

Irda Agent Licensing Exam Paper

1. What is required to pay the death claim if there is no will, nomination or assignment?

a) Probate b) Affidavit c) Birth Certificate d) Legal evidence of Title

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

a) Action b) Skill c) Attitude d) Knowledge

3. Which of the following statements are "TRUE" ?

Statement A: A father can purchase 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 statement

4. A Duplicate policy is issued when the original policy is -----

a) lost b) with assignee c) pledged against loan d) all of the above

5. Which of the following statements are "TRUE"?

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

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

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

6. Which of the following statements are "TRUE"?

Statement A: A department 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

7. The questions in a proposal form and personal statement are ----- material and relevant.

a) Without exception b) mostly c) only partly d) rarely

8. Loans under an insurance policy are repayable -----

a) In a lumpsum b) By adjustment with claim c) In installments d) any of the above

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

a) Assignee b) Nominee c) Mortgagor d) Beneficiary

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

a) Defeatist b) Timid c) Professional d) Non professional

11. ----- means the document produced to establish one's age.

a) Affidavit b) evidence c) certificate d) proof of age

12. Which of the following statements are "TRUE"?

Statement A: Old age is a risk.

Statement B: Dying too old is as much as dying too late.

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

13. How is an annuity paid by the insurer?

a) In quarterly installments b) In annual installments c) In monthly installments d) all of these

14. In case a question in the proposal is vague, it should be -----

a) Left blank b) shown as 'not applicable' c) scratched out d) any one of the above

15. Which of the following statements are "TRUE" ?

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

Statement B: When the policy 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

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

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

17. How is the purchase price of deferred annuity payable?

a) In a lump sum b) In quarterly installments c) In annual installments d) any of the above

18. A policy which has run for 5 years can be called into question by the insurer if there is suspicion of

a) Misrepresentation b) Fraud c) Mistake d) None of the above

19. If a person is born on 02.02.1979, his age last birthday on 5.11.2000 will be -----

a) 23 b) 21 c) 20 d) 22

20. A policy in which the payment to the annuitant begins after one year and is payable thereafter annually is called ----- annuity.

a) Immediate b) annual c) deferred d) one-year

21. The Attachment to a policy to indicate that a standard terms and conditions are modified is called

a) Clause b) condition c) rider d) endorsement

22. A claim payable after the life assured has survived the term of the policy is called -----

a) Maturity b) Survival c) Death d) Terminal

23. If an immediate annuity is purchased on 10.11.2000, when will the first quarterly annuity be paid ?

a) 01.02.2001 b) 10.02.2001 c) 10.11.2000 d) 28.02.2001

24. A policy in which the payment to the annuitant begins after the policy has commenced, is called

----- Annuity.

a) Deferred b) Delayed c) Immediate d) Five year

25. The kind of policy an employer can take for the benefit of all his employees is called a --
----- policy.

a) Super-annuation b) Collective c) Group d) Employee benefit

26) An annuity purchased on 10.11.1984 provides for an immediate annuity for 20 years and life thereafter. If the annuitant dies on 20.12.2000, when will the last quarterly annuity be paid ?

a) 10.11.2000 b) 10.08.2004 c) 10.02.2001 d) 10.11.2004

27. Which of the following statements are "TRUE" ?

Statement A: Insurance is possible only if the event concerned happens by random

Statement B: The cause of loss is called a peril

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

28. The limits of doctors for medical examination is fixed by the -----

a) Insurer b) Medical Council c) Government d) IRDA

29. In case of a policy under MWP Act, who can make a death claim?

a) Beneficiaries b) Life Insured's heirs c) Trustee d) Nominee

30. Which of the following statements are "TRUE"?

Statement A: The law of average works when there are many risks of similar nature

Statement B: When a calamity hits an insured the loss is met from the premium paid by him

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

31. What criteria are relevant to compare different savings plan?

a) Safety b) Liquidity c) Yield d) All of the above

32. 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

33. An officer of an Insurance Company authorized by the IRDA to issue agency license is called -----

a) Licensing Officer b) Authorised Person c) Delegated Authority d) Designated Person

34. Who arranges for a customer to get the necessary insurance ?

a) Broker b) Retailer c) Agent d) Intermediary

35. 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

36. Which of the following statements are "TRUE" ?

Statement A : By mixing term and pure endowment any number of plans of insurance can be developed

Statement B : A money back policy is a kind of endowment product.

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

37. Doctors appointed by the insurers will be -----

a) General Physicians b) Specialists c) Surgeons d) All the above

38. 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

39. The authority of the agent is specified by -----

a) appointment letter b) by his actions c) verbally communicated d) all the above

40. Term assurance is not suitable when the need is to provide for -----

a) old age b) repayment of loan c) mortgage redemption d) dying too young

41. Which of the following statements are "TRUE" ?

Statement A :The agent is expected to carry the identity card with him while meeting the clients.

Statement B : A prospect is entitled to ask to see the license of the agent.

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

42. 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

43. The limits of authority of the agents was laid down by -----

a) Insurance Act b) Contracts Act c) Appointment Letter d) None of the above

44. Which of the following statements are "TRUE" ?

Statement A : The principle of utmost good faith is the same as the principle of Buyers beware

Statement B : The existence of high blood pressure need not be disclosed as the doctor can find this out during the medical examination.

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

45. An underwriter -----

a) Calculates premium b) Assesses the risk c) Issues the policy d) Does all the above

46. Which of these policies does not cover the risk of death ?

a) Term b) Endowment c) Pure endowment d) Whole life

47. Which of the following statements are "TRUE" ?

Statement A : In a group policy each person is free to choose the amount of insurance cover

Statement B : A person normally uninsurable can be covered under a group insurance policy

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

48. What risk is covered by an annuity ?

a) sickness b) accident c) dying too young d) living too long

49. Which of the following statements are "TRUE" ?

Statement A : The rates of commission are a secret

Statement B : A prospect has a right to know the commission being received by the agent.

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

50. If the proponent has no insurable interest in the insured, the underwriter will -----

a) accept the lien b) accept with extra premium c) decline the proposal d) none of these

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

a) Analyst b) Professional c) Non professional d) Meticulous

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

a) Mandate b) Contract c) Appointment letter d) License

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

a) Grievances Officer b) Complaints Officer c) Designated person d) Ombudsman

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

a) Corrupt b) Professional c) Incompetant d) Non professional

55. Which of the following statements are "TRUE" ?

Statement A : An insurance agent may be sued under 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 statement

56. The maturity proceeds in case of a policy financed by HUF will be paid to -----

a) karta b) life assured c) nominee d) none of these

57. If a person is born on 2.2.79 his age nearer birthday on 5.11.2000 will be -----

a) 21 b) 22 c) 23 d) 19

58. Which of the following statements are "TRUE" ?

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

Statement B : Duplicate policies are not necessary to claim maturity proceeds.

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

59. If a person is born on 2.2.1979, his age next birthday on 5.11.2000 will be

a) 20 b) 23 c) 21 d) 22

60. 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 statements

61. Surplus is an indication that -----

a) targets have been set b) premiums are high c) neither of the above d) both of the above

62. The reduced sum assured payable when the premium due is in default is called -----

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a) ex-gratia b) default value c) bonus d) paid up value

63. Which of the following statements are "TRUE" ?

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

Statement B : The policyholder loses his right when makes the nomination

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

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

a) eight b) five c) six d) seven

65. Which kind of policies are not entitled to bonus ?

a) participating b) children's c) non participating d) whole life

66. Surplus declared in a valuation arises out of good -----

a) Management b) Underwriting c) Investment d) All of these

67. The insurer must transact at least 15% of the business in the fifth financial year in the --

market.

a) Farmer b) Social c) Rural d) Poorer

68. Which of the following statements are "TRUE" ?

Statement A : When a policy matures the claim is 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 statements

69. An agent is concerned with -----

a) IRDA act b) Insurance Act c) Contracts Act d) All of these

70. When are maturity intimations sent by insurers?

a) before the date of maturity b) after the date of maturity c) on the date of maturity d) one year before maturity date

71. Surplus is a valuation which arises because of favourable experience in -----

a) Mortality b) Expenses c) Interest yield d) All of these

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

Approach A : When the prospect wanted to know the 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

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

Approach A : The agent advises that the client simply sign on the proposal form and that he would get the form all filled up from the information we have here

Approach B : An agent used to tell his prospects that there was no better Investments than Life Insurance.

a) only approach A b) only approach B c) both the approaches d) Neither of the approach

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

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

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

Approach A : An agent left his identity card at home when visiting a prospect

Approach B : An agent would insist that all his policyholders should sent him the premium cheques so that he could ensure there was no delays due to oversight.

a) only approach A b) only approach B c) both the approaches d) Neither of the approach

76. 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

77. 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 represented such company and that he was the best in the country.

a) only approach A b) only approach B c) both the approaches d) Neither of the approach

78. 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

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

Approach A : An agent selling mostly Salary Savings Scheme policies in the engineering factories used to canvass them on the basis of Income Tax advantages.

Approach B : To a query from a prospect about the tax advantages, the agent replied 'why do you worry ? You just tell me how much money you can spare and I will work out a policy for you.'

a) only approach A b) only approach B c) both the approaches d) Neither of the approach

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

Approach A : When a policyholder complaint that nobody in the Insurance Company was answering the telephone, the agent said that the office was in a mess and that the managers were incompetant

Approach B : Going through the records of the prospect, who he was meeting for the first time the agent suggested that he make nominations on the policies and undertook to have them registered by the office.

a) only approach A b) only approach B c) both the approaches d) Neither of the approach

81. Approach A : When a prospect wanted to know what the agent would get out of the sale of insurance,

he just gave the photocopy of the appointment letter.

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

a) only approach A b) only approach B c) both the approaches d) Neither of the approach

82. From the following information, calculate the premium payable

SA – 1,00,000

Plan money back 20 years

Mode Half Yearly

Age nearer birthday 36 years. Proposal accepted at normal rates with DAB. Tabular Premium is 69.25, with rebate for half yearly mode 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/-

83. 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

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