**IRDA Agent Licensing Question paper**

1. A policy in which the payments to the annuitant begins 5 years after the policy has commenced is called -----------

a) 5 year

b) Immediate

c) Delayed

d) Deferred

2. The ability to do is -----------

a) Action

b) Skill

c) Attitude

d) Knowledge

3. Which of the following statement(s) are “TRUE”?

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

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

a) Only statement A

b) Only statement B

c) Both statements

d) Neither of the statement

4. A duplicate policy can be issued when the original policy is

a) Lost

b) With assignee

c) Pledged against a loan

d) All the above

5. How is an annuity paid by the insurer?

a) In installments

b) In lump sum

c) In annual installments

d) In quarterly installments

6. In the case of moral hazard, -----------

a) A lien is placed

b) The sum assured is reduced

c) The proposal is declined

d) Extra premium is charged

7. Which of the following statement(s) 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 statement

8. Which of the following statements are “TRUE “ ?

Statement A: A department in an office is a place where some specialized kind of work is done.

Statement B: Agents are usually attached to branches of insurance offices.

a) Only statement A

b) Only statement B

c) Both statements

d) Neither of the statement

9. What is paid by the insurer when the policyholder decides to discontinue the policy ?

a) Intermediate Claim

b) Surrender Value

c) Forfeiture

d) Lapses

10. ----------- describes an agent who does not take the objections of his prospect lightely.

a) Non-professional

b) Arrogant

c) Professional

d) Mechanical

11. A policy in which the payment to the annuitant begins after 1 year and is payable thereafter annually, is called -------------

a) One year

b) Immediate

c) Annual

d) Deferred

12. The questions in the proposal form and personal statement are ---------- material and relevant

a) Without exception

b) Mostly

c) Only partly

d) Rarely

13. An agent is subject to -----------

a) IRDA Regulations

b) Terms of appointments

c) Agents manual

d) All of the above

14. The behaviour of an agents who tells his client that the advice given by another agent is wrong is

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a) Dominating

b) Interfering

c) Childish

d) Non-professional

15. -------------- means the document produced to establish ones age.

a) Affidavit

b) Proof of age

c) Certificate

d) Evidence

16. ------------- describes an agent who keeps records of his activities and examines them periodically.

a) Analyst

b) Meticulous

c) Non-professional

d) Professional

17. Loans under insurance policies can be repaid --------------

a) In one lump sum

b) By adjustment against claim

c) In installments

d) In any of the above ways

18. Surplus is an indication that -------------

a) Premium is high

b) Targets have been met

c) Neither of the above

d) Both of the above

19. Which of the following statements are “TRUE “?

Statement A: Insurance can be made to begin from previous year

Statement B: The policyholder loses his rights when he makes a nomination

a) Only statement A

b) Only statement B

c) Both statements are false

d) Both statements are true

20. ------------ is the person to whom the policy is transferred in lieu of some consideration received

a) Assignee

b) Nominee

c) Mortgagor

d) Beneficiary

21. After how many years is a missing person presumed to be dead?

a) Six

b) Eight

c) Seven

d) Five

22. How is the purchase price of a deferred annuity payable ?

a) In a lump sum

b) In quarterly installments

c) In annual installments

d) Any of the above

23. 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

24. Which of the following statements 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 are false

d) Both statements are true

25. The agent has --------------- freedom to act on behalf of the principle.

a) Full

b) Limited

c) Specified

d) None of the above

26. -------------- describes the behaviour of an agent who is willing to accept that a particular customer may not need life insurance.

a) Defeatist

b) Non-professional

c) Timid

d) Professional

27. The authority of an agent is ---------------

a) Specified in the appointment letter

b) Inferred from his action

c) Verbally communicated

d) all of the above

28. Which of the following statements are “TRUE”?

Statement A: A policyholder loses his rights when he makes an assignment

Statement B: If the proposal matures, the claim proceeds are paid to the nominee

a) Only statement A

b) Only statement B

c) Both statements

d) Neither of the statement

29. Which of the following statements are “TRUE”?

Statement A: It is the agent’s responsibility to ensure that all material information is made available.

Statement B: If the proposal papers are incomplete, the agent will be held accountable.

a) Only statement A

b) Only statement B

c) Both statements

d) Neither of the statement

30. 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 statement

31. In the case of a policy under the provision of a Married Women’s Property Act, who can make a claim on maturity?

a) Trustee

b) Life insured

c) Beneficiaries

d) Life insured’s heirs

32. Which of the following statements are”TRUE”?

Statement A: Any two persons can take a joint life policy.

Statement B: Two business partners can take a joint life policy.

a) Only statement A

b) Only statement B

c) Both statements

d) Neither of the statement

33. Which of the following statements are “TRUE”?

Statement A: The agent is at fault, if the policy sold does not meet the proponents 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 statement

34. The attachment to a policy to indicate that the standard policy terms and conditions have been modified is called --------------

a) Clause

b) Condition

c) Rider

d) Endorsement

35. What would be the paid up value of 25 year old endowment policy Rs.50,000 taken in October 1988, if the last half-yearly premium paid was in October 2000 ?

a) Rs.26,000

b) Rs.27,000

c) Rs. 24,000

d) Rs. 25,000

36. Which of the following statements are “FALSE” ?

Statement A: Policy decisions in an insurance organization mean decision relating to issue of specific insurance policies.

Statement B: Policy decisions in an insurance organization mean decisions relating to the kind of plans of insurance to be offered to the public.

a) Only statement A

b) Only statement B

c) Both statements

d) Neither of the statement

37. If a person is born on 4.7.1981, his age next birthday on 25.11.2000 will be -------------

a) 19

b) 21

c) 20

d) 18

38. Moral Hazard is a matter of ----------------

a) Fact

b) Opinion

c) Evidence

d) None of them

39. Which of the following statement(s) are “TRUE” ?

Statement A: A nomination is valid only if it is made on the policy document

Statement B: When the insurance policy is the subject matter of a will, the nomination is automatically cancelled.

a) Only statement A

b) Only statement B

c) Both statements

d) Neither of the statement

40. To whom can a policyholder apply in case of bad service from an insurer ?

a) IRDA

b) Consumer forum

c) Ombudsman

d) All the above

41. The single policy issued as evidence of the contract of group coverage is called ----------- policy.

a) Master

b) Overall

c) Group

d) Single

42. The process of determining if the claim can be paid is called

a) Consideration

b) Decision

c) Acceptance

d) Admission

43. Which of the following statement(s) are “TRUE” ?

Statement A: Maturity proceeds under the insurance policy are subject to capital gains tax.

Statement B: If the policy is lost, the claim will not be paid without a duplicate policy.

a) Only statement A

b) Only statement B

c) Both statements

d) Neither of the statement

44. What is the uniqueness of life insurance as a saving plan ?

a) Tax benefits

b) Liquidity

c) Safety

d) Guaranteed fulfillment of saving plan

45. The maturity proceeds of a policy financed by HUF will be paid to the -----------

a) Karta of HUF

b) Life assured

c) Nominee

d) None of the above

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

a) Appointment

b) License

c) Certificate

d) Mandate

47. ------------ means the process through which a product is carried to the customer.

a) Marketing

b) Distribution channel

c) Promotion

d) Sales

48. The insurer must transact at least 15% of the business in the 5th financial year in ---------- market.

a) social

b) Poorer

c) Farmers

d) Rural

49. Surplus declared in a valuation arises because of good -----------.

a) Underwriting

b) Management

c) Investment

d) all of the above

50. Which of the following statements are “TRUE”?

Statement A: Insurance is necessary to cover the risk of living too long.

Statement B: Insurance helps one to be less dependent on others.

a) Only statement A

b) Only statement B

c) Both statements

d) Neither of the statement

51. An agent is expected to report on the proponent’s ------------ status.

a) Financial

b) Medical

c) Both

d) Neither of the statements

52. Which of the following skill is required to influence the other person to do something ?

a) Salesmanship

b) Analytical

c) Communication

d) Persuasiveness

53. Surplus in a valuation arises because of favorable experience in -----------

a) Mortality

b) Expenses

c) Interest Yield

d) All of the above

54. Which of the following statements are “TRUE”?

Statement A: Duplicate policies are issued to enable policyholders make assignments.

Statement B: Premium under a group insurance policy is constant for all time to come.

a) Only statement A

b) Only statement B

c) Both statements

d) Neither of the statement

55. Which of the statements are “TRUE”?

Statement A: The premium under a group insurance policy is constant for all time to come.

Statement B: Premium under a group insurance policy is recalculated every three months.

a) Only statement A

b) Only statement B

c) Both statements

d) Neither of the statement

56. To whom should an application for agency license be given ?

a) The IRDA

b) Controller of Insurance

c) The insurer

d) Any of the above

57. If a person is born on 2.2.1979, his age last birthday on 5.11.2000 will be

a) 20

b) 23

c) 21

d) 22

58. What is the final stage in the selling process ?

a) Approach

b) Interview

c) Convincing

d) Close

59. Which of the following statements are “TRUE”?

Statement A: If there is a nomination, the claim can be paid without further legal proof of title.

Statement B: A nomination becomes invalid if an heir raises a dispute.

a) Only statement A

b) Only statement B

c) Both statements

d) Neither of the statement

60. Which of the following statements are “TRUE”?

Statement A: Insurance is relevant only if there is possible economic loss.

Statement B: An event, which will certainly happen, cannot be insured against.

a) Only statement A

b) Only statement B

c) Both statements

d) Neither of the statement

61. Which of the following approach (es) of the agent is appropriate?

Approach A: The agent suggested to the prospect that he signs the proposal form and that he (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 prospect 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 approach

62. Section 45 of the insurance act is relevant for the policies which are at least ---------- years old.

a) three

b) Two

c) four

d) five

63. 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 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 business from them.

a) Only approach A

b) Only approach B

c) Both the approaches

d) Neither of the approach

64. Calculate premium from the following data :

SA – Rs.1,00,000

Plan-Money Back-20 yrs

Mode-half yearly

Age nearer B’day-36 yrs

Proposal accepted at ordinary rates with double accident benefit,

TP – Rs.69.25

Rebate for half yearly premium is at 1.5%

Rebate for large sum assured is Rs.2/- and Premium for double accident benefits is Re.1/- per thousand per annum.

a) Rs.3,261/-

b) Rs.3,461/-

c) Rs.3,463/-

d) Rs.3,361/-

65. Given that sum assured Rs. 1,00,000/- mode yearly-endowment policy 30 years without profits. Date of commencement 25/10/1993 first unpaid premium 25/10/2001 the paid up value will be

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a) Rs.25,666

b) Rs.26,667

c) Rs.30

d) Rs.25,667

66. How is the purchase price of an immediate annuity payable?

a) In installments

b) In quarterly installments

c) In annual installments

d) In lump sum

67. Which of the following statement(s) are “TRUE”?

Statement A: Fire is a peril, not a loss.

Statement B: The essence of insurance is sharing of losses.

a) Only statement A

b) Only statement B

c) Both statements

d) Neither of the statement

68. A risk can be ---------------

a) Measured

b) Calculated

c) Assessed

d) All the above

69. What does ‘days of grace’ mean?

a) Time allowed for paying premium

b) Period during which premium is paid at discounted rate

c) Time taken to reply letters

d) Period after which only risks begins

70. Who is the person who arranges for a customer to get the necessary insurance ?

a) Broker

b) Retailer

c) Agent

d) Intermediary

71. The person appointed to attend to grievances of policyholders is called --------------

a) Grievance officer

b) Complaints officer

c) Ombudsman

d) Designated officer

72. Bringing a policy, which has lapsed, back to force is called ------------

a) Recovery

b) Revival

c) Relapse

d) Renewal

73. Who is the potential purchaser of a product?

a) customer

b) Client

c) Consumer

d) Prospect

74. Which of the following statement(s) are “TRUE” ?

Statement A: Insurance works on the law of averages

Statement B: Insurance is possible only when there are many policyholders.

a) Only statement A

b) Only statement B

c) Both statements

d) Neither of the statement

75. Approach A: A proponent called up the agent to know why a particular medical test was being asked by the office and the agent said that he was not aware of the same and would revert to matter the next day.

Approach B: A proponent called up the agent to know why a particular medical test was being asked by the office and the agent said that he was not aware of the same, the office always did such stupid things and then he would sort out the matters the next day.

a) Only approach A

b) Only approach B

c) Both the approaches

d) Neither of the approach

76. Approach A: An agent insisted that all his policyholders should sent the premium cheques to him, so that he could ensure that delays did not happen through oversight.

Approach B: An agent being friendly with the assistant in the new business department, used to keep track of the new proposals coming in and try to get additional business from the same parties.

a) Only approach A

b) Only approach B

c) Both the approaches

d) Neither of the approach

77. Approach A: When a prospect wanted to know details about 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 approach

78. Approach A: The agent knew about the death of the client only when he received the copy of the letter written by the office to the wife of the insured, forwarding the forms.

Approach B: The agent had the habit of greeting all his policyholders in the same town, on their birthdays and give them attractive presents.

a) Only approach A

b) Only approach B

c) Both the approaches

d) Neither of the approach

79. 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 that was a confidential matter.

a) Only approach A

b) Only approach B

c) Both the approaches

d) Neither of the approach

80. Approach A: When the prospect said that he had taken sick leave for a few days because he wanted to go outstation 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 death of one of his brother’s 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 approach

81. Approach A : Going through the existing policies of a prospect whom he is meeting for 1st time, the agent suggests that he should allow three of them to lapse and go in for new policies straightaway

Approach B: Going through the existing policies of a prospect whom he was meeting for the 1st time, the agent suggests that nominations be made and offered to get them registered by the office

a) Only approach A

b) Only approach B

c) Both the approaches

d) Neither of the approach

82. Approach A: An agent had advertised in the Telephone Directory that his services were available for advice on all personal financial matters, including insurance

Approach B: An agent advertised in the Telephone Directory that he specialized in Annuity policies, which he said were best for persons aged over 50

a) Only approach A

b) Only approach B

c) Both the approaches

d) Neither of the approach