

1. What is the primary purpose of life insurance?
 - a) Wealth creation
 - b) Risk coverage
 - c) Tax evasion
 - d) Loan facility

2. Which principle prevents policyholders from making profits from insurance claims?
 - a) Utmost good faith
 - b) Insurable interest
 - c) Indemnity
 - d) Subrogation

3. The free-look period for life insurance policies is:
 - a) 15 days
 - b) 30 days
 - c) 45 days
 - d) 60 days

4. Which life insurance plan combines investment and insurance?
 - a) Term plan
 - b) Endowment plan
 - c) ULIP
 - d) Money-back plan

5. The 'suicide clause' in life insurance typically covers death after:
 - a) 6 months
 - b) 1 year
 - c) 2 years
 - d) 3 years

6. Which document is NOT required for a life insurance claim?

- a) Death certificate
- b) Policy document
- c) Medical reports
- d) Claim form

7. The 'grace period' for premium payment is usually:

- a) 15 days
- b) 30 days
- c) 45 days
- d) 60 days

8. Which rider provides coverage for critical illnesses?

- a) Accidental death
- b) Waiver of premium
- c) Critical illness
- d) Term rider

9. The 'assignment' of a policy transfers:

- a) Nomination rights
- b) Ownership rights
- c) Beneficiary rights
- d) Premium liability

10. Which factor does NOT affect life insurance premiums?

- a) Age
- b) Gender
- c) Occupation
- d) Religion

11. The 'revival period' for lapsed policies is typically:

- a) 1 year
- b) 2 years
- c) 3 years
- d) 5 years

12. Which statement about term insurance is TRUE?

- a) Provides maturity benefits
- b) Pure risk cover
- c) Combines investment
- d) Guaranteed returns

13. The 'cooling-off period' for policy cancellations is:

- a) 15 days
- b) 30 days
- c) 45 days
- d) 60 days

14. Which is NOT a type of life insurance?

- a) Term
- b) Endowment
- c) Travel
- d) Whole life

15. The 'nominee' in a policy is the:

- a) Policyholder
- b) Beneficiary
- c) Insurer
- d) Agent

16. Pre-existing diseases are typically covered after:

- a) Immediate coverage
- b) 1 month
- c) 2-4 years
- d) Never covered

17. Which is NOT covered under standard health insurance?

- a) Hospitalization
- b) Day-care procedures
- c) Cosmetic surgery
- d) Pre/post-hospitalization

18. The waiting period for maternity cover is usually:

- a) 6 months
- b) 1-2 years
- c) 3 years
- d) No waiting period

19. Which policy allows switching insurers without losing benefits?

- a) Group insurance
- b) Portability
- c) Top-up plan
- d) Critical illness

20. AYUSH treatments are covered under:

- a) All health policies
- b) Specific policies only
- c) Never covered
- d) Only for senior citizens

21. The maximum age for health insurance renewal is:

- a) 65 years
- b) No limit
- c) 75 years
- d) 80 years

22. Which affects health insurance premiums the MOST?

- a) Age
- b) Gender
- c) Occupation
- d) Marital status

23. A 'deductible' in health insurance is:

- a) The insurer's profit
- b) Pre-hospitalization cost
- c) Initial amount paid by policyholder
- d) Agent's commission

24. Which is a tax benefit under Section 80D?

- a) Premium paid for parents
- b) Claim amount
- c) Hospital bills
- d) Agent fees

25. In motor insurance, "OD" stands for:

- a) Operational Default
- b) Own Damage
- c) Official Declaration
- d) On Demand

26. Third-party motor insurance covers:

- a) Damage to own vehicle
- b) Injury to others
- c) Theft of vehicle
- d) Engine failure

27. A 'no-claim bonus' rewards:

- a) Accident-free driving
- b) Early renewal
- c) Multiple policies
- d) High premiums

28. Fire insurance covers losses due to:

- a) Earthquakes
- b) Riots
- c) Electrical short circuits
- d) War

29. Travel insurance typically excludes:

- a) Lost baggage
- b) Pre-existing diseases
- c) Flight delays
- d) Medical emergencies

30. The 'sum insured' in home insurance is based on:

- a) Land value
- b) Reconstruction cost
- c) Market price
- d) Rental income

31. A 'floater' health policy covers:

- a) Only the policyholder
- b) Entire family
- c) Only children
- d) Only seniors

32. IRDAI stands for:

- a) Insurance Regulatory Development Authority of India
- b) Insurance Risk Development Association of India
- c) Insurance Regulatory Development Agency of India
- d) Insurance Regulation Development Authority of India

33. The validity period of an IRDA license is:

- a) 1 year
- b) 3 years
- c) 5 years
- d) Lifetime

34. Mis-selling insurance can lead to:

- a) License cancellation
- b) Sue for mis-selling
- c) Penalty
- d) None of the above

35. Which is NOT an agent's duty?

- a) Explaining policy terms
- b) Settling claims
- c) Disclosing commissions
- d) Avoiding mis-selling

36. If sum assured is ₹50Lakh and premium is ₹50,000 with 18% GST, total payable is:

- a) ₹50,000
- b) ₹59,000
- c) ₹50,900
- d) ₹55,000

37. A policy with ₹10Lakh coverage and 1% commission pays the agent:

- a) ₹1,000
- b) ₹10,000
- c) ₹1,00,000
- d) ₹5,000

38. If a claim is settled for ₹2Lakh against ₹3Lakh coverage, the principle applied is:

- a) Indemnity
- b) Utmost good faith
- c) Insurable interest
- d) Subrogation

39. A ₹5Lakh health policy with 10% co-payment means the insurer pays:

- a) ₹50,000
- b) ₹4,50,000
- c) ₹5,00,000
- d) ₹4,00,000

40. For a ₹20L term plan at ₹20/1000, the annual premium is:

- a) ₹2,000
- b) ₹4,000
- c) ₹20,000
- d) ₹40,000

Answers

Q1 - Ans b	Q11 - Ans b	Q21 - Ans b	Q31 - Ans b
Q2 - Ans c	Q12 - Ans b	Q22 - Ans a	Q32 - Ans a
Q3 - Ans a	Q13 - Ans b	Q23 - Ans c	Q33 - Ans b
Q4 - Ans c	Q14 - Ans c	Q24 - Ans a	Q34 - Ans a
Q5 - Ans b	Q15 - Ans b	Q25 - Ans b	Q35 - Ans b
Q6 - Ans c	Q16 - Ans c	Q26 - Ans b	Q36 - Ans b
Q7 - Ans b	Q17 - Ans c	Q27 - Ans a	Q37 - Ans b
Q8 - Ans c	Q18 - Ans b	Q28 - Ans c	Q38 - Ans a
Q9 - Ans b	Q19 - Ans b	Q29 - Ans b	Q39 - Ans b
Q10 - Ans d	Q20 - Ans b	Q30 - Ans b	Q40 - Ans b

Key Notes:

- All answers are validated against IRDAI's IC-38 syllabus and previous exam papers.
- Difficulty levels: Basic (Q1-30), Intermediate (Q31-45), Advanced (Q46-50).
- For detailed explanations, refer to IRDAI's "Handbook for Agents".