

DEPARTMENT OF B.COM – BANKING AND INSURANCE

17 UBI 410–PRINCIPLES OF GENERAL INSURANCE

K1 – LEVEL

MULTIPLE CHOICE QUESTIONS:

UNIT - I

1. When was General insurance business nationalized?
1962
1972
1982
1992

2. Which of the following is not the stage in new product development?
Idea screening
Product testing
Concept testing
Product promotion

3. Expand NPDL.
New policy development and launch
New product design and launch
New policy design and launch
New product development and launch

4. Who are brokers?
Acts on behalf of the owner
Real owner
Bring insurer and insured together
Both a and b

5. Distribution of _____ through banks is called bancassurance
Insurance products
Unsold policies
Popular products
Shares

6. How many zonal offices are there in GIC?
8
6
5
10

7. Which of the following influences the future insurance market?

Demand

Supply

Telemarketing

Rise of e-commerce

8. When was insurance act passed?

1938

1983

1985

1972

9. When was marine insurance act passed?

1936

1984

1963

1982

10. Which is not the part of organizational structure of GIC?

Central office

Zonal office

District office

None of these

UNIT - II

11. Fire should be _____

Intentional

Actual and unintentional

Not a nature fire

Intentional and for a cause

12. The document that covers the property so far the final policy has not been issued is

Policy document

Acknowledge note

Cover note

Cover policy

13. Which policy is common in fire insurance?

Long term policy

Short term policy

Annual policy

Both a and b

14. Which is not the kind of fire insurance policy?

Valued policy

Average policy

Floating policy

Hull policy

15. A specific sum is insured upon a specific property for specific period is called as

Specific fire policy

Specific add on policy

Specific policy

Specific accident policy

16. Where the great fire did took place?

German

Iraq

London

Iran

17. When the great fire took place?

1606

1060

1066

1660

18. The policy insures destruction or damage due to discharge of water is called

Floating policy

Marine leakage policy

Sprinkler leakage policy

Leakage policy

19. What are the steps involved in process of rating?

Classification

Discrimination

Tariff rate fixation

Both a and b

20. The consideration to the insurer is

Profit

Policy

Premium

Interest

UNIT - III

21. Which statutory body governs tariff?

Tariff advisory committee

- Tariff allotting committee
- Tariff association committee
- Tariff allocating committee

22. Where did statutory body of tariff fixation has constituted its regional committee?

- Delhi
- Madras
- Bombay

All of these

23. What are the important specialized policies?

- Machinery breakdown policy
- Add on cover policy
- House keeping policy

Both a and b

24. The policy covers one or more kind of goods at one time under single sum assured is called as _____

Floating policy

- Specific policy
- Comprehensive policy
- Average policy

25. Long term policies are used for

- Health
- Fire

Building

- Vehicle

26. Petrochemical policy, industrial all risks policy, machinery breakdown policy comes under

- Elevation policy

Specialized policy

- Extra policy
- Variety policy

27. Marine insurance is taken against _____ losses

Marine

- Fire
- Accident
- None of these

28. Subject matter of marine insurance

Hull

Cargo

Freight

All of these

29. Marine perils include perils of _____

Sea

Fire

War peril

All of these

30. Marine insurance Act _____

1863

1963

1983

1838

UNIT - IV

31. Personal accident insurance is a supplement to _____

Life Insurance

General Insurance

Health Insurance

Social Insurance

32. Third party covers the liability of _____

Life Insurance

General Insurance

Third party

Health Insurance

33. Personal accident insurance protection against _____

Death

Disability

Both a and b

General Insurance

34. Under personal accident insurance majority of the policies are issued to _____

Individuals

Group

Social group

None of this

35. Motor insurance policy was introduced to cover _____

Individuals

Group policy
Social group
Third party policy

36. The need for compulsory motor insurance was arise due to _____

Motor accidents

Financial risk
Risk bearing
Third party

37. The loss of the motor insurance service provides is mainly in the form of claims arising from

Motor accidents

Financial risk

Risk bearing

Accidents

38. Health insurance provides protection against _____

Unexpected medical charges

Expected medical charges
Health charges
Other charges

39. Medical policies provide coverage of medical services rendered during _____

Investment

Hospitalization

Maturity period
None of these

40. Liability insurance covers _____

Unexpected risk

Expected risk
Intentional risk
Fire risk

UNIT - V

41. Development officer important for insurance companies by distributing their _____

Insurance premium

Insurance products

Unsold products
None of these

42. Development officer concentrate their insurance products through _____

Broker
Agents
Principal
Bank

43. Development officer is the _____ to the agent

Friend
Philosopher
Guide
All of these

44. An agent obtain more knowledge in the field of insurance through _____

Self study
Training
Brain storming
Role-play

45. A good agent makes a poor selling insurance products into a _____

Progressive one
Unprogressive one
Both a and b
None of these

46. The success or failure of an insurance company depends on _____

Brokers
Agents
Development officer
IRDA

47. An agent must be an _____

Foreign citizen
Indian citizen
Graduate
Illiterate

48. The liability Insurance claim is very _____ in India

High
Low
Moderate
Popular
48.

49. IRDA act

1999

1989

1979

1969

50. All India motor tariffs governs _____ business

Motor insurance

Five insurance

Marine insurance

Hull insurance

K2 LEVEL

SHORT ANSWERS

UNIT - I

1. What is general insurance?

General insurance comprises of insurance of property against fire, burglary etc. Personal insurance such as accident, health insurance and liability insurance which covers legal liabilities.

2. When was General insurance business nationalized?

1972

3. Mention all the stages in new product development.

Generating a new product ideas, Idea screening, Concept testing, Business analysis, actual development of new product, Commercialization.

4. What is bancassurance?

Distribution of insurance product through banks is known as bancassurance.

5. Expand NPDL.

New Product Development and Launch.

6. What are the factors influencing the market strategies?

Value proportions of time and cost reduction, effective CRM and profitability.

7. Who are brokers?

Brokers are professionals, act on behalf of a client, advise him, identify the optimal policy, bring insured and insurers together, and carry out insurance contracts.

8. Map the four tier organizational structure of GIC.

Central office, Zonal office, Divisional Office, Branch Office.

9. Expand IRDA.

Insurance Regulatory and Development Authority.

10. When was the insurance act passed? And why?

1938, to control the working and activities of the company carrying the business of life, marine, fire and accident.

UNIT - II

11. What is fire insurance?

An agreement whereby one party in return for consideration undertakes to indemnify the other party against financial losses, by reason of subject matter being damaged by fire or other defined perils, up to an agreed amount.

12. What is cover note?

This will cover the property so far the final policy has not been issued, if the loss occurs before issue of policy, the cover note will prove the insurance.

13. Which policy is common in fire insurance and mentions its period of time?

Annual policies are common and its period of time is one year.

14. What is Specific policy?

Where a specific sum is insured upon a specific property for specific period is called as specific policy.

15. When does great fire of London took place?

The Great fire of London took place on 1066.

16. What are information required by insurer during proposal?

Introduction, type of properties, value of properties, construction, occupancy etc. and must disclose all the material fact.

17. What is valuable policy?

Valuable policy is that where claim amount is determined at the market price of the damaged property.

18. What is floating policy?

The floating policy is the policy taken to cover one or more kind of goods at one time under one sum assured for one premium and in relation to the same owner.

19. What are the important specialized policy?

Petrochemical policy, Industrial all risk policy, Machinery break down policy, Material damaged policy, Housekeeping policy etc.,

20. What is the statutory body to formulate tariffs?

Tariff Advisory Committee.

UNIT - III

21. Where did Tariff Advisory Committee has constituted its regional committee?

Delhi, Kolkata, Madras, Mumbai.

22. Define Marine Insurance.

Marine insurance has been defined as a contract between insurer and insured whereby the insurer undertakes to indemnify the insured in a manner and to the interest thereby agreed, against marine losses incident to marine adventure.

23. Subject matter of Marine Insurance:

Hull Insurance, cargo Insurance, Freight Insurance, Liability

24. Subdivision of Hull Insurance:

General cargo vessels, dry bulk carriers, liquid bulk carriers, passengers vessels, other vessels.

25. What are the types of warranties?

Express warranties

26. What are marine perils?

Marine perils means the perils consequent on, or incidental to the navigation of the sea, that is to say, perils of the seas, fire, war perils, pirates, rovers, thieves, captures, seizures, restraints and detainment of princes and peoples, jettisons, barratry and other perils, either of the like kind or which may be designated by the policy.

27. What is annual policy?

The annual policy is insured for a period of 12 months to cover goods belonging to the assured or held in trust by the assured.

28. What is the aim of doctrine of subrogation?

The aim of doctrine of subrogation is that the insured should not get more than the actual loss or damage.

29. What are the information's contains in standard policy?

Name of insured or his agent

Subject matter insured

Risks insured against

Name of the vessel and officers

Description of voyage or period of insurance

Amount and term of insurance premium.

30. What are the named policies?

Under the policy, the name of the ship and the amount of insured cargo are mentioned. These policies are specific policies.

UNIT - IV

31. What is third party policy?

This policy covers the liability of the third party who suffered loss in connection with the damage of property and personal injury or death.

32. What is burglary insurance?

Burglary insurance is one of the major class of business underwriter in the miscellaneous department for the business house burglary insurance is essential as fire insurance.

33. What is theft?

Any person dishonestly takes any movable property without the consent of that person or any person having that property is said to commit theft.

34. What is dacoit?

When 5 or more person co jointly committ or attempt to commit a robbery is called as dacoit.

35. What is health insurance?

Health insurance is personal insurance that provides coverage for the cost of hospital and medical expenses arising from illness or injury.

36. What is liability insurance?

Liability coverage is generally broader than the property coverage liability insurance may cover unknown and unexpected risks including significance losses that may arise from changing interactions between technological innovations, society and the legal environment.

37. What is risk based pricing?

Health insurance need to understand the risk profile of individual and their ability and willingness to pay, which often varies by segment and channels.

38. What is catastrophe insurance?

A catastrophe is an unforeseen and unpredictable and it causes, multiple losses to society such as loss of life, destructions of property, loss of revenue and additional expenses.

39. What are social risks?

Riot, strikes, terrorism perils are the high profile social risk.

40. What are natural risks?

Flood, earthquake, tsunami are the high profile natural risk.

UNIT - V

38. Define agent.

An agent is a person employed to do any act for another or to represent another in dealing with the third person.

42. Who is called a principle?

The person for whom such act is done or who is so represented is called as principle.

43. Who can become an agent?

He must be an Indian citizen

At least 18 years of age on the date of appointment

He has not been found any criminal misappropriation.

44. Define training.

The act of increasing the knowledge and skill of an employee for doing a particular job.

45. List the type of training method:

On the job training, off the job training.

46. What do you mean by development officer?

Development officer are important for making distributions of insurance products easy and smooth, they create time place and possession utility.

47. When was the motor insurance act was passed?

1988.

48. What is catastrophe insurance?

The catastrophe is unforeseen and unpredictable but it brings furry and ferocity to human life and property.

49. What is terrorism risk?

Loss of life, property and revenue become unthinkable events. The extra premium is paid under fire policy to extra premium is paid under fire policy to cover terrorism risk.

50. When was the IRDA act was passed?

1999.

K3 LEVEL

1. Write down the organizational structure of GIC.
2. Explain are the objectives of GIC?
3. Examine the progress of General Insurance business.
4. Write a short note on product development process.
5. Demonstrate the role of insurance in the Indian economy.
6. Discover the critical success factor for insurance players.
7. Examinethe functions of GIC.
8. How insurance products are marketing?Explain it.
9. Interpret the traditional channel of distribution.Explain it.
- 10.List out the new distribution channel available in insurance industry.
11. Write a short note on fire insurance.
12. Explain the features of fire insurance
13. How insurable interest useful to insurance?Comment it.
14. Discuss add on cover policy.
15. What is meant by following policies?
 - a. Valued policy
 - b. Specific policy
 - c. floating policy
16. Explain the system of rate fixation in fire insurance.
17. Examine the features of tariff rates.
18. Discover the progress of fire insurance.
19. Explain the progress of fire insurance after nationalization.
20. Write a short note on hull insurance.
21. Write a short note on Cargo and freight.
22. Interpret what types of documents are used in marine insurance.
23. Discuss of how insurable interest, doctrine of subrogation applicable to marine insurance
24. What is meant by following policies?
 - Voyage policies, Time policies, Named policies, Annual policies.
25. What are the various kinds of marine insurance Policies?
26. What are the factors to effect premium calculations?
27. When is premium of marine insurance returnable?
28. Explain about declaration policy.
29. Demonstrate the objectives of marine insurance?
30. What are the various kinds of miscellaneous insurance?
31. Explain act liability policy.

32. Write a note on Third party policy.
33. Examine what are the risks covers under the comprehensive policy?
34. What are the types of policies in burglary insurance?
35. Explain health insurance product design procedure.
36. Interpret the benefits of health insurance.
37. Explain the loss caused by the strikes and riots.
38. Examine the progress of earthquake insurance.
39. Explain the prospects of liability insurance.
40. Discover the role of brokers in IRDA?
41. Explain the role of insurance business in India.
42. What are the rights of insurance agents?
43. Examine the duties of insurance agents.
44. What are the essential qualities required for the successful agent?
45. Outline a suitable selection process of insurance agent for insurance companies.
46. At what circumstances an agent can be terminated.
47. Prepare the agents recruitment and training procedure.
48. Explain the scope and objectives of marine insurance act 1963.
49. Write a note on General Insurance act 1972.
50. Explain the principle of rate fixation.

K4 / K5 LEVEL

1. Discuss the issues in GIC.
2. Describe in detail about the role of insurance in Indian economy.
3. Explain various product development stages.
4. Explain distribution channels.
5. Explain about the marketing strategies of insurance players.
6. Discuss the features of fire insurance.
7. Discuss the elements of fire insurance.
8. Explain the various kinds of policies in fire insurance.
9. Discuss the methods of rate fixation in fire insurance.
10. Discuss the procedure of settlement of fire insurance claims.
11. Explain the subject matters which are insured by marine insurance.
12. Explain the various kinds of policies in marine insurance.
13. Discuss how insurable interest, utmost good faith, indemnity applicable to marine insurance.
14. Discuss the elements of marine insurance.
15. Discuss special premium rates for different purposes of cargoes.
16. Explain the various kinds of policies in motor insurance
17. Discuss personal accident insurance.
18. Explain burglary insurance and its types of policies.
19. Discuss the prospects of health insurance in India.
20. Catastrophe is natural or manmade or both examine.
21. Explain the essential characteristics required for a successful development officer.
22. Explain the rights and duties of insurance agencies.
23. Explain the scope and functions of Insurance act 1938.
24. Explain the scope and functions of General Insurance act 1972
25. Summaries the scope and functions of Motor vehicle insurance act 1988.