

UNIT I

1. Explain the importance of Insurance
2. Examine the Principles of Insurance contract
3. Classify the various Kinds of Insurance
4. Identify the various Functions of Insurance
5. Differentiate Insurance and assurance

UNIT II

6. Difference between life Insurance and General Insurance
7. Outline the calculation of Premium
8. Classify the Types of Life Insurance policies
9. Determine the Procedure for taking Insurance policy
10. Identify the procedure for Settlement of claim

UNIT III

11. Classify the various kinds of Fire Policies
12. Explain the important condition of fire Insurance policies
13. Explain the important condition of Marine Insurance policies.
14. Identify the Elements of Marine Insurance Contract
15. Categorise the various kinds of Marine Policies

UNIT IV

16. Discuss about the risk management.
17. Determine the elements of an insurable risk.
18. Explain the types of risk.
19. Analyse the risk management process.
20. Identify the sources of risk information.

UNIT V

21. Explain the reforms of insurance sector.
22. Determine the functions of IRDA
23. Identify the role of insurance in economic development.
24. Examine the advantages and disadvantages of privatization of insurance.
25. Discuss about the economic development in insurance sector.

UNIT I

1. _____ is the first comprehensive legislation governed both life and non-life branches of insurance was enacted to provide strict state control over the insurance business in India.

- a. **Insurance Act-1938** b. Insurance Act-1939
c. Insurance Act-1940 d. Insurance Act-1941

2. Insurance works on the principle of _____

- a. Sharing of losses
b. Probabilities
c. Large numbers
d. **All of the above**

3. Insurance helps to _____

- a. Prevent adverse situations from occurring
b. **Reduce the financial consequences of adverse situations**
c. Negate all consequences of adverse situations
d. Make assets continuously productive

4. The principle of _____ ensures that an insured does not profit by insuring with multiple insurers

- a. Subrogation b. Co-insurance c. Indemnity d. **Particular Average**

5. _____ may be described as a social device to reduce or eliminate risk of loss to life and property.

- a. Investment b. Saving **c. Insurance** d. loan

6. Insurance cannot prevent the occurrence of risk but it provides for the _____

- a. **losses of risk** b. occurrence of risk c. chance of risk d. none of these

7. The document which embodies the contract in insurance is called _____

- a. security **b. policy** c. certificate d. none of these

8. _____ principle in insurance means maximum truth.

- a. subrogation b. causa proxima c. insurable interest **d. uberrima fidei**

9. Principle of utmost good faith is also known as _____.
- a. subrogation b causa proxima c. insurable interest **d. uberrima fides**
10. _____ principle means that the insured is not entitled to make a profit on his loss.
- a. subrogation b causa proxima **c. indemnity** d. uberrima fides
11. The purpose of _____ are to hold the negligent person responsible for the loss and prevent the insured from collecting twice for the same loss.
- a. subrogation** b causa proxima c. indemnity d. uberrima fides
12. _____ principle in insurance mention the cause of loss must be direct and an insured one in order to claim for compensation.
- a. subrogation **b causa proxima** c. indemnity d. uberrima fides
13. _____ principle in insurance mention the assured must have insurable interest in the life or property insured.
- a. subrogation b causa proxima c. indemnity **d. insurable interest**
14. _____ is a social device for eliminating or reducing the loss of society from certain risk.
- a) Premium b) Policy c) **Insurance** d) Contract
15. Insurance provides security against _____
- a) Risk b) Losses **c) Both (a) & (b)** d) None of them
16. A contract of insurance is a _____ agreement.
- a) Contingent** b) Constant c) both d) None of these
17. _____ was the first Indian Insurance Company
- a) Bombay Mutual Assurance Society Ltd.**
- b) Bombay Insurance Society Ltd.
- c) Insurance Regulatory Development Authority
- d) General Insurance Corporation
18. _____ means insuring a risk with two or more insurers and the total sum insured also exceeds the actual value of the subject matter.
- (a) Reinsurance (b) General Insurance (c) Single insurance **(d) Double insurance**

19. _____ involves proportionate sharing of the insurance among more than one insurer.

- (a) Reinsurance (b) Double Insurance (c) **Co-insurance** (d) None

20. _____ means the transfer of all the rights and remedies available to the insured in respect of the subject matter to the insurer after indemnity has been effected.

- (a) **Subrogation** (b) Indemnity (c) Contribution (d) None

UNIT II

21. The LIC of India was set up in _____ to take over 245 life companies.

- a) .1955 **b).1956** c).1957 d).1958

22. The _____ is the party who agrees to compensate the other person against possible losses.

- a) Insured **b) Insurer** c) Assured d) None

23. The _____ is the party who gets his life or property insured against risks.

- a) Insured** b) Insurer c) Assurer d) None

24. The insurer agrees to compensate the insured in consideration of a sum of money is called

- a) **Premium** b) Policy c) Subject matter d) None

25. The main purpose of having Life insurance is

- a. As an avenue for long-term investment
- b. As a medium for getting income tax benefits from savings**
- c. As a governmental programme for reducing poverty
- d. As an avenue for short-term investment
- e. None of the above

26. A policy where the policyholder makes a one-time payment of premium, is known as a ____

- a. Money-back policy
- b. Single premium policy**
- c. Salary Savings Scheme policy
- d. Half-yearly policy

27. Which of the following is an important reason for insurers to sell life insurance policies through agents?

- a) People can decide which policy is best for them
- b) Agents have to earn their commissions
- c) Agents have to meet their marketing targets

d) **Many people require personalized guidance for selecting the right policy**

28. Compared to the premium for a Whole Life plan, the premium for an Endowment plan will be _____ for the same age

- a) **more** b). less c). the same d). double

29. A nomination can be made only in favour of _____

- a) Spouse and children with guardian
b) Spouse and minor children
c) Parents, spouse and children
d) **Any individual**

30. Which of the following terms matches closest with 'Foreclosure'?

- a. **Surrender Value** b. Nominee c. Death Claim d. Maturity Claims

31. Which of the following insurance contract is not based on the principle of indemnity.

- a) Fire insurance b) Marine insurance c) **Life insurance** d) All

32. Human life is the subject matter of a contract of _____

- a) **Life assurance** b) Fire insurance c) Marine insurance d) General insurance

33. _____ provides risks coverage to the life of person

- (a) **Life Insurance** (b) Health Insurance (c) Death Insurance (d) All of these

34. From the following which is the importance of life Insurance?

- (a) Encourage investments (b) Safety (c) Tax benefit (d) **All of these**

35. FPR Means _____

- (a) **First Premium Receipt** (b) Fourth Premium Receipt
(c) First Policy Receipt (d) First Police Record

36. _____ is a voluntary termination of the contract by the policy holders.

- (a) Report (b) **Surrender** (c) Prospectus (d) Cover note

37. _____ means closure or writing off the policy before its actual maturity

- (a) **Fore closure** (b) Surrender (c) Endorsement (d) Cover note

38. If the insured dies before the expiry of the term of the policy, is known as _____

- (a) Surrender (b) Fore closure (c) **Death claim** (d) Death Policy

39. The first requirement of the corporation in the cases of death claim is _____

- (a) Imitation of death (b) **Intimation of death** (c) Certificate of death (d) None of these

40. The term 'Assurance' refers to _____

- (a) **Life Insurance business** (b) Fire insurance business
(c) Motor Vehicle insurance (d) Marine insurance

UNIT III

41. The principle of average applies when the value is _____ in the proposal

- a. **Understated** b. Overstated c. Not ascertainable d. Negligible e. Only sentimental

42. Time Policies relate to

- a. Fire insurance **b. Hull insurance**
c. Personal Accident insurance d. Workmen's Compensation insurance

43. The things or property insured is called _____ of the insurance

- a) Subject matter** b) Insurable interest c) Policy d) None

44. Marine insurance may cover loss or damage to the _____

- a) Ship b) Cargo c) Any other subject of Marine adventure **d) All of these**

45. Marine insurance is for one year or for a specified _____

- a) Voyage** b) Year c) Loss d) None

46. A marine insurance is a contract of _____

- (a) Increment **(b) Indemnity** (c) Maturity (d) None

47. Which is not a subject matter of marine insurance

- (a) Hull insurance (b) Cargo insurance (c) Fright Insurance **(d) Fire insurance**

48. _____ means the body or frame of the ship or vessel and its machinery.

- (a) Cargo (b) Fright **(c) Hull** (d) Voyage

49. _____ means goods or commodities carried in a ship

- (a) Hull **(b) Cargo** (c) Fright (d) Wares

50. _____ is the charge to be paid to the transportation of the goods.

- (a) Hull (b) Cargo **(c) Frieght** (d) Premium

51. _____ policy is taken to cover different risks for a single shipment.

- (a) Blanket (b) Named (c) **Specific cover** (d) Block

52. Fire insurance came into existence after the Great Fire of the London in _____

- (a) 1666** (b) 1866 (c) 1686 (d) 1687

53. A valuable policy is just opposite to the _____
 (a) Value policy (b) **Valued policy** (c) Both (d) None
54. Under _____ insurance, loss of profit policy is called as consequential loss policy
 a) Marine b) Property c) **Fire** d) Life
55. Insurable interest must be present in an _____ insurance contract at the time of contract and at the time of loss.
 a) **Fire** b) Marine c) Property d) Life
56. _____ means insuring again.
 (a) General insurance (b) **Reinsurance** (c) Coinsurance (d) Double insurance
57. The main cause of loss or damage is _____
 (a) **Proximate cause** (b) Indirect Loss (c) Consequential loss (d) All of these
58. When the amount for which a subject matter is insured is more than its actual value, it is called _____
 (a) Reinsurance (b) Double insurance (c) **Over insurance** (d) None
59. _____ is a contract between two insures i.e. original insurer and another insurer.
 (a) Insurance (b) **Reinsurance** (c) Policy (d) Premium
60. Reinsurance can be called as _____
 (a) **Insurance of Insurance** (b) Insurance of insures (c) Insurance of insurance policy (d) None

UNIT IV

61. The term 'Risk' includes:
 a) Damage to machinery and property
 b) Impact on the health or life of a person
 c) Effect on the healthy life of the neighbourhood
 d). **All of the above**
62. Which one is decline or disappearance of value due to contingency?
 a) **Financial loss** b) Group risk c) Pure risk d) static loss
63. Intangible hazard is based on
 a) Property condition b) **Attitude and culture** c) financial d) speculative
64. When possibility of a financial loss does not exist the situation can be referred ?
 a) Financial risk b) Personal risk c) dynamic risk d) **Non financial risk**

65. What types of risk generally arise from the law?
 a)Property b)Personal **c)Liability** d)dynamic
66. Which clause specifies the perils insured in a scheduled form of policy?
 a) Preamble Clause b) Recital Clause
c) Operative Clause d)Consideration Clause e. Attestation Clause
67. Which one is the first step in risk management process?
 a)Risk analysis **b)Risk identification** c)Risk assessment d)Evaluation
68. Insurance cannot prevent the occurrence of risk but it provides for the.....
a) Losses of risk b) occurrence of risk c) chance of risk d) none of these
69. Insurance provides security against _____
 a) Risk b) Losses **c) Both (a) & (b)** d) None of them
70. Risk is evaluated on the basis of _____ theory
 a) Variability b) Contingency **c) Probability** d) All
71. Risks are not suited to treatment by insurance are _____
 a) Static risk b) Particular risk **c) Dynamic risk** d) Property risk
72. From the following which is not an example of fundamental risk?
 a) War b) Unemployment c) Inflation **d) Burning of a house**
73. _____ is also termed as group risk
a) Fundamental risk b) Static risk c) Property risk d) Liability risk
74. _____ is also known as all risk policy
a) Comprehensive policy b) Excess policy c) Floating policy d) Adjustable policy
75. _____risks are those where there is possibility of gain as well as loss.
 a)Pure risk b)Property risk c)Speculative risk d)static risk
76. The transit risk caused by fire is covered under _____ policy
 a) Excess policy b) Floating policy c) All risk policy **d) trans t policy**
77. All of the following are financial risks which may be faced by business organizations except
 a) Interest rate risk. b) commodity price risk.
c) product liability risk. d) currency exchange rate risk.
78. Which of the following data is not required for hazard identification?
 a) Land use b) Contaminant levels c) Affected population **d) Estimation of risk**

79. What is the main objective of risk assessment?
- a) **To evaluate hazard and minimize the risks** b) Remediation of contaminated sites
 c) Hazard management d) To know source of pollutants
80. What is the first stage of risk assessment?
- a) Exposure assessment b) **Hazard identification**
 c) Toxicity study d) Risk characterization

UNIT V

81. Which of the following intermediaries do not require IRDA's licence/ approval to operate in India?
- a) Insurance Brokers b) Insurance Agents c) Third Party Administrators
 d) **All the above intermediaries require IRDA's licence/ approval**
82. The IRDA was set up in.....
- a.1999 b.1991 c.**2000** d.2001
83. The IRDA stands for
- a. Insurance Regulatory and Development Activity.
 b. Insurance Reconstruction and Development Activity.
 c. **Insurance Regulatory and Development Authority.**
 d. Insurance Regulatory and Department Activity
84. Objective of IRDA includes
- a. policy holder protection b. healthy growth of the insurance market
 c. **both a and b** d. only a
85. From the following which is the dilly or powers of IRDA.
- a) To regulate, promote and ensure orderly growth of the insurance business
 b) To exercise all powers and functions of the Controller of Insurance
 c) To promote and regulate professional organizations connected with insurance business
 d) **All of these**
86. The IRDA chair person and members are appointed by
- a)**Central government** b)State government c)Both a and b d)none of the above
87. The constitution of the IRDA consists of not more than_____ members.
- a) 8 members b) **9 members** c) 10 members d) 11members

88. Which committee recommended the establishment of IRDA?
- a) P.N. Mehrotra Committee **b) R.N. Malhotra Committee**
c) D.R. Gadgil Committee d) Rajmannr Committee
89. Who is the current IRDA chief?
- a) J. Harinarayan b) Rana Pratap **c) T.S. Vijayan** d) K.T.S. Tulsi
90. Malhotra committee we appointed on
- a)Industrial sickness **b)Insurance reforms sector**
c)banking reforms d)employment opportunities
91. The main role of an underwriter in a non-life insurance company is normally to
- a) assess the acceptability of particular risks.**
b) certify a loss when claims are submitted.
c)design the structure of the products to be offered.
d). negotiate with the industry regulator.
92. Legislation gives which body the power to specify a code of conduct for surveyors and loss assessors?
- a)Institute of Insurance and Risk Management.
b)Insurance Regulatory and Development Authority.
c)Life Insurance Council.
d)Securities and Exchange Board of India.
93. Which of the following is the first legislation governing both Life Insurance and Non-life insurance?
- a) Life Insurance Companies Act, 1912 b) Life Insurance Companies Act, 1920
c) The Insurance Act, 1938 d) Life Insurance Corporation Act, 1956
94. In which year IRDA Act was passed?
- a) 1988 **b) 1999** c) 2001 d) 1938
95. In which year was The Indian Insurance Companies Act enacted to enable the government to collect statistical information about both life and non-life insurance businesses?
- a) 1912 b) 1918 **c) 1928** d) 1945

96. Life Insurance business started in Indian in 1818 with the advent of which of the following company?

- a) Bharat Insurance Company b) **Oriental Life Insurance Company**
c) United India Insurance d) National Indian Insurance

97. IRDA was constituted as a _____ to regulate and develop the insurance industry in 1999.

- a) Regulatory body b) Amendment body c) **autonomous body** d) All of the above

98. Name the organisation, which regulates the Indian insurance industry to protect the interests of the policyholders and work for the orderly growth of the industry.

- a) **IRDA** b) RBI c) SEBI d) NABARD

99. What is the functions and duties of IRDA?

- a) Registering and regulating insurance companies
b) Promoting professional organisations in insurance.
c) Regulating investment of policyholders' funds by insurance companies.
d) **All of the above**

100. The Malhotra Committee submitted its report in _____

- a) 1993 b) **1994** c) 1995 d) 1996.

UNIT I

1. Tell the meaning of Insurance

A social device providing financial compensation for the effects of misfortune.

2. What is Insurance contract?

Agreement between an insurance company and the insured.

3. Tell the meaning of utmost good faith.

Both parties must accurately and fully disclose all material information.

4. What is assurance ?

Guarantee the payment of a certain sum on the happening of a specified event

5. What is Insurable Interest?

When the physical existence of the insured object gives him some gain but its non-existence will give him a loss

6. State the Principle of Indemnity

To make good the loss

7. Recall the Principle of Contribution

The insured can claim the compensation only to the extent of actual loss either from all insurers or from any one insurer

8. Tell the Principle of Subrogation

The right of ownership of damaged property passes to the insurer after settling the claims of the insured in respect of the covered loss.

9. Describe the Principle of Causa Proxima

Causa proxima, means proximate cause or nearest of loss

10. Discuss the Principle of Mitigation of Loss

An insured must take all reasonable care to reduce the loss. One must act as if the property was not insured.

UNIT II

11. What is Life Insurance?

A contract to pay to the person a certain sum of money either on the death of the insured person or on the expiry of a specified period of time.

12. Name any two of life Insurance Policies

1. Term Assurance
2. Endowment Assurance

13. Write any one documents to be submitted for settlement of claims.

1. Certificate of Death

14. What does general Insurance includes?

It includes property insurance, liability insurance and other form of insurance.

15. Write any two Types of General Insurance policies

Fire Insurance ,Health Insurance, Medi-Claim Policy, Personal Accident Policy,

16. Who is an Insurer?

The agency involved in Insurance business is known as insurer

17. Who is Insured?

Insured/ Assured – The person who gets his property/life insured is known as insured

18. What is Insurance Policy?

Policy - The agreement or contract which is put in writing is known as a Policy

19. What is Premium ?

The consideration in return for taking insurance policy

20. Name any two Life Insurance Companies in India

1. SBI Life Insurance 2. ICICI Prudential Life Insurance

UNIT III

21. What is Fire Insurance?

Fire insurance covers risks of fire.

22. What is Marine Insurance?

The insurer undertakes to compensate the owner of the ship or cargo for complete or partial loss at sea.

23. Name any two fire insurance policies.

Consequential loss policy, Comprehensive policy,

24. Name any two Marine Insurance policies

Voyage policy, Time policy,

25. Tell the conditions to be satisfied to claim for the loss by fire.

The actual fire caused to the subject matter and fire occurred accidental not deliberate

26. Discuss about the period of Fire Insurance policy

Fire insurance is usually taken for one year, and after the completion of the term, it expires automatically.

27. When does the insurable interest present in Marine Insurance?

The insurable interest must be there only at the time of loss.

28. List out the types of Marine losses.

1) Total Loss 2) Partial Loss

29. What is average clause?

The average clause applies only when the sum insured is less than the actual value of the goods or the property.

30. What is Maritime Perils ?

Maritime Perils means the perils or dangers incidental to the navigation of the ship at sea.

UNIT IV

31. Define risk

The term risk may be defined as the possibility of adverse results flowing from any occurrence.

32. What is mean by risk?

Risk is a condition where there is a possibility of an adverse deviation.

33. Write the meaning for financial loss.

As a decline or disappearance of value due to a contingency.

34. What is mean by perils?

A peril refers to the cause of loss or the contingency that may cause loss.

35. Bring out the meaning for hazards.

Hazards are the condition that increase the severity of loss.

36. State the types of hazards.

Physical hazards and intangible hazards

37. Classify the pure risk.

Personal risk, property risk and liability risk

38. List out the techniques used to handle pure risk.

Avoidance, loss control and reduction, retention, transfer

39. What is mean by personal risk?

Those are the risks that directly affect the individual's capability to earn income.

40. State the other name for individual risk.

Particular risk is the other name for individual risk.

UNIT V

41. Why there is the need for privatization?

One of the main arguments for the privatization of publicly owned operations is the estimated increases in efficiency.

42. What is the role of insurance in economic development?

Insurance market contributes to the economic growth as a financial intermediary.

43. What are the functions of IRDA?

To promote, regulate and ensure orderly growth of the insurance and re-insurance.

44. What is the role of IRDA in india?

It is responsible to protect the rights of policyholders.

45. State the objectives of IRDA.

To promote the interest and rights of policy holders.

46. How does insurance help the economy?

Insurance companies help businesses mitigate risk and protect their employees.

47. Why IRDA important?

To encourage and ensure the systematic growth of the insurance industry.

48. What is the work of IRDA?

To protect the interest of holders of Insurance policies to regulate, promote and ensure.

49. State the role of insurance in economic development.

Saving and insurance, Capital Formation and Insurance.

50. What are the duties of IRDA?

Duty to promote, businesses across India, subject to the provisions of this Act.

UNIT I

1. Find the Nature of Insurance
2. Assess the Primary function of Insurance.
3. Examine the Secondary function of Insurance
4. Interpret the Importance of insurance to an individual
5. Sketch the Importance of Insurance to business and society

UNIT II

6. Sketch the Features of Life Insurance Contract
7. Interpret the Importance of life Insurance
8. Examine surrender value of Insurance
9. Find the meaning of Insured, Insurer and calculation of Premium.
10. Show the Principles of Life Insurance contract

UNIT III

11. Assess the Elements of Fire Insurance contract
12. Interpret the Subject matter of Marine Insurance
13. Examine about Marine Losses
14. Construct the procedure for Settlement of Claims against fire Insurance
15. Construct the procedure for Settlement of Claims against marine Insurance

UNIT IV

16. What are the types of physical hazard?
17. Briefly explain the risk.
18. Distinguish between pure and speculative risk.
19. Classify the pure risk
20. Analyse the process of risk management

UNIT V

21. State the functions of IRDA
22. What are the role of IRDA in india?
23. Assess the objectives of IRDA.
24. Produce the objectives of privatization of insurance.
25. State Impact on insurance in economic development