



Dr.G.R.Damodaran College of Science

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II B.COM (AM) [2016-2019]

Semester III

SKILL BASED SUBJECT : PRINCIPLES AND PRACTICE OF LIFE INSURANCE – 313E

Multiple Choice Questions.

1. Insurance contract is sort of contract which is approved by

- A. The Indian Contract Act
- B. Indian Factory Act
- C. Indian Companies Act
- D. The Indian finance Act

ANSWER: A

2. General Insurance Corporation was established during the year

- A. 1972.
- B. 1955.
- C. 1956.
- D. 1971

ANSWER: A

3. General Insurance Business was nationalized under

- A. General Insurance Business Nationalisation Act, 1971
- B. General Insurance Business Nationalisation Act, 1972
- C. General Insurance Business Nationalisation Act, 1973
- D. General Insurance Business Nationalisation Act, 1974

ANSWER: B

4. The head office of New India Assurance & Co Ltd

- A. New Delhi
- B. Kolkata
- C. Chennai.
- D. Mumbai.

ANSWER: D

5. New Delhi is the head office of _____.

- A. New India Assurance & Co Ltd.,
- B. . United India Assurance & Co Ltd
- C. Oriental Insurance Co Ltd
- D. National Insurance Co Ltd

ANSWER: C

6. The Head office of National Insurance Co, Ltd, is _____.

- A. Mumbai

- B. Kolkata.
 - C. Bangalore.
 - D. Hyderabad
- ANSWER: B

7. The Head office of United India Insurance co, Ltd, is
- A. Chennai.
 - B. Bangalore.
 - C. New Delhi
 - D. . Mumbai.
- ANSWER: A

8. The first company transacted insurance business was
- A. LIC
 - B. GIC
 - C. Indian Mercantile Insurance Company
 - D. Oriental insurance Company.
- ANSWER: C

9. The nationalization of insurance sector was taken over by ____ companies
- A. 245
 - B. 950
 - C. 200
 - D. 100
- ANSWER: A

10. LIC was formed in 1956 through nationalization of_____ Companies
- A. 246
 - B. 256
 - C. 250
 - D. 252
- ANSWER: B

11. ____ insurance were amalgamated under GIC
- A. 107
 - B. 100
 - C. 102
 - D. none of the above
- ANSWER: A

12. Those risks which are more than normal risk are called
- A. Super standard risk
 - B. Sub standard risk.
 - C. Both of the above
 - D. Neither of them
- ANSWER: C

13. Premium on sub-standard lives can be increased by one of the following
- A. By rating more than of age
 - B. By adding flat extra premium
 - C. By adding extra percentage

D. All of the above

ANSWER: D

14. Occupation is important for risk classification because of _____.

- A. . Income earned by individual
- B. Tension, stress and worries given by work place
- C. Damage caused by pollution at work place
- D. Both b. and c.

ANSWER: D

15. Risk of mortality is considered to be .

- A. More on male life
- B. More on female life
- C. Same on life of both
- D. All the above

ANSWER: B

16. Valuation in life insurance means

- A. The process of arriving at the profit of a life insurance company
- B. The process of determining the net premium for a life insurance policy
- C. The process of arriving at the bonus in a life insurance company
- D. The process by which the value of all the existing policies is ascertained in a life insurance company.

ANSWER: D

17. Notification of alteration in risk is a condition

- A. precedent to liability.
- B. subsequent to liability
- C. . precedent to contract
- D. subsequent to contract.

ANSWER: D

18. Life insurance in its present form came to India from

- A. The United Kingdom
- B. The USA
- C. Canada
- D. Germany

ANSWER: A

19. Life Insurance Company was setup in

- A. 1824
- B. 1823
- C. 1800
- D. 1801

ANSWER: B

20. Life Insurance Corporation was nationalized in

- A. 1951
- B. 1952
- C. 1954
- D. 1956

ANSWER: D

21. The Head office of National Insurance Co, Ltd, is _____.

- A. Mumbai
- B. Kolkata.
- C. Bangalore.
- D. Hyderabad.

ANSWER: B

22. The Head office of United India Insurance co, Ltd, is _____.

- A. Chennai.
- B. Bangalore.
- C. New Delhi.
- D. Mumbai.

ANSWER: A

23. Life insurance in its present form came to India from _____.

- A. The United Kingdom.
- B. The USA.
- C. Canada.
- D. Germany.

ANSWER: A

24. Life Insurance Company was setup in _____.

- A. 1824.
- B. 1823.
- C. 1822.
- D. 1821.

ANSWER: B

25. Life Insurance Corporation was nationalized in _____.

- A. 1951.
- B. 1952.
- C. 1954.
- D. 1956.

ANSWER: D

26. Life Insurance Corporation was formed with a capital contribution of _____.

- A. Rs. 10 Crore.
- B. Rs. 15 Crore.
- C. Rs. 5 Crore.
- D. Rs. 20 Crore.

ANSWER: C

27. The term Assurance refers to _____.

- A. Life Insurance Business.
- B. Marine Insurance Business.
- C. Fire Insurance Business.
- D. Motor Vehicle Business.

ANSWER: A

28. The Oriental Life Insurance Company came to India during _____.

- A. 1919.
- B. 1818.
- C. 1899.
- D. 1888.

ANSWER: B

29. The policies where the premium is payable through out the life of the assured is called _____.

- A. Whole life policies.
- B. Renewable term policies.
- C. Sinking fund policies.
- D. Annuity policies.

ANSWER: A

30. With profit policy is also termed as _____.

- A. Multiple life policy.
- B. Participating policy.
- C. Level premium policy.
- D. Lump sum policy.

ANSWER: B

31. The Insurer who grants a guarantee from the direct insurer is called as _____.

- A. Direct Insurer.
- B. Ceding Insurer.
- C. Re-Insurer.
- D. Double Insurer.

ANSWER: C

32. The proportion of the risk which the direct insurer holds on his own account refers to _____.

- A. Line.
- B. Retention.
- C. Retrocession.
- D. Ceding insurer.

ANSWER: B

33. When the same risk and subject matter is insured with more than one insurer is called as _____.

- A. Double insurance.
- B. Over insurance.
- C. Reinsurance.
- D. External insurance.

ANSWER: A

34. When the amount for which a subject matter is insured is more than its actual value is called _____.

- A. Double insurance.
- B. Over insurance.
- C. Reinsurance.
- D. Crop insurance.

ANSWER: B

35. IRDA refers to _____.

- A. Indian Regulatory Development Authority.

- B. Institute of Regulatory Development Authority.
- C. Insurance Regulatory Development Association.
- D. Insurance Regulatory Development Authority.

ANSWER: D

36. Committee of reforms in insurance sectors during 1993 headed by _____.

- A. R.N. Malhotra.
- B. S. Narashiman.
- C. Manmohan Singh.
- D. P.Chidambaram.

ANSWER: A

37. The danger of loss from the unforeseen circumstances in future refers to _____.

- A. Perils.
- B. Hazards.
- C. Risk.
- D. Damage.

ANSWER: C

38. _____ involved those losses that occur even if there were no changes in the economic environment

- A. Dynamic risk.
- B. Static risk.
- C. Fundamental risk.
- D. Particular risk.

ANSWER: B

39. Risks are not suited to treatment by insurance refers to _____.

- A. Static risk.
- B. Property risk.
- C. Dynamic risk.
- D. Liability risk.

ANSWER: C

40. Fundamental risk is also termed as _____.

- A. Particular risk.
- B. Speculative risk.
- C. Pure risk.
- D. Group risk.

ANSWER: D

41. Unemployment, war, inflation, earthquakes etc., are the examples of _____.

- A. Pure risk.
- B. Fundamental risk.
- C. Particular risk.
- D. Personal risk.

ANSWER: B

42. Any risk involved a situation where there is a possibility of gain refers to _____.

- A. Liability risk.
- B. Personal risk.
- C. Pure risk.

D. Speculative risk.

ANSWER: D

43. Direct or Consequential losses refer to _____.

- A. Dynamic risk.
- B. Particular risk.
- C. Property risk.
- D. Pure risk.

ANSWER: C

44. Spreading of risk otherwise termed as _____.

- A. Spreading of risk.
- B. Reduction of risk.
- C. Acceptance of risk.
- D. Shifting of risk.

ANSWER: A

45. Cargo ship caught by fire is an example of _____.

- A. particular average loss.
- B. actual total loss.
- C. constructive total loss.
- D. general average loss.

ANSWER: D

46. Rashtriya Krishi Yojana of Crop Insurance Scheme came into India during _____.

- A. 1999.
- B. 1888.
- C. 1988.
- D. 1977.

ANSWER: A

47. Corpus fund is created with contributions from the Central Government and State Government on _____.

- A. 75:25 basis.
- B. 50:25 basis.
- C. 60:40 basis.
- D. 70:30 basis

ANSWER: B

48. The organisation structure of LIC refers to _____.

- A. Two tier structure.
- B. Four tier structure.
- C. Five tier structure
- D. Three tier structure.

ANSWER: B

49. The constitution of the IRDA consists of not more than _____ members.

- A. 10 members.
- B. 7 members.
- C. 9 members.
- D. members.

ANSWER: C

50. Insurance business is based on _____.

- A. Newtons law.
- B. The theory of probability and law of large numbers.
- C. Parkinsons law.
- D. Boyles law

ANSWER: B

51. The insurance plays a role in the economic development of the country in following Ways _____.

- A. Releases capital for new investments.
- B. The job potential increases.
- C. Money collected is invested in infrastructure.
- D. All of the above.

ANSWER: D

52. On the death of the bread-earner, two losses occur in the family one is loss of human life and the other is _____.

- A. earning power of family.
- B. loss of insurance.
- C. loss of investment.
- D. loss of bank deposits.

ANSWER: A

53. Valuation in life insurance means _____.

- A. the process of arriving at the profit of a life insurance company.
- B. the process of determining the net premium for a life insurance policy.
- C. the process of arriving at the bonus in a life insurance company.
- D. the process by which the value of all the existing policies is ascertained in a life insurance company.

ANSWER: D

54. Notification of Alteration in Risk is a condition _____.

- A. precedent to liability.
- B. subsequent to liability.
- C. precedent to the contract.
- D. subsequent to the contract.

ANSWER: D

55. The whole-life plans in India _____.

- A. pay death benefits only whenever it occurs.
- B. pay death benefits after retirement.
- C. pay policy benefits after the person attains a certain age, say 80-85 years.
- D. pay death benefits after payment of first premium.

ANSWER: A

56. What are with profit policies?

- A. Insurance policies, which can be sold at a profit.
- B. Policies which can be pledged to avail loan.
- C. Policies under which bonus is paid.
- D. Money back plans.

ANSWER: C

57. Name the Indian insurance organisation which for the first time started charging normal rates of premium on Indian _____.

- A. Bombay Mutual Life Assurance society.
- B. Oriental Life Assurance Company.
- C. New India Assurance Company.
- D. Hindustan C-operating Insurance Society.

ANSWER: A

58. In case a business firm sets up a private fund to payout the losses if happens, then that is called as _____.

- A. Individual insurance.
- B. family insurance
- C. Self-insurance.
- D. group insurance

ANSWER: C

59. Group insurance is ideally suited for covering _____.

- A. affluent person in the society.
- B. weaker sections of the society.
- C. employer-employee groups.
- D. both (2) and (3).

ANSWER: D

60. Master policy is issued for _____.

- A. term insurance schemes.
- B. permanent insurance.
- C. group insurance schemes
- D. individual policy.

ANSWER: C

61. For the introduction of a group scheme, we need a _____.

- A. homogeneous group.
- B. insured group.
- C. small group of persons.
- D. large group.

ANSWER: A

62. The doctrine of Caveat Emptor governs _____.

- A. Marine insurance contracts.
- B. Commercial contracts.
- C. Group insurance contracts.
- D. All general insurance contracts.

ANSWER: B

63. What is floating policy?

- A. A standard fire policy.
- B. Policy covering the fixed sum assured stock..
- C. A policy that covers stocks located in various godowns under a single policy.
- D. A renewable marine policy.

ANSWER: C

64. Claim forms are not compulsorily used in _____.
- A. fidelity guarantees.
 - B. marine cargo.
 - C. machinery breakdown.
 - D. Others.

ANSWER: B

65. For settlement of claims, Insurer requires proper knowledge of _____.
- A. law, principles and practice of insurance.
 - B. law only.
 - C. principles and practice of insurance.
 - D. Law, principles, practice of insurance, terms and conditions of policies, extensions and modifications.

ANSWER: D

66. The burden of proof of the loss within the scope of policy is upon the _____.
- A. Insurer.
 - B. Insured.
 - C. Surveyor.
 - D. Defence Lawyer.

ANSWER: B

67. As the age increases risk on the life _____.
- A. Increases.
 - B. Decreases.
 - C. does not change.
 - D. Moderate.

ANSWER: A

68. If the interest rates in the market are higher, then cost of insurance _____.
- A. Increases.
 - B. moderate.
 - C. Decreases.
 - D. no change.

ANSWER: C

69. The expenses which do not vary with the amount of business written are called _____.
- A. Direct expenses.
 - B. Overhead expenses.
 - C. Indirect expenses.
 - D. Trading expenses.

ANSWER: B

70. Brokers Association of India was granted recognition by IRDA on _____.
- A. Dec 11, 2001.
 - B. Dec 11, 2002.
 - C. Dec 11, 1999.
 - D. Dec 11, 2003.

ANSWER: A

71. Foreign equity participation is allowed in insurance sector up to a limit of ____ percent.

- A. 80.
- B. 73.
- C. 49.
- D. 26 .

ANSWER: D

72. _____ provides guidelines to decide whether the loss is caused by an insured peril or an expected peril.

- A. Indemnity.
- B. Proximate clause.
- C. Standard claims.
- D. Trip sheet.

ANSWER: B

73. _____ means those risks which involve a situation where there is a possibility of gain.

- A. Personal risk.
- B. Speculative risk.
- C. Liability risk.
- D. Other risk.

ANSWER: B

74. _____ is concerned with the conversion of a firms asset and earning power against risks of accidental loss.

- A. Risk retention.
- B. Risk control .
- C. Risk management.
- D. Risk identification.

ANSWER: C

75. _____ is a contract between the insurer and the insured under which the insurer undertakes to compensate the insured for the loss arising from the risk.

- A. Insurance.
- B. Agreement.
- C. Indemnity.
- D. Proximate clause.

ANSWER: A

76. The authorized capital of GIC is _____.

- A. 35 Crore.
- B. 50 Crore.
- C. 75 Crore.
- D. 80 Crore.

ANSWER: C

77. _____ is the appointing of a nominee under the policy.

- A. Nomination.
- B. Election.
- C. Justification.
- D. Assignment.

ANSWER: A

78. The _____ has the right to receive the amount assured in the event of death of the insured.

- A. Employer.
- B. Nominee.
- C. Friend.
- D. third party.

ANSWER: B

79. Nomination can be done at the inception of the policy by providing details of nominee in the _____.

- A. white paper.
- B. proposal form.
- C. premium receipt.
- D. promissory note.

ANSWER: B

80. Nomination can be done only by a _____ who is a major holding Policy Bond in his own name.

- A. Employer.
- B. legal advisor.
- C. insurance company.
- D. policy holder.

ANSWER: D

81. Under Nomination, the Nominee gets only the right to receive the policy money in the _____ of the policyholder.

- A. event of sickness.
- B. event of death.
- C. event of credit.
- D. event of happiness.

ANSWER: B

82. 136. _____ is a means whereby the beneficial interest, right and title under a policy gets transferred from the assignor to the assignee.

- A. Nomination.
- B. Selection.
- C. Election.
- D. Assignment.

ANSWER: D

83. _____ is the policyholder who transfers the title of the policy.

- A. Assignee.
- B. Nominee.
- C. Assignor.
- D. Consignee.

ANSWER: C

84. _____ is the person who derives the title from the assignor.

- A. Assignee.
- B. Nominee.
- C. Assignor.
- D. Consignee.

ANSWER: A

85. _____ can be done by mere endorsement on the policy or by a separate duly stamped deed.
- A. Nomination.
 - B. Election.
 - C. Justification.
 - D. Assignment.

ANSWER: D

86. A life insurance policy from LIC may be assigned only after a period of _____.
- A. 10 years.
 - B. 5 years.
 - C. 3 years.
 - D. 1 year.

ANSWER: B

87. The total number of branch offices of LIC is _____.
- A. 800.
 - B. 950.
 - C. 1000.
 - D. 2048.

ANSWER: D

88. How many zonal offices are functioning under LIC?
- A. 5 zonal offices.
 - B. 8 zonal offices.
 - C. 10 zonal offices.
 - D. zonal offices.

ANSWER: B

89. LICs _____ office is to perform the activities relating to investments, framing and administering the rules and regulations of corporation.
- A. Zonal.
 - B. Divisional.
 - C. Central.
 - D. Branch.

ANSWER: C

90. In LICs _____ office almost 90% of the functions relate to policy holders.
- A. Zonal.
 - B. Central.
 - C. Divisional.
 - D. branch.

ANSWER: D

91. The LICs Zonal office and Divisional office are established on the basis of _____.
- A. number of agents.
 - B. number of policyholders
 - C. geographical areas.
 - D. fund allocation.

ANSWER: C

92. The document which contains the terms and conditions of the life insurance contract is termed as the _____.

- A. Cover note.
- B. Life insurance policy.
- C. Agreement.
- D. Other document.

ANSWER: B

93. The person to whom the policy proceeds will be paid in the event of the death of the insured is known as _____.

- A. Assignee.
- B. Nominee.
- C. Consignee.
- D. Beneficiary.

ANSWER: D

94. A _____ is the person who sends the proposal form for taking an insurance policy and pays the premium.

- A. Proposer.
- B. Nominee.
- C. legal advisor.
- D. employer.

ANSWER: A

95. The cash value of the policy, paid by the company upon the surrender of a policy before it becomes payable by maturity is known as _____.

- A. Premium.
- B. Cash surrender value.
- C. Consideration.
- D. Commission.

ANSWER: B

96. One who shares the risk under an insurance policy or policies is known as _____.

- A. Assurer.
- B. Insurer.
- C. Co-insurer.
- D. Agent.

ANSWER: C

97. A policy protecting a group of persons, usually employees of a firm generally called as _____.

- A. Fire insurance policy.
- B. Group insurance policy.
- C. Marine insurance.
- D. Automobile insurance.

ANSWER: B

98. The period of time for which the policy will normally remain in existence is known as _____.

- A. Policy term.
- B. Policy note.
- C. Proposed time.

D. Grace time.

ANSWER: A

99. What is meant by a claim under an insurance policy?.

- A. Any demand made by the policy holder on the insurer.
- B. A demand to fulfill the policyholders obligation.
- C. A demand to fulfill the insurers obligations.
- D. A demand to fulfill the third party.

ANSWER: C

100. If a life insured has died a few days before date of maturity, but after signing discharge form, to whom should the claim be paid?.

- A. Surviving heirs.
- B. Nominee.
- C. The policy holders bank account.
- D. Any of the above three above mentioned.

ANSWER: B

101. What is a proposal?.

- A. A request for an insurance cover.
- B. An offer to enter into a contract.
- C. Both a request and an offer to enter an insurance contract.
- D. None of the above.

ANSWER: C

102. If the premium was due on 15th July and 16 August is a Sunday.

- A. the grace period will end on 14th august (Friday).
- B. the grace period will end on 15th august (Saturday).
- C. the grace period will end on 17th august (Monday).
- D. the grace period will end as per the discretion of the insurer.

ANSWER: C

103. A policy which has been assigned, will revert to the assignor.

- A. if the assignor survives till maturity.
- B. whenever the assignor demands it.
- C. when the conditions specified in a conditional assignment happen.
- D. on maturity of the policy.

ANSWER: C

104. In life insurance, profit is determined by_____.

- A. the accountant who prepares the balance sheet.
- B. the actuary who makes a valuation.
- C. the auditor who certifies the annual accounts.
- D. the third party.

ANSWER: B

105. A plan of insurance is said to be different from another if _____.

- A. the sum assured is different.
- B. the age of the life to be insured is different.
- C. the date of commencement of policy is different.
- D. the conditions when the sum assured becomes payable are different.

ANSWER: D

106. Who is benefited if a policy is under the salary savings scheme?

- A. The policyholder.
- B. The insurer.
- C. The agent.
- D. All the three above.

ANSWER: D

107. Which of these persons will not be given a license to work as an insurance agent?

- A. A person with criminal record.
- B. A corporate insurance executive.
- C. An employee of an insurance company.
- D. All the three mentioned above.

ANSWER: A

108. A type of insurance contract through which protection is given against loss of crop from risk is known as _____.

- A. Fire insurance.
- B. Crop insurance.
- C. Marine insurance.
- D. Automobile insurance.

ANSWER: B

109. A memorandum added to a policy embodying some alterations to the terms of policy is known as _____.

- A. Endorsement.
- B. Discharge of contract.
- C. Breach of contract.
- D. Nomination.

ANSWER: A

110. A kind of insurance which provides for indemnity for loss against health such as loss of time and medical expenses due to sickness is called _____.

- A. Fidelity insurance.
- B. Crop insurance.
- C. Health insurance.
- D. Fire insurance.

ANSWER: C

111. Insurer is a person who has _____.

- A. insured his life or goods.
- B. helped a person to get an insurance policy.
- C. undertaken to make good the loss of the subject matter of insurance.
- D. file a suit in a court of law to recover an insurance claim.

ANSWER: C

112. Average clause is a fire policy _____.

- A. average the claim on the different policies taken by the insured.
- B. insures the property at average premium paid for the class three years.
- C. insures the property at the average rate of premium recovered during the last year only.

D. penalizes under-insurance.

ANSWER: D

113. In which of the following types of insurance should insurable interest be present only at the time when policy is taken?

- A. Fire insurance.
- B. Life insurance.
- C. Marine insurance.
- D. Life and marine insurance.

ANSWER: B

114. Paid-up value is payable on a life insurance policy_____.

- A. on the maturity of the policy.
- B. when the policy lapses.
- C. when the policy is surrendered.
- D. on maturity or death whichever is earlier.

ANSWER: D

115. Insurance technique is based on the principle of _____.

- A. pooling system.
- B. compensating others.
- C. helping others.
- D. Indemnity.

ANSWER: A

116. A person insured his goods worth Rs. 2000 for Rs. 1600 and suffers a loss of Rs. 1800. His claim can be for_____.

- A. Rs. 2000.
- B. Rs. 1800.
- C. Rs. 1600.
- D. Rs. 3800.

ANSWER: C

117. The principle of contribution applies when_____.

- A. the full amount of premium is not applied by the insured.
- B. there are two or more insurance on the risk.
- C. the insured insures the same risk policy with other insurers.
- D. the insured insures the same risk policy with different persons.

ANSWER: B

118. The principle of _____ does not apply to life insurance.

- A. Subrogation.
- B. utmost good faith.
- C. Contribution.
- D. Indemnity.

ANSWER: D

119. Main emphasis of risk management is on _____.

- A. risk retention.
- B. reduction of cost of handling risk.
- C. risk transfer.

D. Insurance.

ANSWER: B

120. The IRDA has replaced _____.

- A. the controller of insurance.
- B. the LIC chairman.
- C. department of insurance.
- D. department of commerce.

ANSWER: A

121. Which of the following is the similarity between insurance and gambling?.

- A. The amount of loss to be paid is known before hand.
- B. Promise to pay on the happening of an event.
- C. Both the parties win on happening of an event.
- D. Both are enforceable at law.

ANSWER: A

122. The concept of insurance is_____.

- A. to make money out of death.
- B. to earn interest.
- C. to earn a status.
- D. to share losses by many.

ANSWER: D

123. A human life is an income-generating asset_____.

- A. partially true.
- B. partially false.
- C. True.
- D. False.

ANSWER: C

124. The company doing the insurance business is called _____.

- A. mutual funds.
- B. non-banking firm.
- C. banking company.
- D. an insurance company.

ANSWER: D

125. Which one of the following comes under miscellaneous insurance?.

- A. Marine insurance.
- B. Motor insurance.
- C. Fire insurance.
- D. Group insurance.

ANSWER: B

126. Which of the following is an evidence of insurance contract?

- A. policy insurance.
- B. payment of premium.
- C. cover note.
- D. acceptance of proposal.

ANSWER: A

127. Term assurance provides the following benefits _____.

- A. death benefits if the person dies within term.
- B. death and survival benefits.
- C. periodic payments at predictable intervals.
- D. death benefits with bonus.

ANSWER: A

128. Which of the following is a children policy of LIC?.

- A. Jeevan Sneha.
- B. Jeevan Vishwas.
- C. Jeevan Dhara.
- D. Jeevan Sukanya.

ANSWER: D

129. The premium is lowest for _____.

- A. money back policy.
- B. term insurance.
- C. whole life policy.
- D. endowment policy.

ANSWER: C

130. Annuity plan offer _____.

- A. Liquidity.
- B. capital appreciation.
- C. Profitability.
- D. regular assured return.

ANSWER: A

131. Claim is processed on the basis of _____.

- A. claim form and agents opinion.
- B. legal opinion.
- C. claim form, survey report etc., other documents and any evidence secured by the insurer.
- D. survey report.

ANSWER: C

132. Insurance writing is often referred to as _____.

- A. rate making.
- B. Underwriting.
- C. Undertaking.
- D. Documenting.

ANSWER: B

133. As per the Principle of Insurable interest, it should be present in the case of life Insurance _____.

- A. at the time of claim settlement.
- B. at the time of survival only.
- C. only at the inception of the policy.
- D. at inception and at the time of revival.

ANSWER: D

134. European started the Oriental Life Insurance Company in Kolkata in the year _____.

- A. 1870.
- B. 1872.
- C. 1818.
- D. 1906.

ANSWER: B

135. The first Indian Insurance Act was passed in _____.

- A. 1938.
- B. 1985.
- C. 1912.
- D. 1956.

ANSWER: C

136. The concept of bancassurance originated in _____.

- A. France.
- B. U.S.A.
- C. England.
- D. Italy.

ANSWER: A

137. The clause which sets out the essence of the contract is _____.

- A. The Preamble.
- B. Recital Clause.
- C. Conditions.
- D. Operative Clause.

ANSWER: D

138. Cargo Ship Caught by fire is an example of _____.

- A. particular average loss
- B. General average loss
- C. constructive total loss
- D. Actual total loss

ANSWER: B

139. Corpus fund is created with contributions from the Central Government and State Government on _____.

- A. 50:50
- B. 60:40
- C. 70:30
- D. 75:25

ANSWER: A

140. The danger of loss from the unforeseen circumstances in future refers to _____.

- A. Perils
- B. Hazard
- C. Damage
- D. Risk

ANSWER: D

141. Committee of Reforms in insurance sectors during 1993 headed by _____.

- A. S. Narashiman

- B. Manmohan Singh
 - C. R.N. Malhotra
 - D. P. Chidamabaram
- ANSWER: C

142. . The proportion of the risk which the direct insurer holds on his own account refers to _____.

- A. Line.
- B. Retention
- C. Retrocession
- D. Ceding insurer

ANSWER: B

143. When the same risk and subject matter is insured with more than one insurer is called as _____.

- A. Double insurance
- B. . Over insurance
- C. Reinsurance
- D. External insurance

ANSWER: A

144. . When the amount for which a subject matter is insured is more than its actual value is called _____.

- A. Double insurance
- B. Over insurance
- C. Reinsurance.
- D. Crop insurance

ANSWER: B

145. IRDA refers to

- A. . Indian Regulatory Development Authority
- B. . Institute of Regulatory Development Authority
- C. Insurance Regulatory Development Association
- D. Insurance Regulatory Development Authority.

ANSWER: D

146. there are ___ subsidiary companies available. __.

- A. 2
- B. 3 .
- C. 5
- D. 4

ANSWER: D

147. ___ is the first insurance company to transact the general insurance busienss

- A. Trition Insurance
- B. LIC.
- C. GIC
- D. None of the above

ANSWER: A

148. Oil well liability covers

- A. Scalling operations
- B. Drilling operations

- C. Machinery Operations
- D. None of these

ANSWER: B

149. Poultry Insurance covers

- A. Species of Birds
- B. Reared of Eggs
- C. Meats of Feathers
- D. All the above

ANSWER: D

150. Credit Insurance Covers

- A. Coverage against bad debts
- B. Coverage against fire loss
- C. Coverage against Marine loss
- D. Coverage against burglary

ANSWER: A

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