**Q.** Maggie has an insured car which is damaged in a collision to the point where it can no longer be driven, Global Insurance company could pay the full value of the car to Maggie, take possession of it, and then sell it to scrap dealer. This can be classified as which type of recovery

**1)**. **Salvage**

**2)**. Subrogation

**3)**. Both Salvage And Subrogation

**4)**. Non of the above

**Solution** :  
option [1] is correct

**Q.** Co-insurance is applicable only for the General Insurance

**1)**. **YES**

**2)**. **NO**

**Solution** :  
option [1] is correct

**Q.** Not driving an automobile comes under ?

**1)**. transfer of risk

**2)**. **Avoidance**

**3)**. Reduction:

**4)**. None

**Solution** :  
option [2] is correct

**Q.** What is the exact full form of FNOL

**1)**. First note of loss

**2)**. First notification of loss

**3)**. **First notice of loss**

**4)**. none of the above

**Solution** :  
option [3] is correct

**Q.** Cancellation of a policy means?

**1)**. **The termination of an insurance policy or bond, before its expiration, by either the insured or the insurer. Insurance policy cancellation provisions require insurers to notify insureds in advance (usually 30 days) of cancelling a policy and stipulate the manner in which any unearned premium will be returned**

**2)**. To reinstate an insurance policy automatically after cancelling it.

**3)**. To transfer an insurance policy

**4)**. To buy an insurance policy

**Solution** :  
option [1] is correct

**Q.** Producers can be compensated by

**1)**. Salary.

**2)**. Commissions.

**3)**. Contingency commissions.

**4)**. **All of the above.**

**Solution** :  
option [4] is correct

**Q.** In Stock Insurers, do shareholders share the profits of the company when and if a dividend is declared ?

**1)**. No

**2)**. **yes**

**Solution** :  
option [2] is correct

**Q.** Captive Agents are those who….

**1)**. **Have enough capability to sell policies with any of the insurers.**

**2)**. **Can represent only one company.**

**3)**. 1 and 2

**4)**. None of them.

**Solution** :  
option [2] is correct

**Q.** Which of the following is a means of discharging a contract under common law?

**1)**.     Frustration

**2)**.     Mistake

**3)**. **Misrepresentation**

**4)**. **Concealment**

**Solution** :  
option [3] is correct

**Q.** Binding authority

**1)**. **Is usually granted in the agency contract**

**2)**. Is granted by the agent to the principal.

**3)**. Is granted between the coninsurance parties.

**4)**. Is granted by the reinsurance treaty.

**Solution** :  
option [1] is correct

**Q.** What is the full form of PAP?

**1)**. **Personal Auto Policy**

**2)**. Personalised Account Policy

**3)**. Policy Amend Provisions

**4)**. none of the above

**Solution** :  
option [1] is correct

**Q.** Which of the following coverage typically pay for damage to you and your property caused by another driver who doesn't have any insurance coverage

**1)**. Bodily Injury

**2)**. Property Damage

**3)**. **Uninsured Motorist (UM) Coverage**

**4)**. Underinsured Motorist (UIM) Coverage

**Solution** :  
option [3] is correct

**Q.** Life insurance that provides coverage for a specified period with no cash value is called

**1)**. Universal life.

**2)**. **Term insurance.**

**3)**. Whole life.

**4)**. Long-term care insurance.

**Solution** :  
option [2] is correct

**Q.** Certificate of Insurance  is \_\_\_\_\_\_

**1)**. **A document providing evidence that certain general types of insurance coverages and limits have been purchased by the party required to furnish the certificate.**

**2)**. Receipt of insurance premium

**3)**. An insurance quotation

**4)**. None

**Solution** :  
option [1] is correct

**Q.** Reinsurance' refers to the practice by insurance companies of:

**1)**. Renewing existing policies

**2)**. **Buying insurance from another firm**

**3)**. Terminating existing policies

**4)**. Insuring the same risk twice

**Solution** :  
option [2] is correct

**Q.** Who is the beneficiary on a policy?

**1)**. The Insurer

**2)**. The person who pays the premium

**3)**. **The person who receives the Sum assured**

**4)**. None of them

**Solution** :  
option [3] is correct

**Q.** Which of the following coverage typically pay  out if the driver who hits you causes more damage than his or her liability coverage can cover.

**1)**. Bodily Injury

**2)**. Property Damage

**3)**. Uninsured Motorist (UM) Coverage

**4)**. **Underinsured Motorist (UIM) Coverage**

**Solution** :  
option [4] is correct

**Q.** What is the full form of PIP?

**1)**. **Personal Injury Protection**

**2)**. Personal Interest Policy

**3)**. **Protective Insurance Policy**

**4)**. none of the above

**Solution** :  
option [1] is correct

**Q.** The use of standard forms by insurers leads to a more

**1)**. **Consistent interpretation of insurance policies**

**2)**. Creative interpretation of insurance policies.

**3)**. Conservative interpretation of insurance policies.

**4)**. Coordinated interpretation of insurance policies

**Solution** :  
option [1] is correct

**Q.** An Adjuster   is \_\_\_\_\_\_

**1)**. **A person may act either on behalf of the insurance company or the insured in the settling a claim. Independent adjusters represent the insurance company on a fee basis; public adjusters represent the insured on a fee basis.**

**2)**. A person who facilitate insurance sales

**3)**. A person who buys insurance

**4)**. A person who claims insurance proceeds

**Solution** :  
option [1] is correct