**IRDA Question paper with Answer 2011 pdf Question Paper of IRD Solved**

1 Insurance works on the principle of

a Trust
b Sharing
c Randomness
d All of the above

2 Insurance is legitimate

a when an adverse happening is likely
b When an adverse happening is unlikely
c When an adverse happening is certain
d In all the above three situations

3 Insurance benefits replace

a All physical losses, in full
b All physical losses, partly
c All monetary losses, in full
d The monetary losses, but only to some extent

4 Which one of the following statements is correct?

a People hesitate to buy life insurance because they are not aware of their needs
b People hesitate to buy life insurance because they prefer to enjoy the present
c Both the statements are correct
d Both the statements are wrong

5 Which is the right time for taking life insurance?

a When you are about to get married
b Soon after you have got married
c Just when you are joined a new job
d All the three ‘times’ are right

6 Retention of risk may be done conveniently by

a Large corporations
b Small companies
c Single individuals
d None of the three

7 A valuation is done by a life insurer because

a It is a statutory requirement
b It is necessary to be able to declare dividends to shareholders
c It tells the insurer how well it is managing the business
d All of the above

8 The reason for charging level premiums is

a Risk increases as age increases
b It is convenient to the policyholder
c It is convenient to the insurer
d All the above reasons

9 What does a premium depend upon?

a The place of worship visited by the person to be insured
b The state of health of the policyholder
c The decision of the underwriter
d The report of the agent

10 State which one of the following statements is correct?

a In group insurance, a single policy is issued covering many persons
b A master policy covers servants of a master
c Both the statements above are correct
d Both the statements above are wrong

11 Which one of the following statements is correct?

a In a limited payment policy, there is a maximum limit to the SA
b In a limited payment policy, there is a maximum limit to the term
c Both the statements above are wrong
d Both the statements above are correct

12 Which one of the following statements is true with regard to Children’s policies?

a On vesting, the insured person has an option to change the term of the policy
b On vesting the insured person has an option to increase the SA
c Both the statements above are wrong
d Both the statements above are correct

13 Which of the following could be the basis of the cover in a group policy?

a Height of the life insured
b Age of the life insured
c Size of the insured’s family
d All the three above

14 Which one of the following statements is true with regard to Children’s policies?

a On vesting, the insured person has an option to change the term of the policy
b On vesting the insured person has an option to increase the SA
c Both the statements above are wrong
d Both the statements above are correct

15 Which one of the following statements is correct?

a Every plan of insurance is a combination of two basic plans
b The name given to a plan indicates the benefits available under the plan
c Both the statements above are correct
d Both the statement s above are wrong

16 Which one of the following statements is correct?

a Underwriting is done only when there is a medical examination
b Medical examination is necessary before a policy can be issued
c Both the statements above are correct
d Both the statements above are wrong

17 Which one of the following statements is correct?

a The underwriter determines the premium to be charged
b The underwriter is an employee of the insurer
c Both the statements above are correct
d Both the statements above are wrong

18 Which one of the following statements is correct?

a If the underwriter feels that the risk is more, he will accept at OR
b If the underwriter feels that the risk is more, he may impose a lien
c Both the statements above are correct
d Both the statements above are wrong

19 Which one of the following statements is correct?

a The schedule of a policy is not altered after the policy is issued
b Changes in the terms of the policy are made through endorsements
c Both the statements above are correct
d Both the statements above are wrong

20 The date of issue of the FPR indicates

a The date when the risk effectively begins
b The date when the next premium falls due
c The date when the policy will commence
d None of the above

21 Which one of the following statements is correct?

a In the case of SSS policies, renewal premium receipts are issued
b In the case of SSS policies, FPRs are issued
c Both the statements above are correct
d Both the statements above are wrong

22 Which one of the following statements is correct?

a Assignee is free from the assignor’s obligations under the policy
b A nomination is automatically cancelled when a loan is taken under the policy
c Both the statements above are correct
d Both the statements above are wrong

23 Which one of the following statements is correct?

a The beneficiaries under the MWP Act can be any member of the family
b A policy can be taken under the MMWP Act for the benefit of parents
c Both the statements above are correct
d Both the statements above are wrong

24 Which one of the following statements is correct?

a Foreclosure can be done only with the consent of the policyholder
b Foreclosure can be done only after informing the policyholder
c Both the statements above are correct
d Both the statements above are wrong

25 Which one of the following statements is correct?

a Revivals are not done unless the entire outstanding premium is paid
b Revivals are not done unless the underwriter agrees
c Both the statements above are correct
d Both the statements above are wrong

26 Which one of the following statements is correct?

a Foreclosure action cannot be taken till a notice is served on the policyholder
b When a foreclosure action is taken, nothing is payable to the policyholder
c Both the statements above are correct
d Both the statements above are wrong

27 Which one of the following statements is correct?

a The beneficiaries under the MWP Act can be any member of the family
b A policy can be taken under the MMWP Act for the benefit of parents
c Both the statements above are correct
d Both the statements above are wrong

28 Which one of the following statements is correct?

a A presumption of death is not the same as proof of death
b Presumption of death allows inheritance of property
c Both the statements above are correct
d Both the statements above are wrong

29 When does a claim arise under an insurance policy?

a Whenever the policyholder feels the need for money
b When the insured events happen
c When a premium is not paid
d Whenever any of the three things mentioned above happen

30 Which one of the following statements is correct?

a Maturity claim cheques are paid to the trustees in a MWP Act case
b Maturity claim cheques are paid to the beneficiaries in a MWP Act case
c Both the statements above are correct
d Both the statements above are wrong

31 If a claim is made in January 2007 under a policy, which commenced in May 2002, stating that the life insured had died in April 2004,

a Section 45 of the Act will not apply
b The claim can be treated as an early claim
c Foul play must be suspected
d All the three statements above are correct

32 Which one of the following statements is correct?

a A policy reported to be lost, may actually have been assigned
b A policy has no value after the payment of survival benefits
c Both the statements above are correct
d Both the statements above are wrong

33 Which one of the following statements is correct?

a The foreign exchange regulations apply if the life insured is a non-resident
b The foreign exchange regulations apply if the claimant is a non-resident
c Both the statements above are correct
d Both the statements above are wrong

34 State which of the following statements is correct

a ULIPs provide for flexibility
b ULIPs are better than traditional policies
c Both the above statements are correct
d Both the above statements are wrong

35 State which of the following statements is correct

a In ULIPs, the offer bid spread is the difference between the two prices
b In ULIPs, the offer bid spread, will in some cases be zero
c Both the above statements are correct
d Both the above statements are wrong

36 State which of the following statements is correct

a In ULIPs the insurance cover must be a minimum multiple of the premium
b ULIPs can be surrendered after two years
c Both the above statements are correct
d Both the above statements are wrong

37 State which one of the following statements is correct

a Life insurance is the best savings scheme for all persons
b Life insurance is the best investment scheme for young persons
c Both the statements above are correct
d Both the statements above are wrong

38 Which of the following statements is correct?

a An insurance agent has fixed working hours
b An insurance agent has to mark his attendance in office every day
c An insurance agent works according to his schedule
d An insurance agent cannot do any other work

39 State which one of the following statements is correct

a When vital information is not disclosed, the policyholder is benefited
b When a claim is repudiated, the agent’s trustworthiness is affected
c Both the statements above are correct
d Both the statements above are wrong

40 State which one of the following statements is correct?

a The social sector is not only in the urban areas
b The social sector includes the unorganized sector
c Both the statements above are correct
d Both the statements above are wrong

41 State which one of the following statements is correct?

a The Ombudsman’s authority is limited to claims matters only
b The Ombudsman is not a judicial authority
c Both the statements above are correct
d Both the statements above are wrong

42 State which one of the following statements is correct?

a The tax provisions are the same for all kinds of savings
b The tax provisions are included in the Constitution
c Both the statements above are correct
d Both the statements above are wrong

43 A proposal for SA of Rs. 10 lakhs with DAB for monthly mode under SSS.
Proposer had a previous policy of Rs. 5 lakhs with DAB. Proposal was
accepted with health extra of Rs. 2.75 per thousand SA premium for DAB Re 1 per
thousand. 5% extra for monthly mode. large SA rebate of Rs 2/- per thousand for
1 lakh and above. Tabular premium Rs. 48.20 maximum total SA on which DAB is allowed is Rs. 10/- lakhs.
Find monthly (SSS) premium, rounded off to the next higher rupee
a 4102
b 4121
c 4183
d 4195

44 Find out surrender value on the basis of following data (the answer to
be rounded off to the next lower rupee). SA Rs.30, 000 DOC- 15.6.1992,
Endowment with profit - 30 years
Due date of last premium paid 15-06-2007 mode half yearly
Accrued bonus Rs.750/- per thousand SA. SV factor 23%
a 3670
b 3765
c 8740
d None of these

45 A money back policy for SA. of Rs.50,000/- Matured after 25 years.
Survival benefits of 15% each had been paid at the end of 5th, 10th, 15th,
and 20th years. Bonus had accrued at Rs.965/- per Rs.1000/- SA. Interim bonus
@ Rs.25/- per thousand SA is payable. What is the maturity claim amount?
a 68250
b 69500
c 98250
d 99500

Correct Answers Practice Paper 6

1 d 16 d 31 d
2 a 17 c 32 a
3 d 18 b 33 c
4 c 19 c 34 a
5 d 20 a 35 c
6 a 21 b 36 a
7 d 22 d 37 d
8 d 23 d 38 c
9 c 24 b 39 b
10 a 25 d 40 c
11 c 26 a 41 b
12 c 27 d 42 d
13 b 28 c 43 b
14 c 29 b 44 c
15 a 30 a 45 b