

## IMF (Composite) Question Bank - English

Sr.No	Question Body	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Correct Alternative
1	In the olden days, Chinese traders used to keep their goods in different boats while sailing through treacherous waters. Analyse why?	Chinese boats were small and they carried heavy goods	The Chinese Government mandated that goods should be distributed among multiple shipping companies so that there is equal distribution of business	Chinese traders placed their goods in multiple boats because it provided insurance against total loss	Chinese traders placed their goods in multiple boats because it was cheap	3
2	What is the cost of risk directly proportional to?	Probability and impact of the loss	Impact of the loss alone	Probability of loss and object of insurance	Impact of loss and the object of insurance	1
3	Which of the below statement is incorrect?	Under mutuality, the funds of various individuals are combined	Mutuality is also known as pooling	Under mutuality we have funds flow from one source to many	Mutuality provides protection against the economic loss arising as a result of one's untimely death. This loss is shouldered and addressed through having a fund that pools the contributions of many who have entered into the life insurance contract	3
4	The earliest type of modern insurance was in the form of protection by business guilds or societies in Europe especially _____ in the 14th century.	Spain	France	Germany	Italy	4
5	In terms of Breach of Utmost Good Faith, which of the following is not correct	Concealment is Intentional Non-Disclosure	Concealment is Innocent Non-Disclosure	Fraudulence is Intentional Misrepresentation	Hiding existence of a disease is intentional Non-Disclosure	2
6	Life Insurance Corporation of India(LIC) was set up under which of the following acts?	Life Insurance Corporation Act, 1956	The Insurance Act, 1938	Life Insurance Companies Act, 1912	Indian Insurance Companies Act, 1928	1
7	Which of the following social security scheme is a Health Insurance plan?	PMVVY	PMFBY	PMJAY	PMSBY	3
8	Explain difference between peril and hazard.	Peril is the cause of loss and hazard is the consequence of that loss	Peril is the direct cause of loss while hazard increases/decreases the probability of loss	Hazard is the direct cause of loss while peril increases/decreases the probability of loss	Peril is probability of loss while hazard is related to impact of loss	2
9	The IRDA was established in the year _____ under the IRDA Act, 1999.	1999	2000	2002	2003	2
10	Losses caused by an earthquake are _____	Critical	Collaborative	Corollary	Common	1
11	Who is protected under the In-Contestability Clause included under a Life Assurance Policy?	Insurer	Insured	Insurance Agent	Insurance Broker	2
12	Who among the Following, is Likely to be Exposed to Accidental Hazard, in His or Her Occupation? Choose the Most Appropriate Option.	Medical-Professional	Tourist-Guide	Demolition-Experts	Marketing-Executive, Who is regularly on the Field.	3
13	Who among the Following, is Likely to be Exposed to Health-Hazard, in His or Her Occupation?	Yoga-Instructor	Film-Stunt-Artist	Dancer in a Night-Club	Person, Exposed to Mining Dust	4
14	Why Do, Insurers need Material Information?	For Documentation Purposes.	Decide on the Risk- Acceptance, and the Terms and Conditions, Associated.	To Comply with the Regulatory Requirements.	To Improve the Customer-Service.	2
15	Compare: Gambling and Insurance.	Gambling and Insurance, Both, are the Same.	Gambling has No Insurable Interest involved, but Insurance does have.	Insurance has Only Profitable Outcomes, while, Gambling could result in Losses.	Gambling is Legally Enforceable, but, Insurance is Not.	2

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16	Select a Scenario, that showcases the Principle of Uberrima Fides.	Timely Payment of Premium.	Disclosing All Material Information on the Insurance Proposal- Form.	Faking All Material Information on the Insurance Proposal- Form.	Disclosing All Irrelevant Information on the Insurance Proposal- Form.	2
17	Label the Interest, that the Insured has, in the Subject-Matter of Life Assurance. Choose the Most Appropriate Option.	Speculative Interest	Wager Interest	Insurable Interest	Indemnity Interest	3
18	Which principle of insurance implies if the same property is insured with more than one insurance company	Contribution	Uberrima fides	Subrogation	Proximate cause	1
19	_____ is a corollary principle of Indemnity	Insurable Interest	Uberrima fides	Subrogation	Proximate cause	3
20	Examine the conditions mentioned below and tell us which is not a valid condition for returning a policy during the free look period. I: Option must be exercised within 15 days of receiving the policy document II: Communication has to be in writing III: Communication can be verbal or written	I only	II only	III only	I and III	3
21	Section 45 (Indisputability Clause) of Insurance Act, protects the Insured, from Rejection of Claim, by the Insurer; provided the Policy has completed --. Choose the Most Appropriate Option.	One Year	Three Years	Five Years	Seven Years	2
22	As per the Suicide Clause, if the Life-Assured Dies, as a Result of Suicide, After 3 Years of the Issue of Policy, What Does the Beneficiary Receive as the Claim?	Nothing	Premium, Paid by the Life-Assured.	(2 × Premium), Paid by the Life-Assured.	Full Face-Amount of the Policy.	4
23	What Does, First Premium Receipt (F.P.R.), signify?	Free-Look Period has ended.	It is the Evidence, that the Policy-Contract has begun.	Policy cannot be cancelled, Now.	Policy has acquired a Certain Cash-Value.	2
24	Identify the Document, that evidences a Contract, between the Insurer and the Insured.	Proposal-Form	Claim-Form	Nomination-Form	Policy-Document	4
25	Expectations stated under Section 59 of the Insurance Rules 1939 for advance payment of premium.	No risk to be assumed unless premium is received in advance	Insurance cannot be sold on credit basis in India	Accepting premiums in instalment in respect of Sickness Insurance, Group Personal Accident Insurance, Medical Benefits Insurance and Hospitalisation Insurance Schemes subject to certain conditions	None of the above	3
26	Which One of the Following Statements, is <u>In-Correct</u> , with Regard to Numerical Rating Method of Underwriting?	Under this Method, Underwriters assign the Positive Rating-Points for All Negative or Adverse Factors.	Under this Method, Underwriters assign the Positive Points for Any Positive or Favourable Factors.	Under this Method, the Total Number of Points, so assigned, will decide How Much Extra- Mortality-Rating (E.M.R.), it has been given.	Under this Method, if the Extra-Mortality-Rating (E.M.R.) is Very High, Insurance may even be declined.	2
27	Which One of the Following Statements, is <u>In-Correct</u> , with Regard to Judgement Method of Underwriting?	Under this Method, Subjective Judgement is used.	This Method is especially used in Case of Complex Cases.	In this Method, the Company may seek Expert Opinion of Medical Doctor.	In this Method, the Underwriter assign Positive or Negative Rating-Points to the Adverse Factors.	4

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28	Mr. Vimal is a 32-Years' Old, Healthy, Non-Smoker, Teetotaler Individual; Who applies for Life Assurance from ABC Limited Insurance Company. Which One of the Following Statements, will Hold True, with Regard to Risk-Acceptance by the Insurance Company?	Risk will be Accepted at Ordinary Rates.	Risk will be Accepted With an Extra, Over the Tabular Rate of Premium.	Risk will be Accepted, With a Lien on Sum Assured.	Risk will be Accepted, With a Restrictive Clause.	1
29	If, Mr. Brijesh, a 40-Years' Old Individual, is perceived as a 'Sub-Standard Risk', by the Insurance Company, then, Which One of the Following Statements, will Hold True, with Regard to Risk-Acceptance by the Insurance Company?	Risk will be Accepted at Ordinary Rates.	Risk will be Accepted at Lower Rates.	Risk will be Accepted With an Extra, Over the Tabular Rate of Premium.	Risk will be Declined.	3
30	What is meant by 'Risk-Classification'? Choose the Most Appropriate Option.	The Process, in which, Individual Lives are Categorised and Assigned to Different Risk-Classes, Depending on the Degree of Risks, they Pose.	The Tendency of People, Who suspect or know that, their Chance of Experiencing a Loss is High, to seek-out the Insurance, Eagerly; and to gain in the Process.	The Process of Evaluating Each Proposal for Life- Assurance in Terms of the Degree of Risk, it represents; and then Deciding: Whether or Not to Grant the Insurance, and on What Terms.	The Process, in which, the Applicants, Who are Exposed to Similar Degrees of Risk, are Placed in the Same Premium-Class.	1
31	Mr. Nimesh bought a 20-Years' Unit-Linked Insurance Plan (U.L.I.P.). In the Event: Mr. Nimesh dies, Within the Policy-Term, Which of the Following, will be paid?	Surrender-Value will be paid.	Premiums paid will be Returned, After Deducting the Dues.	Lower of Sum-Assured or Fund-Value, will be paid.	Higher of Sum-Assured or Fund-Value, will be paid.	4
32	In Case of Presumption of Death of Life-Assured, Which One of the Following Documents, needs to be submitted, by the Nominee?	Death-Certificate from Municipal Corporation.	Decree from a Competent Court.	Employer's Certificate	Inquest-Report	2
33	Mr. Brijesh purchased a 20-Years' Unit-Linked Insurance-Plan (U.L.I.P.), from ABC Insurance Company. If Mr. Brijesh Dies, Before the Maturity of the Policy, then Insurance Company will have to pay --	Surrender-Value	Premiums, After Deducting the Dues.	Lower of Sum-Assured or Fund-Value.	Higher of Sum-Assured or Fund-Value.	4
34	Which One of the Following Claims, can be Payable, Only to the Assignee or Nominee?	Death-Claim	Maturity-Claim	Survival-Benefit	Surrender-Value	1
35	Which One of the Following Documents, needs to be submitted, by the Nominee, in the Event of Natural Death of the Life-Assured? Choose the Most Appropriate Option.	Inquest Report	Death-Certificate	Post-Mortem Report	First Information Report (F.I.R.)	2
36	On payment of claim, the life insurance policy-	Can be reinstated on payment of pro-rata premium	Stands cancelled	Automatically terminates	Continues till the end of the policy period	3
37	On payment of claim, the individual fidelity guarantee policy-	Can be reinstated on payment of pro-rata premium	Stands cancelled	Automatically terminates	Continues till the end of the policy period	3
38	Arbitrators appoint _____who presides the meeting.	A President	A Chairman	An Umpire	A Judge	3
39	Dispute relating to question of liability are to be settled through _____.	Arbitration	Communication	Litigation	Understanding	3

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40	You are an insurance agent. Mr. Mahesh has approached you as a customer to buy some insurance. You hear from friends that Mr. Mahesh is involved in sale of pirated goods and all the resultant cash is invested in buying life insurance. What should you do?	Concentrate on completing the sale and securing commission	Report suspicious transaction along with all the information you have about Mr. Mahesh	Blackmail Mr. Mahesh and try to get some monetary benefits out of him	Keep mum about the transaction	2
41	Important information that a prospectus discloses includes: I. Any incentives to reward policyholders for early entry II. Any incentives to reward policyholders for continued renewals III. Any incentives to reward policyholders for favourable claims experience	Only I	I and II	II and III	I, II and III	1
42	If Complex Language is used to word a Certain Policy-Document, and it has given Rise to an Ambiguity, How Will it generally be construed?	In Favour of the Insured.	In Favour of the Insurer.	The Policy will be declared as Void, and the Insurer will be asked to Return the Premium, With Interest, to the Insured.	The Policy will be declared as Void, and the Insurer will be asked to Return the Premium, to the Insured, Without Any Interest.	1
43	Which of the Following, is <u>Not</u> a Part of a Standard Policy-Document?	Policy Schedule	Standard Provisions	Policy-Specific Provisions	Policy Forfeiture Provisions	4
44	Gives us, an Example of a Standard Policy-Provision.	A Clause, Precluding the Death Due to Pregnancy, for a Lady, Who is Expecting at the Time of Writing the Contract.	Suicide Clause	A Clause, Precluding Certain Illnesses.	A Clause, Granting Certain Privileges to the Policy-Holder.	2
45	Which of the below statement/statements is/are true with regard to a proposal form? A) The proposal form can be filled in by the proposer in written or electronic format. B) The proposal form contains the details of insurance cover, warranties, terms and conditions. C) The insurer can decide whether to accept or reject the proposal for insurance based on the information in proposal form.	A & B	A & C	Only C	All of them	2
46	Declaration of the proposer in the proposal form converts _____ of Utmost Good Faith to _____ of Utmost Good Faith.	Legal Duty, Common Law Principle	Contractual Duty, Common Law Principle	Common Law Principle, Contractual Duty	Common Law Principle, Legal Duty	3
47	Which of the following is not a contributor towards Customer Lifetime value	Historical	Present	Potential	Speculated	4
48	Which of the following is NOT an example of non verbal communication?	Signaling okay with a hand gesture	Gesturing in an empty room	Wearing jewelry	Raising your voice	2
49	The ability to perform the promised service dependably and accurately, can be termed as _____	Tangible	Reliability	Assurance	Responsiveness	2

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50	The knowledge, competence and courtesy of service providers and their ability to convey trust and confidence, can be termed as _____	Reliability	Assurance	Responsiveness	Tangible	2
51	Select the Correct Statement, with Regard to Grace-Period. Choose the Most Appropriate Option.	The Standard Length of the Grace-Period is 1 Month or 31 Days.	The Standard Length of the Grace-Period is One Quarter.	The Standard Length of the Grace-Period is One Week.	The Standard Length of the Grace-Period is One Fort-Night.	1
52	Potential Value means-	The value of premiums that is arrived at by persuading the customer to buy additional products	Future premiums that may be expected to be received if existing business is retained	The value of premiums that could be derived by persuading the customer to buy additional products	Future premiums that is expected to be received if existing business is retained	3
53	Elements of Trust are A) Communication, B) Attraction, C) Belief, D) Presence	A & B	A, B & C	A, C & D	A, B & D	4
54	_____ is the most important step in sales process.	Interview	Prospecting	Handling objections	Closing the sale	2
55	An agent need not recommend insurance in certain situations. One of the situation can be-	Where the prospect is interested in reducing the cost of handling the risk.	When the risk involved is non-insurable.	Where the risk involved can be managed by means other than insurance.	All of the above	3
56	When is a cover note issued to proposer?	When the underwriting process is complete and policy is issued	When the negotiations for insurance are in progress and policy document is prepared	When the underwriting process is complete and policy not is issued	When the negotiations for insurance are in progress and policy document is issued	3
57	During which period, insurance policy can be returned and refund of premium obtained?	Coverage period	Free Look Period	Waiting Period	Grace Period	2
58	If the policy is being purchased electronically, it is agent's duty to-	Help the customer to open e-Insurance Account through registered insurance repository	Help the customer to register for e-Insurance Policy with OTP through registered insurance repository	Help the customer to open e-vault for Insurance Policy through registered insurance repository	Help the customer to generate e-Insurance Policy through registered insurance repository	1
59	The customer has choice to continue with same insurer or to switch to another insurance company in following kind of policies:	Term Insurance Policy	Motor Third Party Policy	Endowment Policy	Unit Linked Insurance Policy	2
60	Consumer protection Act. comprises of _____ quasi-judicial machinery	One-tier	Three-tier	Two-tier	Four-tier	2
61	Which of the following statement is incorrect with regard to process of filing a complaint with a Consumer Court?	No one else other than the complainant himself / herself can file a complaint with the State or National Commission	There is no fee for filing a complaint with State Commission or National Commission	The complaint can be filed personally or can even be sent by post	No advocate is necessary for the purpose of filing a complaint	1
62	If a policyholder wishes to file a complaint against any insurance company directly with State Commission, then in which of the following cases can he / she do so?	Where the value of goods/services and compensation claimed is up to Rs 20 lakh	Where the value of goods/services and compensation claimed exceeds Rs. 20 lakh but does not exceed Rs. 100 lakh.	Where the value of goods/services and compensation claimed exceeds Rs.100 lakh.	Where the value of goods/services and compensation claimed exceeds Rs. 10 crores	2
63	Which of the following statement is incorrect with regard to the State Commission?	This redressal authority has original, appellate and supervisory jurisdiction	It entertains appeals from the National Commission	It has original jurisdiction to entertain complaints where the value of goods/service and compensation, if any claimed exceeds Rs. 1Crore but does not exceed Rs. 10 Crore	No fees is charged to file a complaint with state commission	2

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64	Which of the following rules is incorrect with regards to the Award that can be passed by the Ombudsman?	The Award should be more than Rs. 50 lakh	The Award should be made within a period of 3 months from the date of receipt of complaint	The insurer shall comply with the Award and send a written intimation to the Ombudsman within 15 days of the receipt of such acceptance letter	If the insured does not intimate in writing the acceptance of such Award, the insurer may not implement the Award	1
65	No one else in the insurance company has _____ the client's problems as much as an agent does.	ownership of	responsibility towards	duty towards	role in resolving	1
66	In case where the complaint of a customer is not satisfactorily resolved, the complaint may be raised with-	Insurance Grievance Redressal Mechanism	Grievance Redressal Officer	Consumer Complaints Registration System	Integrated Grievance Management System	4
67	IGMS stands for-	Insurance Grievance Management System	Integrated Grievance Management System	IRDAI Grievance Management System	Initial Grievance Management System	2
68	Defect means-	Imperfection in the quality of product / service	deficiency in the nature of product / service	inadequacy in the manner of performance of the product	All of the above	4
69	Consumer dispute redressal agencies are not established at-	National level	District level	City level	State level	3
70	District Commission has the powers of _____.	High Court	Supreme Court of India	Small Causes Court	Civil Court	4
71	Appeals against orders passed by State Consumer Disputes Redressal Commission are accepted for hearing at _____.	High Court	State Commission	Civil Court	National Commission	4
72	Which Consumer dispute redressal agency is established by the Central Government?	State Commission	National Commission	District Commission	Both District & State Commission	2
73	A complaint can be filed with the Consumer Dispute Redressal Agencies by-	The advocate	The agent authorised by the consumer	The Consumer or his authorised agent	Only the consumer	3
74	The Ombudsman passes an award to insured within _____ from the date of receipt of all the requirements from the insured and insurer.	2 months	15 days	3 months	1 month	3
75	Principal Officer of Insurance Marketing Firm means	A Director or a Partner	Any officer	A designated Employee	Any of the above	4
76	Insurance Marketing Firm can engage Insurance Sales Person for the purpose of soliciting and procuring Insurance Products of	One Life Insurer, One General Insurer & One Health Insurer	Two Life Insurers, Two General Insurers & Two Health Insurers	Three Life Insurers, Three General Insurers & Three Health Insurers	Two Life Insurers, One General Insurer & One Health Insurer	2
77	Which of the following financial product can be marketed by The Insurance Marketing Firm through the Financial Service Executive (FSE)?	Mutual funds regulated by SEBI	Pension products regulated by PFRDA	Banking/ financial products of banks/ NBFC regulated by RBI	All of the above	4
78	What is the maximum service charge/fee, the Insurance Marketing Firm may receive from life insurance companies for recruitment, training and mentoring of their ISPs?	30% of first year commission and 5% of renewal commission	40% of first year commission and 10% of renewal commission	50% of first year commission and 10% of renewal commission	50% of first year commission and 20% of renewal commission	3
79	FSE(Financial Service Executive) engaged by IMF for marketing Financial products will be governed by the regulations of	IRDAI	SEBI	RBI	Regulations of respective regulators.	4

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80	Compare the probability of a contingent event with regards to life and general insurance.	The probability of the event happening stays constant through time with regards to both life and general insurance	The probability of the event happening increases in case of general insurance and decreases in case of life insurance	The probability of the event happening increases in case of life insurance and decreases in case of general insurance	The probability of the event happening increases in case of life insurance and stays constant in case of general insurance over a period of time	4
81	Analyse the two statements below and determine the true one(s) Statement I: The contingent event occurs certainly in case of general insurance Statement II: The contingent event occurs certainly in case of life insurance	Only Statement I is true	Only Statement II is true	Statements I and II are true	Statements I and II are false	2
82	Suggest a class of insurance that will provide protection against loss of goodwill.	Life insurance	Property insurance	Liability insurance	Personal insurance	3
83	Analyse the Following Two Statements, and Determine the True One(s): Statement-I: The Contingent-Event occurs Certainly, in Case of General Insurance. Statement-II: The Contingent-Event occurs Certainly, in Case of Life Assurance.	Statement-I is True.	Statement-II is True.	Statement-I and Statement-II are True.	Statement-I and Statement-II are False.	2
84	Explain: 'Risk-Tolerance'. Choose the Most Appropriate Option.	Types of Risks, One Can Take.	Amount of Risk, One is Willing to Bear, while Investing.	Instruments of Risk- Management.	Period, for which, One is willing to risk His or Her Investments.	2
85	Which of the following insurances does not cover personal risks?	Life Insurance	Personal Accident Insurance	Fire Insurance	Motor Own Damage Insurance	3
86	In case of life insurance, the event of risk covered is:	Uncertain	Certain	Uncertain but the time occurrence of event is certain	Certain but the time occurrence of event is uncertain	4
87	In the policies where level premiums are charged -	Excess premiums for later years compensate for deficit premiums for earlier years	Excess premiums for earlier years compensate for deficit premiums for later years	Deficit premiums for earlier years compensate for excess premiums for later years	Deficit premiums for earlier years compensate for deficit premiums for later years	2
88	Life insurance contracts are often compared with financial products as they involve -	Both risk cover and savings	Risk cover against the untimely death	Risk cover and financial benefits	Risk cover and bonuses	1
89	Many life insurance products have _____ which can form a significant part of an individual's savings.	Low cash value	Saving component	Risk premium	Savings premium	2
90	The traditional cash value life insurance contracts are safe and secured investment offering a minimum guaranteed rate of return which _____.	May increase with the contract duration.	May decrease with the contract duration.	May increase with the age of the insured.	May decrease with the age of the insured.	1
91	Life insurance policy provides liquidity to the policyholder, which means that the policyholder can avail _____ against the policy.	Cash	Loan	Surrender value	Any of them	4
92	An opinion about the traditional life insurance policies is that the guaranteed yield may be:	More than other financial products	Lower than other financial products	Equivalent to other financial products	Similar to other financial products	2
93	Assess the impact of inflation on your investment returns.	Inflation has no impact on the investment returns	Inflation has a positive impact on the investment returns	Inflation has a corroding impact on the investment returns	Inflation boosts investment returns	3
94	Identify the stage of life when an individual will appreciate his long term savings the most.	Childhood	Just married	Teen age	Post retirement	4

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95	Describe the purpose of tax planning. Choose the most appropriate option.	Tax evasion	Planning your investments in a manner such that maximum Tax benefits become applicable	Provide for taxes	Pay tax on time	2
96	Explain risk tolerance. Choose the most appropriate option.	Types of risks one can take	Amount of risk one is willing to bear while investing	Instruments of risk management	Period for which one is willing to risk his investments	2
97	Identify a Insurance product that can be categorised under contingency products. Choose the most appropriate option.	Bank deposits	Shares	Bonds	Life Insurance	4
98	Amounts set aside from current consumption without being earmarked for any specific purposes is termed as	Current Consumption	Parting with Liquidity	Future Provision	Wealth Accumulation	3
99	When is the best time to start Financial Planning	Post Retirement	As soon as one gets his first salary	After marriage	Only after one gets rich	2
100	What is Financial Planning	Identifying one's life goals	Translating goals into financial goals	Managing one's finances	All of the above.	4
101	Retirement is also called as the _____	Parent	Twilighth years	Provider	Earner	2
102	One example of contingency	Death	Disability	unemployment	All of the above.	4
103	The extent to which one seeks to diversify or spread the investments to reduce the risks.	Diversification	Liquidity	Marketability	Taxes	1
104	Buying an LCD TV set or a family vacation is an example of _____ type of Goal	Short Term Goal	Medium Term Goal	Long Term Goal	None of the above	1
105	Identify the flip side of a pure term insurance plan.	It is the cheapest form of insurance	It can be converted to a whole life insurance plan	It doesn't provide any returns on maturity	It comes handy as an income replacement plan	3
106	You and your friend of same age bought life insurance policy on same date but you are paying a higher premium than him. What impact will it have on the compensation paid to the beneficiary in the event of your death?	Compensation remains the same	Compensation will be higher	Compensation will be lower	There will be no compensation	2
107	Illustrate the USP of term insurance. Choose the most appropriate option.	Lower Price	Coverage	Investment returns	Choice of riders	1
108	Samara purchased a term insurance policy when she had high life insurance needs and limited income. Now Samara can afford whole life insurance. What term life insurance provision will permit Samara to switch her term insurance to whole life insurance without having to show that she is still insurable?	Alteration	Conversion	Exchange	Switching	2
109	Michael wants to make sure that life insurance proceeds are available to pay his outstanding mortgage balance if he dies. He purchased a type of life insurance in which the amount of coverage gradually declines, just as his outstanding mortgage balance gradually declines. Tell us what this type of insurance has Micheal bought.	Decreasing benefit insurance	Decreasing rider benefit	Decreasing term insurance	Re-entry term insurance	3



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110	As per IRDA norms, an insurance company can provide which of the below non-traditional savings life insurance products in India?  Choice I: Unit Linked Insurance Plans Choice II: Variable Insurance Plans	I only	II only	Both: I and II	Neither: I nor II	1
111	Ramesh has decided to maximise his ULIP premium through a Equity Fund. Where will the insurance company invest his premiums?	Stocks	Government or corporate debt	Both in Equity related instruments as well as Government or Corporate debt	Commercial paper or Treasury bills	1
112	What does the NAV imply in case of ULIP's	Total Net worth of the insurer	Assets of the insurer	Market value of the assets in which the fund is invested	Liability of the insurer	3
113	Carl would like to purchase life insurance. He would also like to invest in a mutual fund. An agent told Carl about a form of life insurance in which Carl could select where the saving component is invested. This form of life insurance has fixed risk premiums and the saving policies is invested. Which type of insurance is the agent referring to?	Endowment life insurance	ULIP	Whole life	Term insurance	2
114	What was the Primary Argument, behind "Buy Term Assurance and Invest the Difference, Else-Where"? Choose the Most Appropriate Option.	Term Assurance is the Best Form of Life Assurance.	Investing the Balance Premiums, in Other Investment-Instruments, could yield a Higher Return.	The Policy-Holder can take the Higher Risks, by investing the Balance Premium in the Equities.	Non-Term Assurance has the Lowest Yields.	2
115	Which Section of the MWP Act provides for security of benefits under a life insurance policy to the wife and children.	Section 38	Section 39	Section 6	Section 45	3
116	Identify the benefits of taking out a keyman insurance policy.	Offset business start-up costs	Offset business continuity costs	Offset business recovery costs	Promote worker harmony	2
117	Select the loss covered under keyman insurance.	Property theft	Losses related to the extended period when a key person is unable to work	Losses caused due to errors and omission	General liability	2
118	Illustrate a general requirement for granting keyman insurance.	Company must be loss making	Company must be profitable	Company must be in business for less than 6 months	Company must be in business for less than 1 year	2
119	Who is paid the claim money for a policy effected under Section 6 of the Married Women Property Act?	Appointee	Trustee	Nominee	Assignee	2
120	Explain to us why young people are charged less life insurance premium when compared to old people.	Young people don't need life insurance as much as old people	Young people cannot afford to buy costly life insurance products due to their low income	Mortality is directly proportional to age	Mortality is inversely proportional to age	4
121	What does valuation in life insurance mean?	The process of arriving at the profit of a life insurance company	The process of determining the net premium for a life insurance policy	The process of arriving at the bonus in a life insurance company	The process by which the value of all the existing policies is ascertained in a life insurance company	4
122	In case of _____, a company expresses the bonus as a percentage of basic benefit and already attached bonuses.	Reversionary bonus	Compound bonus	Terminal bonus	Persistency bonus	2

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123	Name the two policy features on which rebates on premium can be offered by the insurer.	Policy plan and risk cover	Policy plan and mode of premiums	Sum assured and mode of premiums	Sum assured and policy plan	3
124	Illustrate the effect of interest rates on the premium assumed by insurance companies.	Lower the interest rate assumed, lower the premium	Higher the interest rate assumed, higher the premium	Higher the interest rate assumed, lower the premium	The interest rates don't affect premiums	3
125	Explain what does the grace period clause provide for in life insurance policies.	Insured does not have to pay premiums during that period	Insured has to pay only half the premium amount	Insured has some additional time to pay the premium even after due date	It extends the free look period by 30 days	3
126	For an insurance policy nomination is allowed under _____ of the Insurance Act.	Section 10	Section 38	Section 39	Section 45	3
127	Construct a situation that would require evidence of insurability at revival.	It has been a week since the policy has lapsed	Policy has been lapsed for more than a year	Policy has been in force for a year	Loan against policy has been sought	2
128	Select the correct statement with regards to grace period. Choose the most appropriate option	The standard length of the grace period is one month.	The standard length of the grace period is one quarter	The standard length of the grace period is one week	The standard length of the grace period is one fortnight	1
129	Examine the two statements below and select the one(s) that is are true. I: Life assured can appoint more than one person as nominees II: Assignment can be done only after the commencement of the policy	I only	II only	I and II	Neither I nor II	3
130	As per IRDAI Product Regulations, a Non-Linked Policy can be revived within _____years from the date of unpaid premium	Two Years	Three years	Four Years	Five Years	4
131	_____ is the process by which a life insurance company puts back into force a policy that has either been terminated because of non-payment of premiums or has been continued under one of the non-forfeiture provisions.	Reinstatement	Revival	Surrender	Lapse	1
132	Which of the below statement is correct with regards to 'anti selection'?	Anti selection is the process used by the insurance company to ensure it does not end up selecting unethical agents	Anti selection is the tendency of people, who suspect or know that their chance of experiencing a loss is high, to seek out insurance eagerly and to gain in the process.	Anti selection is the process used by the insurance company to ensure it does not end up launching insurance products that are not suitable for the prospective policyholders	Anti selection is the process used by the insurance company to ensure it does not end up selecting wrong investment products for deploying premiums collected from the policyholders.	2
133	Which of the following statement is incorrect with regards to judgment method of underwriting?	Under this method subjective judgment is used	This method is especially used in case of complex cases	In this method the company may seek expert opinion of medical doctor	In this method the underwriter assign positive or negative rating points to adverse factors	4
134	_____ means that applicants who are exposed to similar degrees of risk must be placed in the same premium class.	Selection of risk	Anti-selection	Moral hazard	Equity among the risks	4
135	Which of the below statement is correct with regards to 'sub-standard lives' under risk classification? Choose the most appropriate option.	Substandard lives consist of those individuals whose anticipated mortality corresponds to the standard lives represented by the mortality table.	Substandard lives consist of those individuals whose anticipated mortality is significantly lower than standard lives and hence could be charged a lower premium.	Substandard lives consist of those individuals whose anticipated mortality is higher than the average or standard lives, but are still considered to be insurable.	Substandard lives consist of those individuals whose impairments and anticipated extra mortality are so great that they could not be provided insurance coverage at an affordable cost	3

## IMF (Composite) Question Bank - English

136	Which of the following statement is correct with regards to 'declined lives' under risk classification?	Declined lives consist of those individuals whose anticipated mortality corresponds to the standard lives represented by the mortality table.	Declined lives consist of those individuals whose impairments and anticipated extra mortality are so great that they could not be provided insurance coverage at an affordable cost	Declined lives consist of those individuals whose anticipated mortality is higher than the average or standard lives, but are still considered to be insurable.	Declined lives consist of those individuals whose anticipated mortality is significantly lower than standard lives and hence could be charged a lower premium.	2
137	The term _____ refers to the process of evaluating each proposal for life insurance in terms of the degree of risk it represents and then deciding whether or not to grant insurance and on what terms	Reinsurance	Risk Management	Underwriting	Claims Management	3
138	What is the role of an agent in ensuring the accuracy of information provided in a proposal form	The agent only provides general information and has no responsibility in verifying the accuracy of the information	The agent is responsible for verifying the information provided in the proposal form	The agent has no role to play in ensuring the accuracy of the information	The agent only assists in filling out the proposal form and has no responsibility in verifying the accuracy of the information	2
139	Which of the following is the most common way of dealing with sub-standard risks	Rejecting the risk	Accepting the risk with a discount	Accepting the risk without any extra charges	Acceptance with an extra	4
140	Which of the following scenarios might result in a life insurance underwriter declining a proposal for insurance	Mr. X who has a minor cold at the time of application	Mr. Y who has a family history of heart disease	Mr. Z who has had cancer and has little chance of remission	Mr. T who has had a recent cataract surgery	3
141	Which of the Statements is Correct	Minors can enter into contracts freely without any legal obligations	A proposal on the life of a minor has to be submitted by another person who is related to the minor in the capacity of a parent or legal guardian.	Minors have the same contracting power as adults	Minors can enter into life insurance contracts	2
142	What is the significance of a person's blood pressure as an indicator of disease	It can indicate malfunctioning of the urinary system	It can indicate impairment of the endocrine system	High blood pressure can have serious health consequences	It does not indicate any disease	3
143	A life insurance company paid the treatment costs to insured during the event of hospitalisation of the insured during the policy term. This is an example of _____.	Survival benefit payments	Surrender value	Rider benefit	Conditional assignment	3
144	Which of the below death claim will be treated as a non-early death claim by the insurance company?	If the insured dies within one year of policy tenure	If the insured dies within two years of policy tenure	If the insured dies within three years of policy tenure	If the insured dies after five years of policy tenure	3
145	There are various events which can trigger survival claims. Identify which of the below statement is incorrect with respect to the events which can trigger survival claims?	An instalment payable upon reaching the milestone under a money-back policy	Critical illnesses covered under the policy as a rider benefit	Surrender of the policy by the assignee	Maturity of a term insurance plan	4
146	Identify the event which can trigger the event of surrender value payment by the insurance company?	The event will be triggered on the accidental death of life insured within policy term	The event will be triggered when an instalment becomes payable upon reaching a certain milestone	The event will be triggered when the policyholder decides to cancel the contract	The event will be triggered on maturity of the policy	3

## IMF (Composite) Question Bank - English

147	The claim form consists of which of the following? I. Details of the proposer and the policy number under which the claim is made II. Details of the patient III. Reason for the claim – for which the hospitalization was done and the cause of illness IV. Period of hospitalization	I, II and IV	II, III and IV	I, III and IV	I, II, III and IV	4
148	Which of the following is a specified event where a claim is paid to the insured?	Ramesh loses his job and cannot pay his premiums	Ramesh decides to cancel his policy before the maturity period	Ramesh's policy reaches the maturity period	Ramesh decides to take a loan against his policy	3
149	Ajit's wife has passed away, and he needs to submit the required forms for a death claim. Which of the following documents will he need to submit in addition to the claim form	Marriage certificate	Death certificate issued by municipal authorities	Passport copy	Driving Licence	2
150	Which of the following options best illustrates the role of an agent as described in the given passage	Mr. Ramesh's agent only provided him with the necessary claim forms and did not assist him in submitting them at the insurer's office	Mr. Suresh's agent refused to help him with the claim forms since he had not procured any business from Mr. Suresh's family before	Mr. Ganesh's agent helped him in accurately filling up the claim forms and assisted him in submitting them at the insurer's office, thereby generating goodwill and future business opportunities	Mr. Nilesh's agent helped him fill up the claim forms but did not assist him in submitting them at the insurer's office	3
151	All the statements given below related to Employees' State Insurance Scheme are true EXCEPT:	This scheme was introduced for central government employees and provides comprehensive health services through a network of its own dispensaries and hospitals	ESIC (Employees State Insurance Corporation) is the implementing agency	All workers earning wages up to Rs. 15,000 are covered under the contributory scheme	Employee and employer contribute 1.75% and 4.75% of pay roll respectively; state governments contribute 12.5% of the medical expenses	1
152	All the statements given below related to Central Government Health Scheme are true EXCEPT:	The Central Government Health Scheme (CGHS), which was introduced in 1954	The CGHS is only for the central government employees including pensioner and their family member working in civilian jobs	It aims to provide comprehensive medical care to employees and their families and is fully funded by the employer (central government)	The services are provided through CGHS's own dispensaries, polyclinics and empanelled private hospitals.	3
153	All the options given below are lifestyle factors that determine the health of any individual EXCEPT:	Exercising	Eating within limits	Safe drinking water	Avoiding worry	3
154	Which of the following is an example of communicable disease caused due to environmental factors like bad hygiene?	Influenza	Malaria	Dengue	Asbestosis	1
155	Which of the following is an example of communicable disease caused due to environmental factors like bad hygiene?	Chickenpox	Malaria	Dengue	Asbestosis	1
156	Which of the following factors are mostly in the control of an individual for maintaining good health	Social factors	Genetic factors	Environmental factors	Lifestyle factors	4
157	Which diseases are spread due to bad hygiene and environmental sanitation	Cancer and AIDS	Hypertension and diabetes	Influenza and chickenpox	None of the above	3
158	Does a country's social and economic progress depend on the health of its people	No, there is no relationship between the two	Yes, there is a direct relationship between the two	The relationship is indirect	The relationship is uncertain	2
159	What is the main aim of healthcare services	To create more jobs for healthcare providers	To promote, maintain, monitor or restore health of people	To make healthcare facilities expensive	To make healthcare services difficult to access	2

### IMF (Composite) Question Bank - English

160	Which of the following statements is true regarding the setting up of healthcare facilities	Healthcare facilities should be based on the probability of the incidence of more severe illnesses like Hepatitis B	Healthcare facilities should be based on the frequency of less severe illnesses like cold and cough	Healthcare facilities should be based on the availability of nearest railway station	Healthcare facilities should be based on the investment capacity of healthcare providers	1
161	Which of the following statements is true regarding secondary healthcare services	They are provided by primary care physicians	They are only available to inpatients	They are the first point of contact for patients within a health system	They include ambulance facilities and diagnostic services	4
162	Which healthcare provider would Mr. Sagar most likely visit first if he is feeling sick	A specialist at a hospital	A primary healthcare provider	A dentist	A pharmacist	2
163	Which of the following defines primary healthcare	Healthcare services provided by doctors, nurses and small clinics	Healthcare services provided by medical specialists	Specialized consultative healthcare	Ambulance services and pathology services	1
164	Which health insurance scheme aims to provide comprehensive medical care to central government employees and their families	Central Government Health Scheme	Employees' State Insurance Scheme	Commercial Health Insurance	None of the above	1
165	Which section of the Income Tax Act allows individuals to deduct premiums paid towards Health Insurance from taxable income	Section 80 B	Section 80 C	Section 80 E	Section 80 D	4
166	Which type of health insurance policy is allowed to be deducted from taxable income under Section 80 D of the Income Tax Act	Any health insurance policy	Only policies provided by the Government	Only policies provided by life insurers	Only policies provided by non-life insurers	1
167	Which of the following statements is true about the development of health insurance in India	The first standardised health insurance product for individuals and their families in India was introduced in 2001 by private players in the insurance sector	The Central Government Health Scheme (CGHS) was introduced for blue-collar workers employed in the formal private sector	Employees' State Insurance Scheme (ESIS) provides comprehensive health services through a network of its own dispensaries and hospitals for blue-collar workers employed in the formal private sector	Health insurance in India began with the introduction of commercial health insurance by non-life insurers in 1986	3
168	Which of the following is not a type of private health care provider in India	Solo practitioners	Diagnostic laboratories	Corporate hospitals	Government clinics	4
169	The following intermediary facilitates carrying out of pre-insurance medical examinations in connection with underwriting of the health insurance policies	Insurance Broker	Third Party Administrator	Surveyor and Loss Assessor	Reinsurance Broker	2
170	Identify the true statement I. Critical illness policies are usually available for persons in the age group of 21 years to 65 years. II. The sum insured offered under these policies is quite low.	Only I is true	Only II is true	Both I and II are true	Both I and II are false	1

## IMF (Composite) Question Bank - English

171	Which of the following is an example of package policy? I. Health plus life combi product II. Shopkeepers policy III. Householder's policy	Only I	I and II	II and III	I,II and III	3
172	What is the free look in period for health insurance policies	15 days	20 days	30 days	45 days	1
173	A Life Assurance Company paid the Treatment Costs to the Insured, During the Event of Hospitalisation of the Insured, During the Policy-Term. This is an Example of --.	Survival-Benefit Payments	Surrender-Value	Rider-Benefit	Conditional Assignment	3
174	Ms. Kavita purchases a Critical Illness (C.I.) Rider, along with, a Term Assurance Plan, from ABC Insurance Company. How Will, the Company ascertain the Claim for the Critical Illness (C.I.) Rider? Choose the Most Appropriate Option.	Claim will be ascertained, as per the Conditions, stipulated in the Policy.	Claim will be ascertained, based on the Dates, which are determined, at the Beginning of the Contract, it-self.	Claim will occur, when the Policy-Holder decides to cancel the Contract.	Claims will be ascertained, based on the Medical and Other Records, provided by the Policy-Holder, in Support of Her Claim.	4
175	What type of information is included in the medical questionnaire required in case of adverse medical history in the proposal form	PAN Number	Personal bank details	Detailed information on diseases such as Diabetes, Hypertension, Chest pain or Coronary Insufficiency or Myocardial Infarction	Details of any other insurance with other insurer	3
176	What information does the insurer consider when deciding to accept a proposal	Details of the insured	Details of the subject matter	Previous history of insurance and claim experience	All of the above	4
177	What does UIN in Health Insurance Stand for	The unique identification number of the policy document	The unique identification number of the insurer	The unique identification number of the product	The unique identification number of the policyholder	3
178	What is a condition in an insurance contract	It is a provision in the contract that can be changed at any time	It is a provision in the contract that outlines the rights of the policyholder	It is an optional provision that may or may not be included in the agreement.	It is a provision in the contract that forms the basis of the agreement	4
179	Which of the following statements about conditions in an insurance policy is true	A breach of condition makes the policy voidable at the option of the insured	A breach of condition makes the policy voidable at the option of the insurer	They are not important in determining the basis of the agreement	They are optional provisions in an insurance contract	2
180	What is an endorsement in insurance policy	A document attached to the policy that covers all perils and exclusions	A document that specifies the standard terms and conditions of the policy	A document that sets out changes or amendments to the policy	A document that provides additional coverage to the policy	3
181	Identify the true statement I. Health plus life combi products are jointly designed by the two insurers and marketed through the distribution channels of both insurers II. For health plus life combi products, the claims are handled by the insurers jointly	Only I is true	Only II is true	Both I and II are true	Both I and II are false	1
182	What are the benefit payout provided under 'Critical Illness cover'?	Actual medical expenses incurred due to hospitalization	A fixed sum per day for the period of hospitalization	Payout on occurrence of a pre-defined critical illness like heart attack, stroke, cancer etc	All of the above	3

## IMF (Composite) Question Bank - English

183	Hospital daily cash policy provides towards benefits: I. Incidental expenses II. Expenses not payable under the indemnity policy III. Expenses non payable under Co-pay	Only I	I and II	II and III	I,II and III	2
184	ABC Insurance Company assumes a high interest rate in their premium calculations. This mean that:	Premium charged will be higher	Premium charged will be lower	Premium charged will remain unchanged	Premium charged will fluctuate wildly	2
185	Which of the following health insurance products is a fixed benefit plan for payout on occurrence of a pre-defined critical illness like heart attack, stroke, cancer etc.?	Indemnity cover	Fixed benefits cover	Critical Illness cover	All of the above	3
186	What are the two broad categories of health insurance products	Home care covers and personal accident covers	Indemnity covers and hospital cash (fixed benefit) covers	Dental covers and critical illness covers	Out-patient covers and travel covers	2
187	Which category of health insurance products constitutes the bulk of the health insurance	Indemnity covers	Home care covers	Personal accident covers	Hospital cash (fixed benefit) covers	1
188	What is the other name for Fixed benefit covers	Out-patient covers	Travel covers	Dental covers	Hospital cash	4
189	Which of the following is true regarding long term health products offered by Life Insurance Companies	Premium for such products shall remain unchanged for at least a period of every block of four years	Premium for such products shall remain unchanged for at least a period of every block of two years	Premium for such products shall remain unchanged for at least a period of every block of three years	Premium for such products shall remain unchanged for at least a period of every block of five years	3
190	What is the minimum size of a Group for which Group Health Insurance Policy can be issued	3	5	9	7	4
191	What is the maximum tenure for Credit Linked Group Personal Accident policies offered by General Insurers and Health Insurers	5 years	1 year	2 years	3 years	1
192	What is the provision in case an insured has taken health policies from multiple insurance companies that provide fixed benefits	The insurance companies will split the claim payment evenly	Each insurance company will make claim payments independently according to their policy's terms and conditions	The insured must choose one policy to use for all claim payments	The insured must provide proof of which policy they want to use for each claim	2
193	What is the purpose of IRDA Guidelines on Standardization in health insurance	To provide more confusion among insurers and customers	To make it difficult for customers to compare products and take a considered decision	To remove the confusion among insurers, service providers, TPAs, and hospitals	To limit the number of health insurance providers in the market	3
194	What types of insurance products do the IRDA guidelines on standardization in Health Insurance apply to	All insurance product	All health insurance products, including PA and Domestic/Overseas travel	All health insurance products, excluding group policies	All general and health insurance products, excluding PA and Domestic/Overseas travel - Indemnity based health products Offered by general / health insurers	4
195	What is the purpose of a Hospitalization indemnity policy	To only provide coverage for expenses before and after hospitalization	To indemnify the policyholder by covering expenses during hospitalization	To provide coverage for all medical expenses	To exclude expenses related to hospitalization	2

## IMF (Composite) Question Bank - English

196	What is the minimum prescribed period of hospitalization after which the policy provisions come into force	24 hours	12 hours	36 hours	48 hours	1
197	Which of the following procedures are covered under the policy	Dental procedures	Eye surgeries	Cosmetic surgeries	None of the above	2
198	Which of the following statements is true about the indemnity based Medclaim policy	The policy does not cover infants	The policy does not cover Sr.Citizen	The policy does not cover expenses related to hospitalization	The policy covers only inpatient hospitalization expenses	4
199	What are Post hospitalization expenses	Expenses incurred during hospitalization	Expenses incurred after hospitalization	Expenses incurred before hospitalization	Expenses not covered by insurance	2
200	What is the duration of cover for Pre and Post hospitalization expenses	60 days pre and 30 days post hospitalization	90 days pre and 30 days post hospitalization	30 days pre and 90 days post hospitalization	30 days pre and 60 days post hospitalization	4
201	What is a family floater policy	Only the individual can be covered under this policy	Only the dependent family members can be covered under this policy	A policy that offers a single sum insured which floats over the entire family	None of the above	3
202	In a family floater policy, how is the premium calculated	Based on the age of the oldest member of the family	Based on the age of the youngest member of the family	Based on the sum insured chosen for each individual insured	None of the above	1
203	Why do insurance companies collect details of pre-existing diseases	To charge improper premiums	To exclude coverage for any future diseases	To provide free treatment for such diseases	To decide on accepting the proposal for insurance	4
204	What is a pre-existing disease	Any disease suffered by an insured person within 12 months prior to commencement of the policy	Any disease suffered by an insured person within 48 months prior to commencement of the policy	Any disease suffered by an insured person within 24 months prior to commencement of the policy	Any disease suffered by an insured person within 36 months prior to commencement of the policy	2
205	What is disease-specific capping in health insurance	A limit on the premium charged for policies covering certain diseases	A limit on the number of claims that can be made for a particular disease	A limit on the amount of coverage provided for specific diseases	A limit on the number of diseases that can be covered under a policy	3
206	What is co-payment in health insurance	The portion of the claim amount that the policyholder/insured has to bear	A separate policy taken by the policyholder to cover specific diseases	The percentage of the premium paid by the policyholder/insured	The amount deducted from the Sum Insured after every claim	1
207	Which of the following is a cost-sharing provision in a health insurance policy	Waiting period	Coverage for Day care procedure	Deductible/ Excess	Pre-policy check-up cost	3
208	Who bears the cost of a pre-policy medical check-up in a health insurance policy	Prospective client	Insurer	Government	Healthcare provider	2
209	What is a top-up cover in health insurance	A policy that covers only pre-existing conditions	A policy that covers only day-care procedures	A policy that provides cover for high sums insured over and above a specified amount	A policy that covers only accidents	3
210	What is the entry age for Elderly health insurance plans	50 years	55 years	60 years	65 years	3
211	What is the claim amount in a fixed benefit insurance plan	A fixed sum irrespective of the amount spent by the insured for the named treatment	The amount spent by the insured for the named treatment	A variable amount based on the severity of the ailment	No claim amount is given	1
212	What is the proof required to process a claim in a fixed benefit insurance plan	Detailed bills and invoices of the treatment	Proof of Hospitalization and coverage of ailment under the policy	Doctor's prescriptions and medical reports	None of the above	2
213	What is a critical illness policy	A policy that provides daily cash benefit to the insured person during hospitalization	A policy that provides a fixed sum on diagnosis of certain named critical illness	A policy that covers treatment costs for minor illnesses	A policy that covers only pre-existing conditions	2



## IMF (Composite) Question Bank - English

214	What is the waiting period for Corona Kavach and Corona Rakshak	90 days	30 days	15 days	60 days	3
215	What is the maximum sum insured option available under Corona Rakshak	Rs. 1 lakh	Rs. 2.5 lakh	Rs. 2 lakh	Rs. 1.5 lakh	2
216	What is the lump sum benefit payable under the standard policy for vector-borne diseases on positive diagnosis requiring hospitalization for a minimum of 72 hours	50% of the sum insured	75% of the sum insured	100% of the sum insured	125% of the sum insured	3
217	What do Health plus Life Combo Products offer	Life insurance cover only	Health insurance cover only	Both life and health insurance covers	None of the above	3
218	What is the aim of Micro-insurance products?	To aim for the protection of high-income people from urban sectors.	To aim for the protection of low-income people from rural and informal sectors.	To aim for the protection of middle-income people from semi-urban sectors.	To aim for the protection of people from developed sectors.	2
219	Which of the following policies was launched by the Government to provide health insurance coverage for the below poverty line (BPL) families in association with insurance companies?	Ayushman Bharat Scheme	Rashtriya Swasthya Bima Yojana (RSBY)	Jan Arogya Bima Policy	Bima Kavach Yojana	2
220	What is the Sum Insured amount for Rashtriya Swasthya Bima Yojana (RSBY)?	Rs. 5,00,000	Rs. 1,00,000	Rs. 50,000	Rs. 30,000	4
221	Which of the following schemes was launched to achieve the vision of Universal Health Coverage (UHC)?	Ayushman Bharat Scheme	Money Back Scheme	Endowment Scheme	Bima Kavach Yojana	1
222	What is the premium amount for Pradhan Mantri Suraksha Bima Yojana (PMSBY)	Rs. 10/- per annum per member	Rs. 12/- per annum per member	Rs. 15/- per annum per member	Rs. 20/- per annum per member	2
223	What is the maximum sum insured provided for death under Pradhan Mantri Suraksha Bima Yojana (PMSBY)	Rs. 1 Lakh	Rs. 3 Lakh	Rs. 5 Lakh	Rs. 2 Lakh	4
224	Who can avail an Overseas Travel Insurance policy	Only Indian citizens travelling abroad for holiday	Only Indian citizens travelling abroad for business	Indian citizens travelling abroad for business, holiday or studies and employees of Indian employers sent on contracts abroad	Only employees of Indian employers sent on contracts abroad	3
225	What is the most common form of group health insurance	Individual policy	Group policy taken by employers covering employees	Personal policy	Family policy	2
226	From the below given age proof documents, identify the one which is classified as non-standard by insurance companies.	School certificate	Identity card in case of defence personnel	Ration card	Certificate of baptism	3
227	Out of following underwriting methods the process of underwriting is speedy but the premiums may be relatively higher except	Medical underwriting	Non medical underwriting	Numerical rating method	Group insurance	1
228	Group insurance is underwritten mainly on _____.	Law of Uberrima fides	Law of Insurable interest	Law of averages	Law of mutual benefit	3
229	Which One of the Following Statements, is <u>In-Correct</u> , with Regard to Critical Illness (C.I.) Rider? Choose the Most Appropriate Option.	A Specified Amount is Paid, as per the Policy- Terms, in the Event of Diagnosis of a Critical Illness.	The Illness should have been covered in the List of Critical Illnesses, specified by the Insurance Company.	Critical Illness (C.I.) Rider is an Example of the Claims, that may occur, during the Policy- Term.	The Life Assurance Policy Contract Terminates, After the Rider-Payments are Made.	4

## IMF (Composite) Question Bank - English

230	Third-Party Administrators (T.P.A.s) are Regulated, by Which of the Following Bodies?	Life Insurance Council and General Insurance Council, Jointly.	Insurance Regulatory and Development Authority of India (I.R.D.A.I.)	Insurance Brokers Association of India	Finance Ministry	2
231	Why is underwriting necessary	To create a large pool of risks for the insurance company	To prevent the insurance company from becoming insolvent	To accept all risks, regardless of premiums	To offer insurance at the lowest possible premium	2
232	Which factor affects morbidity rates in health insurance	Financial status	Gender	Marital status	Educational qualification	2
233	What is moral hazard in health insurance	The physical hazards associated with a health risk	The cost associated with a health risk	The deliberate intention of taking insurance just to collect a claim	The risk assessment and pricing done by the underwriter	3
234	Which of the following statements is true about moral hazard in health insurance	It can prove costly to the insurance company	It refers to the physical hazards of a health risk	It has no impact on the insurance company	It can be beneficial to the insurance company	1
235	Insurers charge lower premiums for which of the following risk types	Standard risks	Substandard risks	Preferred risks	Declined risks	3
236	Who plays a critical role in primary underwriting	Underwriter	Agent or Company representative	Policyholder	Insurance broker	2
237	Before issuing a policy, the specific consent of the policyholder for any underwriting loading charged over and above the premium must be obtained. This regulation is for the benefit of	The insurance company	The regulator	The policyholder	The insurance agent	3
238	When can porting be done	Anytime during the policy period	Only at the time of policy issuance	Only after a break in the policy	Only at the time of policy renewal	4
239	Who should the insured make a request for porting to	The new insurer	The old insurer	IRDAI	Any insurance agent	2
240	What is the consequence of breach or concealment of information by the insured in insurance	Increase in premium	Policy becomes void	Decrease in premium	Policy remains unaffected	2
241	When are financial documents usually asked for in insurance	When are financial documents usually asked for in insurance	Only in high sum assured coverage	When there is a mismatch between stated income/occupation and coverage sought	Both (B) and (C)	4
242	What is the purpose of medical underwriting in health insurance	To determine the premium amount	To determine whether to offer coverage or not	To determine the number of family members to be covered	To determine the type of hospital where the insured can be admitted	2
243	What are the different categories of risk into which the underwriter can classify a proposal	Accept risk at standard rates, extra premium, or decline the cover	Accept risk at an extra premium	Postpone the cover for a stipulated period/ term	All of the above	4
244	In which cities are the premiums for certain products higher due to higher claims cost	Small towns and villages	Tourist destinations	Metros and 'A Class' cities	Industrial hubs	3
245	Which of the following non-employer groups can be offered group health insurance	Employer welfare associations	Customers of a particular business where insurance is offered as an add-on benefit	Borrowers of a bank	All of the above	4
246	What is the main cover under Overseas Travel Insurance policies	Life cover	Home insurance	Health cover	Vehicle insurance	3
247	Which risk group does a person working in underground mines belong to	Risk group I	Risk group II	Risk group III	None of the above	3

## IMF (Composite) Question Bank - English

248	What is the general age limit for the working population in employer-employee groups	5-70	18-70	30-70	50-70	2
249	For a claim to be processed, which of the following are most important documents? I. Documentary evidence of illness II. Payment made to the hospital III. Further advice for treatment IV. Payment proofs for implants	Only I and II	Only I and IV	I, II and III	I, II, III and IV	3
250	Which of the following statement/s is / are correct with regards to 'claim processing and payment services' provided by a TPA? I. TPAs normally receive advance money from the insurer for claim settlement. The TPA is expected to keep an account of the monies and provide periodic reconciliation of the amounts received from the insurance company II. The money can be used for purposes of payment of approved claims and providing other services to the customers	Only I	Only II	Both I and II	Neither I nor II	1
251	Hospital-Admission-Intimation can be made to an Insurance Company, through, Which of the Following Channels?	Fax	Calling the Call-Centre	E-Mail	Any of the Above.	4
252	For a Health Insurance Claim to be Processed, Which of the Following, are the Most Important Documents? I. Documentary Evidence of Illness. II. Treatment-Provided. III. In-Patient Duration. IV. Investigation-Reports.	Only, I and II.	Only, I and IV.	I, II, and IV.	I, II, III, and IV.	4
253	Identify the True Statement: I. Morbidity increases due to Various Adverse Factors, such as, Being Over-Weight or Under-Weight, Personal History of Certain Past and Present Diseases or Ailments. II. Morbidity decreases due to Certain Favourable Factors, like, Lower Age, a Healthy Life-Style, etc.	Only Statement-I is True.	Only Statement-II is True.	Both: Statement-I and Statement-II, are True.	Both: Statement-I and Statement-II, are False.	3
254	What is the true test of an insurer's performance in insurance?	The colour of the insurance company's logo	The number of employees the insurance company has	The claims paying ability of the insurance company	Location of Company office premises	3
255	Who is the first stakeholder and receiver of the claim?	The insurance agent who sold the policy	The person who processes the insurance claim	The insurance company's shareholders	The customer who buys the insurance policy	4
256	Which of the following statements is true regarding Health insurance claim servicing?	Claims can only be serviced by the insurance company itself.	Claims can only be serviced by Third Party Administrators (TPAs).	Claims can be serviced by either the insurance company or TPAs authorized by the insurance company.	Claims can only be serviced by providers/hospitals.	3

## IMF (Composite) Question Bank - English

257	What happens from the time a health claim is made known to the insurer/TPA to the time the payment is made as per the policy terms?	The claim is rejected immediately	The payment is made without any verification	The claim goes through a set of well-defined steps	The insurer/TPA ignores the claim	3
258	What is claim intimation in the insurance claim process?	The final stage of the claim process	The process of investigating a claim	The act of informing the insurance company of a planned or emergency hospitalization	The process of determining the amount to be paid for a claim	3
259	Which of the following statements is true regarding claim intimation in health insurance?	Claim intimation is not mandatory	Claim intimation is required before 48 hours of hospitalization in case of an emergency	Claim intimation is required within 48 hours of hospitalization in case of an emergency	claim intimation is required before hospitalization in case of planned admission, and within 24 hours of hospitalization in case of an emergency.	4
260	How is claim intimation to Insurer / TPA possible according to the statement?	Only Through telegrams	Only Through fax	Through Mobile Apps/ call centres/ internet/ e-mail	Only Through postal mail	3
261	What happens after a company or TPA receives an intimation about Mr. X's claim?	The claim is immediately approved	The documents are ignored	The details are matched for accuracy and a reference number is generated	The claimant is asked to provide more documents	3
262	Which of the following is true regarding the scrutiny of claims for final settlement on a reimbursement basis?	Claims are accepted without any scrutiny or verification of documents.	Claims are scrutinized for admissibility, sum assured, deductibles, and sub-limits.	Claims are only scrutinized for admissibility, but not for sum assured, deductibles, and sub-limits.	Claims are scrutinized for sum assured, but not for admissibility, deductibles, and sub-limits.	2
263	What action is taken by the company in case the intimation is for a planned surgery under the Cash-less scheme?	Pre-authorization of likely expenditure is given to the hospital	The claim is directly processed	The hospital is contacted for more information	The claim is rejected	1
264	Which of the following alternative modes of treatment may be covered by health insurance policies, but may have sub-limits?	Unani	Siddha	Homeopathy	All of the above	4
265	What is the recent directive of IRDAI regarding telemedicine in medical insurance policies?	Insurers are not allowed to cover telemedicine in their policies.	Telemedicine is allowed only for non-coronavirus-related medical consultations.	Telemedicine is allowed wherever regular medical consultation is allowed.	Policyholders are required to visit the hospital for all medical consultations.	3
266	Which of the following is NOT a factor that decides the claim amount payable?	Sum insured available for the member under the policy	Deductible amount	Balance sum insured available under the policy for the member after taking into account any claim made already	Sub-limits	2
267	What are Reasonable and Customary Charges?	Charges that are higher than the prevailing charges in the geographical area	Charges for services or supplies that are unique to a particular provider	Charges that are decided solely by the insurer	Charges for services or supplies that are consistent with the prevailing charges in the geographical area for identical or similar services	4
268	What has been standardized under IRDAI Health Insurance Standardization Guidelines?	Sum insured available for the member under the policy	Balance sum insured available under the policy for the member after taking into account any claim made already	Non-payable items in health insurance	Deductible amount	3
269	How are payments made for a payable claim amount?	By cheque or bank transfer	By cash only	Only by cheque	By transferring the claim money to the insurance company's account	1

## IMF (Composite) Question Bank - English

270	Which of the following is not a possible reason for denial of health insurance claims?	No active treatment; admission is only for investigation purpose	Illness treated is excluded under the policy	Hospitalization is more than 24 hours	The cause of illness is abuse of alcohol or drugs	3
271	What percentage of submitted health claims are usually denied?	5% to 10%	10% to 15%	15% to 20%	20% to 25%	2
272	What is the time frame within which investigations for suspect claims should be completed?	30 days from the date of receipt of claim intimation	60 days from the date of receipt of claim intimation	90 days from the date of receipt of claim intimation	120 days from the date of receipt of claim intimation	3
273	Within how many days of completing the investigation should a claim be settled?	30 days	15 days	60 days	90 days	1
274	What are some examples of frauds committed in health insurance?	Impersonation	Fabrication of documents	Inflation of expenses	All of the above	4
275	What options are available for customers if their claim is denied?	IRDAI	The Consumer Commissions	Insurance Ombudsman	All of the above	4
276	What is the first step for a customer covered under health insurance to avail the cashless facility?	The customer approaches the treating doctor for admission	The customer approaches the hospital's insurance desk with insurance details	The customer pays the hospital charges in advance	The customer contacts the TPA directly	2
277	Who takes the decision on whether the cashless authorization could be provided or not?	The hospital	The patient	The TPA	The insurer	3
278	What does the hospital do when the patient is ready for discharge?	Check the amount of credit in the account of the patient approved by the TPA against the actual treatment charges covered by Insurance	Request the patient to pay the entire treatment charges in cash	Ask the patient to undergo further treatment	Transfer the patient to another hospital	1
279	What is the purpose of reserving in the context of insurance companies?	To make provisions for all claims in the books of the insurer based on the status of the claims	To hold claim amounts until payments are due	To ensure that policyholders pay their premiums on time	To estimate the profits that the insurer will earn from investments	1
280	What does the TPA do after studying the information provided in the cashless authorization form?	Approves the cashless authorization without delay	Takes a decision on whether cashless authorization could be provided and, if so, for how much amount	Rejects the cashless authorization immediately	None of the above	2
281	What should Mr.X do if he doesn't have his insurance details with him?	He should contact the hospital	He should contact the TPA through a 24 hour helpline	He should wait until they have their insurance details	He should pay for the treatment out of pocket	2
282	What should Mr.X do if the hospital suggested by his doctor is not in the TPA network?	He should choose another hospital in the network of the TPA	He should contact the TPA to check for options where cashless facility is available	He should pay for the treatment out of pocket	He should contact the consulting doctor for further advice	2
283	When should a customer inform the TPA about the discharge?	After the patient is discharged	Before the patient is admitted to the hospital	At the time of filling the pre-authorization form	In advance of the discharge and request the hospital to send to the TPA any additional approval that may be required	4
284	What is the most important document required to process a health insurance claim?	Investigation report	Consolidated and detailed bills	Receipt for payment	Discharge summary	4
285	What is the purpose of investigation reports in health insurance claims?	To provide a summary of the patient's condition	To provide a break-up of the bills	To assist in comparing the diagnosis and treatment	To verify the identity of the patient	3

## IMF (Composite) Question Bank - English

286	What is the purpose of the claim form in health insurance claims?	To provide a summary of the patient's condition	To request processing of the claim	To provide a break-up of the bills	To assist in comparing the diagnosis and treatment	2
287	Which of the following is an expectation from insurance agents/brokers in addition to selling policies?	Providing legal advice to customers	Delivering groceries to customers	Servicing customers in the event of a claim	Performing home repairs for customers	3
288	Which document may be required for accident claims?	Consolidated and detailed bills	Identity proof	Dialysis/Chemotherapy/Physiotherapy charts	FIR or Medico-legal certificate	4
289	What is the purpose of having a membership with the TPA?	To obtain discounts on medical treatment at hospitals.	To receive reimbursement for medical expenses not covered by the policy.	To avail cashless facility for hospitalization or treatment covered by the policy, and to process claims when required.	To receive medical advice and consultation from a team of healthcare professionals.	3
290	What document does the TPA issue to the hospital for cashless treatment?	Medical report	Discharge summary	Pre-authorization or Letter of Guarantee	Prescription for medication	3
291	What is claims investigation about?	Determining the validity of the claim and finding out the real cause and extent of the loss	Assessing the credibility of the claimant's occupation	Verifying the authenticity of the claimant's identity documents	Calculating the premium to be charged for the policy	1
292	What documents are required for name and address verification for AML (Anti-money laundering) purposes?	Birth certificate and rental agreement	Passport and bank statement	Aadhar card and credit card statement	PAN card and telephone bill	4
293	What is the role of assistance companies in overseas claims?	They process claims on behalf of insurance companies	They provide assistance to customers in case of contingencies covered under the policy	They offer tie-up arrangements with hospitals for cashless treatment	They provide legal assistance to customers during claims process	2
294	Which of the following is NOT a service provided by assistance companies during overseas travel insurance claims?	Medical service provider referrals	Interpreter Referral	Delivery of Essential Medicines	Rental car booking	4
295	What is the fee charged by assistance companies for their services?	It varies depending on agreement with the particular insurance company, benefits covered etc.	It is a fixed amount for all customers of the insurance company	It is determined by the insurance company and is the same for all assistance companies	There is no fee charged for the services provided by assistance companies	1
296	Which of the following steps is necessary for hospitalization in case of a travel insurance claim?	Submit a written request to the insurance company	Visit any hospital of choice	Intimate the call centre and proceed to a specified hospital with a valid travel insurance policy	None of the above	3
297	How do hospitals verify the validity of an overseas travel insurance policy?	The hospitals do not verify the validity of the policy before treatment	The hospitals contacts the assistance companies/ insurers on the call centre numbers to check the validity of the policy and verify coverages.	The hospitals call the insured's family or friends to confirm the policy details	The hospitals relies on the insured's word that they have a valid policy.	2
298	Which type of claim payment is made in foreign currency?	Cashless claims	Reimbursement claims	Both cashless and reimbursement claims	None of the above	1
299	What is the currency conversion rate used while processing reimbursement claims?	The rate as on date of loss	The rate as on date of filing the claim	The rate as on the date of discharge from the hospital	The rate as on the date of admission to the hospital	1
300	What currency is used for payments for admissible claims in reimbursement claims for overseas travel insurance?	British Pound (GBP)	Indian Rupee (INR)	United States Dollar (USD)	Euro (EUR)	2

## IMF (Composite) Question Bank - English

301	Which document is required to certify the disability of an insured individual?	Birth certificate	Passport	Permanent disability certificate from a civil surgeon or equivalent competent doctors	Driving license	3
302	Which of the following begin with the proposal form of insurance? I. Principle of utmost good faith II. Principle of indemnity III. Duty of disclosure of material information IV. Principle of subrogation	Only II	I and II	I and III	I, II, III and IV	4
303	Cover notes are predominantly used in case of which of the below? I. Marine insurance II. Health insurance III. Life insurance IV. Motor insurance	I and II	III and IV	I and IV	II and III	3
304	If certain terms and conditions of the policy need to be changed at the time of issuance, it is done by setting out the changes through a document called _____.	Alteration	Addendum	Endorsement	Modification	3
305	What are the details that are collected by insurance company in a proposal form? I. Age II. Occupation III. Build IV. Premium payment details	Only I and II	Only III and IV	I,II and III	I,II,III and IV	4
306	What is the part of both cover notes and policy document?	Insurance	Contracts	Warranty	Agreement	3
307	What principle begins with the Proposal form for insurance?	Principle of utmost bad faith	Principle of utmost honesty	Principle of utmost good faith	Principle of utmost negligence	3
308	Why does the proposer need to inform details about their previous insurances to the insurer in property insurance?	To ensure that the principle of contribution is applied	To restrict the amount of coverage depending on other PA policies	To give the insurer information about the subject matter of insurance	To decide on conducting risk inspections or collecting further details	1
309	What physical features of the subject matter are included in the proposal form?	Type and quality of construction	Age of the subject matter	Presence of fire-fighting equipment	All of the above	4
310	What is the time frame within which the insurer must process a proposal according to the Protection of Policyholders' Interests Regulations, 2017?	10 days	15 days	20 days	30 days	2
311	When should the premium be paid in an insurance contract?	After the policy period has ended	Before the claim is filed by the insured	Before the expiry of the policy.	In advance, before the inception date of the insurance contract	4
312	What does Section 64 VB of the Insurance Act-1938 state regarding the payment of insurance premiums?	Insurers may assume risks without receiving any premium	Insurers may assume risks without guarantee of premium payment	Insurers must receive the premium in advance or guarantee of payment before assuming the risk	Insurers must receive the premium after the risk is assumed	3
313	What is the purpose of the proposal form in insurance?	To assess the policyholder's financial stability	To gather information about the risk to be insured	To determine the premium amount quoted by other insurance companies.	To provide coverage for potential losses	2
314	What is the time limit for an insurance agent to deposit the premium collected on behalf of an insurer?	48 hours	24 hours excluding bank and postal holidays	7 days	1 month	2

## IMF (Composite) Question Bank - English

315	How should any refund of premium due to an insured be paid by the insurer?	By crediting it to the account of the agent	By direct payment to the insured through crossed or order cheque or electronic mode	By sending it to the insurer's bank account	By deducting it from the premium of a new policy	2
316	What is the validity of a cover note?	Up to 1 year	Up to 6 months	Up to 60 days	Up to 30 days	3
317	In which classes of business are cover notes predominantly used?	Health and life insurance	Property and liability insurance	Marine and motor insurance	Homeowners insurance	3
318	When are marine cover notes typically issued?	When all details required for the policy are known	When there is difficulty securing adequate shipping space	When the cargo has already been shipped	When the cargo is being transported inland	2
319	What is the basis of valuation for loss or damage prior to declaration and/or shipment on board the steamer under a marine cover note?	Market value of the goods at the time of loss or damage	Cost of the goods at the time of loss or damage	Prime cost of the goods plus charges actually incurred and for which the assured is liable	Value of the goods declared at the time of issuance of the cover note	3
320	What is the purpose of the certificate included in the Motor insurance policy?	To certify that the insured has paid the premium	A certificate of compliance, certifying that the cover note complies with the Insurance Act, 1938	A certificate of inspection, certifying that the insured vehicle is in good condition	A certificate to the effect that the cover note is issued in accordance with the provisions of Chapters X and XI of the Motor Vehicles Act, 1988	4
321	What types of risks are typically covered by fire insurance proposal forms?	Complex industrial risks	Agricultural risks	Standard risks like houses and shops	Risks located in remote areas	3
322	Which of the following statements is false regarding the Motor Cover Note?	It includes the registration mark and number, or description of the vehicles insured	It does not mention the effective date and time of commencement of insurance for the purpose of the Act	It includes the name and address of the insured	It includes limitations as to use and additional risks, if any	2
323	How long can a Cover Note's validity be extended?	15 days	10 days	30 days	20 days	1
324	Are companies encouraging or discouraging the use of Cover Notes?	It varies from company to company	Neutral	Encouraging	Discouraging	4
325	Who is entitled to drive the insured vehicle according to the certificate of insurance?	Only the insured	Only the person holding an effective learner's license	Any person who is driving on the insured's order or with his permission and holds an effective driving license.	Only the person holding a commercial driver's license	3
326	What is the purpose of a policy document in insurance?	To provide evidence of the contract of insurance	To describe the insured property in detail	To specify the period of insurance	To mention the exclusions from coverage	1
327	Which act governs the stamping of a policy document in India?	Indian Evidence Act, 1872	Indian Contract Act, 1872	Indian Stamp Act, 1899	Indian Insurance Act, 1938	3
328	What is a warranty in insurance?	A separate document from the policy	A condition that is not important for the validity of the contract	A part of both cover notes and policy document	A condition that can be disregarded if it is not material to the risk	3
329	What happens if a warranty is breached in insurance?	The policy becomes voidable at the option of the insured.	The insurer is obliged to cover the loss.	The insurer may process the claims according to norms and guidelines.	The policy becomes voidable at the option of the insurer.	4
330	What is warranted in Fire Insurance for cigarette filter manufacturing?	No hazardous goods shall be stored in the insured premises during the currency of policy	No manufacturing activity is carried out in the insured premises for consecutive period of 30 days or more	No solvents having flash point below 30 degrees Celsius are used/ stored in the premises	The property is guarded by a watchman for twenty four hours	3
331	What is warranted in burglary insurance?	No hazardous goods shall be stored in the insured premises during the currency of policy	The insured vessel will not navigate in a certain area	The property is guarded by a watchman for twenty four hours	Goods must be packed in tin-lined cases	3
332	Which of the following is NOT a reason for issuing an endorsement?	Variations/ changes in sum insured	Change of insurable interest by way of sale, mortgage, etc.	Extension of insurance to cover additional perils/ extension of policy period	Request for a refund of premium by the insured	4



## IMF (Composite) Question Bank - English

333	What is the purpose of the "Increase in Stock Value Cover" endorsement?	To increase the sum insured of the policy	To cover additional perils	To change the name or address of the insured	To cancel the policy	1
334	If a policy is issued in an ambiguous manner, how will it be interpreted by the courts?	In favor of the insurer	In favor of the broker	In favor of the insured	In favor of agent	3
335	If an endorsement contradicts other parts of the contract, which document's meaning will prevail?	The endorsement	The policy	The clauses in italics	The clauses printed or typed in the margin of the policy	1
336	Which part of a policy is given more importance than the wording within the body of the policy?	The standard printed policy form	The clauses in italics	The clauses printed or typed in the margin of the policy	The endorsements	3
337	Which document overrides both marginal clauses and the clauses in the body of the policy?	Clauses in italics	Clauses printed or typed in the margin	Clauses attached or pasted to the policy	Endorsements	3
338	If there is any ambiguity or lack of clarity in a policy, which ordinary rules are applied?	The rules of construction	The rules of grammar and punctuation	The rules of interpretation	The rules of evidence	2
339	What is the principal rule of construction for insurance contracts?	The intention of the parties must not prevail	The interpretation of the court prevails	The intention of the parties is not relevant	The intention of the parties must prevail	4
340	When should technical terms be given their technical meaning in insurance policies?	Only when defined by statute	When indicated by the context	Always	Never	3
341	What is the purpose of a renewal notice in non-life insurance policies?	To inform the insured of the expiry date of the policy	To invite the insured to renew the policy	To incorporate all relevant particulars of the policy	All of the above	4
342	What is the insured's attention drawn to in a motor renewal notice?	The requirement to revise the sum insured	The requirement to pay the premium in advance	The insurer's contact information	The insured's claims history	1
343	What kind of questions are asked in a motor insurance proposal form?	About the proposer's health	Details about the raw material used	About the vehicle, its operations, make, and carrying capacity	Details of the hazardous goods present in the property	3
344	What information is required for a private car insurance proposal?	Person's Overseas Travel Policy	Person's Health Condition	Engine number, chassis number, and registration number	Details of Person's monthly income.	3
345	Loading of Premium is done for adverse claims ratio, as in case of _____: a) Motor Insurance b) Health insurance Policy	Neither	Only (a)	Only (b)	Both Option (a) & (b) apply	4
346	No Claim Bonus is allowed by way of : a) deduction on the total premium at renewal only b) depending upon the incurred claim ratio for the entire group c) insurance sum	Both Option (a) & (b) apply together	Both Option (a) & (c) apply together	Both Option (b) & (c) apply mutually exclusive	Both Option (a) & (c) apply mutually exclusive	1
347	No claim bonus recognizes the factor of _____	Moral hazard in the Insured	Physical hazard	Marine hazard	Physical and moral hazard	4
348	Discuss the Difference between Insurance and Assurance.	Insurance: Protection Against an Event, that <i>Will</i> Happen. Assurance: Protection Against an Event, that <i>Might</i> Happen.	Insurance: Protection Against an Event, that <i>Might</i> Happen. Assurance: Protection Against an Event, that <i>Will</i> Happen.	Both: Insurance and Assurance, Refer to the Same Thing.	Insurance: Guaranteed Protection, Against an Event, that <i>Might</i> Happen. Assurance: Protection Against an Event, that <i>Might</i> Happen, is Not Guaranteed.	2

## IMF (Composite) Question Bank - English

349	Mr. Poddar has used Insulated Wiring in His House, so as to Reduce the Chances of Damage, Due to Fire. Identify the Risk-Management Technique, practiced here.	Risk-Avoidance	Risk-Retention	Risk-Transfer	Risk-Reduction and Risk- Control	4
350	What is physical hazard in insurance underwriting?	A thorough knowledge of the construction materials used in the building	A thorough knowledge of various hazards to which property and persons are exposed	A thorough knowledge of the policyholder's personal history	A thorough knowledge of the policyholder's financial status	2
351	What is a bad physical hazard for liquid cargo in marine transportation?	Cargo packed in bales	Cargo packed in double bags	Cargo packed in second-hand drums	Cargo packed in new drums	3
352	Which of the following methods do underwriters use to deal with physical hazards?	Imposition of excess/deductibles	Loading of premium	Applying warranties on the policy	All of the above	4
353	What is the reason for loading of premium in risk exposure?	To reduce the probability of claims	To ignore the occurrence of large claims	To take into consideration the higher probability of claims	To avoid the risk exposure altogether	3
354	What is the purpose of imposing warranties in insurance policies for physical hazards?	To increase the premium amount	To reduce the physical hazard	To limit the coverage provided	To delay the claim settlement process	2
355	Which of the following is an example of physical hazard in fire insurance?	The policyholder's occupation	The policyholder's age	The construction materials used in the building	The policyholder's driving record	3
356	What is a no claim bonus?	A bonus given to policyholders who have lodged claims in the previous year	A bonus given to policyholders who have not lodged claims in the previous year	A penalty imposed on policyholders who have lodged claims in the previous year	A discount given to policyholders regardless of whether they have lodged claims or not	2
357	How is the no claim bonus allowed to the insured?	By increasing the total premium at renewal	By deducting a percentage of the total premium at renewal	By providing a cash reward to the insured	By reducing the coverage provided in the policy	2
358	Which of the following is an example of moral hazard due to dishonesty in insurance?	An insured accidentally causing damage to their own property	An insured being unable to pay their insurance premiums	An insured deliberately causing damage to their property to collect a claim	Overestimating the value of the insured property	3
359	Which of the following is an example of carelessness in the context of insurance?	Taking necessary precautions to prevent loss	To adopt careless attitude towards the insured property	Being overprotective of the insured property	Filing claims promptly	2
360	Which of the following involves an element of moral hazard in the employer-employee relationship?	Macroeconomics	Microeconomics	International trade	Industrial relations	4
361	What is a sub-limit in insurance?	A limit on the total payout that can be made to the insured	A limit on the number of claims that can be made in a year	A limit on the total payout separately each for room expenses, surgical procedures or doctor fees	A limit on the amount of premium that can be paid by the insured	3
362	How is premium charged for short period insurance?	On a proportionate basis	At a fixed rate	According to a special scale	Based on the policyholder's claims history	3
363	How can the sum insured be determined in personal accident insurance?	Based on the insured's age	Based on the insured's occupation	Based on the insured's income	Based on the insured's health history	3
364	What does IDV stand for in motor insurance?	Insured Declared Value	Insured Declaration Value	Insured Damage Value	Insured Depreciation Value	1
365	How is the sum insured determined for contents in fire insurance?	Based on their original cost	Based on their current market value	Based on the replacement cost	Based on the appreciation value	2
366	How is the sum insured determined in stocks insurance?	Based on the original cost of the stocks	Based on the replacement cost of the stocks	Based on the appreciation value of the stocks	Based on the market value of the stocks	4
367	What is the basis of sum insured in marine cargo insurance?	Market value of the cargo	Original cost of the cargo	Agreed value between insurer and insured	Replacement cost of the cargo	3

## IMF (Composite) Question Bank - English

368	Which of the following statements is true about deciding the sum insured for liability insurance policies?	The sum insured is always a fixed amount predetermined by the insurer.	The sum insured is the liability exposure of the industrial units based on the degree of exposure and geographical spread.	The sum insured is based on the insured's income.	The sum insured for liability insurance is the market value of the property.	2
369	Why does the process of manufacturing during the night increase the hazard of a fire?	Due to the use of artificial lights	Due to continuous use of machinery leading to friction	Due to likely carelessness of workers due to fatigue	All of the above	4
370	What is an ignition hazard in relation to occupancy in insurance?	The risk of collapse of upper floors	The risk of damage to adjacent premises	The risk of chemical reactions	The risk of water damage	3
371	In Market Value (MV) method who is paid the amount does not replace value of property	Insured	Agent	Broker	Insurer	1
372	Any lost income or additional expenditure in the event of an unexpected claim are covered under:	Health Insurance	Shop keeper's insurance	Motor Insurance	Market Value (MV) Insurance	2
373	Compensation for accidents arising out of and in the course of employment is known as insurance for covering	Sum assured	Legal Liability	Baggage	Infidelity	2
374	Scooters & Motorcycles, Private cars and Commercial vehicles are covered under the following policies except	fire Insurance	Third-Party Insurance	Motor Insurance	Liability Insurance	1
375	_____ does not cover theft by employees, family members or owner.	Consequential Loss Insurance	Burglary Insurance	Money Insurance	Bankers Indemnity Insurance	2
376	What are retail insurance products?	Insurance products purchased by businesses for covering certain interests	Insurance products purchased by individuals for covering certain interests	Insurance products sold in bulk to large corporations	Insurance products exclusively sold online	2
377	What is the Bharat Griha Raksha policy?	A mandatory policy offered by all general insurers for fire and allied perils insurance business	A policy that covers only losses from natural catastrophes	A policy that covers only losses from theft and burglary	A policy that covers only personal accidents of the insured and spouse	1
378	Does the Bharat Griha Raksha policy provide waiver of underinsurance?	Yes, the policy settles claims up to twice the Sum Insured	No, the policy only settles claims for losses from fire and natural catastrophes	Yes, the policy gives complete waiver of underinsurance	No, the policy only settles claims proportionately	3
379	Is the RIV method allowed for stocks and stocks in process?	Yes	No	It depends on the insurance company	It depends on the nature of the stocks	2
380	What is the difference between reinstatement value and market value?	Reinstatement value is based on the age of the property while market value is based on the reconstruction cost	Reinstatement value is the cost to reconstruct the home while market value is the sale value of the home	Reinstatement value is the cost to repair the home while market value is the rental value of the home	Reinstatement value is based on the location of the property while market value is based on the demand for the property	2
381	What are the two methods of fixing the Sum Insured for fire insurance?	Fire Value (FV) and Replacement Value (RV)	Market Value (MV) and Reinstatement Value (RIV)	Cash Value (CV) and Recovery Value (RV)	Purchase Value (PV) and Restoration Value (RV)	2
382	What is the difference between "All Risks" and "Named Perils" insurance policies?	"All Risks" policies cover any risk not specifically excluded, while "Named Perils" policies cover only specific listed perils.	"All Risks" policies cover only specific listed perils, while "Named Perils" policies cover any risk not specifically excluded.	"All Risks" policies are less comprehensive and priced lower, while "Named Perils" policies are more expensive and cover a wider range of risks.	"All Risks" policies and "Named Perils" policies are the same thing.	1
383	What is the definition of robbery in insurance terms?	Unforeseen and unauthorised entry to or exit from the insured premises with the intent to steal contents	House trespass for the purpose of committing an offence	Theft of contents at the insured's premises using aggressive and violent means against the insured and/or employees	Intentional and fraudulent taking of property without permission or consent	3

## IMF (Composite) Question Bank - English

384	Who is required to take motor insurance?	The person who sold the car	The person who last drove the car	The person in whose name the vehicle is registered with the Regional Transport Authority	The person who is currently driving the car	3
385	What must vehicle owners in India carry as proof of insurance?	A certificate of insurance	A driver's license	A registration certificate	A pollution control certificate	1
386	What is the purpose of Third-party insurance?	Protection against legal actions of another party	Protection against damage to one's own property	Protection against natural disasters	Protection against theft	1
387	Which of the following statements is true about Package Policies?	They don't cover physical assets such as buildings and contents.	They cannot include personal lines or liability covers.	They provide a combination of covers under a single document.	They have different terms and conditions for each section.	3
388	What happens if the policyholder chooses to take a stand-alone CPA policy?	The CPA cover offered as part of the Liability Only or Package policy shall remain in effect	The CPA cover offered as part of the Liability Only or Package policy shall be reduced	The CPA cover offered as part of the Liability Only or Package policy shall be deleted	The policyholder cannot opt for a stand-alone CPA policy	3
389	What are some of the important exclusions under the policies?	Wear and Tear, Breakdowns, Consequential Loss	Loss due to driving with invalid driving license or under the influence of alcohol	Use of vehicle not in accordance with 'limitations as to use '	All of the above	4
390	What does the sum insured of a vehicle in a Motor Policy refer to?	Motor Value (MV)	Insured's Declared Value (IDV)	Reinstatement Value (RIV)	Market Value (MV)	2
391	What does shopkeeper's insurance usually cover?	Damage to the shop due to insect infestation	Loss of income due to employee absenteeism	Damage to the shop structure and contents due to fire or flooding	Coverage for employee medical expenses	3
392	Which of the following is not an additional cover that can be opted for under a shopkeeper's insurance policy?	Personal accident cover	Infidelity/dishonesty of employees cover	Coverage for loss of stock due to spoilage	Legal liability cover	3
393	What is business interruption protection in shopkeeper's insurance?	Protection against shoplifting	Coverage for loss of income due to unexpected events causing interruption of business operation	Protection against natural disasters	Protection against employee theft	2
394	What is FLEXA in Householder's Insurance coverage?	Losses from fire, lightning, explosion, and aircraft fall/impact damage	Losses from flood and inundation	Losses from electrical and mechanical failure of appliances	Losses from personal baggage during travel	1
395	The earliest kind of risks to be handled through the concept of insurance was losses due to:	Train accidents	Road accidents	Misadventure at sea	Earthquakes	3
396	_____ Insurance covers factories and shopping complexes.	Medical	Life	Commercial	Agricultural	3
397	For EAR Policies the Premium chargeable depends on the nature of the project, its cost and tenure, the location of execution and _____	The Nature of Goods	The Period of Testing	The Probability of Failure	The Apportioned Loss	2
398	The insurance which provides cover in respect of breakdown of machinery and contractors plant_____.	Marine insurance	Universal health insurance	Hull insurance	Engineering insurance	4
399	Suggest a Class of Insurance, that will provide the Protection against Loss of Goodwill.	Life Assurance	Property Insurance	Liability Insurance	Personal Insurance	3
400	Which of the following movable and immovable properties can be insured under the Standard Fire and Special Perils Policy	Only buildings and plant and machinery	Only stocks at suppliers/ customer's premises	Both movable and immovable property located at a particular premises	None of the above	3
401	What is covered under the perils of the Fire policy for commercial risks	Riot strike and malicious damage	Theft	Earthquake	Life	1

## IMF (Composite) Question Bank - English

402	What type of enterprises are Bharat Sookshma Policy and Bharat Laghu Policy suitable for	Small and Medium Enterprises (SMEs)	Large Business Enterprises	Both a) and b)	None of the above	1
403	What is the waiver provided under the Bharat Sookshma Udyam Suraksha policy	Waiver of premium payment	Waiver of policy coverage	Waiver of claim settlement	Waiver of underinsurance to the extent of 15%	4
404	What does a reinstatement value policy cover	Stocks	Buildings, plant, machinery, furniture, fixture, fittings	Both (a) and (b)	None of the above	2
405	What is the sum insured for a declaration policy based on	Market value	A fixed value determined by the insurer	The highest value expected to be stored in the godown during the policy period	The value of stocks at the beginning of the policy period	3
406	What are floater policies	Policies issued for covering stocks stored at various specified locations under one sum insured	Policies issued for covering stocks on market value basis	Policies issued for covering hazardous goods held in storage areas	Policies issued for covering industrial complexes only	1
407	What does Business Interruption Insurance provide indemnity for	Loss of gross profit and increased cost of working	Loss of merchandise goods	Loss of property damage	Loss of standing charges	1
408	What risks are covered under burglary insurance	Loss of property due to natural calamities	Loss of property due to employee negligence	Loss of property due to power failure	Loss of property following actual forcible and violent entry into the premises or loss followed by actual, forcible and violent exit from the premises or hold up	4
409	What is the key clause in the cash cover of the burglary insurance policy	Cash lost from the safe following the use of the original key to open is covered only where such key has been obtained by violence or threats of violence or through means of force	Cash lost from the safe following the use of the original key to open is covered without any conditions	Cash lost from the safe following the use of any key to open is covered	Cash lost from the safe following the use of any key to open is not covered	1
410	What is meant by PML in First Loss Insurance	Probable Maximum Liability	Probable Minimum Liability	Probable Maximum Loss	Probable Minimum Loss	3
411	What does Fidelity Guarantee Insurance cover against	Fire and theft	Natural disasters	Fraud and dishonesty of employees	Product liability	3
412	What is the basis on which Bankers Indemnity Insurance policy is issued	Discovery basis	Occurrence basis	Loss basis	Negligence basis	1
413	What are the items covered under Jeweler's Block Policy	Furniture and fixtures	Electronics and appliances	Jewellery, gold & silver articles, diamonds, precious stones, and wrist watches	Clothing and accessories	3
414	Which policy covers damage due to any cause except those specifically excluded	Machinery Breakdown Policy	All Risks Policy	Boiler Pressure Plant policy	Electronic Equipment Policy	2
415	Which of the following is covered under Boiler and Pressure Plant Policy	Damage, other than by fire, to the boilers and/or other pressure plant and to surrounding property of the insured	Damage caused due to fire	Damage caused due to natural calamities	Damage caused due to wear and tear	1
416	What does Electronic Equipment Policy cover	Only computer systems	Various kinds of electronic equipment, including the entire computer system, keyboards, monitors, printers, etc., and auxiliary equipment	Only auxiliary equipment such as air-conditioning, heating and power conversion	Only loss and damage due to burglary, housebreaking, and theft	2
417	Who is Electronic Equipment Policy available to	Only the owner of the equipment	Only the lessor of the equipment	Only the hirer of the equipment	All of the above, depending on their responsibility or liability	4
418	How many sections does Electronic Equipment Policy usually have	1	2	3	4	3

## IMF (Composite) Question Bank - English

419	What kind of machinery is covered under the Contractors Plant & Machinery Policy	Machinery used in agriculture	Machinery used in the food industry	Machinery used in construction	Machinery used in the textile industry	3
420	Who is the Deterioration of Stock Policy suitable for	Cold storage owners and lessees	Building owners and lessees	Car owners and lessees	Boat owners and lessees	1
421	Which policy is suitable for the principal or contractors of a project whereas plant and machinery is being erected as it is exposed to various external risks	Contractors Plant & Machinery (CPM) Policy	Erection All Risks (EAR) Policy	Deterioration of Stock Policy	Civil Engineering Completed Risk	2
422	What is the Industrial All Risks Policy designed to cover	Only manufacturing facilities	Only storage facilities	Industrial properties - both manufacturing and storage facilities	Commercial properties	3
423	What does marine cargo insurance cover	Loss of goods during transit within the country only	Loss of goods due to sea misadventures only	Loss of goods during transit by road and sea only	Loss of goods during transit by rail, road, sea, air or registered post	4
424	Who can insure the cargo under marine cargo insurance	Only the seller of the goods	Only the buyer of the goods	Both the seller and the buyer of the goods, depending on the contract of sale	Only the carrier of the goods	3
425	Under which Act is liability imposed on those who handle hazardous substances	Public Liability Insurance Act, 1991	IRDA Act 1999	Insurance Act 1938	Income Tax Act 1968	1
426	What is the maximum compensation payable for temporary partial disablement under Compulsory Public Liability Policy	Rs. 25,000	Rs. 1,000 per month, maximum 3 months	Rs. 12,500	Rs. 3,000	2
427	What does Employee's Compensation Insurance provide indemnity for	Legal liability to pay compensation to third parties	Legal liability to pay compensation to employees who sustain personal injury by accident or disease arising out of and in the course of employment	Legal liability to pay compensation for damage to property	Legal liability for pollution liability	2
428	To apply for a claim, in case of damage caused by flood or cyclone, a report from _____ would be necessary	Police Department	Meteorological Office	Fire Department	Surveyor/ Loss Assessor	2
429	A police report may not be needed in the following case	Damage by Cyclone	Damage by Fire	Damage In Road Accident	Damage In Transit	1
430	The most important function of an insurance company is	To settle claims of policy holders on the happening of a loss event	To settle balance of policy holders on the happening of a profit event	To settle sum amount of policy holders	To settle claims of policy holders	1
431	In case of Fire, claim is assessed on the basis of _____	An agent report	A police report	Survey report	Policy report	3
432	To Submit reports to an insurance company, the surveyors and Loss Assessors expected to a) examine the property in question b) Verify the causes and circumstances of the loss c) Estimate the quantum of the loss	Only Statement (a) is correct	Both (a) & (b) are correct	Both (a) & (c) are correct	(a), (b) and (c) are correct	4
433	Under which type of policy is notice required to be served on the Railways?	Life insurance policies	Fire insurance policies	Marine insurance policies	Cargo rail transit policies	4
434	Who conducts the investigation to determine the cause and extent of loss if the claim amount is small?	An officer of the insurer	An independent licensed professional surveyor	A court of law	The insured	1
435	Why is an investigator's report sometimes necessary to assess a fire claim?	To determine the cause of the fire	To confirm the value of the insured property	To verify the insured's identity	To determine the insured's eligibility for coverage	1

## IMF (Composite) Question Bank - English

436	Which of the following is NOT true about how motor insurance claims are assessed in India?	Motor third party claims involving death and personal injuries are assessed on the basis of doctor's report	Claims involving third party property damage are assessed on the basis of a survey report	Motor own damage claim is assessed on the basis of police report	The amount to be paid for third party claims is decided by factors like age and income of the claimant	3
437	What is the purpose of investigation in the context of insurance claims?	To assess the amount of loss or damage incurred	To ensure that a valid claim has been made and rule out any doubts about the claim	To determine whether a claimant has a good driving record	To decide whether or not to approve the claim based on the policyholder's past claims history	2
438	Who hires surveyors and loss assessors?	The policyholder	The insurance company	The government	The surveyors and loss assessors themselves	2
439	What regulations govern the work of surveyors?	The Indian Contract Act, 1872	The Consumer Protection Act, 1986	The Insurance Act, 1938, Insurance Rules 1939, and specific regulations issued by IRDAI	The Companies Act, 2013	3
440	What is the maximum claim amount for which a surveyor need not be appointed under Section 64 UM of the Insurance Act?	For the claim more than Rs. 50,000 for motor own damage and Rs. 1 lakh for other property damage claims	Rs. 1 lakh for motor own damage claims and Rs. 50,000 for other property damage claims	Rs. 50,000 for all property damage claims	Rs. 1 lakh for all property damage claims	1
441	How should an insurance company fulfill its promise to policyholders?	By providing unfair and inequitable service	By avoiding payment to policyholders	By providing prompt, fair, and equitable service	By increasing premiums for policyholders	3
442	What kind of report may be necessary for cyclone damage claims?	A report from the Meteorological office	A report from the Fire Brigade	A report from the Police	A report from the Coroner	1
443	Why is settling claims professionally important for an insurance company?	To avoid paying claims	To increase profits	To attract more policyholders	It is regarded as the biggest advertisement for the company	4
444	Which inscription was found in the board room of a non-life insurance company?	"Honesty is the best policy"	"We always pay our claims"	"Pay if you can; repudiate if you must"	"Insurance is a scam"	3