

## New IC38 CLH pattern model paper-2

**1. Mahesh Saxena's insurance claim was denied by insurance company. In case of a denial, what is the option available to Mahesh Saxena, apart from the representation to the insurer?**

- a. To approach Government
- b. To approach legal authorities
- c. To approach insurance agent
- d. Nothing could be done in case of case denial

**2. \_\_\_\_\_ are paid upfront by Assistance Company and later claimed from insurance company.**

- a. Bail bond cases
- b. Personal accident claims
- c. Overseas travel insurance claims
- d. Untenable claims Self-Examination Questions

**3. The underwriting process is completed when \_\_\_\_\_.**

- a. All the critical information related to the health and personal details of the proposer are collected through the proposal form
- b. All the medical examinations and tests of the proposer are completed
- c. The received information is carefully assessed and classified into appropriate risk categories
- d. The policy is issued to the proposer after risk selection and pricing.

**4. According to the principle of indemnity, the insured is paid for \_\_\_\_\_.**

- a. The actual losses to the extent of the sum insured
- b. The sum insured irrespective of the amount actually spent
- c. A fixed amount agreed between both the parties
- d. The actual losses irrespective of the sum assured

**5. Identify the correct full form of PPN with regards to hospitals in health insurance.**

- a. Public Preferred Network
- b. Preferred Provider Network
- c. Public Private Network
- d. Provider Preferential Network

**6. Identify which of the below statement is correct?**

- a. Health insurance deals with morbidity
- b. Health insurance deals with mortality
- c. Health insurance deals with morbidity as well as mortality
- d. Health insurance neither deals with morbidity or mortality

**7. Which of the below statement is correct with regards to renewal notice?**

- a. As per regulations there is a legal obligation on insurers to send a renewal notice to insured, 30 days before the expiry of the policy
- b. As per regulations there is a legal obligation on insurers to send a renewal notice to insured, 15 days before the expiry of the policy
- c. As per regulations there is a legal obligation on insurers to send a renewal notice to insured, 7 days before the expiry of the policy
- d. As per regulations there is no legal obligation on insurers to send a renewal notice to insured before the expiry of the policy

**8. Given below is a list of documents to be submitted for a normal death claim by all beneficiaries in the event of death of life insured. Pick the odd one out which is additionally required to be submitted only in case of death by accident.**

- a. Inquest report
- b. Claim form
- c. Certificate of burial or cremation
- d. Hospital's certificate

**9. Mahesh bought a 10 year Unit Linked Insurance Plan. If he dies before the maturity of the policy which of the below will be paid ?**

- a. Lower of sum assured or fund value
- b. Higher of sum assured or fund value
- c. Premiums paid will be returned with 2% higher interest rate as compared to a bank's savings deposit
- d. Surrender value

**10. Given below are some events that will trigger survival claims. Identify which of the below statement is incorrect?**

- a. Claim paid on maturity of a term insurance policy
- b. An instalment payable upon reaching the milestone under a money-back policy
- c. Claim paid for critical illnesses covered under the policy as a rider benefit
- d. Surrender value paid on surrender of an endowment policy by the policyholder

**11. Mahesh died in a car accident. The beneficiary submits documents for death claim. Which of the below document is an additional document required to be submitted in case of accidental death as compared to natural death.**

- a. Certificate of burial or cremation
- b. Treating physician's certificate

- c. Employer's certificate
- d. Inquest Report

**12. What will happen if the policyholder does not pay the premium by the due date and dies during the grace period?**

- a. The insurer will consider the policy void due to non-payment of premium by the due date and hence reject the claim
- b. The insurer will pay the claim and waive off the last unpaid premium
- c. The insurer will pay the claim after deducting the unpaid premium
- d. The insurer will pay the claim after deducting the unpaid premium along with interest which will be taken as 2% above the bank savings interest rate

**13. Which of the below statement is false with regards to nomination?**

- a. Policy nomination is not cancelled if the policy is assigned to the insurer in return for a loan
- b. Nomination can be done at the time of policy purchase or subsequently
- c. Nomination can be changed by making an endorsement in the policy
- d. A nominee has full rights on the whole of the claim

**14. For the subsequent premiums received by the insurance company after the first premium, the company will issue \_\_\_\_\_ .**

- a. Revival premium receipt
- b. Restoration premium receipt
- c. Reinstatement premium receipt
- d. Renewal premium receipt

**15. Which of the below is an example of standard age proof?**

- a. Ration card
- b. Horoscope
- c. Passport
- d. Village Panchayat certificate

**16. Interest rates are one of the important components used while determining the premium. Which of the below statement is correct with regards to interest rates?**

- a. Lower the interest rate assumed, lower the premium
- b. Higher the interest rate assumed, higher the premium
- c. Higher the interest rate assumed, lower the premium
- d. The interest rates don't affect premiums

**17. Which of the below is one of the ways of defining surplus?**

- a. Excessive liabilities
- b. Excessive turnover
- c. Excess value of liabilities over assets
- d. Excess value of assets over liabilities

**18. What does the term "premium" denote in relation to an insurance policy?**

- a. Profit earned by the insurer
- b. Price paid by an insured for purchasing the policy

- c. Margins of an insurer on a policy
- d. Expenses incurred by an insurer on a policy

**19. Mahesh ran a business on borrowed capital. After his sudden demise, all the creditors are doing their best to go after Mahesh's assets. Which of the below assets is beyond the reach of the creditors?**

- a. Property under Mahesh's name
- b. Mahesh's bank accounts
- c. Term life insurance policy purchased under Section 6 of MWP Act
- d. Mutual funds owned by Mahesh

**20. Mortgage redemption insurance (MRI) can be categorised under \_\_\_\_\_.**

- a. Increasing term life assurance
- b. Decreasing term life assurance
- c. Variable life assurance
- d. Universal life assurance

**21. All of the following is true regarding ULIP's EXCEPT:**

- a. Unit holder can choose between different kind of funds
- b. Life insurer provides guarantee for unit values
- c. Units may be purchased by payment of a single premium or via regular premium payments.
- d. ULIP policy structure is transparent with regards to the insurance expenses component

**22. Who among the following is most likely to buy variable life insurance?**

- a. People seeking fixed return
- b. People who are risk averse and do not dabble in equity
- c. Knowledgeable people comfortable with equity
- d. Young people in general

**23. Which of the below is an example of an endowment assurance plan?**

- a. Mortgage Redemption Plan
- b. Credit Life Insurance Plan
- c. Money Back Plan
- d. Whole Life Plan

**24. What is the primary purpose of a life insurance product?**

- a. Tax rebates
- b. Safe investment avenue
- c. Protection against the loss of economic value of an individual's productive abilities
- d. Wealth accumulation

**25** The \_\_\_\_\_ premium paid by you towards your life insurance, the \_\_\_\_\_ will be the compensation paid to the beneficiary in the event of your death.

- a. Higher, Higher
- b. Lower, Higher
- c. Higher, Lower
- d. Faster, Slower

**26.** \_\_\_\_\_ is a rise in the general level of prices of goods and services in an economy over a period of time.

- a. Deflation
- b. Inflation
- c. Stagflation
- d. Hyperinflation

**27.** During which stage of life will an individual appreciate past savings the most?

- a. Post retirement
- b. Earner
- c. Learner
- d. Just married

**28.** Which of the below is the most appropriate explanation for the fact that young people are charged lesser life insurance premium as compared to old people?

- a. Young people are mostly dependant
- b. Old people can afford to pay more
- c. Mortality is related to age
- d. Mortality is inversely related to age

**29.** Which of the below cannot be categorised under risks?

- a. Dying too young
- b. Dying too early
- c. Natural wear and tear
- d. Living with disability

**30.** Which of the below mentioned insurance plans has the least or no amount of savings element?

- a. Term insurance plan
- b. Endowment plan
- c. Whole life plan
- d. Money back plan

**31.** Which of the following acts is insurance business in India not linked to?

- a. ESIC Act, 1948
- b. ECGC Act,
- c. LIC Act, 1956
- d. Income Tax Act, 1961

**32.** The agency appointment letter is given by.

- a. Government of India

b. IRDAI

c. General Insurance Corporation

d. Insurer

**33. Can a complaint be launched against a private insurer?**

a. Complaints can be launched against public insurers only

b. Yes, complaint can be launched against private insurers

c. Complaint can be launched against private insurers only in the Life Sector

d. Complaint can be launched against private insurers only in the Non-Life Sector

**34. How is the complaint to be launched with an insurance ombudsman?**

a. The complaint is to be made in writing

b. The complaint is to be made orally over the phone

c. The complaint is to be made orally in a face to face manner

d. The complaint is to be made through newspaper advertisement

**35. Active Listening involves:**

a. Paying attention to the speaker

b. Giving an occasional nod and smile

c. Providing feedback

d. Paying attention to the speaker, giving an occasional nod and smile and providing feedback

**36. \_\_\_\_\_ has jurisdiction to entertain matters where value of goods or services and the compensation claim is up to 20 lakhs**

a. High Court

b. District Forum

c. State Commission

d. National Commission

**37. In India \_\_\_\_\_ insurance is mandatory.**

a. Motor third party liability

b. Fire insurance for houses

c. Travel insurance for domestic travel

d. Personal accident

**38. Which of the below is not a valid address proof?**

a. PAN Card

b. Voter ID Card

c. Bank passbook

d. Driving licence

**39. The application document used for making the proposal is commonly known as the \_\_\_\_\_.**

- a. Application form
- b. **Proposal form**
- c. Registration form
- d. Subscription form

**40. During the \_\_\_\_\_ period, if the policyholder has bought a policy and does not want it, he / she can return it and get a refund.**

- a. Free evaluation
- b. **Free look**
- c. Cancellation
- d. Free trial

**41. Amruta is pregnant. She has applied for a term insurance cover. Which of the below option will be the best option to choose for an underwriter to offer. Insurance to Amruta? Choose the most likely option.**

- a. Acceptance at ordinary rates
- b. Acceptance with extra premium
- c. Decline the proposal
- d. **Acceptance with a restrictive clause**

**42. Which of the following is not an underwriting decision?**

- a. Risk acceptance at standard rates
- b. Declinature of risk
- c. Postponement of risk
- d. **Claim rejection**

**43. Which of the following cases is likely to be declined or postponed by a life insurer?**

- a. Healthy 18 year old
- b. An obese person
- c. **A person suffering from AIDS**
- d. Housewife with no income of her own

**44 .Which among the following is true regarding life insurance contracts?**

- a. They are verbal contracts not legally enforceable
- b. They are verbal which are legally enforceable

c. They are contracts between two parties (insurer and insured) as per requirements of Indian Contract Act, 1872

d. They are similar to wager contracts

**45. Which of the below party is not eligible to enter into a life insurance contract?**

a. Business owner

b. Minor

c. House wife

d. Government employee

**46. \_\_\_\_\_ involves pressure applied through criminal means.**

a. Fraud

b. Undue influence

c. Coercion

**47. Which of the below is the most appropriate explanation for the fact that young people are charged lesser life insurance premium as compared to old people?**

a. Young people are mostly dependant

b. Old people can afford to pay more

c. Mortality is related to age

d. Mortality is inversely related to age 9.

**48. Which of the below option best describes the process of insurance?**

a. Sharing the losses of many by a few

b. Sharing the losses of few by many

c. One sharing the losses of few

d. Sharing of losses through subsidy

**49. In insurance context „risk retention“ indicates a situation where \_\_\_\_\_.**

a. Possibility of loss or damage is not there

b. Loss producing event has no value

c. Property is covered by insurance

d. One decides to bear the risk and its effects

**50. Risk transfer through risk pooling is called \_\_\_\_\_.**

a. Savings

b. Investments

c. Insurance



d. Risk mitigation