

## 2007 IRDA Agent Licensing Question paper

- 1) The principle to be followed by both the parties in an insurance contract, with reference to disclosure of all the relevant facts, is known as -----.
- 2) The life insurance scheme, which allows an employer to insure the lives of important employees in the organization, in order to cover the risk arising out of their premature death is known as -----.
- 3) The Insurance Act was passed in the year
- a) 1928
  - b) 1938
  - c) 1939
  - d) 1942
- 4) In life insurance, the \_\_\_\_\_ is authorized to collect the claim amount after the death of the policyholder.
- 5) How is, the person appointed by the Government to settle disputes between the insurers and the insured, better known as? \_\_\_\_\_
- 6) Assignment usually effected for consideration of natural love and affection is: \_\_\_\_\_.
- 7) A process whereby the beneficial interest, right and title under a policy gets transferred is called \_\_\_\_\_.

8) Fill in the blanks.

- a. To sell insurance an agent must understand the prospect's insurance \_\_\_\_\_.
- b. An agent has to ensure that without a lapse, the new policy issued should continue till it becomes a \_\_\_\_\_.
- c. The \_\_\_\_\_ is also accompanied by the agent's \_\_\_\_\_ report.
- d. In nomination the policyholder \_\_\_\_\_ all rights under the policy.
- e. The two types of assignments are \_\_\_\_\_ and \_\_\_\_\_.
- f. A lapsed policy can be revived in \_\_\_\_\_ ways.
- g. The \_\_\_\_\_ should help the prospect in revival process.
- h. Maturity claim can be done after filling up the \_\_\_\_\_ voucher.
- i. Indemnity bond is executed by the policy holder in case the policy is \_\_\_\_\_ or \_\_\_\_\_.

9) The capability to function as an agent would be measured partly by the business that is done and the commission that is earned.(T/F)

10) An agent's reputation must be such in the market that will help him to collect more references from his policyholders.(T/F)

11) Product knowledge ends with knowing the broad terms and conditions of the policy and the extent of cover.(T/F)

12) Good product knowledge will help one to be aware of the possible drawbacks in the policy, the tax implications, the fit with the client's need, the extent to which the client has to take precautions so that the benefits may not be lost.(T/F)

13) An agent is a professional and a businessman.(T/F)

- 14) An agent is both a professional and a businessman and there is no conflict between the two.(T/F)
- 15) An agent's revenue is in the nature of commission on premium. (T/F)
- 16) Professional agents must set aside both funds as well as time for their personal growth.(T/F)
- 17) Salesmanship is different from management.(T/F)
- 18) For an insurance agent the whole world is a potential market. (T/F)
- 19) The segment in which an agent operates is called his target market / segment. An agent must have only one target market. (T/F)
- 20) An agent sells himself before he sells his product.(T/F)
- 21) An agent is a self-motivated individual. All his actions are goal oriented. (T/F)
- 22) Morale implies that the behavior of the agent has to be one that exudes confidence and positive thoughts about the company and its offerings. This is possible only if the agent feels good about his profession and business.  
(T/F)
- 23) Communication is normally understood to refer to the information that one has to send to another, through words or symbols or pictures, in writing or verbally.(T/F)
- 24) The seven C's of communication are completeness, courtesy, consideration, clarity, conciseness, concreteness, and correctness. (T/F)
- 25) In insurance selling is more through use of persuasive skills than counseling skills. (T/F)
- 26) An agent must be able to analyze the various needs of the prospect and find the best plan to meet those needs. An agent can also make assumptions.(T/F)
- 27) An agent is bound under the terms and conditions of the appointment letter given to him by the insurer under the Licensing of Insurance agent's regulations 2000.(T/F)
- 28) Non-compliance of the provisions of this regulation may lead to termination of the agency license.(T/F)

Fill in the blanks using only one of the alternatives provided in bracket.

- 29) The definition of Rural area is where the total population is (over 5000/ over 10,000 / less than 5000)
- 30) Term Insurance product is useful for \_\_\_\_\_ (providing for old age / for Children/cover in case of mortgage loans/ getting payments at regular intervals).
- 31) Age nearer to birthday as on 20.5.2000 of a person with date of birth 13.7.1974 is years (25/26/27).
- 32) The terminal bonus is paid to those policies which become claim after completing years as in force policies (10/15/20).
- 33) If a person is born on 15.03.1975 his age last birthday as on 12.03.2001 will be
- i) 23 yrs
  - ii) 24 yrs
  - iii) 25 yrs
  - iv) 26 yrs
- 34) In mortgage redemption policies the sum assured will be paid
- a) At the end of the term
  - b) ON death within the term
  - c) Both of the above
  - d) On default of the payments
- 35) Non forfeiture clause refers to
- a) Option to keep the policy running when it is about to lapse due to non payment of premiums
  - b) Whatever the condition the premiums paid by the policy holder cannot be forfeited
  - c) When the policy holder does not return the loan taken on a policy the policy is forfeited by the insurer

d) In case of a moral hazard the sum assured is forfeited by the insurer

36) Statement A: An individual can take a Key man insurance on his own life

Statement B: A husband is a Key man to his wife

a) Only statement A is true

b) Only statement B is true

c) Both A & B are false

d) Both A & B are true

37) Statement A: Agents are usually attached to branches of insurance offices

Statement B: A department in an office is where some specialized type of work is carried out

a) Only statement A is true

b) Only statement B is true

c) Both A & B are true

d) Both A & B are false

38) The maximum limit for payment of commission prescribed for 2nd and 3rd year renewal premiums is fixed as per insurance act 1938 as

a) 35%

b) 40%

c) 5%

d) 7.5%

39) Three fundamentals of sound investment are : \_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_ ,

40) The insurer makes guaranteed additions @ 7% of the S.A. for each completed policy year, for which premiums are paid, and these will payable at the end of the term of the policy or earlier death of the policyholder A. The insurer also puts an x amount as loyalty addition, if premium has been paid for 5 years. A has taken the policy for 15 years for Rs. 1,00,000 S.A. He has been paying his premiums regularly. How much would he get if he died after 4 years of taking the policy? How much would he get on maturity of the policy?

41) Mr. X buys a policy for Rs3, 00,000 S.A. at age 35 and pays a single premium. He dies at the age of 45 in a road accident. His wife gets RS. 3,00,000/- as death benefit. How much tax will she have to pay on this amount?

42) Life assured aged 35, for a policy of Rs.30000/- sum assured under Money Back policy for a term of 20 years. DAB & EPDB are not required. Tabular premium per thousand is given as Rs.68.70. If the policy is under Salary Saving Scheme what would be the monthly premium?

43) A. Calculate the half-yearly premium for a with-profit endowment assurance of Rs.30000/- for a term of 30 years issued to a scheduled commercial airline pilot aged 25 without D.A.B. & E.P.D.B. The occupation extra in this case is 12PER THOUSAND for 10 years.  
ANSWER 654

B. What will be the half-yearly instalment payable after 10 years, given that the tabular premium for 1000 S.A. is Rs.33.10?

44) Calculate the quarterly instalment premium under a whole life policy for Rs.50000/- sum assured, issued to a life whose age nearer birthday at entry is 45, with premium paying term limited to 25 years. D.A.B. (Double Accident Benefit) & E.P.D.B. (Extended Permanent Disability Benefit) benefit is allowed. Tabular premium is given as Rs.48.10 and D.A.B., E.P.D.B. as Rs.50.

45) Age 25 years, Term 26 years, Sum Assured Rs.200000/-, Mode half yearly. Calculate the instalment premium. Table premium is 40.25.

46) Calculate claim payable:

Date of Death : 27 Nov 2000

Date of commencement: 13 Dec 1989

Sum Assured: 30,000

L. P. P. : 13/12/1999

Bonus: 3/85-3/99 600 per thousand, 3/2000 is 60

Half yearly premium of 400

47) The drive or urged to do something to achieve at end is called \_\_\_\_\_

- a. willingness
- b. motivation
- c. need
- d. power

48) \_\_\_\_\_ are statements made by the prospect raising doubts about the usefulness of the Insurance.

- (a) Refusals
- (b) Objections
- (c) Queries
- (d) Disagreement

49) \_\_\_\_\_ is helping the policy holder to make sure that the policy will not fail at the critical moment.

- (a) Sales

- (b) Service
- (c) Advice
- (d) Promise.

50) Describe the behavior of an Agent who exchanges experiences with other agents.

- (a) curious
- (b) Probing
- (c) Non Professional
- (d) Professional

51) An officer of insurance company authorized by IRDA to issue agency license is called

- a. Designated person
- b. Authorized person

52) A. The insured mentioned to the agent adviser while filling up the proposal form that some six years back white fluid had discharged from his right ear, but it stopped after that. The agent does not mention it in his report because it is not relevant now.

B. The agent confirms from the insurer about the present situation and since it is ok, he does not mention in his report.

- a) Only A is true
- b) Only B is true
- c) Both are true
- d) Both are false