**General Insurance:**

**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

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

**1)**. transfer of risk

**2)**. **Avoidance**

**3)**. Reduction**:**

**4)**. None

**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.** 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.** Is it mandatory for an Insurance contract to be with a legal purpose ?

**1)**. **YES**

**2)**. NO

**3)**. Not always

**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.** Producers can be compensated by

**1)**. Salary.

**2)**. Commissions.

**3)**. Contingency commissions.

**4)**. **All of the above.**

**Solution** :  
option [4] 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 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.** 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.** 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.** 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