

## TOP4SURE PRACTICE TEST NO. 2

Test Duration: -

Time Left:

**Q 1.** Identify the correct statement from the following with regards to claims on baggage and valuables in transit.

- Never paid in foreign exchange
  - Only replaced in kind
  - Always paid in foreign exchange
  - Baggage and valuables in transit are not insurable
  - Paid in foreign exchange subject to certain conditions being met
- UnAttempted**

### CORRECT ANSWER:

Paid in foreign exchange subject to certain conditions being met

### Explanation:

Insurance cover on baggage or valuables in transit between India and other countries or between two countries outside India may be issued in rupees or in foreign currency.

**Q 2.** Which among the following functions is not prohibited for the TPA?



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**Q 2. Which among the following functions is not prohibited for the TPA?**

- Directly make payment in respect of claims
  - Reject or repudiate any of the claims directly
  - Servicing of non-insurance health care schemes as mentioned in Regulation 22(3) of these Regulations
  - Offer any service directly to the policy holder or insured or to any other person unless such service is in accordance with the terms and conditions of the policy contract and the agreement entered into in terms of these regulations
  - Handle or service claims other than hospitalization cover under a personal accident policy
- UnAttempted

### CORRECT ANSWER:

Servicing of non-insurance health care schemes as mentioned in Regulation 22(3) of these Regulations

### Explanation:

**While performing its assigned services, a TPA shall not :**

- a. Directly make payment in respect of claims
- b. Reject or repudiate any of the claims directly
- c. Handle or service claims other than hospitalization cover under a personal accident policy
- d. Procure or solicit insurance business directly or indirectly



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Q 3. The contract between the insured and the insurer is a promise of \_\_\_\_\_ in event of a loss.

- Empathy
- Condolence
- Indemnification
- Replacement
- Gratification
- UnAttempted

**CORRECT ANSWER:**

Indemnification

**Explanation:**

The contract between the insured and the insurer, in essence, is a promise of indemnification (reimbursement for the loss) in the event of a loss.

Q 4. The \_\_\_\_\_ is not a member of Insurance Association of India (IAI).



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Q 4. The \_\_\_\_\_ is not a member of Insurance Association of India (IAI).

- IRDAI
- United India
- New India Insurance
- LIC of India
- ICICI Lombard General Insurance

UnAttempted

**CORRECT ANSWER:**

IRDAI

**Explanation:**

All insurers and provident societies incorporated or domiciled in India are members of the Insurance Association of India ("Insurance Association") and all insurers and provident societies incorporated or domiciled elsewhere than in India are associate members of the Insurance Association.

There are two councils of the Insurance Association, namely

1. the Life Insurance Council and
2. the General Insurance Council

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Q 5. Complete the following statement with appropriate option: General and health insurers shall extend cashless facility to all policy holders for treatment at \_\_\_\_\_.

- Specified Hospitals
- Specialty Hospitals Only
- Government Hospitals Only
- All Hospitals
- Hospitals of the Policy Holder's Choice
- UnAttempted

**CORRECT ANSWER:**

Specified Hospitals

**Explanation:**

General and health Insurers shall ensure that all network provider hospitals extend cashless facility for any treatment to the policyholder in accordance with agreed provisions of SLA and terms and conditions of the policy contract.



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Q 6. Under which method General Insurers can prepare cash flow statements?

- Direct
- Accrual
- Inclusive
- Receipts
- Mercantile

UnAttempted

**CORRECT ANSWER:**

Direct

**Explanation:**

Items such as the Balance Sheet, Receipts and Payments Account [Cash Flow Statement] and Profit & Loss Account etc. will be in line with the Accounting Standards (AS) issued by the ICAI to the extent applicable to insurers carrying on general insurance business with 3 exceptions. The 3 exceptions are:

- Cash Flow Statement to be prepared only under Direct Method
- Accounting for Investments is not applicable
- Segment Reporting applies to all insurers



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Q 7. Sharad has given application for porting his policy from Insurer X to Insurer Y. Before the expiry date of policy with X, he changed his mind and decided to retain the existing policy. What will Insurer X do in such a case?

- Reject Sharad's request
  - Issue a new policy
  - Charge extra premium
  - Ask Sharad to get fresh medical examination done
  - Allow the policy to continue with regular premium and no new conditions
- UnAttempted

### CORRECT ANSWER:

Allow the policy to continue with regular premium and no new conditions

### Explanation:

Mid-way while porting, the policyholder can go back to the old insurer if they wish. If a policyholder should go back to their previous insurer, would be taken back by the insurer without any additional conditions, or an increase in premiums. There are no porting charges.

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Q 8. Identify incorrect statement from the following with regard to 'Disclosure Norms'

- Give a statement of opinion of the current and future performance of the fund
- Give details and objectives of each fund/product on offer.
- State the maximum limit up to which the insurer reserves the right to increase charges
- State the minimum and maximum percentage of investment in different asset types.
- State the fundamental attributes and risk profiles of different types of Investments.

UnAttempted

### CORRECT ANSWER:

Give a statement of opinion of the current and future performance of the fund

### Explanation:

All life insurers are required to mention the following, using the same font size, in all the sales brochures, prospectus of insurance products, promotional material and policy documents:

- The various funds offered along with the details and objective of each fund; the minimum and maximum percentage of the investments in different types (e.g. equity shares, interest bearing securities etc.); the investment strategy of the fund must be mentioned to help the policyholder make an informed investment decision.
- No statement of opinion as to the performance of the fund shall be made anywhere.
- The definition of all applicable charges, method of appropriation of these charges and the quantum of charges that are levied under the terms and conditions of the policy



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Q 9. Identify from the following the correct option with regards to Micro-insurance.

- It is meant to cover Armed Forces Personnel
- It is meant to cover Government Servants
- It is meant to cover high net worth individuals
- It is meant to cover people living in metro cities
- It is meant to cover people in the hinterlands/rural areas

✗ UnAttempted

### CORRECT ANSWER:

It is meant to cover people in the hinterlands/rural areas

### Explanation:

Micro-insurance is the protection of low-income people against specific perils in exchange for regular premium payments proportionate to the likelihood and cost of the risk involved.

Micro-insurance is a very useful tool in times of eventualities.



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Q 10. Which of the following is one of the major factors for independent Insurance, UK, which faced liquidation in June 2001?

- Too few clients
  - Low premiums
  - Over-reinsuring
  - Over-reserving
  - Under-reserving
- UnAttempted

**CORRECT ANSWER:**

Under-reserving

**Explanation:**

IRDAI (Health Insurance) Regulations, 2016 at Regulation 10 have specified certain principles on pricing of Health Insurance Products offered by Life, General and Health Insurers.

The fundamentals for failure were attributed to excessive growth, inability to reserve adequate premiums for long-tail liabilities, insufficient reinsurance and under-pricing.

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**Q 11.** Insurance premium charged under ULIP is known as \_\_\_\_\_.

- Mortality Charge
- Top up premium charge
- Life risk cover charge
- Insurance cover under ULIP is free of charge
- There is no insurance cover under ULIP

UnAttempted

### CORRECT ANSWER:

Life risk cover charge

### Explanation:

The premium on ULIP has 2 major components.

(a) Premium life cover and

(b) Investment

Plus a third part

(c) Covering expenses like agent commission, administrative costs and statutory levies.

## TOP4SURE PRACTICE TEST NO. 2

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**Q 12.** In which year the IRDAI came into being?

- 1999
- 1992
- 2001
- 1995
- 1989

UnAttempted

**CORRECT ANSWER:**

1999

**Explanation:**

**IRDA came into being in 1999.**

**Q 13.** 'A web aggregator is displaying information pertaining to products of a FMCG company.' In this case the Web Aggregator is \_\_\_\_\_.

- Going against web aggregators regulations (2013)



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Q 13. 'A web aggregator is displaying information pertaining to products of a FMCG company.' In this case the Web Aggregator is \_\_\_\_\_.

- Going against web aggregators regulations (2013)
- Helping FMCG companies to start insurance business
- Doing so because is not prohibited to earn revenue from advertisements
- Helping insurance providers keep premiums low by earning through advertisements of FMCG products
- Helping the prospective buyers of insurance by giving them information about wide range of products

UnAttempted

### CORRECT ANSWER:

Going against web aggregators regulations (2013)

### Explanation:

As per the Duties and Functions of Web Aggregators, the Web Aggregators shall not:

1. Display any information pertaining to products or services of other Financial institutions / FMCG or any product or service in the website
2. Display advertising of any sort, either pertaining to any product or service including insurance product or service, other financial products or service / or any other product or service in the Web Aggregators Website.
3. Operate multiple websites or tie up with other approved / unapproved / unlicensed entities / websites for lead generation / comparison of product etc.



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**Q 14. Which of the following is not under the authority of a MACT?**

- Award an amount less than claim
- Award an amount greater than claim amount
- Grant an award even if the defendant is not present
- Sentence the defendant to a prison term
- Direct payment of interest on delayed payment of the award

UnAttempted

**CORRECT ANSWER:**

Sentence the defendant to a prison term

**Explanation:**

The Motor Vehicle Act also provides for the constitution of Motor Accidents Claims Tribunals (MACT) by the State Governments. The object of this amendment is to ensure speedy settlement of claims of persons involved in Motor Vehicle accidents. The procedure adopted by these Tribunals is simple and fast, the Court fee is nominal and hence the procedure is not expensive.

The compensation payable to the claimants is determined by the Motor Accident Claims Tribunals (MACT) established under the MV Act.



## TOP4SURE PRACTICE TEST NO. 2

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Q 15. Which of the following is not included in Money Laundering?

- Erasing any writing on the currency note
- Turning illegitimate money into legitimate
- Concealing the origin and true ownership of the money
- Helps criminals to expand their activities
- Money to be laundered is usually obtained through criminal means

UnAttempted

### CORRECT ANSWER:

Erasing any writing on the currency note

### Explanation:

- Money laundering is the act of changing the appearance of money that comes from illegitimate sources so that it appears to be legitimate money.
- Money laundering is the term used to describe the process of turning dirty money into clean money.
- It is the process by which criminals attempt to conceal the true origin and ownership of the proceeds of criminal activities, by changing the form, or moving the funds to a place where they are less likely to attract attention.
- In the process, money can lose its criminal identity and appear legitimate

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Q 16. What does the low premium insurance targeted at servicing low income groups is called?

- Accident Cover
- Micro-Insurance
- Life Insurance
- Health Insurance
- 3rd Party Insurance
- UnAttempted

**CORRECT ANSWER:**

Micro-Insurance

**Explanation:**

Micro-insurance aims at providing insurance cover to poor and low income people at affordable rates.

Micro-insurance is the protection of low-income people against specific perils in exchange for regular premium payments proportionate to the likelihood and cost of the risk involved.



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Q 17. A 35 year old person, Adarsh has nominated his 12 years old daughter to receive death benefits under his life policy. If the appointee appointed (as Adarsh's daughter is minor) becomes incapable, who shall receive the claim after the death of Adarsh?

- At courts discretion to decide either the Daughter or Appointee
  - Adarsh's wife
  - Appointee only
  - Adarsh's son only
  - Legal Heir of Adarsh
- UnAttempted

### CORRECT ANSWER:

Legal Heir of Adarsh

### Explanation:

If there is no appointee appointed under Section 39 or the appointee is incapable to act, in such cases, the insurer can settle the claim only in favor of the legal heirs to the estate of the deceased life insured.

Q 18. Identify from below the correct option which is not a suspicious transaction.



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## TOP4SURE PRACTICE TEST NO. 2

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Q 18. Identify from below the correct option which is not a suspicious transaction.

- Cash transaction of Rs. 25 lacs
- Buying an expensive shirt in cash
- Frequent request for change in address
- Buying a policy in 3rd party's name
- Assignments to unrelated parties without valid consideration

Ø UnAttempted

**CORRECT ANSWER:**

Buying an expensive shirt in cash

**Explanation:**

A suspicious transaction is one where an act of money laundering has already occurred or where there is an inherent threat that one may occur.

Here are a few examples of suspicious transactions in insurance:

- Non-disclosure of data by customers
- Frequent requests for change of address
- A transfer of the benefit of a product to an apparently unrelated third party without valid considerations
- Early termination of a product, especially at a loss, or where cash was tendered and/or the refund cheque is to a third party
- Cash transactions, either individually or integrally connected within a month which amounts to Rs. 10 lakh and more



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- Cash transactions, either individually or integrally connected within a month which amounts to Rs. 10 lakh and more

Etc.

Q 19. Within how many days a claim has to be settled/rejected on receipt of the last necessary document?

- 30
- 15
- 75
- 45
- 365

UnAttempted

**CORRECT ANSWER:**

30

**Explanation:**

A claim under a life policy shall be paid or be disputed giving all the relevant reasons, within 30 days from the date of receipt of all relevant papers and clarifications required.



## TOP4SURE PRACTICE TEST NO. 2

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**Q 20. Which of the following is not allowed, in case of discontinued ULIP policies?**

- Withdrawal of funds at any time regardless of lock-in period
- Complete withdrawal from underlying ULIP funds with no risk cover
- Revival of policy
- Insurer to pay 3.5% interest annually on funds of such discontinued policy
- In respect of pension plans, withdrawal of 1/3rd of the amount and balance funds to be used to purchase an annuity plan

UnAttempted

### CORRECT ANSWER:

Withdrawal of funds at any time regardless of lock-in period

### Explanation:

According to IRDA (Treatment of Discontinued Linked Insurance Policies) Regulations, 2010, the discontinued policyholders have an option to either revive the policy within the terms and conditions governing the policy or withdraw the entire funds from the underlying ULIP funds with no risk cover.

In the event a policyholder exercises the option of a complete withdrawal, the available funds in the underlying ULIP policy shall be transferred to 'Discontinued Policy Fund'. The insured can withdraw these funds only after the expiry of the lock-in period. In respect of ULIP Pension plans, the proceeds would be payable by cash to the extent of one-third of the proceeds (towards commutation). The rest would be used to purchase an annuity plan. The insurers shall pay 3.5% p.a. as the rate of interest on such discontinued policy fund.

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**Q 21. An insurer can have cashless facility agreement with a medical services provider fulfilling which of the following condition?**

- It is approved by IMA
- It is a private, stand-alone entity
- It is approved by IRDAI
- It is a Government facility
- It has signed an agreement for cashless facility with insurer

UnAttempted

**CORRECT ANSWER:**

It has signed an agreement for cashless facility with insurer

**Q 22. What is the term used for the reserve created for claims that have been incurred but are yet to be reported?**

- IBNR
- Immediate
- IRDAI
- Contingency
- Expected claims

UnAttempted

**CORRECT ANSWER:**

IBNR



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### Explanation:

The term IBNR refers to the recognition that events have taken place in such a manner that they will eventually produce claims. However, these events have not yet been reported to the insurance company.

Q 23. A policy issued for a product being withdrawn, will \_\_\_\_\_ for existing policy holders.

- Cease withdrawal date
- Continue till expiry of policy term
- Continue till renewal / next premium due date
- Automatically transferred to another insurer offering a product similar to that being withdrawn
- Continue till a policy for another product is taken
- UnAttempted

### CORRECT ANSWER:

Continue till expiry of policy term

### Explanation:



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Q 24. Transfer of a policy of life insurance is covered by which Act?

- Section 64 VB
- IRDA Act
- Section 45 of Insurance Act 1938
- Transfer of Property Act
- Section 38 of Insurance Act 1938

UnAttempted

**CORRECT ANSWER:**

Section 38 of Insurance Act 1938

**Explanation:**

A policy of life insurance is a property. Hence, like any other property, its owner can deal with it in any way he/she likes. But transfer of a policy of life insurance is covered by Section 38 of Insurance Act 1938 but not the Transfer of Property Act.

Where the Insurance Act is silent about any particular feature of transfer of a policy, the provisions of Transfer of Property Act 1882 are applicable.

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**Q 25.** An agricultural labourer, Mohanrao is earning Rs. 5000/- per month. Which insurance cover he should opt for to protect his family from loss of income due to untimely death?

- A money-back policy of Rs. 15 lacs
- An endowment policy of Rs. 10 lacs
- A Mediclaim Policy
- Micro -insurance
- An accident cover from a large insurer

UnAttempted

**CORRECT ANSWER:**

Micro -insurance

**Explanation:**

**Micro-insurance aims at providing insurance cover to poor and low income people at affordable rates.**

**Micro-insurance is the protection of low-income people against specific perils in exchange for regular premium payments proportionate to the likelihood and cost of the risk involved.**

## TOP4SURE PRACTICE TEST NO. 2

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Q 26. What does the 'Pilot product' means?

- It is not meant for general marketing
- It is meant only for flight passengers
- It is an accident cover for student pilots
- It is meant only for employed pilots
- It has been launched for a limited period for testing

✗ UnAttempted

**CORRECT ANSWER:**

It has been launched for a limited period for testing

**Explanation:**

Pilot product means a close-ended product with a policy term of one year that may be offered for sale by General Insurers or Health Insurers for a period not exceeding five years from the date of launch of the product with a view to giving scope to innovation for covering risks that have not been offered hitherto or stand excluded in the extant products.

Q 27. Highlight the major change brought about by the establishment of Bombay Mutual Life Assurance Society in 1871.



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**Q 27. Highlight the major change brought about by the establishment of Bombay Mutual Life Assurance Society in 1871.**

- After the establishment of Bombay Mutual Life Assurance Society in 1871, life insurance by British was made at 50% discount for persons aged 40 and above.
- After the establishment of Bombay Mutual Life Assurance Society in 1871, the Indians were to pay 20% extra premium as compared to British.
- After the establishment of Bombay Mutual Life Assurance Society in 1871, the British put by an unlimited life cover from the Bombay Life Assurance Society
- After the establishment of Bombay Life Assurance Society in 1871, 20% extra premium paid by the Indians vis-à-vis the British was waived.
- After the establishment of Bombay Mutual Life Assurance Society in 1871, the Indians could buy insurance from the British companies.

UnAttempted

**CORRECT ANSWER:**

After the establishment of Bombay Life Assurance Society in 1871, 20% extra premium paid by the Indians vis-à-vis the British was waived.

**Explanation:**

Till the establishment of the Bombay Mutual Life Assurance Society in 1871, Indians were charged an extra premium of up to 20% as compared to the British. This was waived after the establishment of the Bombay Mutual Life Assurance Society in 1871.

**Q 28. Insurer ABC has received reinsurance business of Rs. 50 crores from insurer XYZ. Insurer XYZ incurs a claim for Rs. 10 crores on the re-insured policies, but the**



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Q 28. Insurer ABC has received reinsurance business of Rs. 50 crores from insurer XYZ. Insurer XYZ incurs a claim for Rs. 10 crores on the re-insured policies, but the same has not yet been reported. How the reinsurer ABC will show this liability in its books ?

- IBNR
- Re-insurance liability
- External liability
- Estimated liability
- New Business liability

UnAttempted

**CORRECT ANSWER:**

IBNR

**Explanation:**

Every insurer will have claims that, for some reason or other, have not yet been reported and the insurer does not know about them. The term for this is IBNR i.e. these are claims that have been Incurred But Not Reported.

Q 29. Fill in the gap with correct option. IAIS enables exchange of information between different \_\_\_\_\_ and makes it essential for supervisors to maintain due



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Q 29. Fill in the gap with correct option. IAIS enables exchange of information between different \_\_\_\_\_ and makes it essential for supervisors to maintain due confidentiality about such shared information.

- Division
- Sectors
- Nations
- Areas
- Industries

UnAttempted

**CORRECT ANSWER:**

Nations

**Explanation:**

International Association of Insurance Supervisors (IAIS) is a full time body working for the better regulation and development of insurance. IAIS has developed core insurance principles relevant to contemporary markets and provided a forum of interaction among the insurance supervisors and professionals all over the world.



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Q 30. \_\_\_\_\_ provides the compulsory insurance of motor vehicles.

- MVA – 1988
- LIC Act – 1956
- GIBNA – 1972
- IRDAI Act – 1999
- GIC Act – 1972

UnAttempted

**CORRECT ANSWER:**

MVA – 1988

**Explanation:**

The Motor Vehicles Act 1988, replaces the M.V Act 1939 and it came into force from 01/07/1989. Chapter (XI) provides for compulsory insurance of motor vehicles.



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**Q 31. Which of the below is an example of low risk customer ?**

- Companies having close family shareholding or beneficial ownership
  - Non Residents
  - High Net worth individuals
  - All of above
  - None of above
- UnAttempted

**CORRECT ANSWER:**

None of above

**Explanation:**

**Non-Residents, HNI, Companies having close family shareholdings are example of high risk customers.**

**Q 32. \_\_\_ is one of the stages of Money Laundering.**

- Shell Companies
- Integration
- Smurfing



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## TOP4SURE PRACTICE TEST NO. 2

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Q 32. \_\_\_\_\_ is one of the stages of Money Laundering.

- Shell Companies
- Integration
- Smurfing
- Hedging
- None of the above

UnAttempted

**CORRECT ANSWER:**

Integration

**Explanation:**

Typically, Money Laundering involves three steps - Placement, Layering and Integration.

First, the illegitimate funds are furtively introduced into the legitimate financial system. Then, the money is moved around to create confusion, sometimes by wiring or transferring through numerous accounts. Finally, it is integrated into the financial system through additional transactions until the "dirty money" appears "clean."

Q 33. \_\_\_\_\_ is responsible to provide appropriate training to insurance agents before they are authorised to sell Unit Linked Insurance products.



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Q 33. \_\_\_\_\_ is responsible to provide appropriate training to insurance agents before they are authorised to sell Unit Linked Insurance products.

- IRDA
- Life Insurance Companies
- Life Insurance Councils
- Insurance Institute of India
- Existing insurance agents

UnAttempted

### CORRECT ANSWER:

Life Insurance Companies

### Explanation:

The Life Insurance Companies are required to provide separate training to all their insurance agents before the agents are authorised to sell ULIP products.

Q 34. \_\_\_\_\_ forum consist of President – Judge of Supreme Court, members not less than four - one lady member.

- National Commission
- State Commission
- District Forum

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Q 34. \_\_\_\_\_ forum consist of President – Judge of Supreme Court, members not less than four - one lady member.

- National Commission
- State Commission
- District Forum
- All of the above
- None of the above

UnAttempted

**CORRECT ANSWER:**

National Commission

**Explanation:**

**Under the structure of Consumer Protection Act, there are District Forum, State Commission and National Commission.**

**The composition of National Commission : President - Supreme Court judge, Members not less than 4 - 1 lady member.**

Q 35. Which is the main reason why nominations are created ?

- Damage caution



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Q 35. Which is the main reason why nominations are created ?

- Damage caution
- To secure an immediate payment of the policy's SA by the insurer
- Risk avoidance
- Protection of interest of policy holders
- All of the above

UnAttempted

### CORRECT ANSWER:

To secure an immediate payment of the policy's SA by the insurer

### Explanation:

Nomination is an instrument, the insurance law created, to secure an immediate payment of the policy moneys by the insurer, without prejudice to the decision on the question as to who are entitled to succeed the estate of the deceased life assured.

Q 36. In India, the foreign exchange regulations apply only if the \_\_\_\_\_ and the \_\_\_\_\_ are non-resident.

- Life insurer, Life insured
- Applicant , Life insurer
- Life insured, Claimant



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**Q 36.** In India, the foreign exchange regulations apply only if the \_\_\_\_\_ and the \_\_\_\_\_ are non-resident.

- Life insurer, Life insured
- Applicant , Life insurer
- Life insured, Claimant
- Life insured, Bank
- Applicant, Claimant

UnAttempted

### CORRECT ANSWER:

Life insured, Claimant

**Q 37.** The acronym MHR means \_\_\_\_\_ .

- Machine and Human Resources
- Medical and Health Research
- Modern Human Rights
- Maximum Heart Rate
- Medical History Review

UnAttempted

### CORRECT ANSWER:

Modern Human Rights



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Q 38. With respect to money laundering, FIU stands for -

- Fraud Investigating Unit
- Financial intelligence unit
- Fiscal incorporation unit
- Funding integrity unit
- Financial indemnity unit

UnAttempted

**CORRECT ANSWER:**

Financial intelligence unit

**Explanation:**

**FIU is abbreviation of: Financial Intelligence Unit. It is set up to fight money laundering in Delhi & is called FIU-IND.**

Q 39. In case the exact premium for a risk cannot be ascertained without reference to the specified authorities, the risk may be assumed if there is a deposit made by or on behalf of the insured with the insurer at suitable rate not less than \_\_\_\_ per mile.

- 1.5
- 2.5
- 3.5
- 4.5



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Q 39. In case the exact premium for a risk cannot be ascertained without reference to the specified authorities, the risk may be assumed if there is a deposit made by or on behalf of the insured with the insurer at suitable rate not less than \_\_\_\_ per mile.

- 1.5
- 2.5
- 3.5
- 4.5
- 5.5

UnAttempted

**CORRECT ANSWER:**

2.5

Q 40. The number of non-official members allowed in the executive committee for General Insurance council is / are \_\_\_\_ .

- NIL
- 1
- 2
- 3
- 4

UnAttempted

**CORRECT ANSWER:**



## TOP4SURE PRACTICE TEST NO. 2

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Q 40. The number of non-official members allowed in the executive committee for General Insurance council is / are \_\_\_\_ .

- NIL
- 1
- 2
- 3
- 4

UnAttempted

**CORRECT ANSWER:**

1

**Explanation:**

According to section 64F of the Insurance Act, one non-official member is allowed in the executive committee for General Insurance council.

Q 41. What is the minimum term of cover in health insurance?

- 1 year
- 2 years
- 3 years



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**Q 41.** What is the minimum term of cover in health insurance?

- 1 year
- 2 years
- 3 years
- 5 years
- 7.5 years

UnAttempted

**CORRECT ANSWER:**

1 year

**Q 42.** If the premiums have been paid for 11 and 12 years since inception, the maximum reduction in yield (difference between Gross and Net yield % pa ) is \_\_\_\_\_ %.

- 2%
- 2.25%
- 2.50%
- 2.75%
- 3%

UnAttempted

**CORRECT ANSWER:**

2.75%



## TOP4SURE PRACTICE TEST NO. 2

Test Duration: -

Time Left:

Q 42. If the premiums have been paid for 11 and 12 years since inception, the maximum reduction in yield (difference between Gross and Net yield % pa ) is \_\_\_\_\_ %.

- 2%
- 2.25%
- 2.50%
- 2.75%
- 3%

UnAttempted

**CORRECT ANSWER:**

2.75%

**Explanation:**

As per IRDA September 2010 guidelines for ULIP's, for 11 and 12 years elapsed since inception, maximum reduction in yield (Difference between Gross and Net yield (% p.a.) is 2.75%

Q 43. Within how many days has the appeal against order of IAT to be filed ?

- 10 days
- 30 days
- 45 days



## TOP4SURE PRACTICE TEST NO. 2

Test Duration: -

Time Left:

Q 43. Within how many days has the appeal against order of IAT to be filed ?

- 10 days
- 30 days
- 45 days
- 60 days
- 90 days

UnAttempted

**CORRECT ANSWER:**

60 days

Q 44. What is the core aspect to determine the extent of required insurance coverage called?

- Net asset life element
- Human asset value element
- Net asset value element
- Human life value element
- Human net asset element

UnAttempted

**CORRECT ANSWER:**



## TOP4SURE PRACTICE TEST NO. 2

Test Duration: -

Time Left:

**Q 44. What is the core aspect to determine the extent of required insurance coverage called?**

- Net asset life element
- Human asset value element
- Net asset value element
- Human life value element
- Human net asset element

Ø UnAttempted

**CORRECT ANSWER:**

Human life value element

**Explanation:**

Fundamental core element of life insurance is human life value. It is vital factor to determine the required life insurance coverage.

The human life value concept deals with human capital, which is a person's income potential. It goes beyond just the numbers, and considers the overall impact of losing someone, especially the breadwinner.

'Human Life Value' is a methodology used to calculate the amount of funds an individual should set aside for his dependants' future financial security (in case of his sudden demise or physical incapability to earn).

## TOP4SURE PRACTICE TEST NO. 2

Test Duration: -

Time Left:

Q 45. The full form of GIBN is \_\_\_\_.

- General Insurance Buy-out Notifications
- General Insurance Bonus Nationalization
- General Insurance Business Notification
- General Insurance Budget Notifications
- General Insurance Business Nationalization

UnAttempted

**CORRECT ANSWER:**

General Insurance Business Nationalization

**Explanation:**

It is popularly known as GIBNA (Amendment) Act, 2002. It states that GIC shall cease to control, superintend & carry on the business of general insurance & shall carry on reinsurance business only.

Q 46. No relaxation in premium issues is allowed for

- Aircraft hulls and other aviation risks
- National agriculture insurance scheme
- Issued to students availing Govt. scholarship

## TOP4SURE PRACTICE TEST NO. 2

Test Duration: -

Time Left:

Q 46. No relaxation in premium issues is allowed for

- Aircraft hulls and other aviation risks
- National agriculture insurance scheme
- Issued to students availing Govt. scholarship
- Govt. and Semi Govt. bodies
- Issued to personnel of armed forces

UnAttempted

### CORRECT ANSWER:

Aircraft hulls and other aviation risks

### Explanation:

Aircraft hulls and other aviation risks are the risks associated with very high sum insured & premium. It belongs to effluent section of the society. Therefore no relaxation in premium is allowed.

Q 47. With respect to minimum mortality cover calculations, PT means \_\_\_\_ .

- Payment Tenure
- Policy Term
- Policy terminology

## TOP4SURE PRACTICE TEST NO. 2

Test Duration: -

Time Left:

**Q 47.** With respect to minimum mortality cover calculations, PT means \_\_\_\_ .

- Payment Tenure
- Policy Term
- Policy terminology
- Policy termination
- Profit terminology

UnAttempted

**CORRECT ANSWER:**

Policy Term

**Explanation:**

*As per IRDA September 2010 guidelines for ULIP's, in minimum mortality cover calculations, PT stands for Policy Term.*

**Q 48.** Who aids, assists and advises the life insurers in general functioning matters ?

- RBI
- Advisory committee of IRDAI
- Life insurance committee of IRDAI
- Chairman of Life insurance council



## TOP4SURE PRACTICE TEST NO. 2

Test Duration: -

Time Left:

Q 48. Who aids, assists and advises the life insurers in general functioning matters ?

- RBI
- Advisory committee of IRDAI
- Life insurance committee of IRDAI
- Chairman of Life insurance council
- Exec Committee of Life Insurance Council

UnAttempted

**CORRECT ANSWER:**

Exec Committee of Life Insurance Council

**Explanation:**

Life Insurance Council through its Executive Committee conducts the general functioning of the company by adding, advising & assisting on various matters.

Q 49. An appeal will lie from the decision of the \_\_\_\_\_ .

- Grievance Redressal Authorities (GRA)
- State Government
- Consumer commission



Q 49. An appeal will lie from the decision of the \_\_\_\_\_ .

- Grievance Redressal Authorities (GRA)
- State Government
- Consumer commission
- Consumer authority
- Consumer group

UnAttempted

**CORRECT ANSWER:**

Grievance Redressal Authorities (GRA)

**Explanation:**

An appeal will lie from the decision of GRA to an Insurance Appellate (IAT) whose jurisdiction will extend to various matters.

Q 50. \_\_\_\_\_ risks are covered under annual insurances connected with aircraft hulls, aviation risks and marine hulls.

- Legal liability to passengers
- Aviation risks
- Aircraft hulls
- All of the above
- None of the above

UnAttempted

**CORRECT ANSWER:**

**Explanation:**

An appeal will lie from the decision of GRA to an Insurance Appellate (IAT) whose jurisdiction will extend to various matters.

Q 50.

\_\_\_\_\_ risks are covered under annual insurances connected with aircraft hulls, aviation risks and marine hulls.

- Legal liability to passengers
- Aviation risks
- Aircraft hulls
- All of the above
- None of the above

UnAttempted

**CORRECT ANSWER:**

All of the above

**Explanation:**

Under annual insurance cover connected with aircraft hull, marine hull & aviation risk, covers legal liability to passengers along with aviation hull liability, the premium may be collected in maximum four installments.

Out of 50 questions 50 are un attempted.