

Irda Agent Licensing Exam Paper

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 statements 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 |