

Fill in the blanks using only one of the alternatives provided in bracket.

1. The definition of rural area is where the total population is _____ (over 5000/ over 10000 / less than 5000)

2. Who in the [insurance company](#) is responsible for the solvency of the company _____

3. The principal is responsible for _____ of the agents

a) all acts b) Some acts c) Specified acts d) Basic acts

4. An agent is expected to report on proponents _____ status

a) Financial b) Medical c) Both d) None of the earlier

5. In case of corporate agents, the amount of commissions earned from a corporate / organization / group / can not exceed ____ of total commissions

a) 30%, b) 40%, c) 50%, d) 60%

6. State true or false - The issue of licenses required u/s 42 of the [Insurance](#) Act, 1938, is regulated by the IRDA Act of 2000 _____.

7. The amount paid to an agent for procuring policies is called

a) Commission
b) Fees
c) Salary
d) Honorarium

8. _____ is a document issued under the law authorizing a person to act as an [insurance agent](#)

a) Mandate
b) License
c) Certificate
d) Appointment

9. Which statement is Appropriate

A) Going through the existing policies of a prospect whom he is meeting for the first time, the agent suggest that he should allow 3 of them to lapse & go in for a new policies

B) Going through the existing policy of a prospect whom he was meeting for first time, the agent suggest that nomination be made & offered to get them registered by the office

a) A Statement
b) B Statement
c) Both Statement
d) Neither of Statement

10. True or False

- a) Nomination can be changed any number of times.
- b) Assignment can be effected at the proposal stage.
- c) License fee for renewal of agent's licence is Rs. 100/-.
- d) Level premium creates reserves.
- e) Agent is an employee of Insurance Company.
- f) An employer has no insurable interest in the lives of his employees.
- g) An agent can work for two [life insurance companies](#) at the same time.
- h) Under deferred annuity system, the annuity begins within the first year.
- i) For a sum assured of Rs.20, 000/- the rebate for large sum assured is Re.1/-.
- j) Individual policies are issued in [Group Insurance](#).
- k) The bonus is declared under all plans.
- l) Insurance can be granted to those women who observe purdah.

11. Under _____ premium system the premium is the same throughout the policy term.

- a) Level premium
- b) Single Premium
- c) Regular Premium

12. _____ is the price paid to purchase an [insurance product](#). premium

13. For half-yearly mode of premium rebate allowed is _____ 1.5 %

14. Surrender means _____ (Renewal /Termination / Revival) of the contract.

15. If a proposer does not disclose fully all the material facts at the time of proposal, the principle of _____ (Indemnity / Insurable Interest / Utmost Good faith) is violated.

16. Commission on second year's premium payable for Endowment policy for 15 years is _____ percent (5/7.5/101)

17. Age nearer birthday as on 20.5.2000 of a person with date of birth 13.7.1974 is _____ years (25/26/27)

18. Before a person decides to buy [Life Insurance](#) he is only a _____ and when he buys life Insurance he becomes _____ (proposer(1)/Life assured(2) / Nominee/ Assignee/Claimant)

19. The terminal bonus is paid to those policies which become claim after completing _____ years as in force policies (10/15/20)

Mention 'Appropriate ' or 'Inappropriate' against each of the following statements –

- 20. Agent interferes with the clients of other agents.
- 21. Agent advises to discontinue the earlier, policy of the policy holder taken by another agent.
- 22. Agent is more concerned with the commission he will earn then the benefit to the prospect.

- 23. Agent does not collect the premium at the time of sale.
- 24. Agent becomes argumentative when prospect raises objection.

Say True or False

- 25. Agent is an employee of insurance company.
- 26. If a policy document is lost, claim amount cannot be paid.
- 27. An absolute assignment executed by L.A can be altered by him.
- 28. Age proof is not important in L.A. Policies.
- 29. LIC investigates all those death claims which occur within the first 2 years from the date of issue of first premium receipt.
- 30. LI is a short term contract.
- 31. Terminal and final additional bonus is the same
- 32. Employers have no insurable interest in the lives of their employees.
- 33. A person aged 17 years can be granted agency.
- 34. Renewal of license is not essential.
- 35. Disclosure of material facts by the proposer is not necessary
- 36. Proposal form is the basis of the contract.
- 37. [Broker](#) represents only one insurance company.
- 38. Assignment can be effected at the time of completion of proposal.
- 39. Assignment cancels the previous nomination effected on the policy.
- 40. Insurer is legally bound to remind policy holders about premium due.
- 41. The nominee must be a closer relation of L.A.
- 42. Revival of a lapsed policy is allowed.
- 43. The nominee becomes entitled to policy moneys on maturity of policy.
- 44. Age is a relevant factor in risk assessment.
- 45. Nomination can be cancelled by a will.
- 46. Contract of insurance comes into force only when insurance policy is issued.

50. A lapsed policy can be revived within a period of ----- years from the date of first unpaid premium.

- a) Three
- b) Four
- c) Five
- d) Six

51. Renewal receipts are not issued in respect of policies under

- a) Salary Saving Scheme
- b) Non Participatory Policies
- c) Savings Plan
- d) None of the above

52. Bonus notices are

- a) Sent to individual policyholders
- b) Not sent to individual policyholders
- c) Sent in advance
- d) Sent once in two years

53. L.I.C. allows a rebate of ----- and -----for yearly and half yearly mode

- a) 1.5%, 3%
- b) 3%, 1.5%
- c) 3%, 5%
- d) 1.5%, 5%

54. For monthly mode L.I.C.

- a) Charges 1.5% extra
- b) Charges 3% extra
- c) Charges 5% extra
- d) Does not charge extra