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Sant Gadge Baba Amravati University, Amravati
Faculty of Commerce & Management

Subject NO: 7

Indian Insurance System-II

B.Com 6th Semester

As Per University Paper Pattern Section-A 20 marks
Multiple Choice Question (MCQ)



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Multiple Choice Questions (MCQs)

❖ Largest Life Insurance Company in India is _____.

- a) The New India Assurance Company Limited
- b) Life Insurance Corporation of India (LIC)
- c) United India Insurance Company Limited
- d) National Insurance Company Limited

Answer: b) Life Insurance Corporation of India (LIC)

❖ Life Insurance Corporation of India (LIC) was set up under which of the following acts?

- a) Life Insurance Corporation Act, 1956
- b) Life Insurance Companies Act, 1912
- c) The Insurance Act, 1938
- d) Indian Insurance Companies Act, 1928

Answer: a) Life Insurance Corporation Act, 1956

❖ Where is the headquarters of Life Insurance Corporation of India located?

- a) Mumbai
- b) Chennai
- c) Jaipur
- d) Bengaluru

Answer: a) Mumbai

❖ Where is the headquarters of New India Assurance Co. Ltd, located?

- a) Amravati
- b) Mumbai
- c) New Delhi
- d) Bengaluru

Answer: b) Mumbai

- ❖ The New India Assurance Company was established in 1919 by _____.
- a)** Atul Sahai **b)** Samir Kumar Banerjee
c) Sir Dorabji Tata **d)** None of these

Answer: c) Sir Dorabji Tata

- ❖ Which of the following is the only public sector company in the field of life insurance?
- a)** General insurance company
b) New India Assurance Company
c) Oriental insurance company
d) Life Insurance Corporation of India

Answer: d) Life Insurance Corporation of India

- ❖ The New India Assurance Co. Ltd. was a subsidiary of which of the following company?
- a)** General Insurance Corporation of India (GIC)
b) Life Insurance Corporation of India (LIC)
c) The Oriental Insurance
d) United India Insurance company

Answer: a) General Insurance Corporation of India (GIC)

- ❖ Which of the following type of insurance product are available in New India Assurance Co. Ltd located?
- a)** Personal Insurance
b) Commercial Insurance
c) Industrial Insurance
d) All of the above

Answer: d) All of the above

- ❖ Which of the following is the regulator of insurance sector in India?
- a)** RBI **b)** AMFI **c)** IRDA **d)** SEBI

Answer: c) IRDA

- ❖ Which of the following is largest Non-Life Insurance Company in India?
 - a) ICICI Lombard General Insurance Company Ltd.
 - b) United India Insurance Company Ltd.
 - c) General Insurance Company Ltd.
 - d) New India Assurance Company Ltd.

Answer: d) New India Assurance Company Ltd.

- ❖ Which of the following was the parent company of New India Assurance?
 - a) LIC
 - b) GIC
 - c) Oriental Insurance Co. Ltd.
 - d) United India Insurance

Answer: b) GIC

- ❖ The punch line of the advertisement of which of the following organization is “Jindagi ke sath bhi Jindagi ke bad bhi”?
 - a) New India Assurance
 - b) General Insurance Corporation
 - c) ICICI Prudential
 - d) Life Insurance Corporation of India

Answer: d) Life Insurance Corporation of India

- ❖ In which year New India Assurance Co Ltd nationalized?
 - a) 1945
 - b) 1947
 - c) 1973
 - d) 1969

Answer: c) 1973

- ❖ The Life Insurance Corporation of India has how many Zonal offices in India?
 - a) Five
 - b) Seven
 - c) Ten
 - d) Fifteen

Answer: b) Seven

Multiple Choice Questions (MCQs)

- ❖ In pursuance of which one of the following was the General Insurance Corporation of India was formed?
- a) General Insurance Business (Nationalization) Act, 1972
 - b) Insurance Act, 1938
 - c) Insurance Amendment Act, 2002
 - d) None of these

Answer: a) General Insurance Business (Nationalization) Act, 1972

- ❖ Life Insurance Corporation was found on ____.
- a) 1 April, 1955
 - b) 6 December, 1960
 - c) 4 September, 1956
 - d) 1 September, 1956

Answer: d) 1 September, 1956

- ❖ Life Insurance business was nationalized on _____ and the Life Insurance Corporation of India (LIC) was formed.
- a) 1st Sept. 1956
 - b) 10th Sept. 1956
 - c) 1st October 1956
 - d) 20th October 1958

Answer: a) 1st September 1956

- ❖ If an organization wishes to venture into Insurance Business it has to obtain a licence first from which of the following?
- a) Indian Banks Association (IBA)
 - b) Security and Exchange Board of India (SEBI)

- c) Tariff Advisory Committee (TAC)
- d) Insurance Regulatory and Development Authority of India (IRDAI)

Answer: d) Insurance Regulatory and Development Authority of India (IRDAI)

❖ When was general insurance business nationalised?

- a) 1938 b) 1971 c) 1973 d) 1993

Answer: c) 1973

❖ When was the Insurance Regulatory and Development Authority constituted?

- a) 1938 b) 1971 c) 1993 d) 1999

Answer: d) 1999

❖ When was Life Insurance sector nationalised?

- a) 1834 b) 1907 c) 1938 d) 1956

Answer: d) 1956

❖ IBAI was incorporated as a Company under Section 25 of the Companies Act, 1956. What is the meaning of "B" in IBAI?

- a) Basel b) Broadcasting
- c) Brokers wrong d) Board

Answer: d) Board

❖ As per IRDA (Protection of Policyholder's Interest) Regulations, 2002, a claim under a life policy shall be paid or be disputed within

- a) 7 days b) 15 days c) 30 days d) 45 days

Answer: c) 30 days

- ❖ Which of the following statements is correct?
- a) Policyholder cannot earn market rate of interest on his cash value
 - b) In universal life plan, policyholder can vary payments of premium
 - c) Universal life plan is a traditional plan of assurance
 - d) Variable life insurance is a temporary plan of insurance

Answer: b) In universal life plan, policyholder can vary payments of premium

- ❖ Which was the first act regulate life insurance industry in India?
- a) Insurance Act, 1938
 - b) Life Insurance Companies Act, 1912
 - c) IRDA Act, 1999
 - d) LIC Act, 1956

Answer: b) Life Insurance Companies Act, 1912

- ❖ The Insurance Regulatory and Development Authority (IRDA) was formed on the recommendation of which committee?
- a) Banarji Committee
 - b) Kutumbe Committee
 - c) Malhotra Committee
 - d) Gupte Committee

Answer: c) Malhotra Committee

- ❖ IRDA Act was passed in which year by the Government of India?
- a) 1992 b) 2002 c) 2000 d) 1999

Answer: d) 1999

- ❖ The headquarter of Insurance Regulatory and Development Authority of India (IRDAI) is in which city?
- a) Mumbai b) New Delhi
c) Hyderabad d) Kolkata

Answer: c) Hyderabad

- ❖ “Registering the nomination or cancellation or change of nomination shall be regarded as important policy holder services.” as observed by IRDA. Recently it has taken steps regarding this registration that:
- a) No charge for change of nomination
b) No charge for change of address.
c) No charge for late payment of premium.
d) No charge for reimbursement.

Answer: a) No charge for change of nomination

Multiple Choice Questions (MCQs)

❖ Minimum Educational Qualification of the Insurance agent is _____.

- a) Commerce Graduate
- b) Diploma in Insurance
- c) 12th Pass
- d) MBA

Answer: c) 12th Pass

❖ An independent professional person registered under the Insurance Act who represents the insurance buyer to purchase the insurers policy is known as _____.

- a) Agent
- b) Insurer
- c) Claimant
- d) Broker

Answer: c) Broker

❖ The type of agent that represents only one company and sells only its policies is known as _____.

- a) Sole agent
- b) Captive agent
- c) Single agent
- d) None of these

Answer: b) Captive Agent

❖ An individual agent in insurance sector is issued a licence for a period of _____ years at a time.

- a) 5 years
- b) 2 years
- c) 3 years
- d) 6 years

Answer: c) 3 Years

- ❖ What is the maximum Time in which the insurer should settle a claim when all documents are submitted
- a) 5 days b) 20 days c) 30 days d) 15 days

Answer: c) 30 days

- ❖ An insurance agents who support financial inclusion by distribution of financial services at an affordable cost to the masses is known as _____
- a) Micro insurance Agents
b) Insurance Correspondent
c) Corporate agent
d) Individual agent

Answer: a) Micro Insurance Agents

- ❖ A person who represents an insurance firm and sells insurance policies on its behalf is known as _____.
- a) Broker b) Actuary
c) Agent d) Beneficiary

Answer: c) Agent

- ❖ When an Agent collects the premium from the policyholder and remits it to the insurer's office, he is acting as an agent of _____.
- a) IRDAI
b) Insurance Company
c) Policy Holder
d) Insured

Answer: b) Insurance Company

- ❖ Which one of the following does not belong to the main products of life insurance?
 - a) Endowment
 - b) Personal accident insurance
 - c) Term
 - d) Whole life

Answer: b) Personal accident insurance

- ❖ Which one of the following does not belong to the major general insurance private sector companies in India?
 - a) Bajaj Allianz General Insurance
 - b) Reliance General Insurance
 - c) Royal Sundaram Alliance Insurance
 - d) The Oriental Insurance Company

Answer: d) The Oriental Insurance Company

- ❖ Which type of insurance usually requires higher premium?
 - a) Broad Form insurance
 - b) Whole life insurance
 - c) Health insurance
 - d) Term insurance

Answer: a) Broad Form insurance

- ❖ Which of the following principles of Insurance denotes a positive duty of the person seeking insurance to voluntarily disclose all facts material to the risk being proposed whether requested or not?

- a) Insurable Interest
- b) Utmost Good Faith
- c) Principle of Contribution
- d) Principle of loss Minimization
- e) Principle of Partnership

Answers: b) Utmost Good Faith

- ❖ Which one of the following is not a duty of an agent?
 - a) Duty to exercise care and skill
 - b) Duty to take a commission
 - c) Duty to account
 - d) Duty to avoid a conflict of interest

Answer: b) Duty to take a commission

- ❖ What does the term Actuary stands for in Insurance _____.
 - a) A specialist in Insurance claim settlement
 - b) A specialist in insurance marketing
 - c) A specialist in Insurance calculations
 - d) None of this

Answer: c) A specialist in Insurance calculations

- ❖ The insurance companies collect a fixed amount from its customers at a fixed interval of time. What is it called?
 - a) Instalment
 - b) Contribution
 - c) Premium
 - d) EMI

Answer: c) Premium

Multiple Choice Questions (MCQs)

- ❖ The Insurance Marketing Firm (IMF) was set up by IRDA as distribution channel upon the recommendation of which committee?
 - a) Randip Singh Jagpal Committee
 - b) NM Govardhan Committee
 - c) V Badrinarayanan Committee
 - d) Prashant Mudgil Committee

Answer: b) NM Govardhan Committee

- ❖ Which among the following is not a type of intermediaries in insurance business?
 - a) Insurance Agents
 - b) Insurance Brokers
 - c) Bancassurance
 - d) Distribution Channel

Answer: a) Distribution Channel

- ❖ The situation where the bank sells the tied insurance company's insurance products to its clients is known as _____.
 - a) Bancassurance
 - b) Annuitant
 - c) Assignor
 - d) Beneficiary

Answer: a) Bancassurance

- ❖ Which among the following types of insurance policies are much cheaper as compared to others?
- a) Term insurance with guaranteed renewal
 - b) Decreasing term insurance
 - c) Term insurance with riders
 - d) E-term insurance

Answer: a) E-term insurance

- ❖ Which of the following words/ terms is closely associated with the insurance business
- a) Archives
 - b) Donation
 - c) Actuary
 - d) Quest

Answer: c) Actuary

- ❖ Which of the following correctly describes what the 'Bancassurance' is _____.
1. It is an arrangement whereby the branches of a bank sell/distribute insurance products of an insurance company.
 2. It is a new product developed/launched by the banks in which the risks of the high value customers are covered for any losses to their property and/or lives through an insurance cover.
 3. It is a new product launched by some banks by which they are providing insurance cover to exporters/importers for the losses, if any due to high fluctuations in the exchange rates of dollars and other major currencies.
- a) Only 1
 - b) Only 2
 - c) Only 3
 - d) All 1, 2 and 3

Answer: a) Only 1

- ❖ Insurance company transfers the insurance which cannot bear by them to which of the following?
- a) TPAs
 - b) Bancassurance
 - c) Reinsurance
 - d) Actuaries

Answer: c) Reinsurance

- ❖ A insurer advertises through daily newspaper. What type of marketing is _____.
- a) Cross selling
 - b) Policy selling
 - c) Solicitation of Policy
 - d) Insurance selling

Answer: c) Solicitation of Policy

- ❖ In LIC there is service marketing, but only marketing in which the service element is _____ than the product element.
- a) Smaller
 - b) Greater
 - c) Much better
 - d) None of these

Answer: b) Greater

- ❖ Intangibility, Heterogeneity, Inseparability, and changing demand these characteristic belong to _____.
- a) Bharat AXA life insurance
 - b) Bajaj Allianz
 - c) LIC
 - d) None of these

Answer: c) LIC

- ❖ In LIC, insurance _____ represent and help in promoting inseparable services.
- a) Supplier b) Customer
c) Agents d) Company

Answer: c) Agents

- ❖ _____ Objective of all marketing activities is the satisfying of human wants.
- a) No other
b) The first and foremost
c) The last and least
d) Every

Answer: b) The First and Foremost

- ❖ The life insurance marketing emphasises the important of the _____ preference.
- a) Supplier b) Customer
c) Consumer d) None of these

Answer: c) Consumer

- ❖ The LIC also administers schemes for people who are _____ the poverty line.
- a) Senior citizen
b) Widow
c) Below or just above
d) Disabled

Answer: c) Below or just above

- ❖ _____ are the two powerful wings of life insurance industry.
- a) Sales and products
 - b) Sales and services
 - c) Execution and offers
 - d) None of these

Answer: b) Sales and services

- ❖ Which of the following factors are taken into account for financial underwriting?
- a) Income
 - b) Occupation
 - c) Habits
 - d) All of these

Answer: d) All of these

Multiple Choice Questions (MCQs)

- ❖ Which technology Trend in Insurance Market is _____?
- a) Computerization
 - b) Internet
 - c) Electronic Clearance Service (ECS)
 - d) Call Centres and SMS services
 - e) All of these

Answer: e) All of these

- ❖ Characteristic of Information Technology are _____.
- a) Accuracy
 - b) Variability
 - c) Automatism
 - d) All of these

Answer: d) All of these

- ❖ PMJJBY is a type of _____?
- a) Life Insurance Scheme
 - b) Pension Scheme
 - c) Loan Scheme
 - d) None of these

Answer: a) Life Insurance Scheme

- ❖ What is the minimum and maximum age at which people can enroll in PMJJBY?
- a) 10-70
 - b) 18-70
 - c) 10-50
 - d) 18-50

Answer: d) 18-50

Unit Five Current Scenario of Insurance Industry

- ❖ What is the premium per annum that is to be paid under PMJJBY?
- a) Rs 12/- b) Rs 100/-
c) Rs 300/- d) Rs 330/-

Answer: d) Rs 330/-

- ❖ What is the Termination period of PMJJBY?
- a) When a person attains 70 years of age
b) When a person attains 80 years of age
c) When a person attains 50 years of age
d) None of these

Answer: d) None of these

- ❖ What is the death benefit under PMJJBY?
- a) Rs 50,000 b) Rs 1,00,000
c) Rs 2,00,000 d) RS 4,00,000

Answer: c) Rs 2,00,000

- ❖ What is the benefit under PMJJBY for loss/disability for both the organs (either both hands/legs or eye)?
- a) Rs 50,000 b) Rs 1,00,000
c) Rs 2,00,000 d) No such benefit

Answer: d) No such benefit

- ❖ A person having which type of account can opt for PMJJBY?
- a) Saving Account
b) Current Account
c) Fixed Deposit Account
d) Any one of these

Answer: a) Saving Account

Unit Five **Current Scenario of Insurance Industry**

- ❖ Under which of the following condition(s) the PMJJBY policy may terminate?
- a) On attaining age 55 years
 - b) Closure of account with the Bank
 - c) Insufficiency of balance in Account
 - d) All of the above

Answer: d) All of the Above

- ❖ The coverage period of PMJJBY in a year is _____?
- a) 1 July to 30 June
 - b) 1 June to 31 May
 - c) 1 January to 31 December
 - d) 1 April to 31 March

Answer: b) 1 June to 31 May

- ❖ PMSBY is a _____.
- a) Life insurance scheme
 - b) Accidental insurance scheme
 - c) Pension guarantee scheme
 - d) All of these

Answer: b) Accidental Insurance Scheme

- ❖ What is the maximum age at which a person can enroll in PMSBY?
- a) 50 b) 55 c) 60 d) 70

Answer: d) 70

Unit Five Current Scenario of Insurance Industry

❖ What is the premium per annum that is to be paid under PMSBY?

- a) Rs 6 b) Rs 12
c) Rs 100 d) Rs 330

Answer: b) Rs 12

❖ What is the death benefit under PMSBY?

- a) Rs 2 lakh b) Rs 1 lakh
c) Rs 3 lakh d) Rs 4 lakh

Answer: a) Rs 2 lakh

❖ Which of the following condition will be not covered under PMSBY?

- a) Death due to rail accident
b) Death due to electric mis-happening
c) Death due to suicide
d) Death due to Murder

Answer: c) Death due to suicide

❖ The coverage period of PMSBY in a year is _____?

- a) 1 April to 31 March
b) 1 January to 31 December
c) 1 June to 31 May
d) 1 July to 30 June

Answer: c) 1 June to 31 May

Unit Five **Current Scenario of Insurance Industry**

- ❖ When was the Ayushman Bharat scheme became operational?
- a) October 2, 2018
 - b) November 25, 2018
 - c) January 1, 2019
 - d) September 25, 2018

Answer: d) September 25, 2018

- ❖ What is the insurance cover under the scheme for the beneficiaries?
- a) Rs 4 lakh
 - b) Rs 5 lakh
 - c) Rs 2 lakh
 - d) Rs 3 lakh

Answer: b) Rs 5 lakh

- ❖ Under the Ayushman Bharat programme, government has announced two major initiatives namely National Health Protection Scheme and Health and Wellness Centre as the two flagship programme with the aim to build New India _____.
- a) 2020
 - b) 2021
 - c) 2022
 - d) 2023

Answer: c) 2022

- ❖ Who has been appointed as the CEO of the scheme?
- a) Dr. Dinesh Arora
 - b) Amitabh Kant
 - c) Nidhi Sachdeva
 - d) Indu Bhushan

Answer: d) Indu Bhushan

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