

New IC38 CLH pattern model paper-1

1. During investigation, of a health insurance claim presented by Rajiv Mehta, insurance company finds that instead of Rajiv Mehta, his brother Rajesh Mehta had been admitted to hospital for treatment. The policy of Rajiv Mehta is not a family floater plan. This is an example of _____ fraud.

- a. Impersonation
- b. Fabrication of documents
- c. Exaggeration of expenses
- d. Outpatient treatment converted to inpatient / hospitalization

2. Who among the following is considered as primary stakeholder in insurance claim process?

- a. Customers
- b. Owners
- c. Underwriters
- d. Insurance agents/brokers

3. Which of the following statements about the numerical rating method is incorrect?

- a. Numerical rating method provides greater speed in the handling of a large business with the help of trained personnel.
- b. Analysis of difficult or doubtful cases is not possible on the basis of numerical points without medical referees or experts.
- c. This method can be used by persons without any specific knowledge of medical science.
- d. It ensures consistency between the decisions of different underwriters

4. The first and the primary source of information about an applicant, for the underwriter is his _____.

- a. Age proof documents
- b. Financial documents
- c. Previous medical records
- d. Proposal form

5. Identify which of the below statement is incorrect?

- a. An employer can take a group policy for his employees

- b. A bank can take a group policy for its customers
- c. **A shopkeeper can take a group policy for its customers**
- d. A group policy taken by the employer for his employees can be extended to include the family members of the employees

6. Which of the below statement is correct with regards to cashless service provided in health insurance?

- a. It is an environment friendly go-green initiative started by insurance companies to promote electronic payments so that circulation of physical cash notes can be reduced and trees can be saved.
- b. Service is provided free of cost to the insured and no cash is to be paid as the payment is made by the Government to the insurance company under a special scheme
- c. All payments made by insured have to be made only through internet banking or cards as cash is not accepted by the insurance company
- d. **The insured does not pay and the insurance company settles the bill directly with the hospital**

7. Which of the below statement is correct with regards to a hospitalization expenses policy?

- a. Only hospitalization expenses are covered
- b. **Hospitalization as well as pre and post hospitalization expenses are covered**
- c. Hospitalization as well as pre and post hospitalization expenses are covered and a lumpsum amount is paid to the family members in the event of insureds death
- d. Hospitalization expenses are covered from the first year and pre and post hospitalization expenses are covered from the second year if the first year is claim free

8. In case the premium payment is made by cheque, then which of the below statement will hold true?

- a. The risk may be assumed on the date on which the cheque is posted
 - b. **The risk may be assumed on the date on which the cheque is deposited by the insurance company**
 - c. The risk may be assumed on the date on which the cheque is received by the insurance company
 - d. The risk may be assumed on the date on which the cheque is issued by the proposer
3. Which of the below statement is correct with regards to a warranty?

9. Based on classification of claims (early or non-early), pick the odd one out?

- a. Ramya dies after 6 months of buying a term insurance plan
- b. Manoj dies after one and half years of buying a term insurance plan
- c. David dies after two and half years of buying a term insurance plan
- d. **Pravin dies after five and half years of buying a term insurance plan**

10. A payment made under a money-back policy upon reaching a milestone will be classified under which type of claim ?

- a. Death claim
- b. Maturity claim
- c. **Periodical survival claim**
- d. Surrender claim

11. Which of the below death claim will be treated as an early death claim?

- a. **If the insured dies within three years of policy duration**
- b. If the insured dies within five years of policy duration
- c. If the insured dies within seven years of policy duration
- d. If the insured dies within ten years of policy duration

12. Which of the below alteration will be permitted by an insurance company?

- a. **Splitting up of the policy into two or more policies**
- b. Extension of the premium paying term
- c. Change of the policy from with profit policy to without profit policy
- d. Increase in the sum assured

13. When is a policy deemed to be lapsed?

- a. If the premiums are not paid on due date
- b. If the premiums are not paid before the due date
- c. **If the premium has not been paid even during days of grace**
- d. If the policy is surrendered

14. What will happen if the insured person loses the original life insurance policy document?

- a. **The insurance company will issue a duplicate policy without making any changes to the contract**
- b. The insurance contract will come to an end
- c. The insurance company will issue a duplicate policy with renewed terms and conditions based on the current health declarations of the life insured
- d. The insurance company will issue a duplicate policy without making any changes to the contract, but only after a Court order.

15. Select the option that best describes a policy document.

- a. **It is evidence of the insurance contract**
- b. It is evidence of the interest expressed by the insured in buying an insurance policy from the company
- c. It is evidence of the policy (procedures) followed by an insurance company when dealing with channel partners like banks, brokers and other entities
- d. It is an acknowledgement slip issued by the insurance company on payment of the first premium

16. In case of _____, a company expresses the bonus as a percentage of basic benefit and already attached bonuses.

- a. Reversionary bonus
- b. **Compound bonus**
- c. Terminal bonus

d. Persistency bonus

17. Which of the below is not a component of ULIP premiums?

- a. Policy allocation charge
- b. Investment risk premium
- c. Mortality charge
- d. Social security charge

18. Which of the below is not a factor in determining life insurance premium?

- a. Mortality
- b. Rebate
- c. Reserves
- d. Management expenses

19. Which of the below policy can provide protection to home loan borrowers?

- a. Life Insurance
- b. Disability Insurance
- c. Mortgage Redemption Insurance
- d. General Insurance

20. Which of the below losses are covered under keyman insurance?

- a. Property theft
- b. Losses related to the extended period when a key person is unable to work
- c. General liability
- d. Losses caused due to errors and omission

21. As per IRDAI norms, an insurance company can provide which of the below non traditional savings life insurance products are permitted in India?

Choice I: Unit Linked Insurance Plans

Choice II: Variable Insurance Plans

- a. I only
- b. II only
- c. I and II both
- d. Neither I nor II

22. Which of the below statement is true regarding ULIP's?

- a. Value of the units is determined by a formula fixed in advance
- b. Investment risk is borne by the insurer
- c. ULIP's are opaque with regards to their term, expenses and savings components
- d. ULIP's are bundled product

23. Where was the Universal Life Policy introduced first?

- a. USA

- b. Great Britain
- c. Germany
- d. France

24. Who among the following is best advised to purchase a term plan?

- a. An individual who needs money at the end of insurance term
- b. An individual who needs insurance and has a high budget
- c. An individual who needs insurance but has a low budget
- d. An individual who needs an insurance product that gives high returns

25. Which of the below option is correct with regards to a term insurance plan?

- a. Term insurance plans come with lifelong renewability option
- b. All term insurance plans come with a built-in disability rider
- c. Term insurance can be bought as a stand-alone policy as well as a rider with another policy
- d. There is no provision in a term insurance plans to convert it into a whole life insurance plan

26. _____ life insurance pays off a policyholder's mortgage in the event of the person's death.

- a. Term
- b. Mortgage
- c. Whole
- d. Endowment

27. Which among the following can be categorised under contingency products?

- a. Bank deposits
- b. Life insurance
- c. Shares
- d. Bonds

28. Which among the following is a wealth accumulation product?

- a. Bank Loans
- b. Shares
- c. Term Insurance Policy
- d. Savings Bank Account

29. Which among the following methods is a traditional method that can help determine the insurance needed by an individual?

- a. Human Economic Value
- b. Life Term Proposition
- c. Human Life Value
- d. Future Life Value

30. Which among the following cannot be termed as an asset?

- a. Car
- b. Human Life
- c. Air

d. House

31. Minimum qualification required for insurance agent is _____ pass.

- a. Graduate
- b. 10th
- c. Post-graduate
- d. 7th

32. Which of the following is incorrect?

- a. An agent is expected to inform the insurer all relevant facts about the prospectus.
- b. Advise the prospectus on nomination
- c. Offer rates different than those offered by insurer
- d. Render assistance in claim settlement

33. Insurance agent represents the _____.

- a. Insurance company
- b. Sub-agent
- c. Co-agent
- d. Broker

34. What is the time limit for approaching an Insurance Ombudsman?

- a. Within two years of rejection of the complaint by the insurer
- b. Within three years of rejection of the complaint by the insurer
- c. Within one year of rejection of the complaint by the insurer
- d. Within one month of rejection of the complaint by the insurer

35. Which of the below consumer grievance redressal agencies would handle consumer disputes amounting between Rs. 20 lakhs and Rs. 100 lakhs?

- a. District Forum
- b. State Commission
- c. National Commission
- d. Zilla Parishad

36. In customer relationship the first impression is created:

- a. By being confident
- b. By being on time
- c. By showing interest
- d. By being on time, showing interest and being confident

37. A customer having complaint regarding his insurance policy can approach IRDA through

- a. IGMS
- b. District Consumer Forum
- c. Ombudsman
- d. IGMS or District Consumer Forum or Ombudsman

38. _____ is not a tangible good.

- a. House
- b. Insurance

- c. Mobile Phone
- d. A pair of jeans

39. Money laundering is the process of bringing _____ money into an economy by hiding its _____ origin so that it appears to be legally acquired.

- a. **Illegal, illegal**
- b. Legal, legal
- c. Illegal, legal
- d. Legal, illegal

40. A _____ is a formal legal document used by insurance companies that provides details about the product.

- a. Proposal form
- b. Proposal quote
- c. Information docket
- d. **Prospectus**

41. Santosh has applied for a term insurance policy. His anticipated mortality is significantly lower than standard lives and hence could be charged a lower premium. Under risk classification, Santosh will be classified under _____.

- a. Standard lives
- b. **Horoscope**
- c. Substandard lives
- d. Declined lives

42. Which of the following condition will affect a person's insurability negatively?

- a. Daily jogs
- b. **Banned substance abuse**
- c. Lazy nature
- d. Procrastination

43. Which of the following denotes the underwriter's role in an insurance company?

- a. Process Claims
- b. **Decide acceptability of risks**
- c. Product design architect
- d. Customer relations manager

44. 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

45. Which of the below is not correct with regards to insurable interest?

- a. Father taking out insurance policy on his son
- b. Spouses taking out insurance on one another
- c. Friends taking out insurance on one another
- d. Employer taking out insurance on employees

46. Which of the below is not a valid consideration for a contract?

- a. Money
- b. Property
- c. Bribe
- d. Jewellery

47. Which of the below is an advantage of cash value insurance contracts?

- a. Returns subject to corroding effect of inflation
- b. Low accumulation in earlier years
- c. Lower yields
- d. Secure investment

48. 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

49. Why do insurers arrange for survey and inspection of the property before acceptance of a risk?

- a. To assess the risk for rating purposes
- b. To find out how the insured purchased the property
- c. To find out whether other insurers have also inspected the property
- d. To find out whether neighbouring property also can be insured

50. Origins of modern insurance business can be traced to _____.

- a. Bottomry

- b. Lloyds
- c. Rhodes
- d. Malhotra Committee