

IRDA Agent Licensing Question paper

1. The process of determining if the claim can be paid is called -----
a) admission b) acceptance c) consideration d) decision

2. What criteria are relevant to compare different savings plan?
a) Safety b) Liquidity c) Yield d) All of the above

3. The limits of doctors for medical examination are decided by -----
a) Insurer b) Medical Council c) Government d) IRDA

4. The questions in the proposal form and personal statement are material and relevant
a) without exception b) mostly c) only partly d) rarely

5. Which of the following statements are "TRUE" ?
Statement A : A paid up policy can be revived.

Statement B : The insurer may refuse to issue a new policy if an earlier one is paid up.

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

6. To whom should license be paid ?

a) Controller of Insurance b) The insurer c) The IRDA d) Any of the above

7. 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) 10.11.2000 b) 17.11.2000 c) 20.11.2000 d) 15.11.2000

8. 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

9. ----- are statements made by the prospect raising doubts about the usefulness of the insurance.

a) Objections b) Refusals c) Queries d) Disagreements

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

a) Endowment b) Pure endowment c) Term assurance d) Group insurance

11. The limits of authority of an agent are laid down by the -----

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

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

Statement A : The necessity for a medical examination depends only on the Sum assured.

Statement B : The nature of employment may be a factor to dispense with medical examination.

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

13. ----- 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

14. Section 45 of the Insurance Act is relevant for policies which are at least ----- years old.

a) Two b) Four c) Both statements d) Neither of the statements

15. 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

16. Infirmities are caused by -----

a) Rs. 3 lakhs b) Rs. 10 lakhs c) Rs. 13 lakhs d) None of the above

17. If a person's annual income is Rs. 3 lakhs and he has assets (proper and share) worth 10 lakhs he can be given a maximum insurance cover of -----

a) Rs. 3 lakhs b) Rs. 10 lakhs c) Rs. 13 lakhs d) None of the above

18. Which of the following statements are "TRUE" ? Statement A : When a policy matures, the claim proceeds are paid to the assured.

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

19. The behaviour of an agent who makes critical marks about his company is -----

a) Clever b) Non-professional c) Professional d) Efficient

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

a) Recovery b) Revival c) Renewal d) Elapse

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 by the proponent himself, unless he is illiterate.

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

22. Disability benefits may arise because of -----

a) Sickness b) Old age c) Loss of limbs d) Any of the above

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

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

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

Statement A : In case of corporate agent, only the Chief Executive has to pass the prescribed examination.

Statement B : A person who is convicted of cheating can get an agency license as soon as he is released from jail.

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

25. A person's insurable interest in his own life is -----

- a) Unlimited b) 10 times his salary c) Agents manual d) All of the above

26. An agent is subject to -----

- a) IRDA regulation b) Terms of appointment c) Agents manual d) All of above

27. ----- describes the behaviour of an agent who is in the presence of outsiders, covers up the mistakes made by his colleagues.

a) self confident b) protective c) arrogant d) professional

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

a) Surrender value b) Intermediate claim c) Lapse d) Forfeiture

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

a) Salesmanship b) Communication c) Analytical d) Persuasiveness

30. ----- is the professional who is the technical expert on life insurance matters.

a) Underwriter b) Accountant c) Evaluator d) Actuary

31. 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) accept with reduced Sum assured

32. The deduction allowed in income tax because of amounts paid towards life insurance premium Provident fund, etc is called -----

- a) Concession b) Decuction c) Reduction d) Rebate

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

Statement A : The underwriter tries to prevent any undue advantage being taken by prospect

Statement B : The underwriter is a trustee of all policyholders

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

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

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

35. ----- means the business wherein, persons facing the same risk are brought together to create a fund from which those suffering losses are compensated.

- a) Insurance b) Mutual Fund c) Banking d) Security

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

a) old age b) repayment of outstanding loan c) mortgage redemption d) any of the above

37. Final or Terminal bonus is payable -----

a) On death b) On surrender c) On maturity d) All of the above

38. 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

39. What is called the reverse of 'Life Insurance'?

a) Loan b) Surrender value c) Annuity d) None of above

40. 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) deffered d) one-year

41. The process of recording the correct age of person insured is called -----

a) Age admission b) Verifications c) Proof of age d) Certification

42. A policy which has run for 8 years can be called into question if there is -----

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

43. What are the criteria of a good saving plan ?

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

44. In case of policy under the provision of Married Women's Property Act, who can make a death claim ?

a) Beneficiaries b) Life Insured HEIRS c) Trustee d) Any of the above

45. The skill required to explain in a manner that the other person understands is -----

a) Persuasiveness b) Explanatory c) Convincing d) Communication

46. The reduction permitted in the tabular premium depending on the mode of premium or Sum assured is called -----

a) Reduction b) Rebate c) Incentive d) Concession

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

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

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

Statement A : Proof of age is necessary only for proposals for insurance, not for agency applications.

Statement B : After the business is complete, the agent has no further role.

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

49. 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

50. When does foreclosure action begin ?

a) When premium is not paid b) When policy is surrendered c) When loan and interest accumulate

d) All of the above

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

Statement A : A paid up policy will be entitled to bonus.

Statement B : The life to be insured must be in perfect health.

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

52. A duplicate policy may be issued, when original has been -----

a) Burnt b) Stolen c) Mutilated d) All of the above

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

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

54. Which of the following statements is "TRUE" ?

Statement A : When a person dies, no expense is incurred on him.

Statement B : Life insurance helps to ensure a decent burial or cremation on death

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

55. If the claim in question is 23 lakhs, which consumer court will hear the application ?

a) State Level b) National Level c) District Level d) None of above

56. Which information, if not disclosed, can nullify the policy ?

a) Critical b) Valid c) Material d) Important

57. The agents report to the insurer should include ----- facts.

a) Favorable b) Unfavorable c) Neither of the above d) Both of the above

58. 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

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

Statement A : A policy which has been in force for 10 years can be called into question for misrepresentation

Statement B : A policy which has been in force for 10 years can be called into question for fraud.

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 companies come under the purview of the Consumer Protection Act.

Statement B : The jurisdiction of consumer forum depends on the value of claim.

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

61. Which risk is covered by annuity ?

a) Accident b) Living too long c) Sickness d) Death

62. 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 peril.

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

63. 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

64. Which of the following statements is "TRUE" ?

Statement A : The fact of having been on sick leave must be disclosed, even if there were no sickness and certificate of sickness was false.

Statement B : Most plans of insurance are a combination of two basic plans.

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

65. The bonus which attaches to the policy immediately on declaration is called -----
bonus

a) Final b) Immediate c) Terminal d) Reversionry

66. Which of the following statements is "TRUE" ?

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

Statement B : Section 45 of the insurance act does not apply to a one year policy.

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

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

Statement A : Section 45 of the insurance act applies also to paid up policies.

Statement B : Section 45 of the insurance act does not apply to a one year policy.

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

68. In an insurance policy, the amount payable on death may be the amount payable on maturity

a) same as b) more than c) less than d) any of the above

69. ----- means the market in which an agent chooses to operate.

a) Segment b) Target c) Area d) Section

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

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

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

71. Approach A : An agent used to persuade his prospects, who were mainly salaried employees at the middle management level, that they should take out policies under the MWP act.

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

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

72. 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

73. 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

74. Calculate premium from following data

Date of commencement : 1.1.1992

Date of birth : 15.4.1961

Tabular premium for endowment plan with profit

For age 31 – Rs. 41.50

For age 32 – Rs. 41.65

For age 33 – Rs. 41.80

Sum assured – Rs. 1,00,000

Mode – Yearly

Proposal is accepted at ordinary rates without accident benefits

Rebate for sum assured is Rs. 2 per thousand per annum. Rebate for yearly mode is 3% and double accident benefit is available at Re.1 per thousand sum assured per annum

a) Rs. 4,165 b) Rs. 3,825 c) Rs. 3,965 d) Rs. 3,840

75. From the following particulars, calculate paid up value :

Sum assured : Rs. 50,000

Plan : Endowment without profit

Term : 20 years

Date of commencement : 19.02.1994

LPP – yearly : 14.02.2000

a) Rs. 50,000 b) Rs. 15,000 c) Rs. 18,000 d) Rs. 17,500