called?

Ans: free look period

12. On written application returning the policy during the free look period the policyholder will be entitle to refund of?

Ans: premium less risk premium, medical examiner's fees and stamp duty charges

CHAPTER 13 : DOCUMENTATION - POLICY CONDITION - 1

1. Which of the following will not appear in the first premium receipt
 - a) Policy number and date of commencement
 - b) Sum assured, premium and due date of payment of premium
 - c) Free-look period
 - d) Date of payment of last premium & date of maturityAns: c
2. Which of the following will not appear in the policy schedule?
 - a) Policy owner's name
 - b) Plan & term of assurance
 - c) Name of medical examiner
 - d) Whether policy is with or without profitAns: c
3. Operative clause of the policy lays down?
 - a) Event on the happening of which sum assured will become payable
 - b) Obligation of life assured under the policy
 - c) Both the above
 - d) None of the aboveAns: c
4. Which of the following statement is incorrect?
 - a) If unstamped, policy cannot be enforced in any court of law
 - b) Policy information statement & address of the local ombudsman need not be given
 - c) The policy has to be stamped by the competent authority
 - d) Name & address of the grievance redressal officer of the company has to be mentionedAns: b
5. Which is correct as per the IRDAI regulations?
 - a) A policy can be issued in electronic form & also in hard copy
 - b) Policyholder has to pay charges for change in nomination / assignment
 - c) All requests from policyholders for servicing of policies must be compiled with within specified period
 - d) All the above are correctAns: d

6. If there is an ambiguity in the wording of the contract, how will it be generally dealt with?
- a) In favor of the insured
 - b) In favor of the company
 - c) Policy will come to an end the premium will be refunded proportionately
 - d) Premium will not be returned but a reduced sum assured will be given as paid up value

Ans: a

7. Which of the below statements is correct?
- a) Acceptance of proposal is evidence of the commencement of the contract
 - b) Acceptance of deposit for insurance is evidence that the contract has commenced
 - c) The first premium receipt is evidence of the commencement of the contract
 - d) The premium quoted by the agent on behalf of the insurer is proof of the commencement of the contract

Ans: c

8. In a standard insurance policy document the standard provisions section will have information on which of the below?
- a) The signature of the authorized official and policy stamp
 - b) The rights, privileges and other conditions applicable to the contract
 - c) Name of nominee and assignee, if any
 - d) Date of commencement, date of maturity and due date of last premium payable

Ans: b

9. If a liability is excluded in a policy where will it be shown in a policy document?
- Ans: specific/ special provisions

10. Endorsements are used while issuing the policy or during the continuation of policy for the purpose of?
- a) Alteration of a policy condition
 - b) Addition of a policy condition
 - c) Cancellation of policy condition
 - d) All of the above

Ans: d

CHAPTER 14 : DOCUMENTATION – POLICY CONDITION - 2

1. In which circumstances appointment of an appointee necessary?
Ans: when the nominee is a minor
2. Pick out the incorrect statement out of the following ones?
 - a) A nominee has full rights over the policy claim
 - b) Nominee can be changes by an endorsement in the policy document
 - c) Nomination can be made either at the proposal stage or later after the issue of the policy
 - d) Nomination is not cancelled when loan is taken against the policy and policy is assigned to the insurerAns: a
3. For a policy to acquire surrender value the policy must have been paid for
Ans: 3 consecutive years
4. When does a policy lapse?
Ans: if the premium is not paid from the due date till the expiry of grace period
5. The grace period in a life insurance policy for paying premium is?
Ans: one month or 31 days
6. If the policy becomes a claim by death of the life assured during the grace period and due premium not having been paid, what will be the position?
Ans: the full claim will be paid after deducting the unpaid premium
7. At the time of revival of a lapsed policy which factor is most important for the insurer?
Ans: evidence of insurability of the insured at the time of revival
8. Which section of the insurance Act 1938 governs provisions for nomination in a life insurance policy?
Ans: sec: 39
9. Pick out the incorrect statement out of the following ones
 - a) the absolute assignment provides for return of rights in the policy to the legal beneficiaries of the original life assured in case of his death during the policy term
 - b) In the case of death of the assignor in absolute assignment the rights in the policy will vest in the assignee
 - c) The assignment of a life insurance policy is transfer of rights, title and interest from the assignor to the assignee
 - d) Notice of assignment has to be given by the life assured for the assignment to be effective ans: a

10. Normally which of the below alterations will be permitted by the insurer?
Ans: splitting of the policy into two or more policies
11. Which section of the insurance Act 1938 governs provisions for assignment in a life insurance policy?
Ans: sec. 38
12. Which of the following statements is incorrect about nomination of life insurance policy?
- a) anyone can be nominee
 - b) In case of absolute assignment nomination stands cancelled
 - c) An assignee can make a nomination
 - d) A minor can also be a nominee
- Ans: c
13. An assignee can transfer the right, title and interest in favour of assignor by
Ans: reassignment of policy by giving notice to insurer
14. The right of the insurer to surrender the policy by giving notice to life assured in case of default in payment of premium, interest on loan & repayment of loan is called?
Ans: foreclosure

CHAPTER 15 : UNDERWRITING

1. The underwriter is likely to either decline or postpone the proposal from the following persons?
- a) Housewife with no independent income
 - b) Person suffering from AIDS
 - c) An obese person
 - d) Healthy person young in years
- Ans: b
2. In which of the following cases moral hazard can be suspected?
- a) Person lying in the proposal as to his health
 - b) A person who drinks alcohol in large quantities just because he has taken out a policy of insurance
 - c) Insured with history of default in premium payment
 - d) A circus artist performing a dangerous stunt
- Ans: b

3. What is the relevance of family history in underwriting ?
Ans: certain diseases are likely to be passed on from parents to children
4. What is the main role of an underwriter in a life insurance company?
Ans: it is deciding whether to accept the proposal and at what terms and conditions
5. Which of the following is not an underwriting decision?
 - a) Postponement of risk
 - b) Horoscope
 - c) Risk acceptance at standard rates or with extra premium
 - d) Rejection of claimsAns: d
6. Which of the following is not a standard age proof?
 - a) Birth certificate issued by a municipal authority
 - b) Horoscope
 - c) Passport
 - d) School leaving certificateAns: b
7. What will affect negatively a person's insurability?
Ans: use of narcotics and other banned substance
8. In which method does an underwriter assign positive points for adverse aspects and negative points for favorable aspects in proposer's condition in a proposal for insurance?
Ans: Numerical underwriting
9. In which of the following lives the risk will correspond to standards assumed in mortality table?
 - a) Preferred lives
 - b) Standard lives
 - c) Sub-standard lives
 - d) Declined livesAns: b
10. In the case of a pregnant lady proposer for a term insurance which will be the best option to her?
Ans: acceptance with a restrictive clause
11. Which of the below cases will not qualify for non-medical underwriting?
 - a) Ramesh aged 29 years employed in a bank proposing on his life for 50 lakhs of rupees
 - b) Sathish of 30years employed in a mall proposing on his life for 5 lakhs for 15 year term
 - c) Archana aged 26 years working as a software engineer

d) Kaluram aged 55 years working in a coal mine

Ans: d

12. Kishore has proposed on his life for a term cover. His mortality index is significantly lower than a standard life and can be changed a lower premium. He can be classified as a?

Ans: preferred risk

13. Which one of the following is not taken into account in non-medical underwriting?

- a) Age at entry & maturity
- b) Income of the proposer
- c) Plan & term of insurance
- d) Rider asked for

Ans: b

14. In which of the following situation moral may not be suspected?

- a) When a proposal is submitted at a branch located far away from the place of residence or work of the proposer
- b) A medical examination is done elsewhere even when a qualified medical examiner with adequate limit is available near one's place of residence
- c) Husband proposing for insurance on the life of his wife having no income
- d) A proposal is made on the life of another without having clear insurable interest or when nominee is not a near relative of the proponent

Ans: c

15. Which of the following occupation will call for extra premium due to occupational hazard?

- a) Circus artist
- b) Acrobat
- c) Film stunt artist
- d) All of the above

Ans: d

16. Medical underwriting is necessitated due to the following factors?

- a) Family history indicating hereditary diseases, longevity & family environment
- b) Personal history indicating cardiovascular diseases, diseases of respiratory system, excessive production or reproduction of cells
- c) Diseases of digestive system, renal system, endocrine system and nervous system
- d) All of the above

Ans: d

CHAPTER 16 : PAYMENTS UNDER A LIFE INSURANCE POLICY

1. What is the status of a claim in a life insurance policy?
Ans: it is a demand that the insurer should honor as indicated in the contract
2. In which of the following policy the claim payment is made in installments?
 - a) Term insurance policy
 - b) Unit-linked insurance policy
 - c) Return of premium
 - d) Money back policyAns: d
3. In absolutely assigned policy the death claim will be paid to?
Ans: to the absolute assignee
4. In an accidental death claim what additional document would be necessary?
Ans: police inquest report
5. What is the definition of an early claim?
Ans: if a claim arises within three years of commencement or 3 years of revival or 3 years of addition or rider benefit
6. Which of the below statement is incorrect?
 - a) In a term insurance policy claim will be payable at the end of the term
 - b) In money back policy periodic payments will be made
 - c) Claim is payable in a critical illness rider policy as a benefit
 - d) If an endowment policy is surrendered surrender value is payable as per the company rulesAns: a
7. In a ULIP policy if a death claim arises before maturity what is payable to the beneficiaries?
Ans: fund value or sum assured – whichever is higher
8. As per the IRDAI regulations 2002, decision in a claim has to be taken either to pay or dispute within how many days of receipt of all documents from the claimant?
Ans: in 30 days
9. Which of the following is not a claim in life insurance policy?
 - a) Survival / maturity claim
 - b) Death claim
 - c) Rider claims
 - d) Paid – up valueAns: d

10. Who will initiate action in survival and maturity claims?

Ans: insurer

11. Who can initiate action in death claim?

- A) Nominee/assignee
- B) Family members
- C) Agent
- D) Any of the above

Ans:d

12. As per the IRDAI regulations investigation in case of early death claim must be completed in?

Ans: 6 months

13. Which of the following statement are true?

- a) If a claim otherwise payable is held up due to the proper identification of payee, the claim amount shall earn interest at the rate applicable to a saving bank account
- b) If delay in payment is on the part of insurer, the insurer shall pay interest on the claim amount at a rate which is 2% above the bank rate prevalent at the beginning of the financial year
- c) Both are true
- d) Only A is true

Ans: c

14. Which of the following is the correct meaning of claim concession clause?

- a) If premium has been paid for three years and thereafter life assured dies within 6 months from the due date of the unpaid premium, claim is paid for full sum assured subject to the due date of the unpaid premium with interest thereon
- b) If premium has been paid for five years and thereafter life assured dies within one year from the due date of the unpaid premium ,claim is paid for full sum assured subject to deduction of unpaid premium with interest thereon
- c) Both the statements are correct
- d) Only A is correct

Ans: c

15. How the disability benefit in a life insurance policy is paid to the life assured?

Ans: in half yearly installments spread over remaining 10 policy years

SECTION 3 – HEALTH INSURANCE

CHAPTER 17 : INTRODUCTION TO HEALTH INSURANCE

1. What is the definition of health care as per WHO?
Ans: health is a state of complete physical, mental and social well-being and not merely the absence of disease
2. Which of the following are not determinants of health?
 - a) Life style
 - b) Environmental factors
 - c) Genetic factors
 - d) All of the aboveAns: d
3. What are the characteristics of effective health care?
 - a) Appropriate to the need of the people
 - b) Affordable
 - c) Easily available, comprehensive and adequate
 - d) All the aboveAns: d
4. Services offered by doctors (family doctors), nurses and other small clinics which are contacted first by the patients for any sickness is called?
Ans: primary health care
5. Specialized consultative health care, usually for inpatients And on referral from primary health care is called?
Ans: tertiary health care
6. Health insurance market does not consist of?
Ans: medical stores
7. What is the number of qualified practitioners in other than allopathic system of medicines (Ayurveda, sidhha, unani, and homeopathic)?
Ans: over 7 lakhs
8. Which of the following is not an insurance intermediary?
 - a) Insurance brokers
 - b) Sales manager
 - c) Corporate agents
 - d) Insurance marketing firmsAns: b

9. Insurance provide coverage for non-allopathic treatments provided the treatment has been undergone in
- A) A government hospital
 - B) Any institute recognized by the government
 - C) Accredited by quality council of india/ national accreditation board on health
 - D) All of the above
- Ans: d
10. Medclaim policy is basically a
- Ans: indemnity policy
11. What is the maximum income tax relief available under sec.80 D of income tax act for medclaim policy premium for other than senior citizen?
- Ans: Rs.25000
12. The earliest kind of risk to be handled through the concept of insurance was
- Ans: marine risk
13. ___ committee was setup to explore and recommend changes for the development of insurance industry
- Ans: malhotra
14. Which of the following is a reinsurance company?
- a) General insurance corporation of india
 - b) United india insurance company
 - c) National insurance company
 - d) Oriental insurance company
- Ans: a
15. Which of the following is the environmental factors that determine the health of the individual?
- a) Exercising and eating within the limits
 - b) Lack of safe drinking water , sanitation and nutrition
 - c) Habits such as smoking , drug abuse
 - d) Sedentary life style
- Ans: b

CHAPTER 18 : INSURANCE DOCUMENTATION

1. What are the basis of contract of health insurance?
- A) Proposal form
 - B) Declaration in the proposal form
 - C) Medical examiners report
 - D) All the above

Ans: d

2. What are the implications of signing of declaration by the insured?

- A) All answers become warranty against the insured
- B) It make the principle of utmost good faith applicable
- C) Warranty must be literally true
- D) All the above

Ans: d

3. Prospectus is the document issued by the insurer providing scope of benefits, warranties, exceptions, conditions, riders etc.? Which of the following is incorrect about prospectus?

Ans: non portability of policy to another insurer

4. Which of the following is the exception to section 64VB which makes the payment of premium mandatory for covering of risk in general and health insurance?

- a) Provision for payment in installments in case of policies which run for more than 12 months
- b) Payment through bank guarantee if exact premium cannot be ascertained in advance
- c) Debit to cash deposit A/C maintained by the client with the insurers
- d) All of the above

Ans: d

5. Which of the rules of interpretation of policy wordings is incorrect?

- a) Ordinary printed wordings over-ride the wordings printed in italics
- b) Clauses printed or typed in the margin of the policy are to be given more importance than the wordings within the policy
- c) Printed wording is over-ridden by type written wordings or wording impressed by an inked rubber stamp
- d) Hand writing takes precedence over typed or stamped wording

Ans: a

6. Which of the rules of interpretation of policy wordings is incorrect?

- A) For individual proposer to collect certificate of incorporation, memorandum & article of association , POW & copy of PAN card
- B) For corporate proposers to collect full name , address , contact number with ID , address proof , PAN no, bank details & NEFT details
- C) Both are correct
- D) Both are incorrect

Ans: d

7. As per guidelines , an insurance company has to process an insurance proposal within__

Ans: 45 days

8. In case the premium payment is made by cheque , then which of the below statement will hold true?
- a) The risk may be assumed on the date on which the cheque is posted
 - b) The risk may be assumed on the date on which the cheque is deposited by the insurance company
 - c) The risk may be assumed on the date on which the cheque is received by the insurance company
 - d) The risk may be assumed on the date on which the cheque is issued by the proposer

Ans: a

9. Which of the below statement is correct with regards to a warranty?
- a) A warranty is a condition which is implied without being stated in the policy
 - b) A warranty is a condition expressly stated in the policy
 - c) A warranty is a condition expressly stated in the policy and communicated to the insured separately and not as part of the policy document
 - d) If a warranty is breached, the claim can still be paid if it is not material to the risk

Ans: b

10. If certain terms and conditions of the policy need to be modified at the time of issuance or during the currency of policy, it is done by setting out the amendments through __

Ans: endorsement

11. Which of the below statement is correct with regards to renewal notice?
- a) As per regulations there is a legal obligation on insurers to send a renewal notice to insured, 30 days before the expiry of the policy
 - b) As per regulations there is a legal obligation on insurers to send a renewal notice to insured , 15 days before the expiry of the policy
 - c) As per regulations there is a legal obligation on insurers to send a renewal notice to insured, 7 days before the expiry of the policy
 - d) As per regulations there is no legal obligation on insurers to send a renewal notice to insured before the expiry of the policy

Ans: a

CHAPTER 19 : HEALTH INSURANCE PRODUCTS

1. Though the duration of cover for pre-hospitalization expenses would vary from insurer to insurer and is defined in the policy, the most common cover for pre-hospitalization is?
Ans: thirty days
2. As per IRDA guidelines, a ___ grace period is allowed for renewal of individual health policies
Ans: fifteen days
3. Which of the below statement is correct with regards to a hospitalization expenses policy?
 - a) Only hospitalization expenses are covered
 - b) Hospitalization as well as pre and post hospitalization expenses are covered
 - c) Hospitalization as well as pre and post hospitalization expenses are covered and a lumpsum amount is paid to the family members in the event of insured's death
 - d) Hospitalization expenses are covered from the first year and pre and post hospitalization expenses are covered from the second year if the first year is claim freeAns: b
4. Identify which of the below statement is correct?
 - a) Health insurance deals with morbidity
 - b) Health insurance deals with mortality
 - c) Health insurance deals with morbidity as well as mortality
 - d) Health insurance neither deals with morbidity or mortalityAns: a
5. Which of the below statement is correct with regards to cashless service provided in health insurance?
 - a) It is an environment friendly go-green initiative started by insurance companies to promote electronic payments so that circulation of physical cash notes can be reduced and trees can be saved
 - b) Service is provided free of cost to the insured and no cash is to be paid as the payment is made by the government to the insurance company under a special scheme
 - c) All payments made by insured have to be made only through internet banking or cards as cash is not accepted by the insurance company
 - d) The insured does not pay and the insurance company settles the bill directly with the hospital

Ans: d

6. Identify the correct full form of PPN with regards to hospitals in health insurance

Ans: preferred provider network

7. Identify which of the below statement is incorrect?

- a) An employer can take a group mediclaim policy for his employees
- b) A bank can take a group mediclaim policy for its customers
- c) A shopkeeper can take a group mediclaim policy for its customers
- d) A group policy taken by the employer for his employees can be extended to include the family members of the employees

Ans: c

8. Who contribute s premium towards RSBY

- a) Central govt.
- b) State govt.
- c) both
- d) Person

Ans: c

9. Premium up to Rs.10000/- qualifies for rebate in income tax Act and service tax is not applicable to the

Ans: Jan Arogya Bima Policy

10. ESIC is governed by

Ans: state government

11. Baggage policy includes

Ans: baggage accompanied with

12. Group personal accident products with a term of less than one year can be offered only by

- a) Non-life insurer
- b) Standalone health insurer
- c) Only B
- d) Both A&B

Ans: d

13. A health insurance policy is ordinarily renewable except on grounds of

- a) fraud
- b) moral hazard
- c) misrepresentation
- d) all the above

Ans: d

14. Which of the following statements is true in relation to standard group mediclaim policy

- 1: cumulative bonus is not available
- 2: health checkup expenses are not available

Ans: 1 & 2 are true

15. which of the following policy is issued on “ worldwide basis”?
ans: personal accident policy
16. in individual mediclaim policy cost of health checkup is available after an interval of
ans: once in four claim free years of policy
17. in the reshtriya swastya bima yojna(RSBY) the central and state govt. share the premium in the ratio of:
ans: 75: 25 ;
18. which of the following statements are incorrect about jan arogya policy (15/08/1996)
- a) the coverage is poorer section of the society between the age of 5 to 70 years
 - b) the sum insured per persons is restricted to Rs.5000 to Rs.20000
 - c) family includes head of the family , spouse and 2 children should be below the age of 25 years
 - d) tax benefit is available upto Rs.15000/-
- ans: d
19. which statement I correct in case of overseas mediclaim policy?
- a) Premium is payable in foreign
 - b) In some policies premium is payable in rupees and claim is payable in foreign currency
 - c) Premium and claim is paid in US dollars
 - d) None of the above
- Ans: b
20. The premium under OMP policy depends on
- a) Age band
 - b) Trip bound and country to be vivited
 - c) Sum insured
 - d) All the above
- Ans: d
21. Floating cover is allowed only in
Ans: health insurance
22. Under mediclaim policy 30days waiting period is not applicable for?
Ans: accident
23. Overseas mediclaim policy does not cover
- a) All pre-existing diseases expenses
 - b) Travel against doctors’ advice & incurred hospitalize expenses

- c) Up to US dollar 100
- d) All of the above

Ans: d

24. Under family floater policy the following is not covered

- a) Spouse
- b) Brother
- c) Dependent children
- d) Dependent parents

Ans: b

25. In health insurance co-payment will be borne by?

Ans: insured (bears a part of claim)

26. Under mediclaim policy which one is correct in case of day care treatment?

1: undertaken as outpatient treatment

2: treatment for less than 24 hours and discharged due to technological advancement and which would have otherwise required a hospitalization of more than 24 hours

Ans: both are true

27. Portability under mediclaim policy is considered provided?

Ans: after approval from IRDAI other insurance company will renew the mediclaim policy with existing benefits

28. Turnaround times for TPA

- a) Dispatch of ID cards within 7 days
- b) Collection of policy every week
- c) Deficiency correction & dispatch of cards within 7 days
- d) All the above

Ans: d

29. Maximum sum insured under individual janta accident policy is

Ans: 100000

30. Jan arogya bima policy covers

Ans: accidental hospital expenses

31. Overseas mediclaim policy is issued for indian residents except for?

Ans: citizenship

32. Baggage insurance policy covers?

Ans: loss of money

33. Which is the correct definition of hospital for a town with less than 10 lakhs population for the purposes of mediclaim policy?

Ans: it should be registered for in-patient care with local authority and should have at least 10 in-patient beds

34. Which of the following is not covered under critical illness policy?
- a) Cancer of specified severity
 - b) Paralysis of temporary nature
 - c) Multiple sclerosis
 - d) Renewal failure
- Ans: b
35. What is the standard waiting period & survival clause in critical illness policy?
- Ans: 90 days & 30 days
36. Which one of the following is not a special feature of Sr. citizen policy?
- a) Issued to people aged 60 years & above with life – long renewability
 - b) Special attention to disease of elderly
 - c) Coverage for pre-existing diseases
 - d) Separate channel by insurers and TPAs for claims and grievances
- Ans: c

CHAPTER 20 : HEALTH INSURANCE UNDERWRITING

1. Underwriting is the process of ___?
- Ans: risk selection and risk pricing
2. The principle of utmost good faith in underwriting is required to be followed by
- Ans: both the insurer and the insured
3. Insurable interest refers to ___
- Ans: financial interest of the person in the asset to be insured
4. Which of the following statements about medical underwriting is incorrect?
- a) It involves high cost in collecting and assessing medical reports
 - b) Current health status and age are the key factors in medical underwriting for health insurance
 - c) Proposers have to undergo medical and pathological investigations to assess their health risk profile
 - d) Percentage assessment is made on each component of the risk
- Ans: d
5. Statement 1 : in a group health insurance , any of the individual constituting the group could be adverse selection against the insurer
Statement 2 : group health insurance provides coverage only to employer employee groups
- Ans: statement 1 and statement 2 are false

6. Which of the following factor does not affect the morbidity of an individual?
- a) Gender
 - b) Spouse job
 - c) Habits
 - d) Residence location

Ans: b

7. According to the principle of indemnity, the insured is paid for _____

Ans: the actual losses to the sum insured

8. The underwriting process is completed when _____

Ans: the received information is carefully assessed and classified into appropriate risk categories

9. Which of the following statements about the numerical rating method is incorrect?

- a) Numerical rating method provides greater speed in the handling of a large business with the help of trained personnel
- b) Analysis of difficult or doubtful cases is not possible on the basis of numerical points without medical referees or experts
- c) This method can be used by persons without any specific knowledge of medical science
- d) It ensure consistency between the decisions of different underwriters

Ans: b

10. For underwriting of personal accident policy , based on the occupation proponents have been classified in three groups. Which of the following statements are correct?

- a) Accountants, doctors , lawyers, engineers, teachers have been put in group 2
- b) Builders ,contractors, veterinary doctors, paid drivers of motor cars and LMVs have been put in group 3
- c) Both are incorrect

Ans: c

11. The first and the primary source of information about an applicant , for the underwriter is his?

Ans: proposal form

CHAPTER 21 : HEALTH INSURANCE CLAIMS

1. Who among the following is not a stakeholder in insurance claim process?
 - a) Insurance company
 - b) Human resource department
 - c) Regulator
 - d) TPAAns:c
2. Which of the following document is maintained at the hospital detailing all treatment done to an in- patient?
 - a) Investigation report
 - b) settlement sheet
 - c) case paper
 - d) hospital registration certificateans: b
3. the amount of provision made for all claims in the books of the insurer based on the status of claims is known as____
ans: reserving
4. Which of the following documents are not required to be submitted for permanent total disability claim?
 - a) Duly completed personal accident claim form signed by the claimant
 - b) Attested copy of first information report if applicable
 - c) Permanent disability certificate from a civil surgeon or any equivalent competent doctors certifying the disability of the insured
 - d) Fitness certificate from the treating doctor certifying that the insured is fit to perform his normal dutiesAns: d
5. _____are paid upfront by assistance company and later claimed from insurance company
Ans: overseas travel insurance claims
6. Who among the following is considered as primary stakeholder in insurance claim process?
 - a) Customers
 - b) Owners
 - c) Underwriters
 - d) Insurance agents/brokers

Ans: a

7. Girish sexena's insurance claim was denied by insurance company. In case of a denial, what is the option available to girish sexena, apart from the representation to the insurer?

Ans: to approach legal authorities

8. During investigation, of a health insurance claim presented by rajiv mehto, insurance company finds that instead of rajiv mehto , his brother rajesh mehto had been admitted to hospital for treatment. The policy of rajiv mehto is not a family floater plan. This is an example of _____ fraud.

Ans: fabrication of documents

9. Under which of the following conditions, is domiciliary hospitalization is covered in a health insurance policy?
- a) The condition of the patient is such that he/she can be removed to the hospital / nursing home ,but prefer not to
 - b) The patient cannot be removed to hospital/nursing home for lack of accommodation therein
 - c) The treatment can be carried out only in hospital /nursing home
 - d) Duration of hospitalization is exceeding 24hours

Ans: b

10. Which of the following codes capture the procedures performed to treat the illness?
- a) ICD
 - b) DCI
 - c) CPT
 - d) PCT

Ans: c

***** END *****

