**Q. Which of the below statements are true with respect to Reinsurance ?  
 Reinsurance is a contractual agreement:  
1. In which one insurer transfers some or all of its loss exposures to another insurer.  
2. That is formed as a subsidiary of its parent company for the purpose of writing insurance on the parent company.  
3. That ideally insures large numbers of similar exposure units.  
4. That insures through an attorney-in-fact.**

**1)**. 1

**2)**. 2

**3)**. 3

**4)**. ALL

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

**Q. Which of the below statetements are true:  
1. Insurance cannot be provided for Speculative risks.  
2. At a high premium the speculative risks can be insured.  
3. Speculative risks have a very low premium compared to pure risk  
4. Speculative risks can be combined along with Pur risks can be accepted by the Insurer.**

**1)**. Statements 2 and 4

**2)**. Statements 3 and 4

**3)**. statement 1 only

**4)**. statement 2 only

**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. 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. 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. 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. 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. 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. 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. Following are the details can be captured on a Vehicle incident**

**1)**. Convictions

**2)**. Baggage details

**3)**. Personal Property

**4)**. All of the above

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

**Q. If the home covered under the insurance policy is damaged and cannot be occupied for two months while repairs are being made, the insurer will pay the necessary increased living expenses under provisions for :**

**1)**.        Mortgage insurance

**2)**.       Mortgage life insurance

**3)**.        1 and 2

**4)**.       None of the above

**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. 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. 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

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

**1)**. YES

**2)**. NO

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

**Q. Moral hazard by insurance companies can result in**

**1)**. adverse selection

**2)**. risk pooling

**3)**.        community rating

**4)**. overutilization of health insurance

**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 Chief Executive Officer of a stock insurance company is primarily responsible to the**

**1)**.     Policyholders

**2)**.     Board of Directors

**3)**.     Company’s President

**4)**.     Shareholders

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

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

**1)**. Yes

**2)**. No

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