**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.** Motor insurance is mandatory by law ?

**1)**. **Yes**

**2)**. No

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

**Q.** Donna is insured by ABC Insurance and her car is hit by Nick, then ABC Insurance can attempt to collect money from Nick's insurance company to cover the money which ABC must pay to Donna for her loss. 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 [2] is correct

**Q.** Jim canceled his auto policy 315 days after the inception date. The one-year premium is $1095. Assuming that a year is 365 days, what is Jim's pro rata premium refund?

**1)**. $50

**2)**. **150**

**3)**. 780

**4)**. 945

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

**Q.** A person injured in a motor vehicle accident will have health care expenses paid by

**1)**.     workers compensation insurance

**2)**. **auto insurance**

**3)**.     employment- based insurance

**4)**.     social insurance programs

**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.** You purchase a new car, call your insurance agent  
and the agent tells you that your are covered. This is an example of ?

**1)**. **Binder**

**2)**. Renewal

**3)**. issuance

**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.** 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 PIP?

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

**2)**. Personal Interest Policy

**3)**. Protective Insurance Policy

**4)**. none of the above

**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.** 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.** Comprehensive and Collision which Type of coverage

**1)**. **1st Party**

**2)**. 2nd Party

**3)**. 3rd Party

**4)**. Non of the above

**Solution** :  
option [1] 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.** Accident   is \_\_\_\_\_\_

**1)**. **An unforeseen, unintended and unexpected event.**

**2)**. Planned event

**3)**. Expected event

**4)**. Intentionally created event

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

**Q.** Which of the following come under General Insurance.

**1)**. **1. Burglary and theft**

**2)**. 2. Life coverage

**3)**. 3. Both

**4)**. 4. None of the above.

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

**Q.** A retirement annuity is particularly attractive to someone who has:

**1)**.     Financial myopia

**2)**. **High longevity risk**

**3)**.     A severe illness

**4)**.     Low longevity risk

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

**Q.** Property Damage is which type of Coverage

**1)**. **1st Party**

**2)**. 2nd Party

**3)**. **3rd Party**

**4)**. Non of the above

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

**Q.** What is the full form of NAR?

**1)**. **Net Amount at Risk**

**2)**. No Amount at Risk

**3)**. National Association of Reinsurers

**4)**. none of the above

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