

IRDA Agent Licensing Question paper

1. Doctors appointed by insurers will be qualified in ----- medicine.

a) Allopathic b) Ayurvedic c) Homeopathic d) All of the above

2. In what plan of insurance is medical examination never required ?

a) Endowment b) Pure endowment c) Group insurance d) Term assurance

3. Why does an officer conduct special enquiry in the case of death claim which arose after 4 years ?

a) on suspicion of suppression of facts b) as a precaution c) as a routine d) for large sum assured

4. Which of the following statements are "TRUE" ?

Statement A : Insurance works on the law of averages

Statement B : Insurance is possible only when there are many policyholders.

a) Only statement A b) Only statement B c) Both statements d) Neither of the statement

5. The questions in the proposal form and personal statement are material and relevant

a) without exception b) mostly c) only partly d) rarely

6. Which of the following statements are "TRUE" ?

Statement A : Accident Benefit cover is issued as a separate policy in life insurance

Statement B : Accident Benefit cover is a rider in a life insurance policy

a) Only statement A b) Only statement B c) Both statements d) Neither of the statement

7. Which of the following statements are "TRUE" ?

Statement A : A father is a keyman to his son.

Statement B : A proprietor is a keyman in his business.

a) Only statement A b) Only statement B c) Both statements d) Neither of the statement

8. The agent has ----- freedom to act on behalf of the principle.

a) Full b) Limited c) Specified d) None of the above

9. Moral Hazard is determined on the basis of data given below by -----

a) Proponent b) Agent c) Special Enquiries d) All of above

10. Which of the following statements are "TRUE" ?

Statement A : The law of averages works when there are many risks of similar nature.

Statement B : When a calamity hits an insured person, the loss is met from the premium paid by him.

a) Only statement A b) Only statement B c) Both statements d) Neither of the statement

11. A Duplicate policy is issued when the original policy is -----

a) lost b) with assignee c) pledged against loan d) all of the above

12. ----- describes an agent who keeps records of his activities and examines them periodically.

a) Analyst b) Professional c) Non professional d) Meticulous

13. Loans under an insurance policy are repayable -----

a) In a lumpsum b) By adjustment with claim c) In installments d) any of the above

14. ----- describes the behaviour of an agent who in the presence of outsiders, cover up the mistakes made by his colleagues.

a) arrogant b) protective c) professional d) self-confident

15. The principle is responsible for ----- of the acts of the agents

a) specified acts of agents on behalf of principle b) some of the acts of the agents c) none of the acts of the agents d) all the acts of the agents

16. If a person is born on 4/07/1981, his age next birthday on 25/11/2000 will be ---

a) 21 b) 19 c) 18 d) 20

17. An officer of an Insurance Company authorized by the IRDA to issue agency license is called

a) Deligated Authority b) Bonus c) Paid up value d) Default value

18. The reduced sum assured payable when the premium due is in default is called -

a) Paid-up Value b) Reduced Value c) Deligated Authority d) Default value

19. The bonus which attaches to the policy immediately on declaration is called -----
---- bonus.

a) terminal b) immediate c) reversionary d) final

20. An annuity purchased on 10/11/1984 provides for an immediate annuity for 20 years and life thereafter. If the annuitant dies on 20/12/2000, when will the last quarterly annuity be paid ?

a) 10/11/2000 b) 10/11/2004 c) 10/02/2001 d) 10/08/2004

21. Which of the following statements are "TRUE" ?

Statement A : An insured person can ignore safety and precautionary arrangements

Statement B : Insurance compensates only economic losses

a) Only statement A b) Only statement B c) Both statements d) Neither of the statement

22. In a mortgage redemption policy, the Sum Assured is payable

a) at the end of the term b) on death within the term c) both of the above d) on default in repayments

23. Which of the following statements are "TRUE" ?

Statement A : When a policy matures the claim proceeds are paid to the assured.

Statement B : In insurance, the principle of buyer beware applies

a) Only statement A b) Only statement B c) Both statements d) Neither statements

24. After how many years a missing person presumed to be dead ?

a) six b) seven c) five d) eight

25. Which of these policies does not cover the risk of death ?

a) Term b) Endowment c) Pure endowment d) Whole life

26. Final or Terminal bonus is payable -----

a) on death b) on surrender c) on maturity d) all of the above

27. What does 'days of grace' mean?

a) Time allowed for paying premium b) on maturity c) Period after which only risks begins

d) all the above

28. ----- are the statements made by prospect raising doubts about the usefulness of the insurance

a) objections b) queries c) refusals d) disagreements

29. The reduction permitted in the tabular premium depending on the mode of premium or sum assured is called -----

a) reduction b) rebate c) incentive d) concession

30. Which of the following statements are "TRUE" ?

Statement A : Policy decisions are taken by the underwriters in an insurance company.

Statement B : Policy decisions are taken by the top management in an insurance organization.

a) Only statement A b) Only statement B c) Both statements d) Neither statements

31. The agent who tries to canvass insurance business by offering temptations of sharing the commission is -----

a) incompetant b) professional c) non-professional d) corrupt

32. The process of determining if the claim can be paid is called -----

a) admission b) consideration c) acceptance d) decision

33. When original policy is lost, duplicate policy is needed for -----

a) getting the claim b) taking a loan c) paying the premium d) all of the above

34. Which of the following statements are "TRUE" ?

Statement A : It is the agent's responsibility to ensure that all material information is made available

Statement B : If the proposed papers are incomplete, the agent will be held accountable

a) Only statement A b) Only statement B c) Both statements d) Neither statements

35. Which of the following statements are "TRUE" ?

Statement A : Proof of age is necessary only for proposals for insurance, not for the agency applications

Statement B : After the business is complete, the agent has no further role.

a) Only statement A b) Only statement B c) Both statements d) Neither statements

36. In the case a joint life annuity commencing on October 1988, the husband died in November 1996 and the wife died in December 1999. When will the last quarterly annuity be paid ?

a) July 1997 b) October 1996 c) October 1999 d) July 2000

37. Which of the following statement(s) are "TRUE" ?

Statement A : A nomination is valid only if it is made on the policy document

Statement B : When the insurance policy is the subject matter of a will, the nomination is automatically cancelled

a) Only statement A b) Only statement B c) Both statements d) Neither statements

38. Which of the following statements is "TRUE" ?

Statement A : When a person dies, no expense is incurred on him.

Statement B : Life insurance helps to ensure a decent burial or cremation on death

a) Only statement A b) Only statement B c) Both statements d) Neither statements

39. ----- describes an agent who does not take the objections of his prospect lightly.

a) non-professional b) mechanical c) professional d) arrogant

40. ----- means the list of names whom an agent would try to meet to procure life insurance

a) proponents b) clients c) prospects d) proposers

41. To whom should the license fee be paid ?

a) controller of insurance b) the insurer c) IRDA d) any of the above

42. Which of the following statements are "TRUE" ?

Statement A : Insurance can be made to start from previous year

Statement B : The policyholder loses his right when makes the nomination

a) Only statement A b) Only statement B c) Both statements d) Neither statements

43. What is paid by the insurer when the policyholder decides to discontinue the policy ?

a) intermediate claim b) lapse c) forfeiture d) surrender value

44. Which of the following statements are "TRUE" ?

Statement A : The agent is expected to carry the identity card with him while meeting clients.

Statement B : A prospect is entitled to ask to see the agent's license.

a) Only statement A b) Only statement B c) Both statements d) Neither statements

45. How is an annuity paid by the insurer ?

a) in annual installments b) in quarterly installments c) in lumpsum d) in installments

46. The agent's report to the insurer should include matters ----- in the proposal.

a) appearing b) not appearing c) relevant but not appearing d) all of the above

47. The person who takes the decision to grant insurance is called -----

a) officer b) manager c) salesman d) underwriter

48. Which of the following statements are "TRUE" ?

Statement A : There are no needs on account of a person who has died.

Statement B : Life insurance takes care of the liabilities of a person who has died.

a) Only statement A b) Only statement B c) Both statements d) Neither statements

49. Doctors appointed by insurers will be -----

a) general physicians b) specialists c) surgeons d) all of the above

50. Who is an insurance agent authorized to work for a life insurer and a general insurer ?

a) multiple agent b) general agent c) life agent d) composite agent

51. In an insurance policy, the amount payable on death may be the amount payable on maturity

a) same as b) more than c) less than d) any of the above

52. An agent is concerned with the -----

a) IRDA Act b) Insurance Act c) Contract Act d) Any of the above

53. Which of the following statement(s) are "TRUE" ?

Statement A : The necessity for a medical examination depends only on the Sum Assured.

Statement B : The nature of employment may be a factor to dispense with medical examination

a) Only statement A b) Only statement B c) Both statements d) Neither statements

54. The deduction allowed in Income Tax, because of amounts paid towards life insurance premium, Provident Fund, etc is called -----

a) reduction b) rebate c) concession d) deduction

55. Who is a person who arranges for a customer to get necessary insurance ?

a) agent b) retailer c) broker d) intermediary

56. Which of the following statements are "False" ?

Statement A : Policy decisions in an insurance organization mean decisions relating to issue of specific insurance policies.

Statement B : Policy decisions in an insurance organization mean decisions relating to kind of plans of insurance to be offered to the public.

a) Only statement A b) Only statement B c) Both statements d) Neither statements

57. If a person is born on 02.02.1979, his age nearer birthday on 5.11.2000 will be -----

a) 23 b) 21 c) 19 d) 22

58. Which of the following statements are "TRUE" ?

Statement A : One can take a policy on the life of a customer to whom he has lent money

Statement B : A wife can take the policy on her husband

a) Only statement A b) Only statement B c) Both statements d) Neither statements

59. Which of the following statements are "TRUE" ?

Statement A : The maturity proceeds of an insurance policy are taxable as income

Statement B : The premium paid under insurance is fully exempt under income tax

a) Only statement A b) Only statement B c) Both statements d) Neither of the statement

60. The maturity proceeds in case of a policy financed by HUF will be paid to -----

a) karta b) life assured c) nominee d) none of these

61. Which of the following statement(s) is "TRUE" ?

Statement A : The amount of Sum Assured may depend on the income of the proponent.

Statement B : Under insurance is as bad as over insurance.

a) Only statement A b) Only statement B c) Both statements d) Neither of the statement

62. Bringing a policy, which has lapsed, back to force is called -----

a) revival b) renewal c) relapse d) recovery

63. ----- is helping the policyholder to make sure that the policy will not fail at the critical moment.

a) sales b) advice c) promise d) service

64. ----- means business wherein, persons facing the same risk are brought together to create a fund from which those suffering losses are compensated.

a) security b) insurance c) mutual fund d) banking

65. Surplus declared in a valuation arises because of good -----

a) underwriting b) management c) investment d) all of the above

66. Who is the person on whose life the underwriter makes a decision ?

a) proponent b) policyholder c) person to be insured d) all of the above

67. What is called the 'reverse of life insurance'?

a) loan b) surrender value c) annuity d) none of these

68. The authority of an agent is -----

a) specified in the appointment letter b) inferred from his actions c) verbally communicated

d) all of the above