

**Insurance Questions for IRDA Assistant Manager Exam 2023**

**Q1.** Insurance helps to:

- (a) prevent the occurrence of adverse events.
- (b) mitigate the financial impact of adverse events.
- (c) Neutralize all repercussions of unfavorable conditions.
- (d) Maintain the productiveness of assets
- (e) All of the above

**Q2.** The duration of an insurance policy's coverage is known as the

- (a) Policy term
- (b) Policy loan
- (c) Policy mode
- (d) Policy Hedge
- (e) None of these

**Q3.** The main cause of loss or damage is \_\_\_\_\_

- (a) Proximate cause
- (b) Indirect Loss
- (c) Consequential loss
- (d) Only a & b
- (e) All of these

**Q4.** Insurance works on the principle of:

- (a) Sharing of losses
- (b) Probabilities
- (c) large numbers
- (d) Randomness
- (e) All of the above

**Q5.** In insurance, the..... principle means utmost truthfulness.

- (a) Subrogation
- (b) Causa Proxima
- (c) Insurable interest
- (d) Uberrima fides
- (e) None of the above

**Q6.** Which principle of insurance stipulates that the insured must have an insurable interest in the life or property insured?

- (a) Principle of utmost good faith
- (b) Principle of Proximate Cause
- (c) Principle of Insurable Interest
- (d) Principle of Subrogation
- (e) Principle of Contribution

**Q7.** Which principle of Insurance makes sure that an insured person doesn't make profit by purchasing multiple insurance from more than one company?

- (a) Principle of utmost good faith
- (b) Principle of Proximate Cause
- (c) Principle of Insurable Interest
- (d) Principle of Subrogation
- (e) Principle of Contribution

**Q8.** Which insurance policy offers both insurance and investment under a single integrated plan?

- (a) Endowment Plan
- (b) Money Back Policy
- (c) Unit Linked Insurance Plan
- (d) Term Insurance Plan
- (e) Whole Life Insurance Plan

**Q9.** A person whose risk is covered by insurance is known as the

- (a) Insured
- (b) Merchandiser
- (c) Marketer
- (d) Agents
- (e) None of the above

**Q10.** A nomination can be made only in favor of-

- (a) Parents
- (b) Spouse and children
- (c) Spouse
- (d) Any Individual
- (e) Siblings



**Q11.** The major goal of life insurance is:

- (a) Long-term investment
- (b) Tax benefits from savings
- (c) Short-term investment
- (d) Only a & b
- (e) None of them

**Q12.** \_\_\_\_\_ was the first Indian Insurance Company

- (a) Bombay Mutual Assurance Society Ltd.
- (b) Bombay Insurance Society Ltd.
- (c) Insurance Regulatory Development Authority
- (d) General Insurance Corporation
- (e) Both a & d

**Q13.** The .....company was the first insurance company to be set up in India to help the widows of the European community.

- (a) Life insurance corporation of India.
- (b) Oriental Life Insurance Company
- (c) National insurance company
- (d) Bajaj insurance
- (e) None of the above

**Q14.** Compared to the premium for a Whole Life plan, the premium for an

Endowment plan will be \_\_\_\_\_ for the same age

- (a) More
- (b) Less
- (c) The same
- (d) Double
- (e) Can't be compared

**Q15.** Which of the following organizations controls the insurance business in India?

- (a) IRDAI
- (b) RBI
- (c) SEBI
- (d) NABARD
- (e) EXIM

**Q16.** Which section of IRDA Act, of 1999 deals with salaries & allowances of members of authority?

- (a) 5
- (b) 6
- (c) 7
- (d) 8
- (e) 9

**Q17.** GDPI is a direct written premium that represents the growth of a company's insurance business during a given period. What does 'I' stand for in GDPI?

- (a) Insurance
- (b) Interest
- (c) Income
- (d) Invertible
- (e) None of these

**Q18.** Which act was the first legislation governing all forms of insurance to provide strict state control over the insurance business?

- (a) General Insurance of Business Act of 1972
- (b) Life Insurance Corporation Act
- (c) Insurance Act of 1938
- (d) Insurance Act of 1988
- (e) None of these

**Q19.** Which section of LIC Act deals with the Power of a Corporation to have an official seal in certain cases?

- (a) 36
- (b) 35
- (c) 34
- (d) 33
- (e) 32

**Q20.** Which section of LIC Act deals with the Liquidation of Corporation?

- (a) 34
- (b) 35
- (c) 36
- (d) 37
- (e) 38

**Q21.** What is the tagline of Bajaj Alliance General Insurance?

- (a) Relationship Beyond Insurance
- (b) Values that bind
- (c) With You Always
- (d) Your Dreams, Our Commitment
- (e) None of these

**Q22.** Where is the headquarters of Niva Bupa Health Insurance located?

- (a) Mumbai
- (b) New Delhi
- (c) Bengaluru
- (d) Nashik
- (e) Gurugram

**Q23.** Which of the following is a Premium amount that corresponds to the time period remaining on an insurance policy?

- (a) Earned Premium
- (b) Ethical Premium
- (c) Unreported Premium
- (d) Unearned Premium
- (e) None of these

**Q24.** Which of the following terms matches closest with 'Family Floater'?

- (a) Health insurance
- (b) Property insurance
- (c) Accidental injury
- (d) Consequential loss
- (e) Any of the above

**Q25.** Family Floater Health Plan Covers which of the following in a single policy?

- (a) You
- (b) Your Spouse
- (c) Children
- (d) Parents
- (e) All of the above

**Q26.** A health insurance should be

- (a) Affordable
- (b) Continuous
- (c) Universal
- (d) Only a & b
- (e) All of the above

**Q27.** \_\_\_\_\_ is a form of health insurance against loss by accidental bodily Injury-

- (a) Property insurance
- (b) Marine insurance
- (c) Personal insurance
- (d) Accident insurance
- (e) None of these

**Q28.** \_\_\_\_\_ is a plan that is tailor made for families.

- (a) Floater Health Insurance Policy
- (b) Group health insurance
- (c) Unit-linked
- (d) Health insurance
- (e) Both a & b

**Q29.** Which of the following is available in India?

- (a) Index Options
- (b) Index Futures
- (c) Swap contract
- (d) Commodity Futures
- (e) All the above

**Q30.** Property Insurance may not include \_\_\_\_\_

- (a) Burglary
- (b) Fidelity
- (c) Insolvency
- (d) Sickness
- (e) All of the above

**Q31.** Risk is the chance of \_\_\_\_\_

- (a) Peril
- (b) Accident
- (c) Loss
- (d) Event
- (e) Gain

**Q32.** The person who seeks protection against a risk and to whom the insurance policy is issued is known as

- (a) Insurer
- (b) Customer
- (c) Insured
- (d) Creditor
- (e) Debtor

**Q33.** When a particular property is insured with two insurers it is called-

- (a) Property Insurance
- (b) Double Insurance
- (c) Single Insurance
- (d) Particular Insurance
- (e) Postal Life Insurance

**Q34.** \_\_\_\_\_ are those where a part of the premium is charged for the risk cover and the rest is invested in selected mutual funds as per the choice of the investor.

- (a) Mutual fund Insurance
- (b) Unit-linked Insurance
- (c) Double Insurance
- (d) Partial Insurance
- (e) None of the above

**Q35.** A policy where the policyholder makes a one-time payment of premium, is known as a \_\_\_\_\_:

- (a) Money-back policy
- (b) Single premium policy
- (c) Salary Savings Scheme policy
- (d) Half-yearly policy
- (e) None of the above

**Q36.** What is the proof of the insurance contract?

- (a) Certificate
- (b) Policy
- (c) Receipts
- (d) both b & c
- (e) None of the above

**Q37.** The things or property insured is called \_\_\_\_\_ of the insurance

- (a) Subject matter
- (b) Insurable interest
- (c) Policy
- (d) Insurable Porperty
- (e) None of the above

**Q38.** The cause of a possible loss, such as fire windstorm theft etc. is known as-

- (a) Peril
- (b) Barratry
- (c) Actuary
- (d) Reinstatement
- (e) Risk

**Q39.** Coverage against loss as a result of forced entry into premises is known as-

- (a) Peril
- (b) Burglary
- (c) Actuary
- (d) Reinstatement
- (e) Risk

**Q40.** The term of ULIP should not be less than \_\_\_\_\_ years. -

- (a) Two
- (b) Three
- (c) Four
- (d) Five
- (e) Six

**Q41.** \_\_\_\_\_ are the experts and work with an insurance company who analyze data to assess risk and help insurance firms to a set price of the Insurance Product-

- (a) Insurers
- (b) Burglaries
- (c) Actuaries
- (d) Reinstatements
- (e) Riders

**Q42.** All payments paid towards a life insurance plan are tax deductible under Section 80 (C) of the Income Tax Act, 1961. Maximum deduction is-

- (a) Rs 1 Lakh
- (b) Rs 1.5 Lakhs
- (c) Rs 2 Lakhs
- (d) Rs 2.5 Lakhs
- (e) Rs 3 Lakhs

**Q43.** \_\_\_\_\_ are additional benefits that can be added to an insurance policy for a slightly higher price. Different insurers provide a number of riders for endowment policies.

- (a) Insurers
- (b) Burglaries
- (c) Actuaries
- (d) Reinstatements
- (e) Riders

**Q44.** Depending on the category of investment units there are how many types of ULIP?

- (a) Two
- (b) Three
- (c) Four
- (d) Five
- (e) Six

**Q45.** The PPF is a \_\_\_\_\_ long-term investment scheme. Therefore, the effect of compounding is tremendous, particularly toward the conclusion of the term. One can invest up to 1.5 lakh annually in your PPF account-

- (a) 12- year
- (b) 13- year
- (c) 14- year
- (d) 15- year
- (e) 20-year

**Q46.** EPF is a government-sponsored savings vehicle for salaried workers. Expand the term "E" in EPF-

- (a) Employee
- (b) Employer
- (c) Employment
- (d) Endowment
- (e) Even

**Q47.** What is the Lock in Period in Regular Mutual Fund?

- (a) No Lock in Period
- (b) 3 Months
- (c) 6 Months
- (d) 9 Months
- (e) 12 Months

**Q48.** Which of the following names Is NOT associated with the Insurance business in India?

- (a) Bajaj Allianz
- (b) LIC
- (c) GI C
- (d) Tata AIG
- (e) GE Money

**Q49.** Which of the following terms/ expressions is not used in the Insurance sector?

- (a) Refraction
- (b) Casualty
- (c) Actuary
- (d) Claim
- (e) Brokerage

**Q50.** In the field of insurance, which term is employed for describing a professional who deals with the financial impact of risk and uncertainty?

- (a) Actuary
- (b) Agent
- (c) Assessor
- (d) Appraiser
- (e) Bailee

**Q51.** To which of the following crops does the Rashtriya Krishi Bima Yojana (NAIS) provide insurance?

- (a) Food crops (cereals and pulses)
- (b) Oilseeds
- (c) Horticultural crops
- (d) Commercial crops
- (e) All of the above.

**Q52.** Which of the following is NOT a type of Life Insurance Policy?

- (a) Term Insurance Plan
- (b) Unit linked Insurance Plan
- (c) Whole Life Insurance Plan
- (d) Retirement Plan
- (e) All are types of Life Insurance Policies

**Q53.** Whole Life Insurance Plan Offers protection for life till age of-

- (a) 70 years
- (b) 75 years
- (c) 85 years
- (d) 90 years
- (e) 100 years

**Q54.** Identify Correct statement regarding Term Life Insurance or Term Plan-

- (a) It provides a death benefit to the beneficiary only if the insured dies during the policy term.
- (b) It offers protection between the age of 5 to 85 years.
- (c) It provides Family Financial Security to family at reasonable cost.
- (d) Only a & b
- (e) All of the above

**Q55.** \_\_\_\_\_ is the person who pays the premiums of the policy-

- (a) Proposer
- (b) Nominee
- (c) Beneficiary
- (d) Insurer
- (e) Any of the above

**Q56.** Life Assured is-

- (a) It is the person who pays the premiums of the policy.
- (b) It is the person you appoint at the time of buying the policy to receive the benefits of your insurance policy, in your absence.
- (c) It is the insurance firm that sells the insurance product.
- (d) It is the person who is covered under the insurance policy.
- (e) All of the above

**Q57.** Which of the following is type of Property Insurance?

- (a) Homeowner's Insurance
- (b) Renter's Insurance
- (c) Fire Insurance
- (d) Commercial Property Insurance
- (e) All of the above

**Q58.** The Postal Life Insurance Scheme provides high returns on premium with life insurance coverage. This scheme offers a maximum sum assured of-

- (a) Rs 50 Lakhs
- (b) Rs 60 Lakhs
- (c) Rs 70 Lakhs
- (d) Rs 80 Lakhs
- (e) Rs 90 Lakhs

**Q59.** What is the Minimum per month amount of investment required under National Pension Scheme (NPS)?

- (a) Rs 500
- (b) Rs 600
- (c) Rs 700
- (d) Rs 800
- (e) Rs 1000

**Q60.** Insurance reforms started in 1993 with the formation of the Malhotra Committee in-

- (a) 1990
- (b) 1991
- (c) 1992
- (d) 1993
- (e) 1994

**Q61.** The Insurance Regulatory and Development Authority Act, 1999 brought about several crucial policy changes in the insurance sector of India, leading to the formation of the Insurance Regulatory and Development Authority (IRDA) in-

- (a) 1996
- (b) 1997
- (c) 1998
- (d) 1999
- (e) 2000

**Q62.** Who is NOT a Participant involved in insurance contract?

- (a) Insurance Agreement
- (b) Insured
- (c) Insurer
- (d) Buyer
- (e) Proposer

**Q63.** The principle of \_\_\_\_\_ ensures that an insured discloses all information.

- (a) Utmost Good Faith
- (b) Insurable Interest
- (c) Proximate Cause
- (d) Subrogation
- (e) Indemnity

**Q164.** General Insurance Business was nationalized under-

- (a) General Insurance Business Nationalisation Act, 1972
- (b) General Insurance Business Nationalisation Act, 1971
- (c) General Insurance Business Nationalisation Act, 1973
- (d) General Insurance Business Nationalisation Act, 1974
- (e) None of these

**Q65.** LIC was formed in 1956 through the nationalization of \_\_\_\_\_ Companies.

- (a) 254
- (b) 256
- (c) 252
- (d) 250
- (e) 264

**Q66.** Occupation is important for risk classification because of \_\_\_\_\_.

- (a) Damage caused by pollution at the workplace
- (b) Income earned by an individual
- (c) Tension, stress, and worries given by workplace
- (d) Both b & c
- (e) Both a & c

**Q67.** The purpose of \_\_\_\_\_ are to hold the negligent person responsible for the loss and prevent the insured from collecting twice for the same loss.

- (a) Causa Proxima
- (b) Indemnity
- (c) Uberrima fides
- (d) Subrogation
- (e) Utmost Good Faith





**Q68.** Fidelity Guarantee Policies cover losses due to fraud by \_\_\_\_\_.

- (a) Customers
- (b) Borrowers
- (c) Suppliers
- (d) Employees
- (e) Financiers

**Q69.** Mark the correct statements regarding Endowment Policy.

- (a) Under this policy, the policyholder will receive a lump sum amount in case he survives until the date of maturity.
- (b) Under this policy, the policyholder will not receive any amount in case he survives until the date of maturity.
- (c) The policy gives money-back at regular intervals.
- (d) Under this policy, the cash value of a policy varies according to the current net asset value of the underlying investment assets.
- (e) None of the statements is correct.

**Q70.** ULIP provides the benefits of insurance and flexibility in investment. What does ULIP stand for \_\_\_\_\_?

- (a) Unit Linked Insurance Plan
- (b) Unity Link Insurance Plan
- (c) United Link Insurance Plan
- (d) Unit Linking Insurance Plan
- (e) None of these

**Q71.** Which among the following scheme is not related to Insurance?

- (a) PMJJBY
- (b) PMSBY
- (c) PMFBY
- (d) PMVVY
- (e) APY

**Q72.** The place where bankers meet and settle their mutual claims and accounts is known as:

- (a) Treasury
- (b) Clearing House
- (c) Collecting Centre
- (d) Board room
- (e) Meeting House

**Q73.** Retirement plan offers the benefits of both investment and insurance cover. It allows for a maximum deduction of up to \_\_\_\_\_ every year from an investor's total taxable income.

- (a) Rs. 1.5 lakh
- (b) Rs. 2.5 lakh
- (c) Rs. 3.5 lakh
- (d) Rs. 4.5 lakh
- (e) Rs. 5.5 lakh

**Q74.** What type of insurance policy covers the policyholder for accidental death and permanent total disability?

- (a) Critical illness insurance
- (b) Personal accident insurance
- (c) Health insurance
- (d) Term life insurance
- (e) None of these

**Q75.** What is the purpose of car insurance?

- (a) To provide liability coverage in the event of an accident
- (b) To cover the cost of medical expenses in the event of an accident
- (c) To cover the cost of repairs in the event of a collision
- (d) To provide financial protection in the event of an accident
- (e) All of the above

**Q76.** Which of the following combination is correct?

- (a) NABARD --- Industrial Loans
- (b) RBI --- Long-term finance
- (c) RRB --- Agricultural Finance
- (d) IDBI --- Short-term loans
- (e) IBRD--- Working Capital loan

**Q77.** What is insurance?

- (a) A contract between two parties to protect against financial loss
- (b) A financial product that offers protection against loss or damage
- (c) A type of loan
- (d) An investment vehicle for growing wealth
- (e) None of the above

**Q78.** What is the main difference between whole life insurance and term life insurance?

- (a) Whole life insurance provides coverage for the policyholder's entire life while term life insurance provides coverage for a specified period of time.
- (b) Whole life insurance provides a fixed sum assured while term life insurance provides a decreasing sum assured.
- (c) Whole life insurance has a higher sum assured while term life insurance has a lower sum assured.
- (d) Whole life insurance has a lower premium while term life insurance has a higher premium.
- (e) None of these

**Q79.** Life Insurance Corporation of India was created on 1<sup>st</sup> September 1956, with a capital contribution of \_\_\_\_\_ from the Government of India.

- (a) Rs. 50 Lakh
- (b) Rs. 10 Lakh
- (c) Rs. 1 Crore
- (d) Rs. 5 Crore
- (e) Rs. 50 Crore

**Q80.** The IRDAI is an independent and autonomous statutory body that was incorporated as a statutory body in April 2000. It was constituted under the Insurance Regulatory and Development Authority Act, \_\_\_\_\_.

- (a) 2000
- (b) 2001
- (c) 1999
- (d) 1998
- (e) 1997

**Q81.** What is the purpose of riders in an insurance policy?

- (a) To reduce the premium amount
- (b) To make a policy transferable
- (c) To increase the policy term
- (d) To provide additional coverage
- (e) None of these

**Q82.** What is the primary benefit of purchasing an insurance policy?

- (a) To accumulate wealth
- (b) To save money for future expenses
- (c) To get tax benefits
- (d) To provide financial security to the policyholder's family in case of their death
- (e) None of these

**Q83.** What is the meaning of the term "maturity date" in an insurance policy?

- (a) The date on which the policyholder can claim the sum assured.
- (b) The date on which the policyholder can withdraw from the policy.
- (c) The date on which the policy term expires.
- (d) The date on which the policyholder stops paying premiums.
- (e) None of these

**Q84.** What is the significance of the premium in an insurance policy?

- (a) It is the profit that the policyholder will receive after the policy term expires.
- (b) It is the amount that the policyholder can withdraw from the policy before the maturity date.
- (c) It is the amount that the policyholder needs to pay to the insurance company to keep the policy active.
- (d) It is the sum assured that the policyholder will receive in case of a claim.
- (e) None of these

**Q85.** What type of insurance policy provides coverage for damage or loss to a vehicle?

- (a) Life insurance
- (b) Health insurance
- (c) Homeowner's insurance
- (d) Disability insurance
- (e) Auto insurance

**Q86.** What type of life insurance policy provides coverage for a specific period of time?

- (a) Term life insurance
- (b) Whole life insurance
- (c) Universal life insurance
- (d) Variable life insurance
- (e) Survivorship life insurance

**Q87.** What type of insurance policy provides coverage for damage or loss to a home and its contents?

- (a) Life insurance
- (b) Health insurance
- (c) Auto insurance
- (d) Homeowner's insurance
- (e) Disability insurance

**Q88.** What type of insurance policy provides coverage for medical expenses and hospitalization?

- (a) Life insurance
- (b) Health insurance
- (c) Auto insurance
- (d) Homeowner's insurance
- (e) Disability insurance

**Q89.** What type of life insurance policy provides coverage for the entire life of the insured and also has a cash value component?

- (a) Term life insurance
- (b) Whole life insurance
- (c) Universal life insurance
- (d) Variable life insurance
- (e) Survivorship life insurance



**Q90.** What type of insurance policy provides coverage for damage or loss to personal property?

- (a) Life insurance
- (b) Health insurance
- (c) Auto insurance
- (d) Homeowner's insurance
- (e) Disability insurance

**Q91.** What type of disability insurance policy provides coverage for a specific period of time?

- (a) Short-term disability insurance
- (b) Long-term disability insurance
- (c) Total disability insurance
- (d) Partial disability insurance
- (e) None of the above

**Q92.** What type of insurance policy provides coverage for losses due to theft or fire?

- (a) Life insurance
- (b) Health insurance
- (c) Auto insurance
- (d) Homeowner's insurance
- (e) Disability insurance

**Q93.** What type of life insurance policy provides coverage for two people and pays out the death benefit when both people have passed away?

- (a) Term life insurance
- (b) Whole life insurance
- (c) Universal life insurance
- (d) Variable life insurance
- (e) Survivorship life insurance

**Q94.** What type of insurance policy provides coverage for a specific period of time and is typically used to pay off a mortgage in the event of the insured's death?

- (a) Term life insurance
- (b) Whole life insurance
- (c) Universal life insurance
- (d) Variable life insurance
- (e) Survivorship life insurance

**Q95.** What type of disability insurance policy provides coverage for a disability that prevents the insured from performing any occupation?

- (a) Short-term disability insurance
- (b) Long-term disability insurance
- (c) Total disability insurance
- (d) Partial disability insurance
- (e) None of the above

**Q96.** What type of insurance policy provides coverage for medical expenses and other costs related to a critical illness such as cancer or heart disease?

- (a) Life insurance
- (b) Health insurance
- (c) Auto insurance
- (d) Homeowner's insurance
- (e) Critical illness insurance

**Q97.** What type of life insurance policy provides flexible premiums and investment options?

- (a) Term life insurance
- (b) Whole life insurance
- (c) Universal life insurance
- (d) Variable life insurance
- (e) Survivorship life insurance

**Q98.** Which of the following is not a constituent of the insurance market?

- (a) Insured
- (b) Insurance broker
- (c) Regulator
- (d) Lawyer
- (e) All of the above are constituents of the insurance market

**Q99.** Which of the following is responsible for setting the rules and regulations in the insurance market?

- (a) Insurer
- (b) Insured
- (c) Regulator
- (d) Insurance broker
- (e) None of the above

**Q100.** Which of the following is a participant in the insurance market that helps individuals and businesses find insurance policies that fit their needs?

- (a) Insurer
- (b) Insured
- (c) Regulator
- (d) Insurance broker
- (e) Claims adjuster

**Q101.** Which of the following is responsible for assessing the risk of insuring a particular person or business?

- (a) Insurer
- (b) Insured
- (c) Regulator
- (d) Insurance broker
- (e) Claims adjuster

**Q102.** Which of the following is responsible for paying premiums to the insurer in exchange for insurance coverage?

- (a) Insurer
- (b) Insured
- (c) Regulator
- (d) Insurance broker
- (e) Claims adjuster

**Q103.** Which of the following is responsible for investigating and settling claims made by policyholders?

- (a) Insurer
- (b) Insured
- (c) Regulator
- (d) Insurance broker
- (e) Claims adjuster

**Q104.** Which of the following is a type of insurance that covers damage to property caused by natural disasters, such as earthquakes or hurricanes?

- (a) Liability insurance
- (b) Property insurance
- (c) Health insurance
- (d) Life insurance
- (e) Natural disaster insurance

**Q105.** Which of the following is a type of insurance that covers medical expenses and loss of income due to an injury or illness?

- (a) Liability insurance
- (b) Property insurance
- (c) Health insurance
- (d) Life insurance
- (e) Natural disaster insurance

**Q106.** Which of the following is a type of insurance that provides coverage for damages resulting from legal action against the insured?

- (a) Liability insurance
- (b) Property insurance
- (c) Health insurance
- (d) Life insurance
- (e) Natural disaster insurance

**Q107.** Which of the following is a type of insurance that provides a cash benefit to the insured's beneficiaries in the event of the insured's death?

- (a) Liability insurance
- (b) Property insurance
- (c) Health insurance
- (d) Life insurance
- (e) Natural disaster insurance

**Q108.** What is the term used to describe the amount of money the policyholder must pay before the insurance coverage kicks in?

- (a) Premium
- (b) Deductible
- (c) Liability
- (d) Coverage limit
- (e) Claim

**Q109.** What is the term used to describe the maximum amount of money an insurance company will pay for a claim?

- (a) Premium
- (b) Deductible
- (c) Liability
- (d) Coverage limit
- (e) Claim

**Q110.** What is the term used to describe an event or situation that is not covered by an insurance policy?

- (a) Exclusion
- (b) Endorsement
- (c) Rider
- (d) Premium
- (e) Deductible

**Q111.** What is the term used to describe a written document that modifies an insurance policy?

- (a) Exclusion
- (b) Endorsement
- (c) Rider
- (d) Premium
- (e) Deductible

**Q112.** What is the term used to describe an additional insurance policy that provides coverage beyond the limits of the primary policy?

- (a) Excess insurance
- (b) Deductible
- (c) Liability insurance
- (d) Coverage limit
- (e) Premium

**Q113.** What is the term used to describe the person or entity that is covered by an insurance policy?

- (a) Insured
- (b) Insurer
- (c) Broker
- (d) Agent
- (e) Underwriter

**Q114.** When did the first insurance policy originate?

- (a) 1800s
- (b) 1700s
- (c) 1600s
- (d) 1500s
- (e) 1400s

**Q115.** Which of the following is not an example of a recent development in the insurance sector?

- (a) Peer-to-peer insurance
- (b) Telematics
- (c) Insurtech
- (d) Microinsurance
- (e) Actuarial science

**Q116.** What type of insurance policy provides coverage for a specified period of time?

- (a) Endowment Insurance
- (b) Term Life Insurance
- (c) Whole Life Insurance
- (d) Money Back Insurance
- (e) None of these

**Q117.** What is the main purpose of life insurance?

- (a) To provide a financial cushion for family members in the event of death
- (b) To provide a tax-free lump sum at retirement
- (c) To provide an income stream in retirement
- (d) To invest money for the future
- (e) None of the above

**Q118.** Which of the following is NOT a public sector insurance company?

- (a) Aegon Life Insurance
- (b) United India Insurance Company
- (c) The New India Assurance Company Limited
- (d) General Insurance Corporation of India
- (e) National Insurance Company Limited

**Q119.** The Indian Mercantile Insurance Ltd was the first company to transact all classes of general insurance business. It was set up in which year?

- (a) 1912
- (b) 1913
- (c) 1914
- (d) 1915
- (e) 1907

**Q120.** General Insurance Corporation of India was formed in pursuance of Section 9(1) of GIBNA. What does B stand for in GIBNA?

- (a) Banking
- (b) Broader
- (c) Business
- (d) Bond
- (e) None of these

**Q121.** Pick out the correct statements regarding Term Life Insurance.

[A] It provides death risk cover for a specified period.  
[B] It is a pure risk cover plan that offers high coverage at low premiums.

[C] In case the life assured passes away during the policy period, the life insurance company pays the death benefit to the nominee.

- (a) Only A
- (b) Only B
- (c) Only C
- (d) Both A & C
- (e) All A, B & C

**Q122.** Pin down the incorrect statements regarding the Crop Insurance.

[A] Crop Insurance covers agricultural producers against unexpected loss of projected crop yields or profits from product sales at the market.

[B] Crop Yield Insurance protects the expected income due to unpredicted yields, which is the volume of a crop's harvest.

[C] Crop Revenue Insurance covers expected revenue from loss owing to market fluctuations of crop selling prices.

- (a) Only A
- (b) Only B
- (c) All A, B & C
- (d) Both B & C
- (e) None of the statements is incorrect.

**Q123.** In 1993, the Government set up a committee under the chairmanship of \_\_\_\_\_ to propose recommendations for reforms in the insurance sector.

- (a) Srijesh Malhotra
- (b) RN Malhotra
- (c) Rishabh Malhotra
- (d) Shyam Malhotra
- (e) None of these

**Q124.** In which year life insurance in India was nationalized?

- (a) 1936
- (b) 1946
- (c) 1956
- (d) 1966
- (e) 1976

**Q125.** What type of insurance covers damage to a person's property?

- (a) Home Insurance
- (b) Car Insurance
- (c) Life Insurance
- (d) Health Insurance
- (e) None of the above

**Q126.** The Indian Life Assurance Companies Act, \_\_\_\_\_ was the first statutory measure to regulate life business.

- (a) 1921
- (b) 1917
- (c) 1912
- (d) 1927
- (e) 1910

**Q127.** Which of the following was the first life insurance company on Indian soil?

- (a) Life Insurance Corporation
- (b) Oriental Life Insurance Corporation
- (c) Acko General Insurance Company
- (d) Bajaj Alliance General Insurance Company
- (e) None of these

**Q128.** What is the significance of the sum assured in an insurance policy?

- (a) It is the premium amount that the policyholder needs to pay to the insurance company.
- (b) It is the profit that the policyholder will receive after the policy term expires.
- (c) It is the maximum amount that the insurance company will pay in case of a claim.
- (d) It is the amount that the policyholder can withdraw from the policy before the maturity date.
- (e) None of these

**Q129.** Oriental Life Insurance Corporation was the first life insurance company on Indian soil. It was founded in which year?

- (a) 1829
- (b) 1818
- (c) 1840
- (d) 1850
- (e) 1907

**Q130.** Which among the following is not a type of Insurance?

- (a) Automobile Insurance
- (b) Homeowners' Insurance
- (c) Child Plan for Education
- (d) Whole Life Insurance
- (e) All of the above are types of insurance

**Q131.** In 2000, the Insurance Regulatory Development Authority of India was founded as an independent body. Currently, it is headquartered at \_\_\_\_\_

- (a) New Delhi
- (b) Kolkata
- (c) Lucknow
- (d) Bengaluru
- (e) Hyderabad

**Q132.** If an insured person fails to pay the premium due to various circumstances and as a result, the insurance policy gets terminated, then the insurance coverage can be renewed. This process of putting the insurance policy back after a lapse is called \_\_\_\_\_.

- (a) Reinstatement
- (b) Restatement
- (c) Recharging
- (d) Reattempting
- (e) Regaining

**Q133.** ECGC Ltd. was set up in 1957 with the objective of promoting exports from the country by providing credit risk insurance and related services for exports. What does G stand for in ECGC?

- (a) Goodwill
- (b) Gross
- (c) Guest
- (d) Guarantee
- (e) Gearing



**Q134.** Which among the following provides coverage for financial losses due to delays in construction and infrastructure projects?

- (a) Advance Loss of Profit
- (b) Additional Premium
- (c) Basic Premium Factor
- (d) Combined Additional Coverage
- (e) Capital Asset Pricing Model

**Q135.** Agriculture Insurance Company of India Limited was incorporated under the Indian Companies Act 1956 on 20th December, \_\_\_\_\_.

- (a) 2000
- (b) 2001
- (c) 2002
- (d) 2003
- (e) 2004

**Q136.** Where is the headquarters of the General Insurance Corporation of India located?

- (a) New Delhi
- (b) Mumbai
- (c) Hyderabad
- (d) Kolkata
- (e) None of these

**Q137.** In insurance, Risk management is the process of identifying, assessing, and reducing risk. The total loss that can happen is referred to as the MPL. What does P stand for in MPL?

- (a) Proximity
- (b) Possibility
- (c) Possible
- (d) Paradigm
- (e) Program

**Q138.** The Insurance Regulatory and Development Authority Act, 1999 brought about several crucial policy changes in the insurance sector of India, leading to the formation of the Insurance Regulatory and Development Authority (IRDA) in \_\_\_\_\_.

- (a) 1999
- (b) 2000
- (c) 2001
- (d) 2002
- (e) 2003

**Q139.** Which of the following has launched a 'Pay as You Drive' (PAYD) policy, which offers a comprehensive motor insurance policy that charges a premium based on the usage of the vehicle?

- (a) Life Insurance Corporation of India
- (b) General Insurance Corporation of India
- (c) The New India Assurance Company Limited
- (d) United India Insurance Company Limited
- (e) The Oriental Insurance Company Limited

**Q140.** Pick out the correct statement regarding Retirement plans in insurance.

- [A] It offers the benefits of both investment and insurance cover.
  - [B] In this plan, a person can invest a certain amount regularly to accumulate over a specific tenure in a phase-by-phase manner.
  - [C] The policyholder receives the quarterly pension during the vesting age.
- (a) Only A & B
  - (b) Only B & C
  - (c) Only A
  - (d) Only C
  - (e) All A, B & C

**Q141.** \_\_\_\_\_ is an insurance plan that offers the dual benefit of investment to fulfil your long-term goals, and a life cover to financially protect your family in case of an unfortunate event.

- (a) LLIP
- (b) ULIPN
- (c) MLIP
- (d) NLIPU
- (e) ULIP

**Q142.** What is Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY)?

- (a) A scheme to provide free electricity to all households in India
- (b) A scheme to provide health insurance cover to the poor and vulnerable sections of society
- (c) A scheme to provide free education to all children in India
- (d) A scheme to provide financial assistance to farmers
- (e) None of the above

**Q143.** Who is eligible to avail benefits under AB-PMJAY?

- (a) All citizens of India
- (b) Only citizens below the poverty line
- (c) Only citizens belonging to scheduled castes and tribes
- (d) Only citizens belonging to the economically weaker sections
- (e) All of the above

**Q144.** What is the premium paid by beneficiaries under AB-PMJAY?

- (a) No premium is required to be paid by beneficiaries
- (b) Beneficiaries have to pay a nominal premium of Rs. 100 per year
- (c) Beneficiaries have to pay a premium of 50% of the insurance cover
- (d) The premium amount varies depending on the age and income of the beneficiary
- (e) None of the above



**Q145.** Which of the following services are covered under AB-PMJAY?

- (a) Outpatient care
- (b) Organ transplantation
- (c) Pre-existing diseases
- (d) Both a & b
- (e) All of the above

**Q146.** How are beneficiaries identified and enrolled under AB-PMJAY?

- (a) Beneficiaries are identified through a door-to-door survey and enrolled through an online portal.
- (b) Beneficiaries are identified through the National Food Security Act (NFSA) and enrolled through the PDS system.
- (c) Beneficiaries are identified through the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and enrolled through the post office.
- (d) Beneficiaries are identified through the National Rural Health Mission (NRHM) and enrolled through the local health center.
- (e) All of the above

**Q147.** What is Pradhan Mantri Suraksha Bima Yojana (PMSBY)?

- (a) A scheme to provide health insurance cover to the poor and vulnerable sections of society
- (b) A scheme to provide accidental death and disability insurance cover to all citizens of India
- (c) A scheme to provide financial assistance to farmers
- (d) A scheme to provide free electricity to all households in India
- (e) All of the above

**Q148.** Who is eligible to enroll in PMSBY?

- (a) All citizens of India between the ages of 18 and 70
- (b) Only citizens below the poverty line
- (c) Only citizens belonging to scheduled castes and tribes
- (d) Only citizens belonging to the economically weaker sections
- (e) All of the above

**Q149.** What is the premium amount for PMSBY?

- (a) Rs. 12 per annum
- (b) Rs. 365 per annum
- (c) Rs. 330 per annum
- (d) Rs. 750 per annum
- (e) Rs. 800 per annum

**Q150.** How is the claim amount paid to the beneficiary under PMSBY?

- (a) The claim amount is paid in monthly installments over a period of 10 years
- (b) The claim amount is paid in a lump sum to the beneficiary
- (c) The claim amount is paid to the nearest government hospital for medical expenses
- (d) The claim amount is paid to the nearest insurance office for reimbursement
- (e) None of the above

**Q151.** What is the enrollment period for PMSBY?

- (a) 1st January to 31st March
- (b) 1st June to 31st August
- (c) 1st September to 31st December
- (d) 1st April to 31st May
- (e) None of the above

**Q152.** Who is eligible to join Atal Pension Yojana (APY)?

- (a) All Indian citizens above the age of 18 years
- (b) All Indian citizens below the age of 60 years
- (c) Only Indian citizens belonging to the unorganized sector
- (d) Only Indian citizens belonging to the organized sector
- (e) None of the above

**Q153.** What is the minimum age to join APY?

- (a) 18 years
- (b) 20 years
- (c) 25 years
- (d) 30 years
- (e) None of the above

**Q154.** What is the minimum monthly contribution under APY?

- (a) Rs. 100
- (b) Rs. 500
- (c) Rs. 1,000
- (d) Rs. 2,000
- (e) None of the above

**Q155.** What is the benefit of joining APY?

- (a) Life insurance cover
- (b) Health insurance cover
- (c) Retirement income
- (d) Education loan
- (e) None of the above

**Q156.** What is the exit policy for APY?

- (a) The subscriber can exit the scheme at any time without any penalty
- (b) The subscriber can exit the scheme after 10 years of contribution without any penalty
- (c) The subscriber can exit the scheme after 5 years of contribution without any penalty
- (d) The subscriber can exit the scheme after 20 years of contribution without any penalty
- (e) None of the above

**Q157.** Which of the following is true about PMJJBY?

- (a) It is a health insurance scheme for the poor
- (b) It is a life insurance scheme for the poor
- (c) It is a crop insurance scheme for farmers
- (d) It is a pension scheme for senior citizens
- (e) None of the above

**Q158.** What is the maximum age limit to enroll in PMJJBY?

- (a) 45 years
- (b) 50 years
- (c) 55 years
- (d) 60 years
- (e) None of the above

**Q159.** Who administers PMJJBY?

- (a) Life Insurance Corporation of India (LIC)
- (b) General Insurance Corporation of India (GIC)
- (c) New India Assurance Company Limited
- (d) National Insurance Company Limited
- (e) None of the above

**Q160.** What is the sum assured under PMJJBY?

- (a) Rs. 2 lakhs
- (b) Rs. 5 lakhs
- (c) Rs. 10 lakhs
- (d) Rs. 15 lakhs
- (e) None of the above

**Q161.** What is the renewal period for PMJJBY?

- (a) Monthly
- (b) Quarterly
- (c) Half-yearly
- (d) Annually
- (e) None of the above

**Q162.** What is PMFBY?

- (a) A scheme for providing crop insurance to farmers
- (b) A scheme for providing healthcare to farmers
- (c) A scheme for providing pension to farmers
- (d) A scheme for providing employment to farmers
- (e) None of the above

**Q163.** When was PMFBY launched?

- (a) 2014
- (b) 2015
- (c) 2016
- (d) 2017
- (e) None of the above

**Q164.** Who implements PMFBY?

- (a) Ministry of Agriculture and Farmers Welfare
- (b) Ministry of Rural Development
- (c) Ministry of Finance
- (d) Ministry of Commerce and Industry
- (e) None of the above

**Q165.** What is the premium rate for PMFBY?

- (a) 1.5% of sum insured for Kharif crops, 2% for Rabi crops, and 5% for horticultural crops
- (b) 2% of sum insured for Kharif crops, 1.5% for Rabi crops, and 5% for horticultural crops
- (c) 5% of sum insured for Kharif crops, 2% for Rabi crops, and 1.5% for horticultural crops
- (d) 2% of sum insured for Kharif and Rabi crops, and 5% for horticultural crops
- (e) None of the above

**Q166.** What is the maximum sum insured under PMFBY?

- (a) Rs. 1 lakh per hectare for food crops and Rs. 2 lakhs per hectare for commercial crops
- (b) Rs. 2 lakhs per hectare for food crops and Rs. 1 lakh per hectare for commercial crops
- (c) Rs. 1 lakh per hectare for both food and commercial crops
- (d) Rs. 2 lakhs per hectare for both food and commercial crops
- (e) None of the above

**Q167.** What is the Employees' State Insurance Scheme?

- (a) A scheme for providing pension to retired employees
- (b) A scheme for providing healthcare to employees
- (c) A scheme for providing unemployment benefits to employees
- (d) A scheme for providing housing loans to employees
- (e) None of the above

**Q168** When was the Employees' State Insurance Scheme launched?

- (a) 1947
- (b) 1950
- (c) 1960
- (d) 1970
- (e) None of the above

**Q169.** Who is eligible for the Employees' State Insurance Scheme?

- (a) Employees earning less than Rs. 10,000 per month
- (b) Employees earning less than Rs. 15,000 per month
- (c) Employees earning less than Rs. 20,000 per month
- (d) All employees irrespective of their income
- (e) None of the above

**Q170.** How is the contribution towards the Employees' State Insurance Scheme shared between the employer and employee?

- (a) 90% by the employer and 10% by the employee
- (b) 80% by the employer and 20% by the employee
- (c) 70% by the employer and 30% by the employee
- (d) 60% by the employer and 40% by the employee
- (e) None of the above

**Q171.** What benefits are provided under the Employees' State Insurance Scheme?

- (a) Medical benefits, maternity benefits, and disability benefits
- (b) Unemployment benefits, education benefits, and housing benefits
- (c) Pension benefits, life insurance benefits, and travel benefits
- (d) Food benefits, clothing benefits, and fuel benefits
- (e) None of the above

**Q172.** When did Life Insurance Corporation of India come into existence?

- (a) 1947
- (b) 1956
- (c) 1963
- (d) 1972
- (e) 1980

**Q173.** What is the objective of LIC?

- (a) To maximize shareholder's profit
- (b) To mobilize people's savings by making insurance-linked savings adequately attractive
- (c) To provide loans to the public
- (d) To conduct business at the highest cost possible
- (e) To reduce coverage of life insurance policies

**Q174.** Which plan offered by LIC is an individual, non-participating, non-linked, life assurance savings insurance plan?

- (a) LIC's New Endowment Plus Plan
- (b) LIC's New Jeevan Anand Plan
- (c) LIC's Jeevan Rakshak Plan
- (d) LIC's Jeevan Lakshya Plan
- (e) LIC Bima Jyoti

**Q175.** Which plan offered by LIC provides financial support for the family in case of unfortunate death of the policyholder any time before maturity and a lump sum amount at the time of maturity for the surviving policyholder?

- (a) LIC's New Endowment Plus Plan
- (b) LIC's New Jeevan Anand Plan
- (c) LIC's Jeevan Rakshak Plan
- (d) LIC's Jeevan Lakshya Plan
- (e) All of the above

**Q176.** What are LIC's Satellite Sampark offices?

- (a) LIC's branch offices
- (b) LIC's divisional offices
- (c) LIC's zonal offices
- (d) LIC's corporate office
- (e) Smaller, leaner and closer to the customer

**Q177.** When was the General Insurance Business (Nationalisation) Act passed in India?

- (a) 1962
- (b) 1972
- (c) 1982
- (d) 1992
- (e) 2002

**Q178.** What is the main objective of General Insurance Corporation of India (GIC)?

- (a) To carry on the business of life insurance
- (b) To conduct investment strategies for GIC subsidiaries
- (c) To promote subsidiaries to conduct the business of insurance
- (d) Both b and c
- (e) None of the above

**Q179.** Which subsidiary company of GIC provides reinsurance needs for Africa?

- (a) GIC Re UK
- (b) GIC Re Canada
- (c) GIC Re South Africa
- (d) GIC Re Australia
- (e) GIC Re New Zealand

**Q180.** When was GIC incorporated?

- (a) 1956
- (b) 1962
- (c) 1972
- (d) 1982
- (e) 1992

**Q181.** What is the core business philosophy of GIC Re South Africa?

- (a) To provide low-cost reinsurance solutions
- (b) To provide insurance solutions for African countries
- (c) To develop reinsurance capacity in Africa
- (d) Both a and b
- (e) Both b and c

**Q182.** Who appoints the Chairman and other members of IRDAI?

- (a) Reserve Bank of India
- (b) Securities and Exchange Board of India
- (c) Indian Government
- (d) Insurance companies
- (e) None of the above

**Q183.** Which of the following entities are regulated by IRDAI?

- (a) Life Insurance Companies
- (b) General Insurance Companies
- (c) Reinsurance Companies
- (d) Agency Channel
- (e) All of the above

**Q184.** What is the primary law controlling India's insurance industry?

- (a) IRDAI Act, 1999
- (b) Insurance Regulatory Development Authority Act, 1999
- (c) Insurance Act, 1938
- (d) Securities and Exchange Board of India Act, 1992
- (e) None of the above

**Q185.** What is the main goal of IRDAI?

- (a) To promote competition in the insurance sector
- (b) To improve customer satisfaction
- (c) To ensure the market's financial stability
- (d) All of the above
- (e) None of the above

**Q186.** What are the powers and functions of IRDAI as per Section 14 of IRDAI Act, 1999?

- (a) Certify insurance companies
- (b) Protect interest of the policy holders
- (c) Adjudication of disputes
- (d) All of the above
- (e) None of the above

**Q187.** In which year was the New India Assurance Company Limited founded?

- (a) 1919
- (b) 1920
- (c) 1921
- (d) 1922
- (e) 1923

**Q188.** Which of the following companies is co-promoted by New India Assurance Company Limited?

- (a) Life Insurance Corporation of India
- (b) Agricultural Insurance Company of India
- (c) National Insurance Company Limited
- (d) ICICI Lombard General Insurance Company Limited
- (e) HDFC Ergo General Insurance Company Limited

**Q189.** When was United India Insurance Company Limited incorporated as a company?

- (a) 18th February 1936
- (b) 18th February 1937
- (c) 18th February 1938
- (d) 18th February 1939
- (e) 18th February 1940

**Q190.** How was United India Insurance Company Limited formed?

- (a) By a private merger of 22 companies
- (b) By a nationalization of 22 companies
- (c) By a public-private partnership of 22 companies
- (d) By a merger of 22 public sector companies
- (e) By a merger of 22 private sector companies

**Q191.** Which of the following products is NOT offered by United India Insurance Company Limited?

- (a) Motor Insurance
- (b) Health Insurance
- (c) Shopkeeper's Insurance
- (d) Personal Accident Insurance
- (e) Crop Insurance

**Q192.** When was Oriental Insurance Company Ltd. incorporated?

- (a) 12th September 1945
- (b) 12th September 1946
- (c) 12th September 1947
- (d) 12th September 1948
- (e) 12th September 1949

**Q193.** Who owned Oriental Insurance Company Ltd. from 1956 to 1973?

- (a) General Insurance Corporation of India
- (b) Life Insurance Corporation of India
- (c) Government of India
- (d) World Bank
- (e) United Nations

**Q194.** What is the specialty of Oriental Insurance Company Ltd.?

- (a) Providing micro-insurance to the rural population
- (b) Providing health insurance to individuals and families
- (c) Providing crop insurance to farmers
- (d) Devising special covers for large projects like power plants, petrochemical, steel, and chemical plants
- (e) Providing insurance for education loans

**Q195.** When was National Insurance Company Limited incorporated?

- (a) December 5, 1906
- (b) December 5, 1916
- (c) December 5, 1926
- (d) December 5, 1936
- (e) December 5, 1946

**Q196.** When was National Insurance Company Limited delinked from its holding company GIC?

- (a) August 7, 1992
- (b) August 7, 1995
- (c) August 7, 1998
- (d) August 7, 2000
- (e) August 7, 2002

**Q197.** How many offices does National Insurance Company Limited have in India?

- (a) Around 500 offices
- (b) Around 1000 offices
- (c) Around 1300 offices
- (d) Around 1700 offices
- (e) Around 2000 offices

**Q198.** When was Agriculture Insurance Company of India Limited incorporated?

- (a) 20th December, 1998
- (b) 20th December, 2000
- (c) 20th December, 2002
- (d) 20th December, 2004
- (e) 20th December, 2006

**Q199.** What is the mission of Agriculture Insurance Company of India Limited?

- (a) To maximize profit for shareholders
- (b) To provide insurance for all types of industries
- (c) To improve the delivery and service of agricultural insurance
- (d) To focus solely on providing insurance for large-scale agriculture projects
- (e) To establish agriculture insurance as a tool for increasing government revenue

**Q200.** What is the authorized share capital of Agriculture Insurance Company of India Limited?

- (a) INR 5 billion
- (b) INR 10 billion
- (c) INR 15 billion
- (d) INR 20 billion
- (e) INR 25 billion





**Solutions****S1. Ans. (b)****Sol. Insurance helps to mitigate the financial impact of adverse events.****S2. (a)****Sol. The duration of an insurance policy's coverage is known as the Policy term.****S3. Ans. (a)****Sol. The main cause of loss or damage is Proximate cause.****S4. Ans. (a)****Sol. Insurance works on the principle of Sharing of losses.****S5. Ans. (d)****Sol. In insurance, the Uberrima fides principle means utmost truthfulness.****S6. Ans. (c)****Sol. Principle of Insurable Interest stipulates that the insured must have an insurable interest in the life or property insured.****Principle of Insurable Interest**

- According to this principle, the insured person must have an insurable interest in the subject matter (life or property).
- The term "insurable interest" refers to a subject that, if a specific event occurs, significantly alters the insured's position; but, if the specific event does not occur, the insured stays in the same position.
- An individual cannot buy a life insurance policy for a person on whom he/she has no insurable interest. However, in case of spouses, no proof of insurable interest is required.
- It is worth to note that in order to claim the insurance amount, the insured must be the owner of the subject matter both at the time of contracting and at the time of the accident.

**S7. Ans.(e)****Sol. Principle of Contribution makes sure that an insured person doesn't make profit by purchasing multiple insurance from more than one company.****Principle of Contribution-**

When an insured person purchases multiple insurance policies covering the same risk, the contribution principle is in effect. In other words, if a person has insurance from multiple companies, each insurer will share the loss according to the quantity of their individual coverage. One insurance company has the right to contact other insurance companies to request a comparable amount if it has made the full payment.

**S8. Ans. (c)****Sol. Unit Linked Insurance Plan offers both insurance and investment under a single integrated plan.**

- Unit Linked Insurance Plan (ULIP): Unit Linked Insurance Plan or ULIP is a type of life insurance product that offers dual benefits of investment and life insurance.
- Among the different types of life insurance policies available, ULIPs enjoy a high amount of popularity owing to their versatile nature.
- A portion of the premiums paid towards ULIPs is directed towards ensuring insurance coverage, while the rest of the premium is invested into a bouquet of investment instruments, which can include market-backed equity funds, debt funds and other securities.
- ULIPs are extremely flexible instruments since investors can easily switch or redirect their premiums between the different funds available. ULIPs are also touted as having an edge over other market instruments in terms of tax-saving benefits, since their proceeds are exempted from LTCG (Long Term Capital Gains).

**S9. Ans. (a)****Sol. A person whose risk is covered by insurance is known as the Insured.****S10. Ans. (d)****Sol. A nomination can be made only in favor of Any Individual.****S11. Ans. (e)****Sol. None of them****S12. Ans. (a)****Sol. Bombay Mutual Assurance Society Ltd. was the first Indian Insurance Company.****S13. Ans. (b)****Sol. The Oriental Life Insurance Company was the first insurance company to be set up in India to help the widows of the European community.****S14. Ans. (a)****Sol. Compared to the premium for a Whole Life plan, the premium for an Endowment plan will be more for the same age.**

**S15. Ans. (a)**

**Sol.** The Insurance Regulatory and Development Authority of India, **IRDAI** controls the insurance business in India.

**S16. Ans. (c)**

**Sol.** **Section 7 of IRDAI, 1999** deals with the salaries & allowances of members of the authority.

**S17. Ans. (c)**

**Sol.** **GDPI** stands for "**Gross Direct Premium Income**".

**Details:**

- GDPI is Gross Direct Premium Income which directs written premiums to represent the growth of a company's insurance business during a given period.
- It can include both policies written by the company and policies written by its affiliated companies.

**S18. Ans. (c)**

**Sol.** **The Insurance Act of 1938** was the first legislation governing all forms of insurance to provide strict state control over the insurance business.

**S19. Ans. (e)**

**Sol.** **Section 32** of the Life Insurance Corporation Act, 1956 deals with the Power of a Corporation to have an official seal in certain cases.

**S20. Ans. (e)**

**Sol.** **Section 38** of the Life Insurance Corporation Act, of 1956 deals with the Liquidation of a Corporation.

**S21. Ans. (a)**

**Sol.** The tagline of Bajaj Alliance General Insurance is "**Relationship Beyond Banking**".

**S22. Ans. (b)**

**Sol.** The headquarters of Niva Bupa Health Insurance is located in **New Delhi**.

**S23. Ans. (d)**

**Sol.** An unearned premium is the premium amount that corresponds to the time period remaining on an insurance policy.

In other words, it is the portion of the policy premium that has not yet been "earned" by the insurance company because the policy still has some time before it expires.

**S24. Ans. (a)**

**Sol.** Health insurance matches closest with 'Family Floater'.

**S25. Ans. (e)**

**Sol.**

Table 1: Comparison of Policies offered by various Health Insurance Companies

Health Policy	Description
Family Floater Health Plan	Cover all family member (you, your spouse, children and parents) in a single policy
Critical Illness Health Plan	Provide financial coverage to insured in case he/she diagnosed with listed critical illness
Top up Health Plan	Provide Extra Coverage in case your existing plan is not sufficient to cover the medical bills
Senior Citizen Health plan	Provide quality healthcare treatment such as domiciliary hospitalization and psychiatric care to the people above the age of 60 years.
Individuals' health Plan	Provide coverage only to an individual. It covers expenses like hospitalization for injuries, illness, Surgery Cost, room rent, day-care etc.
Personal Accident Assurance	Cover the medical expenses that occur due to an accident while providing coverage for partial disability, permanent disability and accidental death.

**S26. Ans. (e)**

**Sol.** All of the above

**S27. Ans. (d)**

**Sol.** Accident insurance is a form of health insurance against loss by accidental bodily injury.

**S28. Ans. (a)**

**Sol.** Floater Health Insurance Policy is a plan that is tailor made for families.

**S29. Ans. (e)**

**Sol.** The four major types of derivative contracts are options, forwards, futures and swaps. Options: Options are derivative contracts that give the buyer a right to buy/sell the underlying asset at the specified price during a certain period of time. The buyer is not under any obligation to exercise the option.

**S30. Ans. (d)**

**Sol.** Property Insurance may not include Sickness

**S31. Ans. (c)**

**Sol.** Risk is the chance of Loss.

**S32. Ans. (c)**

**Sol.** The person who seeks protection against a risk and to whom the insurance policy is issued is known as Insured.

**S33. Ans. (b)**

**Sol. When a particular property is insured with two insurers it is called Double Insurance.**

Double insurance arises where the same party is insured with two or more insurers in respect of the same interest on the same subject matter against the same risk and for the same period of time.

**S34. Ans. (b)**

**Sol. Unit-linked Insurance are those where a part of the premium is charged for the risk cover and the rest is invested in selected mutual funds as per the choice.**

**Additional Info-**

1. A unit linked insurance plan (ULIP) is a multifaceted product that offers both insurance coverage and equity or bond investing exposure.
2. This product requires regular premium payments from policyholders.
3. The portion of the premiums is pooled with the assets of other policyholders and invested in stocks, bonds, or a combination of the two.
4. A unit-linked insurance plan can be used for a variety of purposes, including as providing life insurance, creating wealth, producing retirement income, and funding the education of children and grandkids.

**S35. Ans. (b)**

**Sol. A policy where the policyholder makes a one-time payment of premium, is known as a Money-back policy.**

**Money Back Policy:** Being one of the best types of life insurance policies, a money-back policy offers policyholders a percentage of the total sum assured at periodic intervals in the form of Survival Benefits. Once the policy reaches maturity, the remaining amount of the Sum Assured is handed over to the policyholder. However, if the policyholder dies during the policy term, their dependents are given the entire Sum Assured without any deductions.

**S36. Ans. (b)**

**Sol. Policy is the proof of the insurance contract.**

**S37. Ans. (a)**

**Sol. The things or property insured is called Subject matter of the insurance.**

**S38. Ans. (a)**

**Sol. The cause of a possible loss, such as fire windstorm theft etc. is known as Peril.**

**Peril:** Perils are the causes of damage to your insured property that your policy protects against. Lightning, windstorms, fire are examples some of Peril.

**S39. Ans. (b)**

**Sol. Burglary- Coverage against loss as a result of forced entry into premises.**

**S40. Ans. (d)**

**Sol. The term of ULIP should not be less than five years.**

**S41. Ans. (c)**

**Sol. Actuaries are the experts and work with an insurance company.**

They analyze data to assess risk and help insurance firms to a set price of the Insurance Product.

**S42. Ans. (b)**

**Sol. All payments paid towards a life insurance plan are tax deductible under Section 80 (C) of the Income Tax Act, 1961. Maximum deduction is Rs.1.5 lakh.**

**S43. Ans. (e)**

**Sol. Riders are additional benefits that can be added to an insurance policy for a slightly higher price. Different insurers provide a number of riders for endowment policies.**



S44. Ans. (c)

**Sol. Depending on the category of investment units, there are four types of ULIP.**

1. **Equity Funds:** These ULIPs generally invest in high-risk equities and company stocks. They are risky ULIP investments, but also the most rewarding. If you have a moderate to high risk tolerance and believe that fortune favors the brave, you should select one of these schemes. Here, if you win, you win big. High payoff for high risk.

2. **Income, fixed-interest, and bond funds:** Under this scheme, your money will be placed in government securities, fixed-income securities, corporate bonds, and other medium- risk investments. This scheme provides low to medium reward.

3. **Cash Funds:** These ULIPs invest in money market funds, cash, bank deposits, and other low-risk money market instruments. it has low-risk as well as low-reward.

4. **Balanced funds** are the steadiest and smart investment since they diversify their investments. They It invests proportionally in high-risk equities and low-risk fixed-interest products. it has High-risk with medium reward.

S45. Ans. (d)

**Sol. The PPF is a 15-year long-term investment scheme.**

Therefore, the effect of compounding is tremendous, particularly toward the conclusion of the term. You can invest up to 1.5 lakh annually in your PPF account. You can either pay in full or in twelve instalments spread out over the course of the financial year. Your PPF investments are eligible for tax deductions\* under Section 80C of the 1961 Income Tax Act (ITA). The government determines the quarterly PPF interest rate based on the income from government securities. The funds are not market-linked.

S46. Ans. (a)

**Sol. Employee Provident Fund (EPF) is a government-sponsored savings vehicle for salaried workers.**

**Additional Info-**

Both you and your employer must make equal contributions to your EPF account. Each month, your share is deducted from your salary. The Employees' Provident Fund Organization (EPFO) determines the rate of interest on investments. At retirement, you receive the total amount of your and your employer's contributions plus accumulated interest.

S47. Ans. (a)

**Sol. No Lock in Period for Regular Mutual Funds.**

S48. Ans. (e)

**Sol. GE Money Is NOT associated with the Insurance business in India.**

S49. Ans. (a)

**Sol. Refraction is not used in the Insurance sector.**

S50. Ans. (a)

**Sol. An actuary is a business professional who deals with the financial impact of risk and uncertainty. Actuaries provide expert assessments of financial security system, with a focus on their complexity, their mathematics, and their mechanisms.**

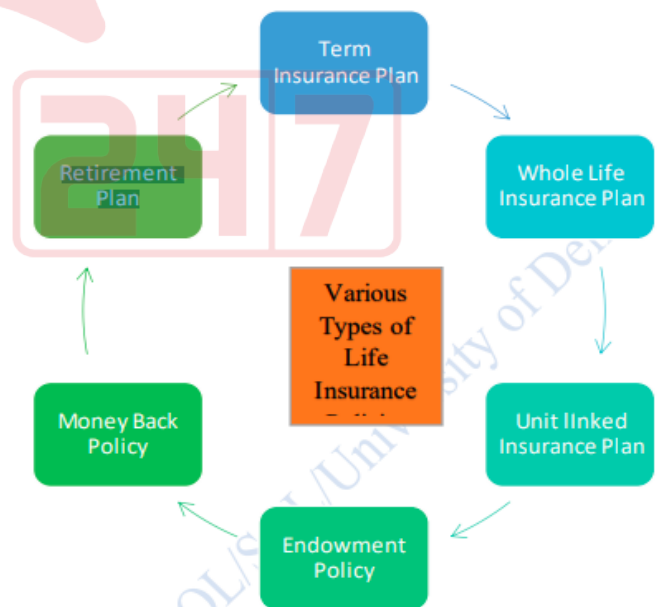
S51. Ans. (e)

**Sol. The Government introduced the "National Agriculture Insurance Scheme" (NAIS) or "Rashtriya Krishi Bima Yojana" (RKBY) in 1999-2000. NAIS envisages coverage of all food crops (cereals and pulses), oilseeds, horticultural and commercial crops. It covers all farmers, both loanees and non-loanees, under the scheme.**

S52. Ans. (e)

**Sol. All of the above**

**Additional Info-**



**Figure 1: Various types of Life insurance Policies in India**

S53. Ans. (e)

**Sol. Whole Life Insurance Plan Offers protection for life till age of 100 years.**



**S54. Ans. (e)**

**Sol. All of the above are correct regarding Term Life Insurance or Term Plan.**

**Additional Info-****Term Life Insurance or Term Plan:**

1. Term life insurance provides a death benefit to the beneficiary only if the insured dies during the policy term.
2. The insurance coverage terminates with no further benefit and there is no longer a basis for a pay-out or death claim if the policyholder survives to the end of the policy term.
3. Term life insurance is the most popular type of life insurance and is widely considered to be the simplest and purest form of life insurance.
4. The most distinctive feature of a term insurance plan is the high amount of coverage offered at extremely nominal premium rates. It is thus cheaper than other types of life insurance policies.
5. **Term of Policy-** 5 to 85 years
6. **Suitability-** Family Financial Security to family at reasonable cost

**S55. Ans. (a)**

**Sol. Proposer is the person who pays the premiums of the policy.**

For example: If you have bought the policy for yourself, then you are both the Life Assured as well as the Proposer. Similarly, if you purchase an insurance policy for a family member, then you are the proposer, and the family member is the Life Assured.

**S56. Ans. (d)**

**Sol. Life Assured is the person who is covered under the insurance policy.**

**Additional Info-**

1. **Proposer:** It is the person who pays the premiums of the policy.
2. **Nominee or Beneficiary:** It is the person you appoint at the time of buying the policy to receive the benefits of your insurance policy, in your absence.
3. **Insurer:** The insurer is the insurance firm that sells the insurance product.

**S57. Ans. (e)**

**Sol. All of the above**

**Additional Info-**

Property insurance compensates the property owner financially in the event that his or her property and its contents are damaged. Depending on the type of property and risks covered, property insurance policies can be classified into various categories. Here are some common types of property insurance available in India:

1. **Homeowner's Insurance:** In India, this is the most common and widely purchased type of property insurance. As the name implies, homeowner's insurance protects the owner's property from financial losses caused due to expected perils. In fact, many lenders have made homeowner's insurance mandatory for those seeking to finance their house.
2. **Renter's Insurance:** Similar coverage is offered by renter's or tenant's insurance and homeowner's insurance. However, this specific sort of property insurance is only intended to protect the tenant's personal items kept inside the rented home. It could consist of things like clothing, jewellery, furniture, electronic devices, etc. Some policies also cover additional liabilities a tenant may incur towards his/her landlord.
3. **Fire Insurance:** One of the most frequent accidents that can seriously harm a property's contents and surroundings is an accidental fire. A unique kind of property insurance called fire insurance offers protection against such inevitable fires and related risks including explosion, implosion, lightning, impact damage, etc. Both residential and commercial properties can get a fire insurance policy.
4. **Commercial Property Insurance:** This kind of fire insurance is also highly popular in India. Commercial properties like offices, warehouses, retail stores, eateries, and factories are covered by this sort of property insurance. It is prudent for business owners to obtain commercial property insurance to protect their operating capital in the event that their commercial property and its contents are compromised.
5. **Natural Disaster Insurance:** A standard property insurance policy may or may not cover natural disasters. However, perils such as earthquakes, hurricanes, storms, floods, cyclones, etc. have the potential to completely destroy a property, resulting in huge financial losses for the owner. A special type of property insurance, known as natural disaster insurance, secures a property against such perils.



**S58. Ans. (a)**

**Sol. The Postal Life Insurance Scheme provides high returns on premium with life insurance coverage. This scheme offers a maximum sum assured of Rs. 50 lakhs.**

**Additional Info-**

1. Postal Life Insurance (PLI), the oldest insurer in the country, was established on February 1, 1884.
2. The program was originally intended as a welfare program for Postal service employees. and later extended to the employee of Telegraph department employees in 1884.
3. Initially, the maximum insurance limit was Rs. 4,000, whereas it is currently Rs. 50 lakhs.
4. Postal Life Insurance is among the earliest insurance schemes to be launched in India. The most remarkable aspect of a PLI scheme is that it yields high returns (with bonus) for policyholders while charging extremely low premiums.

**S59. Ans. (e)**

**Sol. Rs 1000**

**Additional Info-**

**National Pension Scheme (NPS):** The Indian government created NPS to help retired people. Some of its features are as follows: Suppose, an Individual invests in this scheme till the age of 60 years. Minimum amount of investment required is Rs 1,000 per month. Your money will be placed in debt and equity funds based on your preference. Your returns depend on your selected funds. When you retire, you can withdraw 60% of your funds. You must use the remaining 40% to buy an annuity — a retirement plan offering periodic income.

**S60. Ans. (d)**

**Sol. Insurance reforms started in 1993 with the formation of the Malhotra Committee in 1993.**

**S61. Ans. (e)**

**Sol. The Insurance Regulatory and Development Authority Act, 1999 brought about several crucial policy changes in the insurance sector of India, leading to the formation of the Insurance Regulatory and Development Authority (IRDA) in 2000.**

**S62. Ans. (d)**

**Sol. Buyer is NOT a Participant involved in insurance contract.**

**Additional Info-**

1. **Insurance Agreement-** An insurance policy is a contract between the insurer and the insured.
2. **Insured-** The insured is the person whose life is being covered against the risk under the policy.
3. **Insurer-** The insurer is the insurance company that provides the insurance cover.
4. **Proposer-** The proposer is the person who takes the cover and is also called the policyholder. The rights of ownership of policy lie with the proposer and he is liable to pay premiums.
5. **Beneficiary-** The beneficiary is the person/s entitled to receive benefits of insurance and can be spouse, parents, children, siblings or business partner etc.

**S63. Ans. (a)**

**Sol. According to this principle, you have to disclose all the information that is related to the risk, to the insurance company truthfully.**

**S64. Ans. (a)**

**Sol. General Insurance Business was nationalized under General Insurance Business Nationalisation Act, 1972.**

**S65. Ans. (b)**

**Sol. LIC was formed in 1956 through the nationalization of 256 Companies.**

**S66. Ans. (e)**

**Sol. Occupation is important for risk classification because of-**

- a) Tension, stress, and worries given by workplace
- b) Damage caused by pollution at the workplace



**S67. Ans. (e)****Sol.**

- The principle of indemnity states that the insurance will only cover you for the loss that has happened.
- The insurer will thoroughly inspect and calculate the losses.
- The main motive of this principle is to put you in the same position financially as you were before the loss.
- This principle, however, does not apply to life insurance and critical health policies.

**S68. Ans. (d)**

**Sol.** Fidelity guarantee insurance (FGI) exists to safeguard your firm or organization against theft of the firm's own money, securities or property by an employee, partner, contractor or volunteer. FGI can also be known as first-party fraud, theft or employee dishonesty cover.

**S69. Ans. (a)**

**Sol.** Endowment Policy comes with the extra benefit that **the policyholder will receive a lump sum amount in case he survives until the date of maturity.**

**Benefits**

- It gives the dual benefit of savings cum insurance coverage.
- It comes with a rider benefits (Critical Illness, Accidental Death, Waiver of premium etc) to increase the coverage of the policy.
- It has an additional bonus as a terminal bonus and a reversionary bonus.
- Tax benefits under section 80C of the Income Tax Act 1961 can be availed.

**S70. Ans. (a)**

**Sol.** ULIP stands for "**Unit Linked Insurance Plan**".

**Details:**

- ULIP provides the benefits of insurance and flexibility in investment.
- In ULIP, the cash value of a policy varies according to the current net asset value of the underlying investment assets.
- The premium paid is used to purchase units in investment assets chosen by the policyholder.

**S71. Ans.(e)**

**Sol.** **Atal Pension Yojana (APY)** is not related to insurance.

**Details:**

- **PMJJBY** - Pradhan Mantri Jeevan Jyoti Bima Yojana.
- **PMSBY** - Pradhan Mantri Suraksha Bima Yojana
- **PMFBY** - Pradhan Mantri Fasal Bima Yojana
- **PMVVY** - Pradhan Mantri Vaya Vandana Yojana

**S72. Ans. (b)**

**Sol.** A clearing house is a financial institution formed to facilitate the exchange (i.e., clearance) of payments, securities, or derivatives transactions. The clearing house stands between two clearing firms (also known as member firms or participants).

**S73. Ans. (a)**

**Sol.** Section 80C of the Income Tax Act of India is a clause that points to various expenditures and investments that are exempted from Income Tax.

It allows for a maximum deduction of up to **Rs.1.5 lakh** every year from an investor's total taxable income.

Retirement plan offers the benefits of both investment and insurance cover. In this plan, a person can invest a certain amount regularly to accumulate over a specific tenure in a phase-by-phase manner.

**S74. Ans. (b)**

**Sol.** **The personal accident insurance policy** covers the policyholder for accidental death and permanent total disability.

**S75. Ans. (e)**

**Sol.** Car insurance protects you from various damages caused to the car, be it repairing a broken windshield or cost of major mechanical repairs due to collision and so on.

If you have insurance, the repair costs for major damages in case of an accident are borne by your insurance provider.

**S76. Ans. (c)**

**Sol.** NABARD provides Agricultural loans.

RBI is the central Bank, RRB provides Agri finance to people in Rural areas and IDBI is a commercial Bank which accepts deposits and lends loans.

IBRD- The International Bank for Reconstruction and Development is an international financial institution, established in 1944 and headquartered in Washington, D.C., United States, that is the lending arm of the World Bank Group. The IBRD offers loans to middle-income developing countries.

**S77. Ans. (a)**

**Sol.** Insurance is a means of protection from financial loss in which, in exchange for a fee, a party agrees to compensate another party in the event of a certain loss, damage, or injury.

**S78. Ans. (a)**

**Sol.** The main difference is Whole life insurance provides coverage for the policyholder's entire life while term life insurance provides coverage for a specified period of time.

**S79. Ans. (d)**

**Sol.** Life Insurance Corporation of India was created on **1<sup>st</sup> September 1956**, with a capital contribution of Rs. **5 Crore** from the Government of India.

The objective of LIC is to spread life insurance much more widely and to rural areas with a view to reaching all insurable persons in the country, providing them adequate financial cover at a reasonable cost.

**S80. Ans. (c)**

**Sol.** The IRDAI was constituted under the Insurance Regulatory and Development Authority Act **1999**.

The IRDAI is an independent and autonomous statutory body.

It was incorporated as a statutory body in April 2000.

**S81. Ans. (d)**

**Sol.** Riders are optional, extra terms that go into effect along with your basic policy, often at an additional cost.

Simply put, a rider provides additional coverage and added protection against risks. Insurance riders are effective add-ons you can choose in addition to your life insurance policy at economical rates.

**S82. Ans. (d)**

**Sol.** The primary benefit of purchasing an insurance policy is to provide financial security to the policyholder's family in case of their death.

**S83. Ans. (c)**

**Sol. Maturity Date** — the date at which the face amount of a life insurance policy becomes payable by either death or other contract stipulation.

**S84. Ans. (c)**

**Sol.** An insurance premium equates to the money that is paid by any person or company/business for availing of an insurance policy.

The insurance premium amount is influenced by multiple factors and varies from one payee to another.

**S85. Ans. (e)****Sol. Auto insurance****S86. An.(a)****Sol. Term life insurance****S87. Ans.(d)****Sol. Homeowner's insurance****S88. Ans. (b)****Sol. Health insurance****S89. Ans. (b)****Sol. Whole life insurance****S90. Ans. (d)****Sol. Homeowner's insurance****S91. Ans. (a)****Sol. Short-term disability insurance****S92. Ans. (d)****Sol. Homeowner's insurance****S93. Ans. (e)****Sol. Survivorship life insurance****S94. Ans. (a)****Sol. Term life insurance****S95. Ans. (c)****Sol. Total disability insurance****S96. Ans. (e)****Sol. Critical illness insurance****S97. Ans. (c)****Sol. Universal life insurance****S98. Ans. (d)**

**Sol.** Lawyer is not a constituent of the insurance market. Lawyers may be involved in insurance cases, but they are not part of the market itself.

**S99. Ans. (c)**

**Sol.** Regulator is responsible for setting the rules and regulations in the insurance market.

**S100. Ans. (d)**

**Sol.** Insurance broker is a participant in the insurance market that helps individuals and businesses find insurance policies that fit their needs.

**S101. Ans. (a)**

**Sol.** Insurer is responsible for assessing the risk of insuring a particular person or business.

**S102. Ans. (b)**

**Sol.** Insured is responsible for paying premiums to the insurer in exchange for insurance coverage.

**S103. Ans. (e)**

**Sol.** Claims adjuster is responsible for investigating and settling claims made by policyholders.

**S104. Ans.**

**Sol.** (e) Natural disaster insurance is a type of insurance that covers damage to property caused by natural disasters, such as earthquakes or hurricanes.

**S105. Ans. (c)**

**Sol.** Health insurance is a type of insurance that covers medical expenses and loss of income due to an injury or illness.

**S106. Ans. (a)**

**Sol.** Liability insurance is a type of insurance that provides coverage for damages resulting from legal action against the insured.

**S107. Ans. (d)**

**Sol.** Life insurance is a type of insurance that provides a cash benefit to the insured's beneficiaries in the event of the insured's death.

**S108. Ans. (b)**

**Sol.** Deductible is the term used to describe the amount of money the policyholder must pay before the insurance coverage kicks in.

**S109. Ans. (d)**

**Sol.** Coverage limit is the term used to describe the maximum amount of money an insurance company will pay for a claim.

**S110. Ans. (a)**

**Sol.** Exclusion is the term used to describe an event or situation that is not covered by an insurance policy.

**S111. Ans. (b)**

**Sol.** Endorsement is the term used to describe a written document that modifies an insurance policy.

**S112. Ans. (a)**

**Sol.** Excess insurance is the term used to describe an additional insurance policy that provides coverage beyond the limits of the primary policy.

**S113. Ans. (a)**

**Sol.** Insured is the term used to describe the person or entity that is covered by an insurance policy.

**S114. Ans. (c)**

**Sol.** 1600s is when the first insurance policy originated. It was in London, England, where insurance brokers started selling policies to cover ship cargos.

**S115. Ans. (e)**

**Sol.** Actuarial science is not a recent development in the insurance sector, as it has been a fundamental aspect of the industry for centuries. The other options are all recent developments that have emerged in the last few decades, such as peer-to-peer insurance, which utilizes social networks to provide insurance coverage, and telematics, which involves the use of technology to monitor and assess risk factors.

**S116. Ans. (b)**

**Sol.** **Term life insurance or term assurance** is life insurance that provides coverage at a fixed rate of payments for a limited period of time, the relevant term.

**S117. Ans. (a)**

**Sol.** Buying life insurance protects your spouse and children from the potentially devastating financial losses that could result if something happened to you.

It provides financial security, helps to pay off debts, helps to pay living expenses, and helps to pay any medical or final expenses.

**S118. Ans. (a)**

**Sol.** Aegon Life Insurance is a **private-sector** insurance company.

**S119. Ans. (e)**

**Sol.** The Indian Mercantile Insurance Ltd was set up in **1907**. It was the first company to transact all classes of general insurance business.

**S120. Ans. (c)****Sol.** GIBNA stands for "General Insurance Business (Nationalisation) Act".**Details:**

- The entire general insurance business in India was nationalized by General Insurance Business (Nationalisation) Act, 1972 (GIBNA).
- General Insurance Corporation of India was formed in pursuance of **Section 9(1)** of GIBNA. It was incorporated on **22 November 1972** under the Companies Act, 1956 as a private company limited by shares.

**S121. Ans. (e)****Sol.** All the given statements are correct.**Details:**

- Term Life Insurance provides death risk cover for a specified period. In case the life assured passes away during the policy period, the life insurance company pays the death benefit to the nominee.
- It is a pure risk cover plan that offers high coverage at low premiums.
- **Level Term Life Insurance** - The renewal premium is constant, and the death benefit remains the same throughout the policy term.
- **Decreasing Term Life Insurance** - The renewal premium is constant and the death benefit under the plan decreases with time.

**S122. Ans. (e)****Sol.** All the statements are correct regarding Crop Insurance.**Details:**

- Crop Insurance covers agricultural producers against unexpected loss of projected crop yields or profits from product sales at the market.
- Crop Yield Insurance protects the expected income due to unpredicted yields, which is the volume of a crop's harvest.
- Crop Revenue Insurance covers expected revenue from loss owing to market fluctuations of crop selling prices.

**S123. Ans. (b)****Sol.** In 1993, the Government set up a committee under the chairmanship of RN Malhotra, former Governor of RBI, to propose recommendations for reforms in the insurance sector.**S124. Ans. (c)****Sol.** On the 19<sup>th</sup> of January, 1956, life insurance in India was nationalized.**About 154 Indian insurance companies, 16 non-Indian companies and 75 provident were operating in India at the time of nationalization.****S125. Ans. (a)****Sol.** Home Insurance covers damage to a person's property.**Home insurance, also commonly called homeowner's insurance, is a type of property insurance that covers a private residence.****S126. Ans. (c)****Sol.** The Indian Life Assurance Companies Act, 1912 was the first statutory measure to regulate life business.**S127. Ans. (b)****Sol.** Oriental Life Insurance Corporation was the first life insurance company on Indian soil.**S128. Ans. (c)****Sol.** A sum assured is a fixed amount that is paid to the nominee of the plan in the unfortunate event of the policyholder's demise.**The insurance company pays this money as per the sum chosen by you at the time of purchasing the policy.****S129. Ans. (b)****Sol.** The Oriental Life Insurance Corporation was founded in 1818.**S130. Ans. (e)****Sol.** Types of Insurance:**General Insurance-**

- Health Care Coverage
- Automobile Insurance
- Homeowners' Insurance

**Life Insurance-**

- Term Life Insurance
- Unit-Linked Insurance Plans
- Whole Life Insurance
- Endowment Plans
- Child Plan for Education
- Retirement Plans



**S131. Ans. (e)**

**Sol.** IRDAI was founded as an independent body with its headquarters in **New Delhi. In 2001**, its headquarters were **relocated to Hyderabad, Telangana.**

**S132. Ans. (a)**

**Sol.** If an insured person fails to pay the premium due to various circumstances and as a result, the insurance policy gets terminated, then the insurance coverage can be renewed. This process of putting the insurance policy back after a lapse is called **Reinstatement.**

**S133. Ans. (d)**

**Sol.** ECGC stands for "**Export Credit Guarantee Corporation of India**".

**Details:**

- ECGC Limited is a **government-owned** export credit agency of India.
- It is under the ownership of the Ministry of Commerce and Industry, Government of India, and is **headquartered in Mumbai, Maharashtra.**
- It provides export credit insurance support to Indian exporters and banks.

**S134. Ans. (a)**

**Sol.** **Advance Loss of Profit** provides coverage for financial losses due to delays in construction and infrastructure projects.

**Details:**

- ALOP will also provide a payout if companies face higher costs or lost profits when a project takes longer than expected to complete.
- ALOP is often called **delayed completion coverage or delay in start-up (DSU)** insurance as well.

**S135. Ans. (c)**

**Sol.** Agriculture Insurance Company of India Limited was incorporated under the Indian Companies Act 1956 on **20<sup>th</sup> December 2002** with an authorized share capital of INR 15 billion and paid-up capital of INR 2 billion.

**S136. Ans. (b)**

**Sol.** The **headquarters** of the General Insurance Corporation of India is located in **Mumbai.**

**S137. Ans. (c)**

**Sol.** The total loss that can happen is referred to as the **Maximum Possible Loss (MPL).**

**Details:**

- Risk management is the process of **identifying, assessing and reducing risk.**
- Risk management begins with identifying and then analyzing risks. **MPL and PML** are two factors that help identify and analyze risks.
- The risk exposure is the MPL multiplied by the probability of the peril striking. This is called the Probable Maximum Loss (PML).

**S138. Ans. (b)**

**Sol.** The **Insurance Regulatory and Development Authority Act, 1999** brought about several crucial policy changes in the insurance sector of India, leading to the formation of the Insurance Regulatory and Development Authority (IRDA) **in 2000.**

**S139. Ans. (c)**

**Sol.** **New India Assurance (NIA)** has launched a 'Pay as You Drive' (PAYD) policy, which offers a comprehensive motor insurance policy that charges a premium based on the usage of the vehicle.

**Details About New India Assurance:**

- The New India Assurance Co. Ltd is a central public sector undertaking under the ownership of the Ministry of Finance, Government of India.
- It is based in **Mumbai, Maharashtra.**
- It is the **largest nationalized general insurance company in India** based on gross premium collection inclusive of foreign operations.
- It was founded by **Sir Dorabji Tata in 1919** and was **nationalized in 1973.**

**S140. Ans. (a)**

**Sol.** **Only Statements A & B** are correct while statement C is incorrect.

**Details:**

- Retirement plans offer the benefits of both investment and insurance cover.
- In this plan, a person can invest a certain amount regularly to accumulate over a specific tenure in a phase-by-phase manner.

**Benefits-**

- Tax deduction up to ₹1.5 Lakh under 80C of Income Tax Act 1961.
- The policyholder receives the monthly pension during the vesting age.

**S141. Ans. (e)**

**Sol.** ULIP is an insurance plan that offers the dual benefit of investment to fulfil your long-term goals, and a life cover` to financially protect your family in case of an unfortunate event.

**Details:**

- The full form of ULIP is **Unit Linked Insurance Plan**.
- The premium paid towards a ULIP is **divided into two parts**.
- A part of it is contributed to your **life cover`**, and the remaining is invested in the fund of your choice.
- You can choose to invest in **equity, debt, or a combination of both funds** as per your risk appetite and goals.

**S142. Ans. (b)**

**Sol.** AB-PMJAY is a scheme launched by the Government of India to provide health insurance cover of up to Rs. 5 lakhs per family per year to the poor and vulnerable sections of society. It is also known as the National Health Protection Scheme (NHPS).

**S143. Ans. (d)**

**Sol.** AB-PMJAY is aimed at providing health insurance cover to the economically weaker sections of society, which includes households with an annual income of up to Rs. 5 lakhs. This includes both rural and urban poor households, along with other vulnerable sections of society.

**S144. Ans. (a)**

**Sol.** No premium is required to be paid by beneficiaries under AB-PMJAY. The entire cost of the health insurance cover is borne by the government.

**S145. Ans. (b)**

**Sol.** AB-PMJAY covers hospitalization expenses for medical and surgical procedures, including organ transplantation. Outpatient care and pre-existing diseases are not covered under this scheme.

**S146. Ans. (a)**

**Sol.** Beneficiaries are identified through a door-to-door survey conducted by the respective state governments and are enrolled through an online portal. This ensures that all eligible beneficiaries are covered under the scheme and there is no duplication of data.

**S147. Ans. (b)**

**Sol.** PMSBY is a government-backed accidental death and disability insurance scheme launched by the Government of India. The scheme provides insurance cover of Rs. 2 lakhs for accidental death and permanent disability and Rs. 1 lakh for partial disability.

**S148. Ans. (a)**

**Sol.** Any citizen of India between the ages of 18 and 70 years is eligible to enroll in PMSBY. The scheme is aimed at providing insurance cover to the masses, especially those who are not covered under any other insurance scheme.

**S149. Ans. (a)**

**Sol.** The premium amount for PMSBY is only Rs. 12 per annum, which is very affordable for the masses. The premium is deducted automatically from the bank account of the insured person.

**S150. Ans. (b)**

**Sol.** The claim amount under PMSBY is paid in a lump sum to the beneficiary or nominee in case of accidental death or disability. The amount is directly credited to the bank account of the beneficiary.

**S151. Ans. (c)**

**Sol.** The enrollment period for PMSBY is from 1st September to 31st December every year. The scheme provides coverage for one year and needs to be renewed every year during this period.



S152. Ans. (c)

Sol. APY is a government-backed pension scheme aimed at providing a regular income to workers in the unorganized sector. Hence, only Indian citizens belonging to the unorganized sector are eligible to join APY.

S153. Ans. (a)

Sol. The minimum age to join APY is 18 years. The scheme is targeted at young workers who have just started their careers and have a long time horizon to accumulate a pension fund.

S154. Ans. (a)

Sol. The minimum monthly contribution under APY is Rs. 100. The maximum contribution amount varies based on the age of the subscriber and the pension amount chosen.

S155. Ans. (c)

Sol. The primary benefit of joining APY is the provision of a regular pension income to the subscriber after retirement. The scheme provides a guaranteed minimum pension of Rs. 1,000, Rs. 2,000, Rs. 3,000, Rs. 4,000 or Rs. 5,000 per month depending on the contribution amount and the age of the subscriber.

S156. Ans. (c)

Sol. The subscriber can exit the scheme after 5 years of contribution without any penalty. However, if the subscriber exits before completing 5 years, he/she will have to forfeit the entire contribution amount along with the interest earned on it.

S157. Ans. (b)

Sol. PMJJBY is a life insurance scheme for the poor and underprivileged. It aims to provide life insurance coverage to people between the age of 18 to 50 years with a premium of just Rs. 330 per annum.

S158. Ans. (b)

Sol. The maximum age limit to enroll in PMJJBY is 50 years. People between the age of 18 to 50 years can enroll in this scheme.

S159. Ans. (a)

Sol. PMJJBY is administered by the Life Insurance Corporation of India (LIC). LIC is a state-owned insurance and investment company in India.

S160. Ans. (a)

Sol. The sum assured under PMJJBY is Rs. 2 lakhs. In case of the unfortunate death of the insured person, the nominee will receive Rs. 2 lakhs as the death benefit.

S161. Ans. (d)

Sol. The renewal period for PMJJBY is annually. The premium of Rs. 330 has to be paid every year to continue the insurance coverage.

S162. Ans. (a)

Sol. PMFBY is a scheme for providing crop insurance to farmers. It aims to provide financial support to farmers in case of crop loss or damage due to natural calamities or other reasons.

S163. Ans. (b)

Sol. PMFBY was launched in 2015. It was launched to replace the existing crop insurance schemes and provide a comprehensive insurance cover to farmers.

S164. Ans. (a)

Sol. PMFBY is implemented by the Ministry of Agriculture and Farmers Welfare. It is implemented in collaboration with insurance companies and state governments.

S165. Ans. (a)

Sol. The premium rate for PMFBY varies based on the type of crop. It is 1.5% of sum insured for Kharif crops, 2% for Rabi crops, and 5% for horticultural crops.

S166. Ans. (a)

Sol. The maximum sum insured under PMFBY is Rs. 1 lakh per hectare for food crops and Rs. 2 lakhs per hectare for commercial crops.

S167. Ans. (b)

Sol. The Employees' State Insurance Scheme is a social security scheme that provides healthcare and cash benefits to employees in case of sickness, maternity, and employment injury.

S168. Ans. (b)

Sol. The Employees' State Insurance Scheme was launched in 1950. It was introduced as a comprehensive social security scheme to protect the interests of employees in India.

**S169. Ans. (b)**

**Sol.** Employees earning less than Rs. 15,000 per month are eligible for the Employees' State Insurance Scheme. The scheme covers both organized and unorganized sector employees.

**S170. Ans. (b)**

**Sol.** The contribution towards the Employees' State Insurance Scheme is shared between the employer and employee. The employer contributes 4.75% of the employee's wages and the employee contributes 1.75% of their wages.

**S171. Ans. (a)**

**Sol.** The Employees' State Insurance Scheme provides medical benefits, maternity benefits, and disability benefits to the employees covered under the scheme. It also provides cash benefits in case of sickness, maternity, and employment injury.

**S172. Ans. (b)**

**Sol.** The Parliament of India passed the Life Insurance Corporation Act on the 19th of June 1956, and the Life Insurance Corporation of India was created on 1st September, 1956.

**S173. Ans. (b)**

**Sol.** To mobilize people's savings by making insurance-linked savings adequately attractive LIC's objective is to maximize mobilization of people's savings by making insurance-linked savings adequately attractive, conduct business with utmost economy and with the full realization that the moneys belong to the policyholders, and act as trustees of the insured public in their individual and collective capacities.

**S174. Ans. (e)**

**Sol.** LIC Bima Jyoti. LIC Bima Jyoti is an individual, non-participating, non-linked, life assurance savings insurance plan.

**S175. Ans. (e)** All of the above

**Sol.** LIC's Jeevan Rakshak Plan, LIC's Jeevan Lakshya Plan, LIC's New Endowment Plus Plan, and LIC's Aadhaar Shila Plan provide financial support for the family in case of unfortunate death of the policyholder any time before maturity and a lump sum amount at the time of maturity for the surviving policyholder.

**S176. Ans. (e)**

**Sol.** LIC has launched its SATELLITE SAMPARK offices which are smaller, leaner, and closer to the customer.

**S177. Ans. (b)**

**Sol.** The General Insurance Business (Nationalization) Act was passed in India in 1972.

**S178. Ans. (c)**

**Sol.** The main objectives of GIC are to carry on the general insurance business, other than life, and to help and promote the subsidiaries to conduct the business of insurance and conduct their investment strategies.

**S179. Ans. (c)**

**Sol.** GIC Re South Africa is a 100% owned subsidiary of GIC and provides reinsurance needs for Africa.

**S180. Ans. (c)**

**Sol.** GIC was incorporated on 22 November 1972 under the Companies Act, 1956 as a private company limited by shares.

**S181. Ans. (c)**

**Sol.** The core business philosophy of GIC Re South Africa includes reinsurance capacity development in Africa, application of state-of-the-art technology, mutually beneficial relationships, benchmarking reinsurance and service delivery mechanism, and a professional attitude.

**S182. Ans. (c)**

**Sol.** Indian Government. As per the IRDAI Act, 1999, the Chairman and other members of IRDAI are appointed by the Indian Government.

**S183. Ans. (e)**

**Sol.** All of the above. IRDAI regulates Life Insurance Companies, General Insurance Companies, Reinsurance Companies, Agency Channel, and Intermediaries such as Corporate Agents, Brokers, Third-Party Administrators, Surveyors and Loss Assessors.

**S184. Ans. (c)**

**Sol.** Insurance Act, 1938. The Insurance Act of 1938 is the primary law controlling India's insurance industry.

**S185. Ans. (d)**

**Sol.** The main goals of IRDAI are to promote competition in the insurance sector in order to improve customer satisfaction through more consumer choice and fair pricing while also guaranteeing the market's financial stability.

**S186. Ans. (d)**

**Sol.** As per Section 14 of IRDAI Act, 1999, the powers and functions of IRDAI include certifying insurance companies, protecting the interests of policy holders, and adjudication of disputes, among other things.



**S187. Ans. (a)**

**Sol.** The New India Assurance Company Limited was founded by Sir Dorabji Tata in 1919. It is one of the oldest insurance companies in India and has a rich history of serving its customers for over a century.

**S188. Ans. (b)**

**Sol.** New India Assurance Company Limited is one of the co-promoters of Agricultural Insurance Company of India, along with other public sector insurance companies in India. The company is also a co-promoter of GIC Housing Finance Ltd. Additionally; New India Assurance Company Limited has co-promoted a common TPA in the Health Insurance support services jointly with other Government-owned insurers - Health India TPA Insurance Services Ltd.

**S189. Ans. (c)**

**Sol.** United India Insurance Company Limited was incorporated as a company on 18th February 1938. It is one of the oldest insurance companies in India and has a long-standing history of providing insurance services to its customers.

**S190. Ans. (d)**

**Sol.** United India Insurance Company Limited was formed by the merger of 22 public sector insurance companies, consequent to the nationalization of the general insurance industry in India. This merger resulted in the creation of one of the largest insurance companies in India with a wide range of products and services.

**S191. Ans. (e)**

**Sol.** United India Insurance Company Limited offers a range of insurance products such as motor insurance, health insurance, shopkeeper's insurance, personal accident insurance, and householder's insurance. However, crop insurance is not included in their list of products.

**S192. Ans. (c)**

**Sol.** Oriental Insurance Company Ltd. was incorporated on 12th September 1947 in Mumbai. It was formed to carry out general insurance business and was initially a wholly-owned subsidiary of The Oriental Government Security Life Assurance Company Ltd.

**S193. Ans. (b)**

**Sol.** Oriental Insurance Company Ltd. was owned by Life Insurance Corporation of India from 1956 to 1973 until the general insurance business was nationalized in India.

**S194. Ans. (d)**

**Sol.** Oriental Insurance Company Ltd. specializes in devising special covers for large projects like power plants, petrochemical, steel, and chemical plants. This shows that the company has expertise in providing insurance solutions for complex projects and is capable of addressing the unique needs of such projects.

**S195. Ans. (a)**

**Sol.** National Insurance Company Limited is India's oldest general insurance company and was incorporated in Kolkata, West Bengal on December 5, 1906.

**S196. Ans. (e)**

**Sol.** National Insurance Company Limited was delinked from its holding company GIC on August 7, 2002, and was formed as an independent insurance company.

**S197. Ans. (d)**

**Sol.** National Insurance Company Limited has offices all over India and a foreign office in Nepal. The company has a strong presence with around 1730 offices and more than 13000 skilled employees and over 50000 agents spread all over the nation.

**S198. Ans. (c)**

**Sol.** Agriculture Insurance Company of India Limited was incorporated under the Indian Companies Act 1956 on 20th December, 2002, with an authorized share capital of INR 15 billion and paid-up capital of INR 2 billion. AIC commenced business from 1st April, 2003.

**S199. Ans. (c)**

**Sol.** The mission of Agriculture Insurance Company of India Limited is to design and develop agricultural insurance products on a scientific basis and sound insurance principles to address the diverse needs of farmers. Its goal is to improve the delivery and service of agricultural insurance so as to bring the remotest and poorest farmers under its umbrella in an economical and effective manner. The company also aims to create widespread awareness about agriculture insurance as the principal risk mitigation tool, thus establishing it as an effective bulwark of the rural economy.

**S200. Ans. (c)**

**Sol.** Agriculture Insurance Company of India Limited was incorporated under the Indian Companies Act 1956 on 20th December, 2002, with an authorized share capital of INR 15 billion and paid-up capital of INR 2 billion.