

IRDA Agent Licensing paper

1. When do the non-forfeiture provisions apply?

- a) When policy is surrendered
- b) When loan is taken
- c) When premium is not paid
- d) All of the above

2. Which of the following statements are 'True'?

Statement A: An insured person can ignore safety and precautionary arrangements

Statement B: Insurance compensates only economic losses

- a) Only statement A
- b) Only statement B
- c) Both statements
- d) neither of the statements

3. The insurer must insure at least 20,000 lives in the fifth financial year in _____ market

- a) Poorer
- b) farmers
- c) Social
- d) rural

4. The person who takes the decision to grant insurance is called _____

- a) Underwriter
- b) salesman
- c) Manager
- d) officer

5. What type of skill is required to understand the needs of the prospect and find the most suitable plan for him?

- a) persuasive b) communication
- c) convincing d) analytical

6. If the claim in question is Rs. 23 lakh, which consumer court will hear the application?

- a) State level b) national level
- c) District level d) none of the above

7. Which of the following statements are 'True'?

Statement A: An insurance agent can be sued under the Consumer Protection Act

Statement B: The consumer protection act does not apply to government companies

- a) Only statement A b) Only statement B
- c) Both statements d) Neither of the statements

8. _____ describes the behaviour of an agent, who in the presence of outsiders, covers up the mistakes made by his colleagues

- a) Arrogant b) professional
- c) Protective d) self-confident

9. Which of the following statements are true?

Statement A: Insurance claims are shared by the community of policyholders

Statement B: In insurance, every policyholder contributes to the losses incurred by others

- a) Only statement A b) Only statement B
- c) Both statements d) Neither of the statements

10. How is an annuity paid by the 'insurer'?

- a) In annual installment b) In installments
- c) In quarterly installments d) in a lump sum

11. Which of the following statements are 'True'?

Statement A: One can take a policy on the life of a customer to whom he has lent money

Statement B: A wife can take a policy on her husband

- a) Only statement A b) Only statement B
- c) Both statements d) neither of the statements

12. Doctors appointed by insurers will be qualified in _____ medicine

- a) Allopathic b) ayurvedic
- b) homeopathic d) all of the above

13. The agent who does not take the trouble to update his knowledge is _____

- a) Ignorant b) Non-professional
- c) Professional d) Outdated

14. When a person answers 'Yes' to the question in the proposal about being on leave for more than a week, but does not mention that he had been on leave on medical grounds, that is _____

- a) Misrepresentation b) non-disclosure
- c) Fraud d) none of the above

15. A person's insurable interest in his own life is _____

- a) Unlimited b) 10 times his salary
- c) Equal to his assets d) obligations for family

16. Which of the following statements are 'True'?

Statement A: A life insurance agent can work for two insurance companies at the same time

Statement B: An agency license is issued only when sponsored by an insurance company

- a) Only statement A b) Only statement B
- c) Both statements d) neither of the statements

17. _____ means the list of names whom an agent would try to meet to procure life insurance

- a) Clients b) Proponents
- c) Proposers d) Prospects

18. Which of the following statements are 'True'?

Statement A: In case of corporate agents, the entire business may be from one company only

Statement B: A person can qualify to obtain a license if he studies the course at home and passes the prescribed examination

- a) Only statement A b) Only statement B
- c) Both statements d) Neither of the statements

19. A duplicate policy may be issued, when the original has been _____

- a) burnt b) stolen
- c) mutilated d) all of the above

20. Which of these policies do not cover the risk of death?

- a) Endowment b) Whole Life
- c) Term d) pure endowment

21. Which of the following statements are true'?

Statement A: The proposal form should be written by the agent himself

Statement B: The proposal form should be filled up by the proponent himself, unless he is illiterate

- a) Only statement A b) Only statement B

c) Both statements d) neither of the statements

22. If the proponent feels that a particular question in the proposal form does not apply to his situation he should _____

a) Leave it blank b) write 'not applicable'

c) Cut it out d) none of the above

23. Which of the following statements are 'True'?

Statement A: Every insurance company must follow a four tiered structure like the government companies

Statement B: The regional/divisional/branch office set up is unavoidable for insurers

a) Only statement A b) Only statement B

c) Both statements d) neither of the statements

24. An underwriter _____

a) Calculates premium b) issues the policy

c) Assesses the risk d) does all the above

25. Infirmities are caused by _____

a) Sickness b) old age

c) Loss of limb d) all of the above

26. When original policy is lost, a duplicate policy is necessary for _____

a) getting the claim b) taking a loan

c) Paying the premium d) all of the above

27. The agent who tries to canvass insurance business by offering temptations of sharing the commission is _____

- a) Professional b) non-professional
- c) Incompetent d) corrupt

28. The drive or urge to do something to achieve an end is called _____

- a) Willingness b) motivation
- c) Need d) power

29. Which of the following statement(s) are 'True'?

Statement A: Life insurance policies are unavailable through the Unit Trust of India also

Statement B: In a joint life policy, death claim is payable only when both the insured die

- a) Only statement A b) Only statement B
- c) Both statements d) neither of the statements

30. The agent's report to the insurer should include _____ facts

- a) Favorable b) unfavorable
- c) Neither of the above d) both of the above

31. A claim payable after the life insured has survived the term of the policy is called _____

- a) Survival b) maturity
- c) Terminal d) death

32. If the proponent has no insurable interest in the insured, the underwriter will _____

- a) Accept with reduced sum assured
- b) accept with extra premium
- c) Reject the proposal
- d) accept with lien

33. When does foreclosure action begin?

- a) When premium is not paid
- b) when policy is surrendered
- c) When loan an interest accumulate
- d) all of the above

34. _____ means the market which an agent chooses to operate

- a) Target
- b) section
- c) Area
- d) segment

35. The person appointed to attend to grievances of policyholders is called _____

- a) Designated officer
- b) grievance officer
- c) Ombudsman
- d) complaints officer

36. _____ means the process through which a product is carried to the customer

- a) Distribution Channel
- b) Promotion
- c) Sales
- d) Marketing

37. The nominee under a policy informs the insurer that the life insured is missing for the last seven years and requests that the claim under the policy be admitted and paid. What should the insurer do?

- a) Ask for an affidavit
- b) Ask for a court order
- c) Make independent enquiries
- d) pay the claim

38. Which of the following statement(s) are 'True'?

Statement A: When a policy matures, the claim proceeds are paid to the assignee

Statement B: In insurance, the principle of 'buyer beware' applies

- a) Only statement A
- b) Only statement B
- c) Both statements
- d) neither of the statement

39. In what plan of insurance the medical examination is never required, whatever be the amount of sum assured?

- a) Endowment
- b) term assurance
- c) Annuity
- d) group insurance

40. Which of the following statements are 'True'?

Statement A: An agent must find out the income of the proponent and report the same to the insurer

Statement B: The income of the proponent must be made known to the insurer

- a) Only statement A b) Only statement B
- c) Both statements d) neither of the statements

41. Which of the following statement(s) are true?

Statement A: Accident benefit cover is issued as a separate policy in life insurance

Statement B: Accident benefit cover is rider in a life insurance policy

- a) Only statement A b) only statement B
- c) Both statements d) neither of the statements

42. When a person weighing 95 kg states in the proposal that his weight is 54 kgs, that is _____

- a) Misrepresentation b) non –disclosure
- c) Fraud d) None of the above

43. The limits of doctors for medical examination are decided by _____

- a) Government b) Medical council
- c) Insurer d) IRDA

44. Which of the following statements are true?

Statement A: A father can take a policy on the life of his son who is 12 years old

Statement B: One can take a policy on the life of a friend to whom he has lent money

- a) Only statement A b) only statement B
- c) Both statements d) neither of the statements

45. Surplus in a valuation arises because of favorable experience in _____

- a) Mortality b) expenses
- c) Interest yield d) all of the above

46. Which of the following statements are true?

Statement A: Sick people may be considered for grant of insurance on special terms

Statement B: Insurance cover begins as soon as the premium is received in the office along with the proposal

- a) only statement A b) only statement B
- c) Both statements d) neither of the statements

47. Which of the following statements are true?

Statement A: Old age is a risk

Statement B: Dying too young is as much as risk as dying too late

- a) Only statement A b) only statement B

c) Both statements d) neither of the statements

48. A policy which participates in the distribution of surplus is called a _____policy

a) Profitable b) participating

c) Loss making d) non-profit

49. _____is the professional who is the technical expert on life insurance matters

a) Accountant b) underwriter

c) Actuary d) evaluator

50. What is the criterion of a good savings plan?

a) Safety b) liquidity

c) Yield d) all of the above

51. The questions in the proposal form and personal statement are _____ material and relevant

a) Without exception b) mostly

c) Only partly d) rarely

52. A proposal is dated 10.11.2000. Premium was paid on the same day. The decision to accept with extra was made on 15.11.2000. The extra premium was paid on 17.11.2000. The letter of consent was received in the office on 21.11.2000. The life insured died in an air crash on 19.11.2000. Is the claim payable?

a) No b) Yes

c) Depends on discretion of the insurer d) only if directed by IRDA

53. The process of recording the correct age of the person insured is called _____

a) Certification b) age admission

c) Proof of age d) verification

54. _____ is a document issued under the law authorizing a person to act as an insurance agent

a) Certificate b) mandate

c) License d) appointment

55. A proposal is dated 10.11.2000. The premium was paid on the same day. The decision to accept with extra was made on 15.11.2000. The extra premium was paid on 17.11.2000. The letter of consent was received in the office on 21.11.2000. When does the risk on this policy commence?

a) 20.11.2000 b) 15.11.2000

c) 10.11.2000 d) 17.11.2000

56. An agent is concerned with the _____

a) IRDA act b) insurance act

c) Contract act d) all of the above

57. Which of the following statements are true?

Statement A: The maturity proceeds of a policy are taxable as income

Statement B: The premium paid under an insurance policy is fully exempt from income tax

- a) Only statement A b) Only statement B
- c) Both statements d) neither of the statements

58. The fees for renewal of license is Rs. _____ if applied for less than 30 days before the date of expiry

- a) 300 b) 100
- c) 250 d) 350

59. Surplus is an indication that _____

- a) premium is high b) targets have been met
- c) Neither of the above d) both of the above

60. The principal is responsible for _____ of the acts of the agents

- a) none of the acts of agents b) all the acts of agents
- d) some of the acts of agents d) specified acts of agents on behalf of principal

61. Which of the following statements are true?

Statement A: The agent is at fault, if the policy is sold does not meet the proponent's needs

Statement B: The agent is responsible to ensure that the proposed policy meets the needs of the prospects

- a) Only statement A b) Only statement B
- c) Both statements d) Neither of the statements

62. Which information if not disclosed can nullify the policy?

- a) Material b) valid
- c) Critical d) important

63. Disability is related to _____

- a) Sickness b) accident
- c) Loss of limbs d) all of the above

64. Term assurance is suitable for _____

- a) Repaying outstanding loans b) meeting marriage expenses
- c) Meeting educational expenses d) all of the above

65. What is paid by the insurer when the policy holder decides to discontinue the policy?

- a) Intermediate claim b) Lapse
- c) Forfeiture d) Surrender Value

66. Which of the following statement (s) are true?

Statement A: An Agents function includes obtaining nominations on the policy.

Statement B: It is an Agents duty to ensure that nominations are changed as and when necessary.

- a) Only Statement A
- b) Only statement B
- c) Both the statements
- d) neither of the statements

67. The behavior of an agent who tells his client that the advice given by another agent is wrong is_____

- a) Dominating
- b) Childish
- c) Interfering
- d) Non –Professional

68. Which of the following statement(s) are true ?

Statement A: The amount of the Sum Assured may depend on the income of the proponent.

Statement B: Under insurance is as bad a over insurance

- a) Only statement A
- b) Only statement B
- c) Both statements
- d) neither of the statements

69. Which of the approaches of the agents is appropriate?

Approach A: When the prospect said that he had taken sick leave for few days because he wanted to go out station for an interview, the agent suggested that he need not mention it

Approach B: The agent suggested to the prospect not to mention the fact that the cause of the death of one of his brothers who had died young, was cardiac arrest. It was mentioned as "Accident"

- a) Only approach A b) Only approach B
- c) Both the approaches d) neither of the approaches

70. Which of the Approaches of the agent is appropriate?

Approach A: When a prospect wanted to know details about the various plans so that he could make a choice, the agent told him that the details were too complex for him to understand and that he (the agent) was there to give him the proper advice

Approach B: An agent had printed a prospect's particulars sheet and would invariably make the prospect fill up the particulars himself

- a) Only approach A b) Only approach B
- c) Both the approaches d) neither of the approaches

71. Which of the approaches of the agent is appropriate?

Approach A: When a prospect mentioned that he had some discharge from his ear some years ago, the agent suggested that he need not mention it.

Approach B: When a prospect mentioned that he had some discharge from his ear some years ago, the agent suggested that he should write it in the personal statement and leave it to the medical examiner to comment about it.

- a) Only approach A b) Only approach B
- c) Both the approaches d) neither of the approaches

72. Which of the Approaches of the agent is appropriate?

Approach A: An agent used to collect from the office, details of claims which were remaining outstanding for more than a month and then meet the claimants to help them out

Approach B: An agent used to collect from the office details of claims which were remaining outstanding for more than a month and then meet the claimants to help them out, on condition that they agree to take out new business from him

- a) Only approach A b) Only approach B
- c) Both the approaches d) neither of the approaches

73. Which of the approaches of the agent is appropriate?

Approach A: The agent had left his identity card at home when he was visiting a prospect

Approach B: When a prospect whom the agent was meeting for the first time on being referred to by a common friend wanted the agent to show his license the agent refused saying that the request was an insult to the common friend

- a) Only approach A b) Only approach B
- c) Both the approaches d) Neither of the approaches

74. Which of the approaches of the agent is appropriate?

Approach A: In the case of a prospect who was not familiar with English, the agent got a relative to record the answers after explaining to the prospect every question in Gujarati and obtaining his response

Approach B: In a proposal form printed in English a prospect had written the answers in Tamil, declaring above his signature that the agent had explained the questions clearly

- a) Only approach A b) Only approach B
- c) Both the approaches d) Neither of the approaches

75. Which of the approaches of the agent is appropriate?

Approach A: The agent has a habit of beginning by saying that he is the agent of such and such company and produces the identity card for the prospects perusal

Approach B: Soon after formally saying who he is, an agent spreads on the table in front of the prospect, his identity cards, license and paper in which he would write down the relevant particulars of the prospect

- a) Only approach A b) Only approach B
- c) Both the approaches d) neither of the approaches

76. Which of the approaches of the agent is appropriate?

Approach A: The agent suggested to the prospect that he signs the proposal form and that (the agent) would get them filled up later on the basis of the information which he was noting down

Approach B: An agent used to tell his prospects that there was no better investment than life insurance

- a) Only approach A b) Only approach B
- c) Both the approaches d) neither of the approaches

77. Which of the approaches of the agent is appropriate?

Approach A: When a prospect wanted to know what the agent would get out of the sale of insurance, he just gave him a xerox copy of his appointment letter

Approach B: When a prospect wanted to know what the agent would get out of the sale of insurance, he said that was a confidential matter

- a) Only approach A b) Only approach B
- c) Both the approaches d) neither of the approaches

78. Which of the approaches of the agent is appropriate?

Approach A: An agent had advertised in the telephone directory, that he was in a position to get anybody the life insurance cover of his choice

Approach B: An agent had advertised in the telephone directory that he represented such and such company and that it 'was the best in the country'

- a) Only approach A b) Only approach B
c) Both the approaches d) neither of the approaches

79. Calculate premium from the following data :

Sum assured : Rs. 1,00,000

Plan : Money back – 20 years

Mode : Half yearly

Age nearer birthday : 36 years

Proposal accepted at ordinary rates with double accident benefit

Tabular premium : Rs. 69.25

Rebate for half yearly premium is at: 1.5 %

Rebate for large sum assured is: Rs. 2

Premium for double accident benefit is: Rs. 1 per thousand per annum

- a) Rs. 3461 b) Rs. 3463
c) Rs. 3261 d) Rs. 3361

80. Given that sum assured Rs. 1,00,000 mode – yearly – endowment policy 30 years without profit. Date of commencement 25.10.93 first unpaid premium 25.10.01 the paid up value will be _____

- a) Rs. 30,000 b) Rs. 25,666
c) Rs. 26,667 d) Rs 25,667