

Series SOS

Code No. **185**

Roll No.

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Candidates must write the Code on the title page of the answer-book.

- Please check that this question paper contains 4 printed pages.
- Code number given on the right hand side of the question paper should be written on the title page of the answer-book by the candidate.
- Please check that this question paper contains 32 questions.
- **Please write down the Serial Number of the question before attempting it.**
- 15 minutes time has been allotted to read this question paper. The question paper will be distributed at 10.15 a.m. From 10.15 a.m. to 10.30 a.m., the students will read the question paper only and will not write any answer on the answer script during this period.

**PRINCIPLES AND PRACTICES OF
LIFE INSURANCE
(Theory) Paper I**

Time allowed : 3 hours

Maximum Marks : 80

Instructions : Attempt *all* questions.

1. On whose life, is the death risk covered under Children's Deferred Assurance Plan ? 1
2. Fill in the blank : 1
The person to whom the right/title in a policy is transferred by the policy-holder is called _____ .
3. Fill in the blank : 1
Net Premium when suitably loaded for expenses is called _____ Premium.
4. If nominee also dies after life assured and before settlement of the claim, then to whom would the policy moneys go ? 1

5. Which of the following plans does **not** cover death risk ? 1
 - (A) Term Assurance
 - (B) Whole Life
 - (C) Endowment
 - (D) Pure Endowment

6. What do you call a person who purchases an annuity ? 1

7. Fill in the blank : 1

The likelihood of hiding or distorting some information affecting risk appraisal is called _____ hazard.

8. Give name of the type of bonus paid where bonus becomes payable but the result of Valuation Surplus is not yet available. 1

9. Fill in the blank : 1

Hazard peculiar to the person himself is called _____ hazard.

10. What is Thyroid Gland ? State its functions in brief. 2

11. Are widows falling under category III granted life insurance ? If so, in which cases and with what restrictions ? 2

12. State whether the statement is True/False. 2
 - (A) A lien operates for a specified period.
 - (B) Underwriter needs to be more vigilant in considering proposals on the life of females.

13. Distinguish between 'Interim Bonus' and 'Final Additional Bonus'. 2

14. What is 'Lien Method of Rating' and under which circumstances can this be used ? 2

15. In an immediate annuity, state YES or NO for the following : 2
 - (A) Whether evidence of good health is necessary at the time of purchase.
 - (B) Whether age proof is a must alongwith the proposal.

16. An Immediate Annuity is purchased on 1-1-2011 with an option that it shall be quarterly annuity. On which date shall the first annuity payment be made ? 2
17. Distinguish between Absolute Assignment and Conditional Assignment. 2
18. Describe the functions of Heart in context with Circulatory System. 3
19. What is Tuberculosis ?
What are the necessary documents required for consideration of such types of cases for life insurance ? 3
20. Differentiate between 'Preamble' and 'Proviso' in a Policy Document. 3
21. Describe in brief the Instalment Revival Scheme. 3
22. Explain the three types of extra hazards associated with occupational risks. 3
23. Proposals for insurance on the life of females present some distinct problems. Discuss clearly. 3
24. What is 'Tontine Bonus' and why is this type of Bonus system inadequate ? 3
25. Which type of hazard do you find in a proposal where nominee proposed is not the nearest dependant ? Give reasons in support of your answer. 3
26. State the salient features of 'Mortgage Redemption Assurance'. 3
27. Under Level Premium system, the premium collected in the earlier years is more than the premium actually required to meet with the risk. Mention its effects and how it leads to creation of Reserve. 3
28. Describe the situations under which Moral Hazard can be suspected. 5
29. Bring out the salient features of a Convertible Whole Life policy. 5

30. Mention at least ten types of alterations which can be allowed on request of a policy-holder. 5
31. Mention the various requirements in the process of settlement of a Death claim. 5
32. Explain the various factors taken into consideration for computation of life insurance premiums. 5