

MODEL TEST 3

1. If 5% bonus is given every year then for a SA of 1 lakh, what will be the payout after 15 years in a simple revisionary bonus system?
a) 60000 b) 75000 c) 100000 d) 5000
2. How many days does the Free Look Period last?
a) 15 days b) 30 Days c) 45 days d) 60 Days
3. The Ombudsman's powers are restricted to insurance contracts of what value?
a) 1Lakh b) 10 Lakhs c) 15Lakhs d) 20 Lakhs
4. What is the maximum sum assured under a micro insurance
a) 10000 b) 25000 c) 50000 d) 100000
5. Under the IRDA guidelines for Claim settlement, any queries or additional documents can be asked from the claimant within
a) 5 days from the receipt b) 10 days from the receipt
c) 15 days from the receipt d) 20 days from the receipt
6. Ombudsman has to give his decision within how many days?
a) 15 Days b) 30 Days c) 2 Months d) 3 Months
7. The premium for accidental death benefit rider must not exceed
a) 15% of base policy premium b) 25% of base policy premium
c) 30% of base policy premium d) 40% of base policy premium
8. If the annual premium for a plan is 32000 and a frequency loading of 4% is added in a quarterly premium what is the amount that needs to be paid.
a) 8000 b) 8320 c) 9456 d) 9240
9. If we hold 100 units in gold ETF, It means that how much grams we have in physical
a) 5 or 10 grams b) 10 or 15 grams c) 15 or 25 grams d) 50 or 100 grams
10. The proposer can withdraw from the contract, if he disagrees, with the terms and conditions of the Policy, within a 'free look- period' of
a) 15 days from the date of receipt of the policy document
b) 20 days from the date of receipt of the policy document
c) 25 days from the date of receipt of the policy document
d) 30 days from the date of receipt of the policy document
11. Within how many days will the underwriter need to inform the policyholder regarding the status of the proposal.
a) 10 days b) 15 days c) 30 days d) 45 days
12. What is the limit of tax benefit that can be availed of under Section 80C?
a) 50,000/- b) 15,000/- c) 10,000/- d) 1,00,000/-
13. Maximum Life cover: a) 20 times annual salary b) 500000 c) 1500000 d) 4000000
14. As per the IRDA regulations the decisions on the proposal must be conveyed to the proposer within.....
a) 10 days b) 15 days c) 20 days d) 25 days
15. Where annually increasing flexible premiums operate under a life insurance policy, what rate of increase will generally apply?
a) 6.00% b) 3.00% c) 5.00% d) 7.50%
16. Payment of premiums by cash cannot exceed _____.
a) Rs. 1, 00,000 b) Rs. 50,000 c) Rs. 25,000 d) Rs. 60,000

17. If a policy with premium of Rs 5000 has matured, how much will be deducted when the maturity claim arises? a) Nil b) 1% c) 5% d) 10%
18. Under current regulations what is the maximum stake that the Foreign Partner in Insurance Company hold? a) 48% b) 50% c) 60% d) 26%
19. In what proportion is the cover in a Family Floater Plan shared?
a) 25% each b) 15% each c) 50% each d) No Proportion
20. Bank interest is accumulated
a) Monthly b) Yearly c) Quarterly d) Once in 6 months
21. The Premium on all riders (other than critical illness/health insurance) put together should not exceed
a) 10% of the premium on the base policy b) 20% of the premium on the base policy
c) 30% of the premium on the base policy d) 40% of the premium on the base policy
22. A lump sum withdrawal allowed as commutation in pension plans is
a) 1/3rd of the accumulation fund b) 1/4th of the accumulation fund
c) 1/2nd of the accumulation fund d) Full withdrawal is allowed
23. According to IRDA guidelines, an insurance company has to complete its investigation of a claim withindays.
a) 30 days b) 90 days c) 120 days d) 180 days
24. In Cumulative bank deposit the interest that is normally compounded on what basis.
a) Monthly b) Quarterly c) Half Yearly d) Annually
25. If the license of an agent has been cancelled by a designated authority in 2010 then the person can apply for a license in which year.
a) 2013 b) 2015 c) 2017 d) 2020
26. The Authority of COPRA is limited to what amount at the district level.
a) 10,00,000. b) 20,00,000. c) 50,00,000 d) 1,00,00,000.
27. To avail the income tax benefit at investment stage, premium should not exceed
a) 10% of SA b) 20% of SA. c) 30% of SA. d) 40% of SA.
28. What is the stipulated time frame within which an insurer is supposed to respond after receiving any communication from its policyholders?
a) 24 hours b) 1 day c) 10 days d) 30 days
29. An individual is said to be competent to enter into a contract if he is
a) 18 year old b) 21 year old c) 23 year old d) 25 year old
30. For tax saving someone wants to have fixed deposit in bank. What duration is required for it?
a) 3 years b) 5 years c) 7 years d) 2 years
31. A missing person will be presumed to be dead only after....
a) Three years b) Five years. c) Seven years. d) Nine years.
32. As per AML regulation, it allows cash premium not over than
a) Rs.20000 b) Rs.25000 c) Rs.5000 d) Rs.50000
33. Ombudsman passes an award within which time
a) 1 month b) 2 months c) 3 months d) 6 months

34. Insurance companies are required to honor the awards passed by the Insurance Ombudsman within how many days
a)10 days b)15 days c)20 days d)25 days
35. If a valid claim is delayed by the insurer then the interest for the same will have to be paid by the insurance company after how many days from the date of admission of the claim?
a)10 days b)20days c)30 days d)60 days
36. According to IRDA regulations the maximum percentage of first year commission to be paid to an insurance advisor is... a)30% b)35% c)40% d)45%
37. The Foreign Direct Investment (FDI) in Indian Insurance Industry is allowed up to.....
a)50% b)25% c)26% d)27%
38. The Insurance Institute of India (III) was formed in.....
a)1956 b)1999 c)1955 d)1947
39. Maximum time for investigation in disputed claim?
a)1 month b)2 months c)3 months d)6 months
40. The Ombudsman's powers are restricted to insurance contracts of value not exceeding?
a)50 lakhs b)30 lakhs c)25 lakhs d)20 lakhs
41. What amount of insurable interest does an individual have in his own life?
a) 20,000 b) 50,000 c) Up to the sum assured taken in the plan d) Unlimited
42. What is the minimum Sum Assured allowed for Micro Insurance?
a)5000 b)10000 c)15000 d)20000
43. How many ombudsmen offices are located in India? a)10 b)12 c)14 d)15
44. A client demands the information on the current status of a policy indicating accrued bonus. The insurer should provide communication within
a)10 Days. b)15 days. c)20 Days. d)30 Days.
45. If a policy holder is not satisfied with terms and conditions of the policy which she/he has received, then there is an option to return policy for cancellation within.....days.
a)15 Days b)20 Days c)25 Days d)10 Days
46. Under the hospital care rider what is the payout made
a) 10% of the sum assured
b) Specified amount multiplied by the number of days the policyholder is hospitalized
c) expenses incurred per day multiplied by no. of days stay in the hospital
d) 100% of Sum Assured
47. Which tax rate is applicable, in case of Client pays the premium of 5000/- and suffers illness before maturity?
a) Nil b)10% c)20% d)30%
48. When can an insurance company give more than 35% first year commission?
a) When the insurance company is in the first 10 years of operation
b) If the agent has worked with the company for more than 5 years
c) If the agent has worked with the company for more than 10 years
d) If the agent is doing more than 3 policies in a month.
49. Mr. Shailsh has an endowment policy with 30 years policy term, he has paid for eight years. The sum assured Rs.8,00,000/- and accumulated bonus Rs.60,000/-. What is the paid up value if bonus accumulated and if not bonus accumulated?
a)213333 & 273333 b)213333 & 229333 c)229333 & 273333 d)229333 & 293333

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51. Mr. Rajesh has taken policy from ABC insurance company for Rs. 500000 Sum Assured by paying Rs. 50,000 premium per year. Company declared 5% Simple Reversionary bonus, what is bonus amount?
 a)Rs. 2500/- b)Rs. 25000/- c)Rs. 250000/- d)Rs. 5000/-
52. Kamal is willing to pay 60000/- per annum for his ULIP policy. What should be the SA in case he wants to avail the tax benefits?
 a)1 lacs b)3 lacs c)2 lacs d)1.50 lacs
53. If Naresh wishes to take the tax benefit of the full premium paid which is 60000, what amount of sum assured should he avail in a ULIP plan.
 a)2 lacs b)3 lacs c)5 lacs d)6 lacs
54. Raunak earns 80,000 per month as salary. He has taken a House loan of Rs. 500000. What will be the maximum amount of EMI that can be charged by the Bank to recover the loan amount?
 a)Rs. 32000 per month b)Rs. 24000 per month c)Rs. 40000 per month c)Rs. 48000 per month
55. A customer surrenders his policy on Feb 2010 As per Agents code of conduct, an agent can get a new policy from this customer from Feb which year
 a)2011 b)2012 c)2013 d)2014
56. If the customer has invested money in a pension plan from company A and buys an annuity from company B, what is the nature of transaction?
 a)Life Long Annuity b)Open Market c)Reinsuring Annuity d)deferred Annuity
57. Customer has opted for a 5 yrs guaranteed annuity option. What will happen to annuity, if the customer survives for 5 years after the end of guarantee period?
 a)paid up to 75 Yrs b)annuity will be continued for next 5 Years
 c)till he dies d)not remembered
58. Mr. Suresh purchase one pension plan and accumulated Rs. 9,00,000 amount in his pension fund. He would like to utilize commutation benefit before taking pension. What is amount Mr. Suresh can withdraw as commutation?
 a)Rs. 3, 00,000/- b)Rs. 4, 50,000/- c)Rs. 90,000/- d)Rs. 4, 85, 468/-
59. Anand has purchased a pension plan which is nearing completion of accumulation phase. He is in need of finances to make down payment of car he wants to purchase. At the end of accumulation phase how much he can make tax free withdrawal?
 a)1/5th of accumulated amount. b)1/3rd of accumulated amount.
 c)2/5th of accumulated amount. d)2/3rd of accumulated amount.
60. Gaurav bought an endowment plan for 20 year of 10 lac SA with ADB Rider, died in road accident after 10th year how much money claimant would be payable:
 a)10 lac b)20 lac c)30 lac d)5 lac
61. Prashant buys an Endowment Plan with a sum assured of Re. 100000 and wants to make use of tax benefit under the policy for whole SA. How much premium would help him avail this benefit
 a)less than 10000 b)More than 10000 c) Less than 20000d) More than 20000
62. Mr. Baskar had taken a Term plan for a sum assured of Rs. 7 lakhs. He also has an ADB rider worth Rs.4 lakhs. Unfortunately Baskar died in a car accident. How much will be the death claim settlement?
 a) Total 7 lakhs will be paid as death had taken place
 b) Total 4 lakhs will be paid as death had happened due to car accident
 c) Total 11 lakhs will be paid d) Total 7 lakhs will be paid without any deduction.