INSURANCE AND RISK MANAGEMENT-16UCO624

K1 LEVEL QUESTIONS

UNIT-I

1: Insurance transfer risk from individual to

a. the government   b. parents   c. neighbor   d. **insurance agency**

2: Person who owns the policy

a. Policy   b. **policy holder**   c. coverage   d. premium

3: Money paid to purchase the policy

a. **Premium**   b. maturity   c. claim   d. none

4: Payment to beneficiary if an insured person dies then the insurance is called

a. **Life**   b. property   c. fire   d. marine

5: Someone who receives insurance money if the insured person dies

a. Agent   b. **beneficiary**   c. claimant   d. parents

6: A policy is the contract between

a. Consumer & government   b. **consumer & Insurance company**

c. consumer & insurance agent   d. policyholder & agent

7: The uncertainty of achieving a desired result is called

a. **Risk**   b. debt   c. insecurity   d. premium

8: The maximum amount the insurer will pay for the losses

a. Premium   b. deductible   c. **coverage limit**   d. insurance

9: Causes of loss is normally called as

Risk   b. hazard   c. risk management   d. **Peril**

10: Probability of loss due to the dishonesty of the insured

a. Physical hazard   b. **moral hazard**   c. morale hazard   d. none

UNIT-II

1. Which hazard may be reflected in a careless attitude towards the occurrence of loss?

a. Physical hazard b. moral hazard c. **morale hazard** d. none

2. Risk can be measured before it can be identified

a. Risk b. **risk management** c. hazard d. peril

3. Insurance provides Protection against

a. Job b. life c. **risk of loss** d. health

4. A insurance contract of insurer and insured against losses incidental to marine adventures

a. Fire b. **marine** c. motor d. life

5. Insurer undertakes to indemnify the insured for destruction of damage caused by fire

a. Life b. motor c. health d. **fire**

6. The loss of household goods and properties due to theft will compensate by___ insurance

a. Crop b. motor c. **burglary** d. none

7. Any loss in the event of money or cash being stolen from his business premises

a. **Cash in transit** b. cash insurance c. business insurance d. all the above

8. The person whose risk is insured is called

a. **Insured** b. insurer c. assurer d. none

9. The person who agrees to compensate the loss is called

a. Insurer b. assurer c. underwriter d. **all the above**

10. Insurance that pays a portion of your salary if you are injured and out of work

a. Automobile b. disability c. property d. **life**

UNIT-III

1. When the possibility of a financial loss does not exist the situation can be referred to as __

a. Financial risk b. **non-financial risk** c. individual risk d. group risk

2. The possibility of gain as well as the risk is called

a. Pure risk b. static risk c. **speculative risk** d. dynamic risk

3. The intimation of the proposer's intention to buy insurance is____

a. Legal consideration b. **acceptance** c. discount d. offer

4. The insurer's readiness to undertakes the risk stated is the _____

a. **Acceptance** b. offer c. free consent d. none

5. Largest Life Insurance Company in India is

a. The New India Assurance Company Limited b**. Life Insurance Corporation of India (LIC)**

c. United India Insurance Company Limited d. National Insurance Company Limited

6. Insurance company guarantee a minimum surrender value of Percent of total premium paid.

a.50% b. 20% **c.40%** d.90%

7. How many steps involved in claim settlement?

a. 3 **b. 4**. c. 5 d.8

8. The insurer is required to settle claims within **_____**of receipt of all documents including clarification sought by the insurer.

a. 30days b. 15days c. 25days d. None

9. Which is life insurance Company in India?

a. LIC b. SBI c. BRILA **d. All the above**

10. What are the procedures for taking life insurance?

a. Proposal form b. Medical report c. Agent report **d. All the above**

UNIT-IV

1. The concept of insurance involved in transfer of

A) Liability B) Needs C) Ownership **D) Risk**

2. The fee charged by insurer on account of providing services is called

A)Assured B) Insurance C) Policy **D) Premium**

3. When was General Insurance business act amended?

A)1932**.** **B) 1972.** C) 1994. D) 1986

4. The contract is to be found embodied in a document is known as

A) Policy of Marine Insurance B) Policy of General insurance

C) Policy of Fire insurance D) None

5. The contract of marine insurance is defined in the year

A) 1963 B) 1972 C) 1965. D) 1956

6. The party who is indemnified is known as

A) Insurer. B)Policy holder**.** **C) Insured**. D) None

7. The instrument in which the contract of insurance is effect is known as the

A) Fire policy **B) Sea policy** C) General insurance. D) None of the above

8. Which is a kind of marine policy?

A) Average policy B) Excess policy C) Specific policy. **D) Time policy**

9. Unvalued policy is also known as

A) Floating policy B) Port risk policy C**) Open policy** D) None of the above

10. Which principle suggest that insured should try to maximize the loss of his property

Even if it is injured?

A) Principle of indemnity **B) principle of mitigation**

C) Principle of proximate cause. D) None

UNIT-V

1. Insurance is based on the principles of

a. Co-operation b. Democracy c. Equality d. Welfare

2. Structural facilities are provided by

a.Bank b. Private institution **c. Government** d. None of the above

3. How much ____ of the population is covered under Health insurance?

a.5% b. 8% c.1% **d.2%**

4. WHO means

a. World Health Organization b. World Humanity Organization.

C. World Health Organize d. None of the above

5. What are training of agents?

a.On job training b. Off job training **c. Both A and B** d. None of the above

6. When was IRDA amended?

a. 1995 b. 1966 c. 1990 **d. 1999**

7. The person for whom such acts is done or who is so represented Is called

a. Principal b. Worker c. Agent **d. Development officer**

8. The term “Assurance” refers to

a. Life insurance business b. Marine insurance business

c. Fire insurance business d. None of the above

9. The constitution of Insurance Regulatory Development Authority consists of how many members?

a. 5 b. 8 **C. 9** d. 13

10. With profit policy is also termed as

a. Multiple life policy **b. Participating policy** c. Level premium policy d. Lump sum policy

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K2 LEVEL QUESTIONS

UNIT-I

1. Define insurance.

An agreement by which a company or the state undertakes to provide a guarantee of compensation for specified loss, damage, illness, or death in return for payment of a specified premium.

2. What is general insurance?

Insurance contracts that do not come under the ambit of life insurance are called general insurance. The different forms of general insurance are fire, marine, motor, accident and other miscellaneous non-life insurance.

3. What you mean by life insurance?

Insurance that pays out a sum of money either on the death of the insured person or after a set period is called life insurance.

4. Describe insurance contract.

An insurance contract is a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

5. Who is called insurer?

A person or company that underwrites an insurance risk; the party in an insurance contract undertaking to pay compensation.

6. Who is called insured?

A person or organization covered by insurance.

7. What is premium?

An insurance premium is the amount of money that an individual or business must pay for an insurance policy.

8. List the purpose of insurance.

The main purpose of insurance is to protect the policyholder against their losses.

9. List any three types of insurance contract.

Types of Insurance Contract. ⇒CONTRACT OF INDEMNITY: Except the life insurance contract, all other types of insurance contracts are contracts of indemnity. These contracts are fire insurance, marine insurance, theft insurance, etc.

10. Tell any two main functions of insurance.

- ❖ **Insurance provides protection**
- ❖ **Risk-Sharing**
- ❖ **Prevention of loss**
- ❖ **It Provides Capital**
- ❖ **It Improves Efficiency**
- ❖ **It helps Economic Progress.**

UNIT-II

1. Define risk.

A probability or threat of damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through preemptive action.

2. What is risk management?

Insurance Risk Management is the assessment and quantification of the likelihood and financial impact of events that may occur in the customer's world that require settlement by the insurer; and the ability to spread the risk of these events occurring across other insurance underwriter's in the market.

3. What you mean by perils?

A peril is an event or circumstance that causes or may potentially cause a loss. Examples of perils include fire, flooding, hailstorms, tornadoes, hurricanes, auto accidents, or home accidents, such as falling.

4. List the types of Hazard.

Physical Hazard, Moral Hazard, Morale Hazard

5. What is the purpose medical examination while insurance contract?

The purpose of undertaking medical tests before buying a term insurance is to determine the health quotient of the applicant. Based on the test results the insurance company gives you a customized insurance plan.

6. Who is act as the mediator of insurer and insured?

Agent act as the mediator of insurer and insured

7. Define dynamic risk

Economic risks are considered dynamic when they are difficult to predict and occur as the result of sudden changes. For example, a change in fashion trends or government regulations could qualify as a dynamic risk for a clothing company.

8. What you mean by individual risk?

Risk to which an individual is exposed during a defined period of time.

9. Recall the moral hazard.

Moral hazard is a situation in which one party gets involved in a risky event knowing that it is protected against the risk and the other party will incur the cost. It arises when both the parties have incomplete information about each other.

10. Tell the example of morale hazard.

Circumstance that increases the probability of occurrence of a loss, or a larger than normal loss, because of an insurance-policy applicant's indifferent attitude after the issuance of policy. For example, he or she might be careless in locking the doors and windows when leaving home.

UNIT-III

1. Define life insurance contract.

A life insurance policy is a contract with an insurance company. In exchange for premium payments, the insurance company provides a lump-sum payment, known as a death benefit, to beneficiaries upon the insured's death. Typically, life insurance is chosen based on the needs and goals of the owner.

2. What is endowment policy?

An endowment policy is a life insurance contract designed to pay a lump sum after a specific term (on its 'maturity') or on death.

3. What you mean by whole life insurance policy?

Whole life insurance, or whole of life assurance, sometimes called "straight life" or "ordinary life," is a life insurance policy which is guaranteed to remain in force for the insured's entire lifetime, provided required premiums are paid, or to the maturity date.

4. List any two advantages of life insurance policy.

Protection, Removes Worries, Cash Value, Tax Benefits, Flexibility, Affordability

5. What is non-life insurance policy?

Non-life insurance is any type of insurance other than life insurance

6. Define double insurance

Insurance taken on same subject with more than one insurer is called a double insurance.

7. Expand IRDA.

Insurance Regulatory and Development Authority of India

8. What is Surrender value?

Surrender value the amount the policyholder will get from the life insurance company if he decides to exit the policy before maturity.

9. On what condition claim may arise.

Maturity claims, Rider claims, Death claims

10. What are the steps involved in Death claim?

Death certificate, Original policy documents, ID proof of the beneficiary, Age proof of insurer, Discharge form, Medical certificate, Police FIR .

UNIT-IV

1. Define Fire insurance.

Contract of insurance against loss by incidental to fire or other occurrences.

2. What are the elements of fire insurance contract?

- Proposal
- Acceptance
- Commencement of risk
- Cover Note

3. Write any two principals of fire insurance?

- Contract of indemnity
- At most good faith

4. Who is insurer?

The party responsible to indemnify the loss is called insurer.

5. Define policy.

The documents containing the term and conditions is known as policy.

6. Write any two characteristics of marine insurance.

- It is a contract of indemnity.
- It’s a contract based on good faith.

7. Write any three kinds of marine policy?

- Time policy

- Named policy
- Floating policy

8. What are the kinds of motor policy?

- Act liability only
- Third liability only
- Comprehensive policy

9. Who is insured?

A party who is indemnified is known as insured.

10. Define motor insurance.

Insurance for a motor vehicle such as a car, which provides protection against loss in the Event of an accident, theft, etc

UNIT-V

1. Define Personal Accident Insurance.

Personal accident cover provides you financial assistance in case you suffer an accident which leads to a serious injury or death.

2. What does personal accident insurance covers?

- Death
- Loss by physical separation

3. Expand RSBY.

Rashtriya Swasthya Bima Yojana

4. What does Prospect means?

Prospect means a potential purchaser of an insurance product.

5. Define AGENT.

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

6. Who is "Principal" in insurance?

The person for whom such acts is done or who is so represented is called as Principal.

7. Who can become an Agent?

- Is a citizen of India
- Is at least 18 years of age on the day of appointment

8. Write any two points containing in off job training.

- Special course and lectures
- Brain storming
- Sensitive training

9. Write any two types of Health insurance.

- Cancer policy
- Group medical policy

10. Expand IRDA.

Insurance Regulatory and Development Authority

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K3 LEVEL QUESTIONS

UNIT-I

1. Explain the need for insurance.

2. What are the functions of insurance?

3. State the main aims of insurance company.

4. Write a note on subrogation.

5. What are the natures of insurance?

6. What is premium? On what basis the premium was fixed.

7. Explain the principles of utmost good faith.

8. What are the methods of indemnity?

9. Discuss about proximate cause.

10. Write a note on insurable interest.

UNIT-II

1. Write a short note on perils and hazard.

2. Explain the moral hazard with suitable example.

3. What is morale hazard? Give an example.

4. What is the difference between risk and uncertainty?

5. What are the causes of risk?

6. How does the personal history will affect the risk?

7. What are the features of risk management?

8. State the importance of risk management.

9. What are the main objectives of risk management?

10. What is medical examiner's report? Explain in detail.

UNIT-III

1. Explain the duration based life insurance policy.

2. How the life insurance policy classified on the basis of premium?

3. Explain the types of endowment policy.

4. What is multiple life policy? Explain with suitable example.

5. What are the types of term insurance policy?

6. What do you understand by surrender value?

7. Write a short note about payment of claims.

8. Discuss about double insurance with example.

9. What are the various terms of payment of surrender value?

10. Write a short note about grace days for paying insurance premium.

UNIT-IV

1. What are the uses of fire insurance?

2. Discuss the methods of fire insurance policies.

3. Discuss the procedure of settlement of fire insurance claims

4. Write a short note about re insurance.

5. Discuss the information required in a claim form.

6. Write a note about voyage policies.

7. Write a note about double insurance policies.

8. Write a note about insurable interest

9. What is marine policy? State its contents.

10. Explain motor vehicle insurance.

UNIT-V

1. Discuss about personal accident insurance

2. Write a short note about health insurance.

3. Write a short note about IRDA.

4. What do you mean by privatization?

5. Discuss the products of health insurance?

6. What are the features of personal accident policies?

7. Write a short note about burglary insurance.

8. Write a short note about insurance sectors.

9. Write a short note about insurance carrier agents.

10. Explain the feature of IRDA.

INSURANCE AND RISK MANAGEMENT-16UCO624

K4 LEVEL QUESTIONS

UNIT-I

1. Discuss the fundamental principles of insurance.
2. Explain the various types of insurance contract.
3. How does the fire insurance differ from marine insurance?
4. Insurance is not to prevent risk but to indemnify the losses arising from a certain risk-explain.
5. Explain the importance of general insurance with example.

UNIT-II

1. What is hazard? Explain its types with example.
2. What are the sources of risk information?
3. Explain the factors affecting risk.
4. Briefly explain the functions of risk management.
5. Distinguish between risk and uncertainty.

UNIT-III

1. What are the difference between life and general insurance?
2. Explain the types of life insurance policies.
3. Explain the importance of life insurance with example.
4. Explain the procedures for taking insurance policy.
5. What the procedures is for claim the premium amount?

UNIT-IV

1. Explain the various kinds of policies in fire insurance.
2. Discuss the elements of fire insurance contract.
3. Briefly analyze the progress of fire insurance in India after nationalization
4. Describe the different kinds of marine policies.
5. Define marine policy. Explain the essential of a valued policy.

UNIT-V

1. What are the important duties and powers of IRDA**?**
2. Briefly, discuss about privatization of insurance industry in India.
3. Explain the kinds of policies in burglary insurance.
4. Explain the reforms of insurance sector.
5. Briefly, discuss about insurance and economic development.