eBOOK

Insurance Awareness

for

LIC - AAO - 2019

(Theory & Question Bank)

Full information about

Insurance Market

LIC Policy

Insurance Companies

(Creating A Way For Govt. Jobs)

Banking Academy

(Preparation for All Types of Competitive Exams)

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THE ORIGIN AND GROWTH OF INSURANCE IN THE INDIAN CONTEXT

- This chapter deals with the history of insurance. It explains the origin and growth of insurance business in the Indian context. The concept of insurance has been prevalent in India since ancient times amongst Hindus. Overseas traders practiced a system of marine insurance.
- The detail meaning of insurance is being explained in other module but in simple words insurance means transfer of risks of an individual (unexpected and uncertain) i.e Death, old age. Disability, illness or business risks (unexpected and uncertain) i.e fire, earthquake, theft and liability to an insurance company.

✶ **The insurance sector is divided in two parts life and general or non-life.**

- Insurance Life Non-life/General Life insurance deals with only human lives and non-life deals with other than human life.

HISTORY OF INSURANCE IN INDIA

- 1818 saw the advent of life insurance business in India with the establishment of the Oriental Life Insurance Company in Calcutta. This Company however failed in 1834. In 1829, the Madras Equitable had begun transacting life insurance business in the Madras Presidency. 1870 saw the enactment of the British Insurance Act and in the last three decades of the nineteenth century, the Bombay Mutual (1871), Oriental (1874) and Empire of India (1897) were started in the Bombay Residency. This era, however, was dominated by foreign insurance offices which did good business in India, namely Albert Life Assurance, Royal Insurance, Liverpool and London Globe Insurance and the Indian offices were up for hard competition from the foreign companies.
- In 1914, the Government of India started publishing returns of Insurance Companies in India. The Indian Life Assurance Companies Act, 1912 was the first statutory measure to regulate life business. In 1928, the Indian Insurance Companies Act was enacted to enable the Government to collect statistical information about both life and non-life business transacted in India by Indian and foreign insurers including provident insurance societies. In 1938, with a view to protecting the interest of the Insurance public, the earlier legislation was consolidated and amended by the Insurance Act, 1938 with comprehensive provisions for effective control over the activities of insurers.
- The Insurance Act 1938 was the first legislation governing the life insurance and non-life insurance and to provide strict state control over insurance business.
- The Insurance Amendment Act of 1950 abolished Principal Agencies. However, there were a large number of insurance companies and the level of competition was high. There were also allegations of unfair trade practices. The Government of India, therefore, decided to nationalize insurance business.

✶ **Birth of Life Insurance Corporation of India**

- On 19th of January, 1956, that life insurance in India was nationalized. About 154 Indian insurance companies, 16 non-Indian companies and 75 provident were operating in India at the time of nationalization. Nationalization was accomplished in two stages; initially the management of the companies was taken over by means of an Ordinance, and later, the ownership too by means of a comprehensive bill.
- The Parliament of India passed the Life Insurance Corporation Act on June 1956, and the Life Insurance Corporation of India was created on September 1956, with the objective of spreading life insurance much more widely and in particular to the rural areas with a view to reach all insurable persons in the country, providing them adequate financial cover at a reasonable cost.
- The LIC had monopoly till the late 90s when the Insurance sector was reopened to the private sector.

✶ **History of General (non-life) Insurance**

- The history of general insurance dates back to the Industrial Revolution in the west and the consequent growth of sea-faring trade and commerce in the 17th century. It came to India as a legacy of British occupation. General Insurance in India has its roots in the establishment of Triton Insurance Company Ltd., in the year 1850 in Calcutta by the British. In 1907, the Indian Mercantile Insurance Ltd, was set up. This was the first company to transact all classes of general insurance business.

- In 1957, General Insurance Council (GIC), a wing of the Insurance Associaton of India was established The General Insurance Council framed a code of conduct for ensuring fair conduct and sound business practices across Non-Life or General insurance sector.
- In 1968, the Insurance Act was amended to regulate investments and set minimum solvency margins. The Tariff Advisory Committee was also set up then.
- In 1972 with the passing of the General Insurance Business (Nationalisation) Act, general insurance business was nationalized with effect from 1st January, 1973. 107 insurers were amalgamated and grouped into four companies, namely National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd and the United India Insurance Company Ltd. The General Insurance Corporation of India was incorporated as a company in 1971 and it commence business on January 1sst 1973.

✶ Malhotra Committee

- The Government set up a committee in 1993 under the chairmanship of R.N. Malhotra, former Governor of RBI (Reserve Bank of India), to propose recommendations for initiation and implementation of reforms in the Indian insurance sector. The objective of setting up this committee was to complement the pace of reforms initiated in the financial sector.
- The aforesaid committee submitted its report in 1994 wherein it was recommended that the private sector be permitted to enter the Indian insurance sector. It also recommended the participation of foreign companies by allowing them to enter into an MOU (Memorandum of Understanding) by floating Indian companies, preferably a joint venture with Indian partners.

❖ Birth of IRDA

- The R N Malhotra committee was set up in 1993 to evaluate the Indian insurance industry and recommend its suggestions. The committee submitted its report in 1994 and suggested the re-opening up of the insurance sector to private players. This sector was finally thrown open to the private sector in 2000 and IRDA (Insurance Regulatory & Development Authority) was set up to regulate and carry out reforms in this sector. IRDA was actually set up in 1996 by the name of Insurance Regulatory Authority and was renamed to IRDA (current name) in 2000. The name change was done keeping in mind the two objectives of this authority. The two objectives are policyholder protection and healthy growth of the insurance market.
- The IRDA Act, 1999 was enacted by the parliament to:
  - Provide for the establishment of an authority to protect the interests of insurance policies holders
  - Regulate, promote and ensure orderly growth of the insurance industry
  - Amend the Insurance Act, 1938 the Life Insurance Corporation Act, 1956 and the General Insurance Business (Nationalization) Act, 1972.
- IRDA has a chairman and 5 full-time and 4 part-time members. Let’s have a look at the duties, powers and functions of IRDA.

✶ DUTIES, POWERS AND FUNCTIONS OF IRDA

- ✓ To issue the certificate of registration to the applicant and to renew, modify, suspend, withdraw or cancel it
- ✓ To protect the interests of policyholders when it comes to assigning of policy, nomination, insurable interest and other terms and conditions of insurance contracts
- ✓ To set the requisite qualification, code of conduct and practical training for intermediaries and agents
- ✓ To specify the code of conduct for surveyors and loss assessors
- ✓ To promote and regulate professional organizations which are connected with insurance/ reinsurance business
- ✓ To levy fee in accordance with the Act
- ✓ To call for information, undertake inspection, conduct inquiries/ investigation/ audit of insurers/ intermediaries/ insurance intermediaries and other organizations connected with the insurance business
- ✓ To control and regulate the rates, advantages, terms and conditions offered by insurers
- ✓ To specify how the books of accounts of insurers and insurance intermediaries will be maintained
- ✓ To regulate the investment of fund by insurance companies
- ✓ To regulate the maintenance of margin of solvency

- ✓ To adjudicate any dispute between insurers and intermediaries or insurance intermediaries
- ✓ To supervise the function of Tariff Supervisory Committee
- ✓ To specify the percentage of the insurer's income (by premium) to finance schemes for promoting and regulating professional organizations
- ✓ To specify the percentage of the life insurance business and general business to be undertaken by the insurer in the rural or social sector

✶ MISCELLANEOUS POINTS REGARDING IRDA

- ✓ It issues licenses for life and non-life businesses separately.
- ✓ A new player should commence business within 15-18 months of getting the license.
- ✓ A new applicant has to pay the registration fee of Rs 50,000 and at the time of renewal a fee of 0.20% of 1% of gross premium or Rs 50,000 whichever is higher.
- ✓ IRDA has prescribed a 'file and use' procedure, according to which every insurer has to file the product and pricing details along with copies of standard terms, conditions and literature.
- ✓ All insurance intermediaries such as agents/ corporate agents need to undergo compulsory training prior to their obtaining a license as per the regulations of IRDA.

- ➢ Insurance Regulatory and Development Authority (IRDA) was renamed as Insurance Regulatory and Development Authority of India on 30 December 2014. The change in name came in to effect after the promulgation of Insurance Laws (Amendment) Ordinance, 2014, by the President of India on 26 December 2014.
- ➢ Insurance Regulatory and Development Authority (IRDA) is an autonomous apex statutory body. It regulates and develops the insurance industry in India.

✶ Insurance industry, as on 1.4.2000, comprised mainly two players:

- ➢ (1)Life Insurance Corporation of India (LIC)
- ➢ (2) General Insurance Corporation of India (GIC) (with effect from Dec'2000, a National Reinsurer) GIC had four subsidiary companies, namely
  - i. The Oriental Insurance Company Limited
  - ii. The New India Assurance Company Limited
  - iii. National Insurance Company Limited
  - iv. United India Insurance Company Limited
- ➢ (With effect from Dec'2000, these subsidiaries have been de-linked from the parent company and madeas independent insurance companies)

✶ Life Insurance Corporation of India

- ➢ Head office - Mumbai
  - The Parliament of India enacted the Life Insurance Corporation Act on the 19th of June 1956, and theLife Insurance Corporation of Indian was established on 1st September, 1956, with the objective ofspreading life insurance much more widely and in particular to the rural areas with a view to reach allinsurable persons in the country

✶ General Insurance Corporation

- ➢ Head office - Mumbai
  - General Insurance Corporation of India (GIC Re) was approved as 'Indian Reinsurer' on 3rdNovember,2000. As an Indian reinsurer GIC has been giving reinsurance support to four public sector &mother private general insurance companies.

✶ The New India Assurance Co. Ltd.

- ➢ Head office- Mumbai
  - It is the "largest general insurance company of India on the basis of gross premium collection inclusive of foreign operations". It was founded by Sir Dorabji Tata in 1919, and was nationalised in 1973.

✶ National Insurance Company Limited (NICL)

- ➢ Head office- Kolkata
  - It is a state owned general insurance company in India. The company was established in 1906 and nationalised in 1972. It's portofolio consists of a multitude of general insurance policies, offered to a wide

arena of clients encompassing different sectors of the economy.[3] Apart from being leading insurance provider in India, NICL also serves Nepal.

✶ **United India Insurance Company Limited**

- Head office - Chennai
  - Under Department of Financial Services, Ministry of Finance (India), is a public sector General Insurance Company of India and one of the top General Insurers in Asia.

✶ **Oriental Insurance Company Ltd**

- Head office - New Delhi
  - It was established on September 12, 1947 in the then Bombay. It was a completely owned subsidiary of Oriental Government Security Life Assurance Company Ltd. It was created with the mandate ofexecuting its parent body's general insurance operations.
  - **Note:** The government's plan to merge the three unlisted public sector general insurance companies (PSGICs) – National Insurance Company, United India Insurance Company and Oriental Insurance Company – will create a giant much bigger than New India Assurance Company, India's largest general insurer, going by the insurance regulator's data for FY2017/18.

AN OVERVIEW OF LIC

- The central government took over 154 Indian insurers, 16 non-Indian insurers and 75 provident societies operating in India on Sep 19, 1956, and nationalized them on Sep 1, 1956. LIC came into existence on Sep 1, 1956, as an autonomous body with 5 zonal offices, 33 divisional offices and 212 branches & sub-offices all over India at 97 centres. This corporation was set up with the objective of spreading life insurance to rural areas and to the socially & economically backward classes and to ensure that all insurable persons in the country should have access to insurance at reasonable costs.
- Another objective of LIC was to maximize the mobilization of people's savings by collecting premia and to ensure the welfare of the country (policyholders). It strives to achieve this by investing and directing the fund in activities which contribute to the prosperity of the country. Let's have a look at its vision & mission:

❖ **VISION**

- A trans-nationally competitive financial conglomerate of significance to societies and pride of India

❖ **MISSION**

- Explore and enhance the quality of life of people through financial security by providing products and services fo aspired attributes with competitive returns and by rendering resources for economic development

❖ **OBJECTIVES OF LIC**

- To spread life insurance much more widely and in particular to the rural areas and to the socially and economically backward classes with a view to reaching all insurable persons in the country and providing them adequate financial cover against death at a reasonable cost
- To maximize the mobilization of people's savings by making the insurance-linked savings attractive
- To keep in mind that its primary obligation is to deploy its policyholders' funds to the best advantage of the investors as well as the community as a whole; also keeping in views the national priorities and obligations of attractive return
- To run the business with utmost economy and with the full realization that the money belongs to the policyholders
- To act as trustees of the insured public in their individual and collective capacities
- To meet the various life insurance needs of the community on an ongoing basis
- To involve all people working in the corporation to the best of their capability in furthering the interests of the insured public by providing efficient service with courtesy
- To promote amongst all agents and employers of the corporation a sense of participation, pride and job satisfaction through discharge of their duties with dedication towards the achievement of corporate objectives.

- As of now, Life Insurance Corporation has a strong distribution network which consists of 8 zonal offices, 106 divisional offices, 323 satellite offices, 2,048 branch offices and 11.93 lakh agents. The zonal office handles the development, planning and review of business valuations, recruitment, training of staff and supervision of divisional offices. The divisional office procures new business, plans and executes various new business operations, underwrites new business and securities and settles claims. There are a number of branch offices (to procure new business) under each divisional office.

SUBSIDIARIES OF LIC

- The 3 subsidiaries of LIC are below:
  - Life Insurance Corporation (International) EC
  - LIC Mutual Fund
  - LIC Pension Fund

LIFE INSURANCE CORPORATION (INTERNATIONAL) EC

- Established in 1989 as an offshore company, the objectives of the company are to cater to the life insurance needs of non-resident Indians and to help non-resident Indians obtain housing loans for purchase/ construction of house/ flats in India through LIC Housing Finance Limited, India.

LIC MUTUAL FUND

- It was set up in Jun 1989 as a separate trust by LIC of with a view to providing accessibility of various investment media, including the stock markets to all sections of investors, particularly the small investors.

LIC PENSION FUND

- This is the first company incorporated in India to manage pension funds under the new pension plan. Apart from these subsidiaries, LIC has overseas ventures in Nepal and Sri Lanka. The LIC (Lanka) is a joint venture between LIC and Bartlect group was set up in 2002. It also set up a full-fledged offshore unit at Mauritius which acts as a holding company for its foray into Africa. LIC also has offices in UK, Fiji, Bahrain, Saudi Arabia, Kenya, Qatar, Oman, Kuwait and the UAE.

LIC PRODUCTS

- LIC has been offering a variety of insurance plans to individuals as well as groups. Let's have a look at the individual plans:

INDIVIDUAL PLANS

- Whole Life Schemes
- Endowment Schemes
- Term Assurance Plan
- Periodic Money-back Plans
- Plan for High-worth Individuals and Keymen
- Medical Benefits Linked Insurance
- Plans for the Benefit of Handicapped
- Plans to Cover Housing Loans
- Joint Life Plan- Jeevan Saathi Plan
- Plans for Children's needs
- Capital Market Linked Plan- Unit Linked Plan- Money Plus I, Fortune Plus and Profit Plus
- Special Money Back Plan for Women

GROUP SCHEMES

- Group Term Insurance Scheme
- Group Insurance Scheme in lieu of EDLI, 1976
- Group Insurance Scheme in Corporation with Superannuation Scheme
- Group Gratuity Scheme
- Group Superannuation
- Group Savings Linked Insurance Scheme
- Group Leave Encashment Scheme
- Group Mortgage Redemption Assurance Scheme
- Gratuity Plus
- Group Critical Illness Rider

✶ SOCIAL SECURITY GROUP INSURANCE SCHEMES

- Landless Agricultural Labourers Group Insurance Scheme (LALGI)
- Janashree Bima Yojana (JBY) for rural/urban poor persons below the poverty line and marginally above the poverty line
- Krishi Shramik Samajik Suraksha Yojana, 2001
- Shiksha Sahayog Yojana
- Aam Aadmi Bima Yojana
- Jeevan Madhur- a microinsurance policy for the underprivileged sections

✶ PENSION PLANS

- Jeevan Nidhi
- Jeevan Akshay V
- New Jeevan Dhara I
- New Jeevan Suraksha I

✶ SPECIAL PLANS

- New Bima Gold
- Bima Nivesh 2005
- Jeevan Saral
- Health Plus

➢ LIC has a decent 97% of market share when it comes to endowment and money-back policies. For the workers of khadi and village industries, a group insurance scheme has been launched by LIC. Beneficiaries pay only one-third of the premium amount and the balance is borne equally by the government and the employer.

➢ LIC also administers two of the world's largest social security schemes viz. Lalgi and the Social Security Scheme for IRDP beneficiaries. Besides these two, LIC has nearly 24 social security group insurance schemes.

❖ HIGHLIGHTS OF LIC

➢ Before the Indian insurance sector was opened up, LIC was enjoying the monopoly but its market share started declining after the entry of private players. It went down to 71% in 2004. LIC has to make several changes in the field of marketing, sales and IT to cope up with the competition. Let's have a look at the major points:

- It launched CADW (Corporate Active Data Warehouse) in 2006 to house the IT infrastructure.
- Its corporate magazine "Yogakshema" won the first prize in the year 2000.
- LIC won Awaaz Consumer Award 2006 as the most preferred brand of insurance companies.
- It was awarded the NDTV Profit Business Leader in Insurance.
- LIC is one of the largest life insurance companies in the world with an in-force policy base of over 200 million.
- In the year 2005 alone, it issued over one crore policies.
- LIC is the top ranking company in the world when it comes to claim-settlement with an average of settling 1.43 claim per second.

✶ AICIL :

✓ The public sector insurance company, Agriculture Insurance Company of India Limited (AICIL) was set up by the Government of India in December 2002 (commenced its business in April 2003). This is a dedicated agri-insurance company and aims "to serve the needs of farmers better and to move towards a sustainable actuarial regime".

✓ This company was responsible to look after the National Agriculture Insurance Scheme (NAIS) which was launched in 1999. Since January 2016, the company is looking after the newly launched PMFBY (Prime Minister Fasal Bima Yojana), Till the AICIL was not set up, the agri-insurance responsibility of the government was being looked after by the General Insurance Corporation (GIC).

✓ AICIL is jointly promoted by public sector insurance companies and development financial institutions—majority shares owned by the GIC (35 per cent) and NABARD (30 per cent) while the four public sector general insurance companies own 8.75 per cent each in it.

Insurance – a thriving sector

- ✓ At present there are 28 general insurance companies including the ECGC and Agriculture Insurance Corporation of India and 24 life insurance companies operating in the country.
- ✓ The insurance **sector** is a massive one and is thriving at a speedy rate of 15-20%. Together with banking services, insurance services add about 7% to the country's GDP. A well-developed and evolved insurance sector is a boon for economic development as it provides long- term funds for infrastructure development at the same time strengthening the risk taking ability of the country.

Insurance Ombudsman

- ✓ Insurance Ombudsman The institution of Insurance Ombudsman was created by a Government of India Notification dated 11th November, 1998 with the purpose of quick disposal of the grievances (problems) of the insured customers and to mitigate their problems involved in redressal of those grievances. This institution is of great importance and relevance for the protection of interests of policy holders and also in building their confidence in the system. The institution has helped to generate and sustain the faith and confidence amongst the consumers and insurers.

PRINCIPLES OF INSURANCE

- Principle of Utmost Good Faith (uberrima fides)
- Principle of Indemnity
- Principle of Subrogation
- Principle of causa proxima
- Principle of Insurable Interest

PRINCIPLE OF UTMOST GOOD FAITH (UBERRIMA FIDES)

- ✓ This principle implies that all material information regarding the subject matter of insurance should be disclosed by both: the insured and the insurer. An insurer has a right to avoid the contract if full disclosure isn't made by the insured. In case there is a innocent/ fraudulent misrepresentation- the contract may become voidable depending on the degree of falseness. A contract can also become voidable if a fact (which may influence the underwriter's decision if disclosed) is known to one party and it is not known to the other.

PRINCIPLE OF INDEMNITY

- ✓ This principle implies "To bring back the insured to the financial position where he was prior to the happening of loss". To simplify, it ensures to make good the insured's loss and to bring him back to the previous position. This is to ensure that the insured doesn't make the profit out of the proceeds. In the case of "underinsurance", an average clause is applied and the claim payable is less than the actual loss. And in the case of "over insurance", compensation will be made only to the extent of covering the loss and profit can't be made.

PRINCIPLE OF SUBROGATION

- ✓ This principle implies that in case an insurer pays full compensation for any insured loss, the insurer holds the legal rights to the insured property which also includes future gains for this property. In other words, after the payment of an insurance claim has been made, the insurers shall be entitled to take over the legal right of the insured against the liable third party for the purpose of recovery. The purpose of subrogation is to hold the negligent third party responsible for the loss and to prevent the insured from collecting twice for the loss- once each from the insurance company and the third party.

PRINCIPLE OF CAUSA PROXIMA

- ✓ The Principle of Proximate Cause means when a loss is caused by more than one causes, the proximate or the nearest cause should be taken into consideration to decide the liability of the insurer. In other words, this principle states that to find out whether the insurer is liable for the lost, the proximate (closest) and not the remote (furthest) must be looked into.

PRINCIPLE OF INSURABLE INTEREST

- ✓ The assured have to have an insurable interest in the life or property insured. Insurable interest is that interest which considerably alters the position of the assured in the event of a loss taking place and if the event does not take place, he remains in the same old position. One who has to lose as a result of loss may be said to have insurable interest in the life or property insured.

TYPES OF INSURANCE

- Insurance, which is based on a contract, may be broadly classified into the following types.
  - Life Insurance
  - General insurance
  - Other types of insurance such as Fire Insurance, Marine Insurance and burglary insurance, motor vehicle insurance etc.

(i) Life Insurance :

- A contract of life insurance (also known as 'life assurance') is a contract whereby the insurer undertakes to pay a certain sum either on the death of the insured or on the expiry of a certain number of years. In return, the insured agrees to pay an amount as premium either in a lump sum or in periodical installments, annually, half-yearly, quarterly or monthly. The risk insured against in this case is certain to happen.
- Hence, life insurance is also referred to as life assurance. The written form of contract is known as life insurance policy. It provides for the payment of a fixed sum to the insured or his legal heirs as the case may be either on a fixed date or on the happening of an event, which is certain.
- Businessmen can provide for life insurance of all their employees by way of group insurance. It also develops loyalty among employees and can be used as a security for raising loans.
- ✓ **There are 5 needs that life insurance can satisfy:**
  - Dying young
  - Living too long
  - Disability
  - Care for children
  - Wealth generation
- Investment in life insurance also attract tax benefits under Section 80C under the Income Tax Act. As of now, there are a total of 24 life insurance players in india (including LIC). There are 4 broad types of insurance:
  - Endowment Plan
  - Money-back policies
  - Whole-life policy
  - Term insurance policy
- **Types of Life Insurance Policies:** Life-based contracts tend to fall into two major categories:
  (a) Protection policies:– Designed to provide a benefit in the event of specified event, typically a lump sum payment. A common form of this design is term insurance.
  (b) Investment policies:–where the main objective is to facilitate the growth of capital by regular or single premiums. Common forms are whole life, universal life and variable life policies.
- ✓ **There are basic types of life assurance policies :**

ENDOWMENT PLAN

- This plan provides insurance for a specific period. The sum assured becomes payable either on the maturity of the policy or on the death of the assured whichever is earlier.

MONEY-BACK POLICY

- In these policies, the sum assured is returned as lumpsum after defined intervals of time. In other words, the assured receives a fixed sum at fixed intervals during the term of the policy.

WHOLE-LIFE POLICY

- This policy covers risk for whole life and is an insurance cover against death. The policyholder pays premium throughout his life and on death, the money is handed over to his family.

TERM INSURANCE POLICY

- Unlike the whole-life policy, this policy ends after a specific period and if the insured stays alive after this period, he doesn't get anything. This is the reason why this policy is cheaper when compared to Whole-life policy.

- **Unit-linked Insurance Policy:** This is a kind of endowment policy where a part of the premium is invested in a fund and the return is linked to the performance of the fund. Funds can be divided into 3 categories:
  - Debt Fund
  - Balanced Fund
  - Equity Fund
- It is a good combination of protection and tax advantages of life insurance with the prospect of investment in securities. Some ULIP funds are Bond Fund, Protector Fund, Secure Fund, Balanced Fund, Growth Fund, Index Fund and Enhancer Fund. Since ULIP plans are flexible and offer the flexibility to choose the option of investment apart from being a tax-saving instrument, it's no wonder that these plans are very popular amidst customers. Generally, ULIP policies are mis-sold by insurance agents by withholding critical information thereby making the policyholder suffer. To protect the interests of ULIP policyholders, IRDA has taken the following initiatives:
  - IRDA has increased the lock-in period to 5 years (from 3 years).
  - All regular premium/ limited premium ULIPs will have uniform/ level paying premiums. Any additional payment shall be treated as a single premium.
  - Charges on ULIPs should be evenly distributed during the lock-in period.
  - All limited premium unit-linked insurance products, other than single premium products will have premium paying term of at least 5 years.
  - All unit-linked products, other than pension and annuity products will provide a mortality cover or a health cover thereby increasing the risk cover components.
  - All ULIP pension/annuity products will offer a minimum guaranteed return of 4.5 percent per annum or as specified by IRDA.
  - The cap on charges has been rationalized to ensure that the difference in yield is capped from the 5th year onwards.
  - IRDA regulations ensure that policyholders don't get overcharged when they wish to discontinue their policies for any emergency cash requirement. The discontinuance charges have been capped both as a percentage of fund value and premium and in absolute value as well. The regulations clearly define the grace period for different modes of premium payment.
- **Premium-back term insurance:** This is little different from the term policies in the sense that at the end of the term, the insured gets back in full whatever premium he has paid. And this is the reason why these policies carry a high premium than that of term insurance policies.
- A whole life policy runs for the whole life of the insured and premium is payable all along. The sum assured becomes due for payment to the heirs of the insured only after his death. An endowment policy on the other hand, runs for a limited period or u pto a certain age of the insured. The sum assured becomes due for payment at the end of the specified period or on the death of the insured, if it occurs earlier.

✶ Main products of life insurance.

- Whole life
- Term
- Life annuity
- Endowment
- Investment – linked
- Medical and health

✶ (ii) general insurance

✓ General insurance is basically an insurance policy that protects your against losses and damagesother than those covered by life insurance. The coverage period for most general Insurance policies and plans in usually one year, whereby premiums are normally paid on one-time basis.

- **What are the risks that are covered by general insurance?**
  - Property loss (e.g. stolen car or burnt house)
  - Liability arising from damage caused by yourself to a third party
  - Accidental death or injury
- **What are the main products of general insurance.**

- Motor insurance
- Fire/House owners/Householders insurance
- Personal accident insurance
- Medical and health insurance
- Travel insurance

❖ IMPORTANT POINTS RELATED TO GENERAL INSURANCE

- General Insurance Business (Nationalization) Act, 1972 was passed on Jan 1, 1973 thereby nationalizing general insurance business in India.
- There are 4 nationalized and 9 private sector general insurance companies.
- GIC (General Insurance Corporation of India) was notified as an Indian reinsurer in Nov 2000.
- Following this, the 4 public sector companies which were GIC's subsidiaries were delinked from it and are now run as board-managed companies.
- These 4 public sector companies are:
  - ✓ Oriental Insurance Company Ltd
  - ✓ The New India Assurance Company Ltd
  - ✓ The National Assurance Company Ltd
  - ✓ The United India Insurance Company Ltd

❖ GENERAL INSURANCE PRODUCTS

- **Broadly** speaking, the general insurance products are below:
  - Fire Insurance
  - Motor Insurance
  - Marine Cargo Insurance
  - Marine Hull Insurance
  - Non-traditional/Rural Insurance
  - Other insurance

✶ (ii) Fire Insurance :

- A contract of fire insurance is a contract whereby the insurer, on payment of premium by the insured, undertakes to compensate the insured for the loss or damage suffered by reason of certain defined subject matter being damaged or destroyed by fire. It is a contract of indemnity, that is, the insured cannot claim anything more than the value of property lost or damaged by fire or the amount of policy, whichever is lower.
- The claim for loss by fire is payable subject to two conditions, viz
  (a)There Must Have Been Actual Fire; And
  (b)Fire Must have been accidental, not intentional; the cause of fire being immaterial.
- The basic principle applied with regard to claim is the principle of indemnity. The insured is entitled to be compensated for the amount of actual loss suffered subject to a maximum amount for which he had taken the policy. He cannot make a profit through insurance. Forexample, if a person takes a fire insurance policy of Rs. 20,000/- on certain goods. Out of these, goods worth Rs. 15,000/- are destroyed by fire. The insured can only claim an amount to the extent of loss i.e., Rs. 15,000/- (and not Rs. 20, 000/-) for the damage from the insurance company.

✶ MOTOR INSURANCE

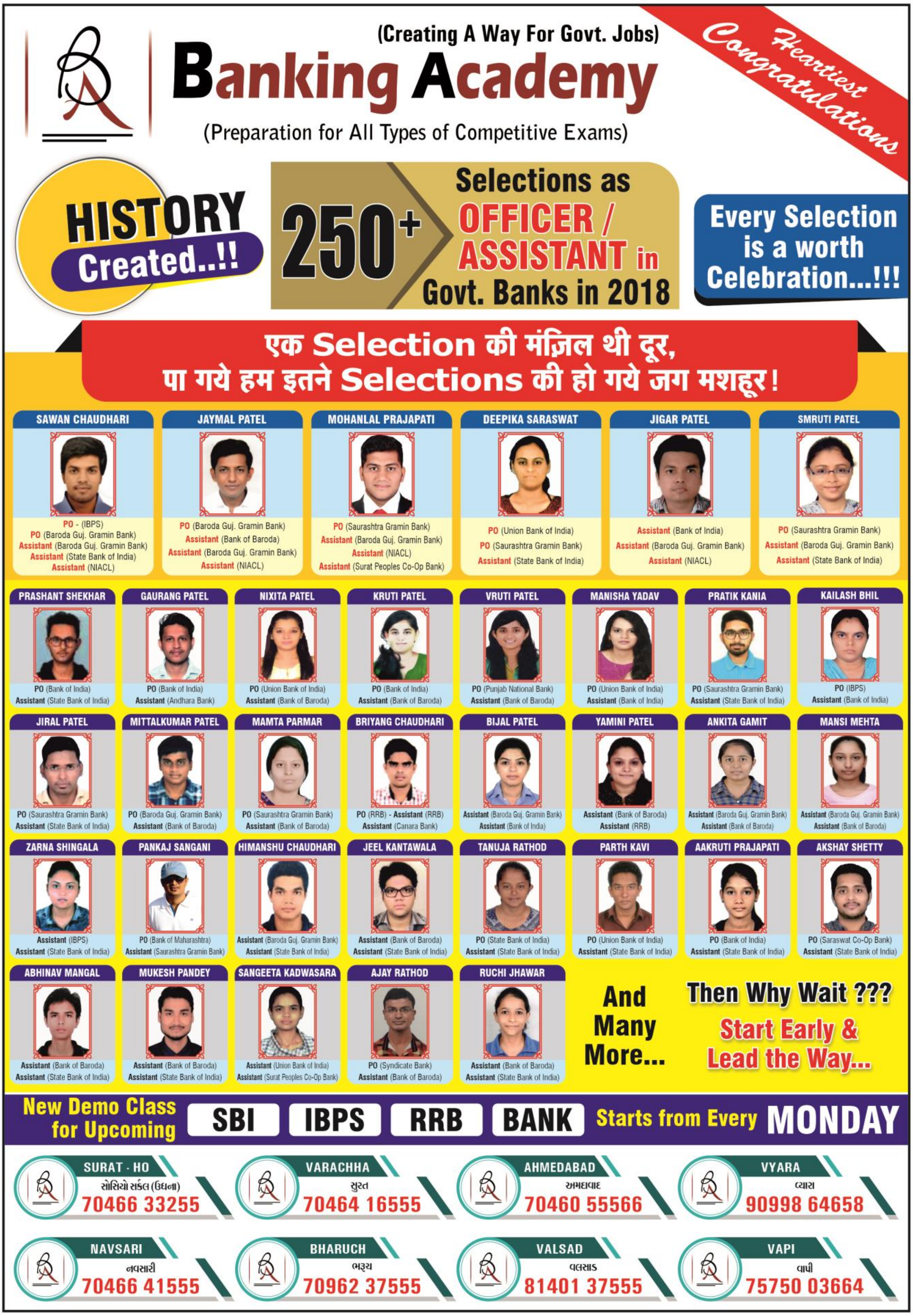
- Motor insurance covers the insurance of cars, trucks, two-wheelers and three-wheelers. There are 2 types of motor insurance: 3rd party insurance and comprehensive insurance.

✶ 3RD PARTY INSURANCE

- It only insures the party/parties other than the owner in an accident. All registered vehicles plying on the Indian roads, are mandatory to be registered under the provisions of the Motor Vehicle Act, 1988. This Act requires every motor vehicle in a public place to be insured against third party risk.

✶ COMPREHENSIVE INSURANCE

- This kind of insurance covers the owner as well as the 3rd party involved.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✶ DETARIFFING OF MOTOR INSURANCE

- Motor insurance was de-tariffed from Jan 1, 2007:
  - The regulator had asked the companies not to offer vehicle cover at rates lower than 10% of the tariff.
  - Companies who wish to offer higher discounts after Jan 2007 have to explain their pricing rationale.
  - Insurers are allowed to marginally increase the rates for third party insurance.
  - The 3rd party premiums would go into a special pool which will be managed by General Insurance Council and all claims will be paid out of this pool.
  - In case the premium in the pool is inadequate to meet all the claims, the shortfall will be shared by the insurers in the proportion of their market share.
  - Insurance companies will receive 10% of the premium as management expenses, while General Insurance Council will get 2.5% for managing the pool.
  - In the 1st phase, companies will issue policies and settle claims through their branches and the shortfall will be shared by the industry at the end of the year.

✶ MARINE CARGO INSURANCE

- This insurance covers cargo in transit and cargo declaration policy

✶ MARINE HULL INSURANCE

- This insurance covers inland vessels, ocean going vessels, fishing and scaling vessels, freight at risk, construction of ships, voyage insurance of various vessels, ship breaking insurance, oil and energy in respect of onshore and offshore risks, including construction risks. IRDA removed the price control on insuring marine hulls from Apr 1, 2005, thereby bringing it within the purview of 'file and use' regulations. It's a Rs 400 crore business and with detariffing the competition among general insurers to offer cheaper price increase.

✶ NON-TRADITIONAL/RURAL INSURANCE

- This kind of insurance provides insurance cover on cattle/hens, crops, water pump for agriculture, hut and other livestock. Apart from these traditional products, general insurers introduced longer-term contracts such as deferred health insurance and project insurance including contractor's all-risk cover and the marine-cumerection risk cover and credit insurance.
- As of now, only fire and motor insurance premium rates are governed by IRDA while in the case of marine, engineering and liability covers, the premium rates are determined through negotiation.

❖ TARIFF ADVISORY COMMITTEE

- It's a statutory body created under the Insurance Act, 1938 which looks into the pricing of non-life insurance products. It determines the tariffs of the insurance industry except for marine cargo and various personal lines of business. TAC provides floor rates for different products thereby preventing uneconomic competition and facilitating the classification of risk. With effect from May 1, 2000, a simplified tariff with a significant reduction at premium rates was introduced. IRDA has come out with a vision TAC document to spell out the future role of TAC which will perform the following functions:
  - Collection of data on premium and claims, analytics of such data, and dissemination of the results to the insurers
  - Report to IRDA on the underwriting health of the market and any aberrations in market behaviour
  - Constitution of expert groups at the request of the General Insurance Council, to look into underwriting issues and recommend necessary action.
  - Organize training of underwriters at the market level, and
  - Attend to public grievances on non-availability of insurance and try to resolve the issues by discussing the issue with insurers.

✶ (iv) Other types of Insurance :

- Apart from life, fire and marine insurance, general insurance companies can insure a variety of other risks through different policies. Some of these risks and the different policies are outlined below.
  (a) Motor vehicles Insurance - Insurance of all types of motor vehicles passenger cars, vans, commercial vehicles, motor cycles, scooters, etc.,covers the risks of damage of the vehicle by accident or loss by theft,

as also risks of liability arising out of injury or death of third party involved in an accident. Third party risk insurance is compulsory under the Motor Vehicles Act.

(b) Burglary Insurance - Under this insurance the insurance company undertakes to indemnify the insured against losses from burglary i.e., loss of moveable goods by robbery and theft by breaking the house.

(c) Fidelity Insurance - As a protection against the risks of loss on account of embezzlement or defalcation of cash or misappropriation of goods by employees, businessmen may get policies issued covering the risks of loss on account of fraud and dishonesty on the part of employees handling cash or in charge of stores. This is called fidelity insurance policy. The employees may also be required to sign a fidelity guarantee Bond.

(d) Personal accident and sickness Insurance - These are policies which can be taken out against death or disability in special circumstances, for example by traveling through flights, etc.

(e) Liability Insurance - This type of policy covers the risk of liability for the injury or death ofsomeone else.These are two main forms as

i. Employers liability- covers the employers legal liability for the safety of each employee.

ii. Public liability- covers the liability of individuals and business for members of public visiting their premises.

(f) Property Insurance - Covers a wide variety of items from goods in transit or in store to building or contents. Applies to both the business persons and the private householders.

INSURANCE PLANS - AN OVERVIEW

✶ ENDOWMENT INSURANCE PLAN

- Endowment insurance plan is a combination of both pure term plan and pure endowment plan. Pure term plan has only Death benefit with no maturity, whereas Pure Endowment Plan has only maturity benefit with no death benefit. EAP has death benefit if the life assured dies within the policy term as well as maturity benefit if he survives till the policy mature.
- Benefit is paid either on death or maturity whichever occurs first. Hence it is complete win-win solution to the policy holder. There are many types of endowments plan such as marriage endowment plan, Educational Endowment plan… etc.

✶ WHOLE LIFE INSURANCE

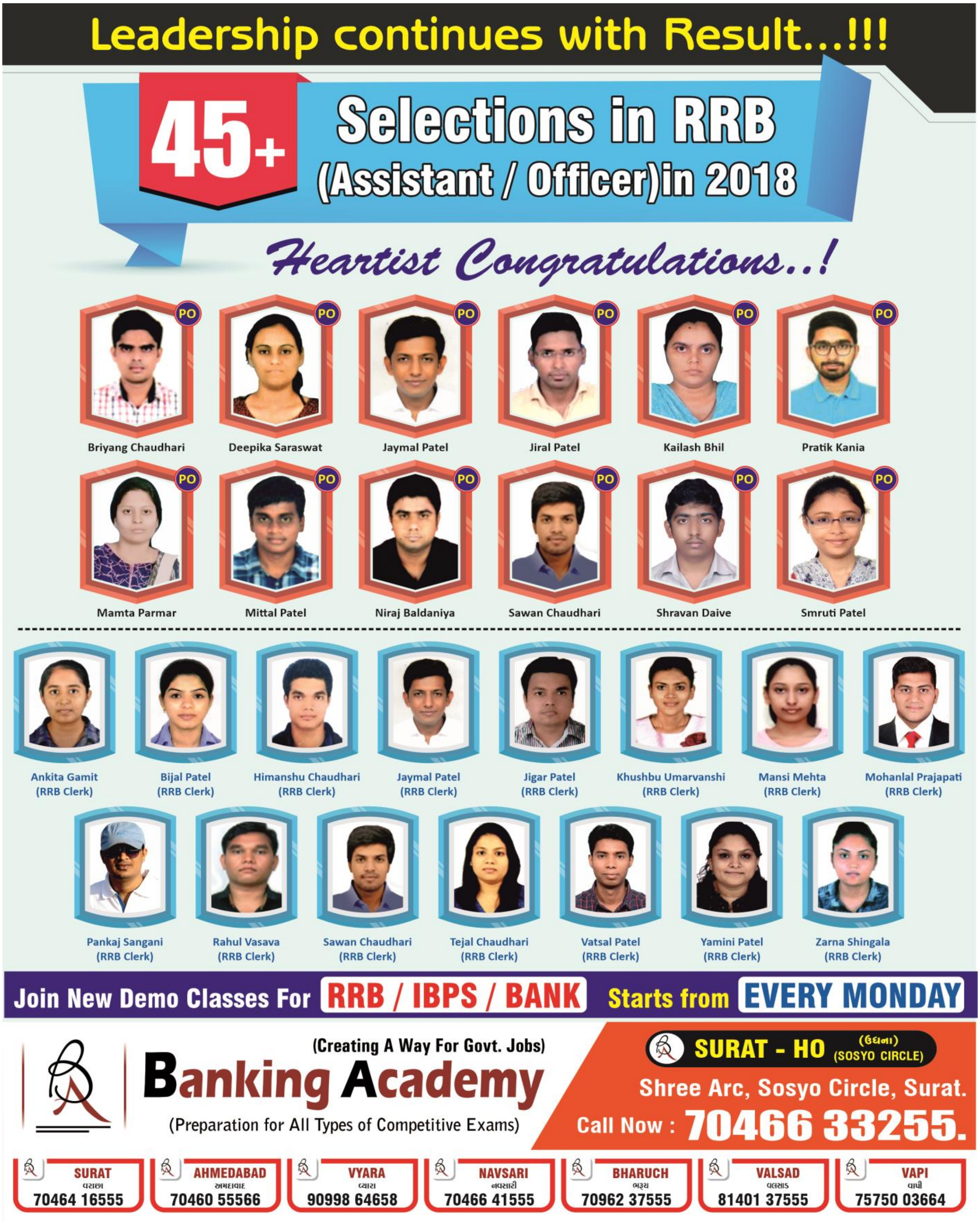
- Whole Life Insurance is a life insurance contract with level premiums that has both insurance and an investment component. The insurance component pays a stated amount upon death of an insured. Part of the insurance contract stipulates that the policyholder is entitled to a cash value reserve that is part of the policy and guaranteed by the company.
- This cash value can accessed anytime through policy loan that is received income tax free and paid back according to mutually agreed upon schedules. These policy loans are available until insured's death. If any loan amount is not yet paid back upon the insured's death, the insurer subtracts those amounts from the policy face value/death benefit and pays the remaining to the policy's beneficiary.

✶ GROUP LIFE INSURANCE

- A type of insurance coverage offered to a group of people, usually, employees of a company, members of a union or association etc. There are types of group insurances such as group term life insurances and group health insurance plan. This costs each individual member much less than if they had to purchase an individual policy. For this reason, group insurance is key factor in employee benefit package. This is because the risk is spread over the entire group, rather than one person.

✶ MICRO INSURANCE PLAN

- Insurance that offer coverage to low income households are micro insurance. This is similar to that of regular insurance except to the fact that it targets low income people. The target population mainly consists of people ignored by mainstream commercial and social insurance scheme. Micro insurance is found in developing countries, where current insurance markets are inefficient. The insured people pay considerably smaller premiums.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✶ JOINT LIFE INSURANCE PLAN

- Joint Life insurance policies are designed to cover couples or partnership in the event of either partner's death. It means the chosen amount of cover is paid out if the first person dies, during the length of the policy, after which the policy would end. A joint life policy pays only once and would leave the surviving person without any life insurances.

✶ SINGLE LIFE INSURANCE PLAN

- Single life insurance policy covers one person only and pays out the chosen amount of cover if that person dies, during the length of the policy, after which the policy would end.

✶ TERM INSURANCE PLAN

- Term life insurance is a policy that provides the insured person coverage for a certain period of time whereas "whole" or "universal" policy is considered permanent, providing coverage for the entire life of the insured.

✶ CONVERTIBLE INSURANCE PLAN

- It allows insured to convert a term policy to a permanent policy at a later date. This plan is designed to meet the needs of those who are initially unable to play larger premium required for whole life insurance plan.

✶ PURE ENDOWMENT PLAN

- It is an endowment policy that is paid when the person in the endowment is still alive. A pure endowment policy runs for a certain number of years that matures and is paid out to person nominated.

✶ ULIP(Unit Linked Insurance Policy)

- You pay regular premium to the company.
- Company invests it in Debt and Equity markets.
- The profit generated by this investment, will be given to you no matter you die or not.
- Thus you get the benefit of risk cover as well as the investment gains.
- You DONOT NEED TO DIE to get back the money.
- They pay higher return than Endowment.

AN OVERVIEW OF ULIPS

- In a ULIP (Unit Linked Insurance Plan) a part of the premium is invested in a fund and the return is linked to the performance of the fund. Funds can be of three types:
  - Debt Fund
  - Balanced Fund
  - Equity Fund
- ULIPs are different from normal insurance plans when it comes to flexibility and transparency. It combines the protection and tax advantages of life insurance along with the option of investing in securities. Let's have a look at some important pointers related to ULIPs:

✶ IMPORTANT POINTERS RELATED TO ULIPS (UNIT LINKED INSURANCE PLANS)

- Unit-linked products are sold under the individual single premium and non-single premium segments.
- Common types of funds available are:
  - Bond Fund
  - Protector Fund
  - Secure Fund
  - Balanced Fund
  - Growth Fund
  - Index Fund
  - Enhancer Fund
- Choice of the fund depend on the risk appetite of the investor and accordingly s/he has to bear charges such as premium allocation charges, mortality charges, fund management charges, policy/administration charges, surrender charges, fund switching charges and service tax.

- Like mutual funds, the amount invested in ULIPs is invested in stock market instruments such as equity and debenture after deducting stipulated charges.
- Investors also have the choice to go for either high risk, medium risk or low risk. Risk becomes high when more investment is on equity rather than government securities.
- ULIPs provide multiple benefits some of which are below:
  - Appreciation of investment
  - Tax Rebate under section 80CC of the IT Act
  - Life cover
  - Flexibility to choose premium/ sum assured
  - Flexibility to change the level of premium and asset allocation by switching between funds
  - Transparency in the net amount invested
  - Tracking of investment-performance on a daily basis
  - Option to withdraw money after 5 years
- For the benefit of the customers, insurance companies are required to declare the NAV of various ULIPs on a daily basis.

✶ INITIATIVES BY IRDA TO PROTECT CUSTOMERS' INTERESTS

✓ With ULIPs becoming increasingly popular, IRDA has taken the below initiatives to protect the interests of the customers:

- The lock-in period of all unit-linked products has been increased from 3 to 5 years, which includes top-up premiums there makes it a long-term financial instrument.
- All ULIPs (regular/ limited premium) ULIPs will have uniform/ level paying premiums. Any additional payment will be treated as a single premium for the purpose of insurance coverage.
- ULIPs charges have to be evenly distributed during the lock-in period. This is to ensure that high-front ending of expenses is eliminated.
- All limited premium unit-linked insurance products (other than single premium products) will have a minimum premium paying term of 5 years.
- All unit-linked products (other than pension and annuity products) will provide a mortality cover or a health cover thereby increasing the risk cover component.
- All ULIP pension/ annuity products will offer a minimum guaranteed return of 4.5 per cent per annum (subject to change as specified by IRDA).
- To smoothen the cap on charges, the capping has been rationalized to ensure that the difference in yield is capped from the 5th year onwards. Not only this will reduce the overall charges on these products but also smoothen the charge structure for the policyholder.
- The issue of discontinuance of charges for the surrender of ULIPs has also been addressed by IRDA. The IRDA (Treatment of Discontinued-Linked Insurance Policies) regulations brought out by IRDA ensure that:
  - Policyholders don't get overcharged in case they discontinue their policies for any emergency cash requirement.
  - An insurer shall recover only the insured acquisition costs in the event of discontinuance of policy. Also, the fact that these charges should not be excessive. In fact, the discontinuance charges have been capped both as percentage of fund value and premium and in absolute value as well.
  - A policyholder when discontinuing a policy will be entitled to exercise the option of either reviving the policy or completely withdrawing from the policy without any risk cover.
  - IRDA is enabled to order the refund of discontinuance charges in case those are found excessive.

AN OVERVIEW OF BANCASSURANCE

- When insurance companies tie up with banks to sell insurance products, this form of distribution channel is called bancassurance. RBI (Reserve Bank of India) has come up with 3 routes of participation in the insurance business, namely:
  - Referral Model

- Tie-up Model (when an insurance company becoming a corporate agency model where the insurer and banker join hands)
- Joint Venture Model (when a bank along with an Indian or foreign insurer starts its own insurance company)

IMPORTANT POINTERS ON BANCASSURANCE

- Since the alternate routes to sell insurance have stringent norms, banks have employed bancassurance to sell insurance.
- This is a win-win situation for banks as well as the insurance companies.
- Banks can increase their profits without putting much of a capital and insurance companies get access to the readymade customer database of a bank.
- Over 20 banks have tied up with public and private sector insurance companies. Also, the fact that the synergy between banking and insurance products makes bancassurance a better option. Examples are insurance cover for housing loans, insurance of vehicles for which a bank has approved a loan etc.
- Insurance companies also harness the wide reach of banks by means of bancassurance.
- From the regulation perspective, IRDA has allowed scheduled banks to function as Direct Insurance Brokers.
- From the banking perspective, RBI has allowed the banks to obtain prior approval of RBI and designate a general manager or equivalent cadre as the principal officer to look after insurance broking business.
- Private and foreign banks are aggressive sellers of insurance products as commissions are over 35% of the 1st year premium.
- Banks are allowed to have 3 insurance partners from each of the categories- life, general & health insurance.
- Apart from Bancassurance, life insurance companies have come up with alternate distribution channels which are given below:

DIRECT MARKETING

- In this channel, an insurance company gets a database of potential customers and contacts them (preferably on phone) to market the different policies of the company.

AUTOMOBILE MANUFACTURE TIE-UPS

- When non-life insurers tie-up with automobile manufacturers to provide vehicle insurance free of cost through their authorized car dealers for all new cars sold. The first premium is paid by the car dealer who is in turn compensated by the manufacturer.

FOREX DEALERS

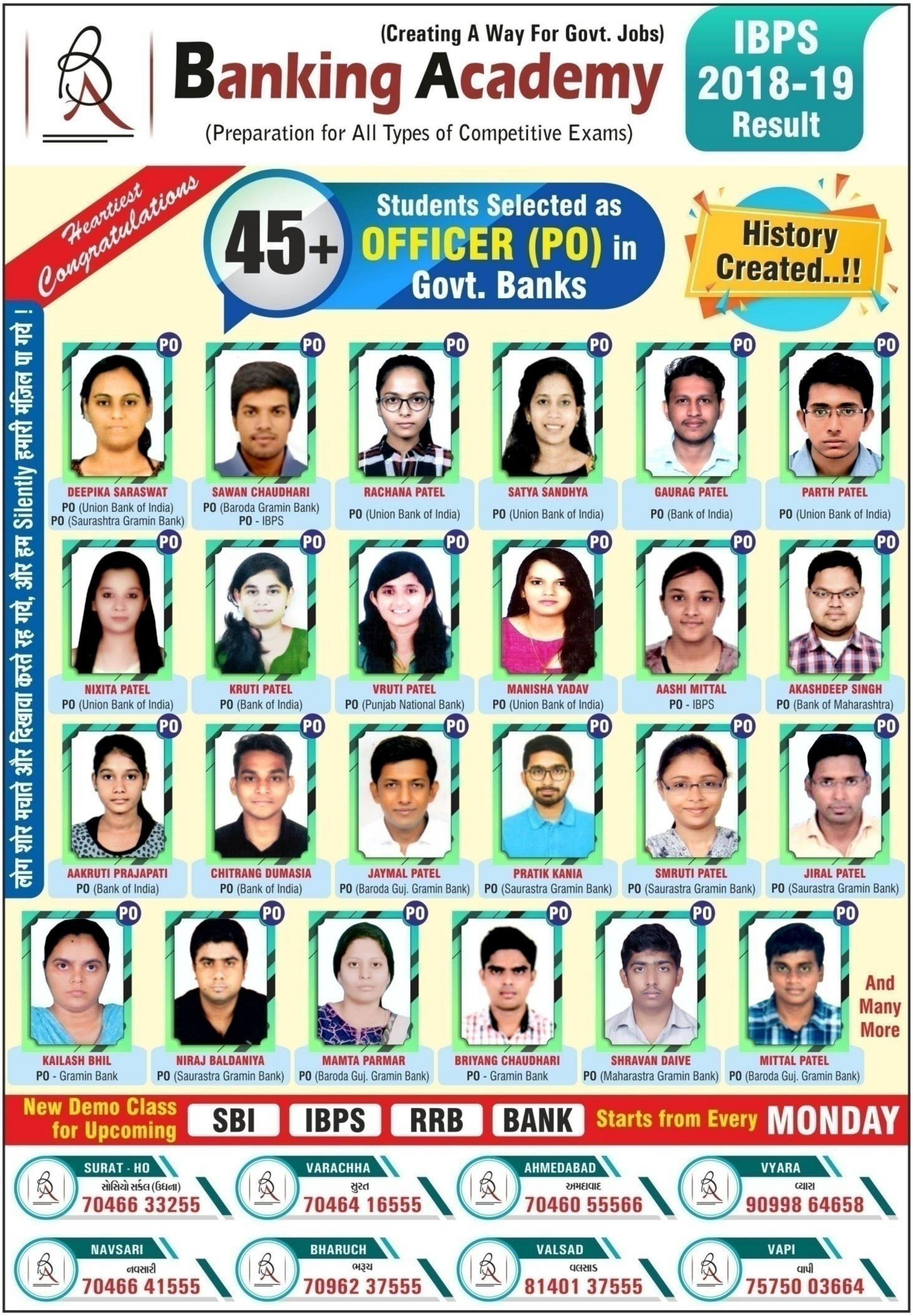
- Here travel agents tie up with insurance companies to sell overseas travel insurance policies.

WORKSITE MARKETING

- In these cases, insurance companies approach different organizations and sell group insurance policies to them for their employees.

MARINE CARGO INSURANCE THROUGH CLEARING AND FORWARDING AGENTS/ TRANSPORTERS/ CARRIER COMPANIES

- Insurance companies provide the technical support to these agents thereby enabling them to issue marine policies anywhere and anytime.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Advantages of Increase in FDI in Insurance

✶ From 26 to 49% Advantages :

- Capital Inflow
- Better Technology
- Increase in Competitiveness
- Innovative Insurance Products and Policies for Public Increase Penetration
- Employment Generation
- stringent competition leading to competitive quotes, improved services and better claim settlement ratio.

❖ Important Indian Insurances Companies Taglines

➢ Life Insurance Corporation of India (LIC)	• Tagline - YogakshemamVahamyaham
➢ Max Life Insurance Company Limited	• Tagline - AapkeSachhe Advisor
➢ New India Assurance Company Limited	• Tagline - India's premier general insurance
➢ SBI Life Insurance Company Limited	• Tagline - With Us, You're Sure
➢ United India Insurance Company Limited	• Tagline - Rest Assured with Us
➢ Oriental Insurance Company Limited	• Tagline - Prithvi, Agni, Jal, Akash, Sabki Suraksha HamarePaas
➢ Kotak Mahindra Old Mutual Life Insurance Limited	• Tagline - Faidey ka Insurance
➢ Max New york Life Insurance Company Limited	• Tagline - Karo Zyada ka Iraada
➢ Apollo Munich Health Insurance	• Tagline - We know Healthcare.
➢ Future Generali Life Insurance	• Tagline - EkShagunZindagiKeNaam
➢ Aviva India Life Insurance	• Tagline - Kal par Control
➢ Tata AIA Life Insurance Company Limited	• Tagline - You click, we cover
➢ ICICI Prudential Life Insurance Company Limited	• Tagline - Zimmedari ka humsafar
➢ HDFC Standard life Insurance Company Limited	• Tagline - Sar uthaKeJiyo
➢ Bajaj Allianz Life Insurance Company Limited	• Tagline - JiyoBefiqar
➢ Birla Sun Life Insurance Company Limited	• Tagline - MuskurateRaho
➢ Max Bupa Health Insurance	• Tagline - Your Health First
➢ PNB MetLife India Insurance Company Limited	• Tagline - Have you met life today?

Insurance Concepts

➢ **Insurance Penetration -** refers to a product's sales volume relative to the sales volume of competing products. Usually expressed as a ratio of premium to another financial measure like Gross Domestic Product.
  ✓ IE: US Non-Life Insurance Premiums to GDP = 4.5%

➢ **Insurance Density -** refers to a product's number of customers by geographic area (country, state etc). Usually expressed a ratio of premium to population.
  ✓ IE: US Non-Life Insurance Premiums Per Capita - $2,100

✶ What is Banccasurance?

➢ Banccasurance means selling of insurance products through banks. The insurance companies and the banks come up in a partnership wherein the bank sells the tied insurance company's insurance products to its clients.

➢ Bank Insurance Model is also termed as Banccassurance.

✶ Who is an Actuary?

➢ A person with expertise in the fields of economics, statistics and mathematics, who helps in risk assessment and estimation of premiums etc for an insurance business, is called an actuary.

➢ A professional statistician working in an insurance company is an Actuary.

✶ Who are Third Party Administrators?

➢ Third Party Administrators or TPAs are a vital link between health insurance companies, policyholders and health care providers.

➢ The TPAs maintain databases of policy holders and issue them identity cards with unique identification numbers and handle all the post policy issues including claim settlements.

✶ What is Mortality Charge?
- Mortality Charge is the amount charged every year by the insurer to provide the life cover to the policyholder on the life of the Life Insured. It is also called as Cost of Insurance.

✶ What is Maturity Date?
- The date on which the principal amount of a note, draft, acceptance bond or other debt instrument becomes due and is repaid to the investor and interest payments stop.
- The maturity date tells you when you will get your principal back and for how long you will receive interest payments.

✶ Who is an Agent?
- An Agent is a person who is licensed by state to sell Insurance. The Agents serve as an intermediary between the insurance company and the insured.
- Agents are only responsible for the timely and accurate processing of forms, premiums, and paperwork.
- Captive Agent – Agent sell Insurance of a specific Company.
- o Independent Agent – Agent who works independently and sells Insurance of many companies.

✶ Who is a Broker?
- An insurance broker is a specialist in insurance and risk management. Brokers act on behalf of their clients and provide advice in the interests of their clients.
- Insurance brokers can be best described as a kind of super-independent agent.

✶ What is Annuity?
- A long-term contract sold by an insurance company designed to provide payments to the holder at specified intervals, usually after retirement.

✶ What are Insurable and Uninsurable Risks?
- A risk that conforms to the norms and specifications of the insurance policy in such a way that the criterion for insurance is fulfilled is called insurable risk.
- In case of a scenario where the loss is too huge that no insurer would want to pay for it, the risk is said to be uninsurable.

✶ What is AD&D in Insurance?
- AD&D in Insurance refers to Accidental Death and Dismemberment Insurance.
- It is a policy that pays benefits to the beneficiary if the cause of death is an accident. This is a limited form of life insurance which is generally less expensive.

✶ What is Lapse in Insurance?
- The policy for which all benefits to the policy holder cease and is terminated due to non payment of premium amount on the due date or even after the grace period is called a lapsed policy.

✶ What is Surrender Value?
- Surrender Value is the amount the policy holder will get from the insurance company if he decides to exit the policy before maturity. Surrender value is payable only after three full years premiums.

✶ What is Maturity claim?
- Maturity claim is a type of claim, wherein the insured fills a maturity claim form. It is sent along with the original policy document to the insurance company before the maturity date to get timely settlement from the insurance company as post datedcheque or ECS (Electronic Clearance Service) payment on the maturity date.

✶ What is Death claim?
- Death claim is a type of claim made by the nominee of the insured to the insurance company due to death of the insured, abiding to the policy terms and conditions.

✶ What is Valid claim &Fradulent claim?
- An insurance company validates the authenticity and amount claimed by the insured in-order to prevent the insurer from exaggerating the claim amount & the claim fraudulently.
- If it is a valid reason it is classified as valid claim or else it is classified as fraudulent claim, thereby if insurance suspects of fraudulence in the claim.

✶ What is Gratuity?
- Gratuity is a part of salary that is received by an employee from his/her employer in gratitude for the services offered by the employee in the company.
- According to Payments of Gratuity Act, 1972 with minimum of 5 years service during exit is eligible to minimum of 15 days from the last drawn salary for each completed service year.

✶ What is Void & Voidable contract?
- Void contract cannot be enforced by law. It is also considered as void agreement and is not a contract et al. Any agreement which is illegal is considered as void contract.
- An agreement between two parties that can be unenforceable for a number of legal reasons like failure or mistake by a party to disclose a fact leading to breach of contract. Then the other party terms it as voidable contract. He may also continue the contract making it a valid contract, as it is decided by both parties.

✶ What is Paid up value?
- The right to change the normal policy into paid up value is given to the insured by the insurance company, if the insured have paid premiums for minimum of three years.
- The paid policy means, after the period if the insured cannot pay premium then the policy is not cancelled but the sum assured is reduced in proportion to the number of premiums paid by the insured.

✶ Encumbrance
- A claim on property, such as a mortgage, a lien for work and materials, or a right of dower. The interest of the property owner is reduced by the amount of the encumbrance.

✶ Liquidity
- Liquidity is the ability of an individual or business to quickly convert assets into cash without incurring a considerable loss. There are two kinds of liquidity

✶ Reinsurance
- It is an insurance that an insurance company buys for its own protection. The risk of loss is spread so a disproportionately large loss under a single policy doesn't fall on one company. Reinsurance enables an insurance company to expand its capacity; stabilize its underwriting results; finance its expanding volume; secure catastrophe protection against shock losses; withdraw from a line of business or a geographical area within a specified time period.

✶ Dividend
- The return of part of the policy's premium for a policy issued on a participating basis by either a mutual or stock insurer. A portion of the surplus paid to the stockholders of a corporation.

✶ Coinsurance
- In property insurance, requires the policyholder to carry insurance equal to a specified percentage of the value of property to receive full pay-ment on a loss. For health insurance, it is a percentage of each claim above the deductible paid by the policy-holder. For a 20 percent health insurance coinsurance clause, the policyholder pays for the deductible plus 20 percent of his covered losses.
- After paying 80 per-cent of losses up to a specified ceiling, the insurer starts paying 100 percent of losses.

✶ Retention
- The amount of risk retained by an insurance company that is not re-insured.

✶ Insurable Risk
- Risks for which it is relatively easy to get insurance and that meet certain criteria. These include being definable, accidental in nature, and part of a group of similar risks large enough to make losses predictable. The insurance company also must be able to come up with a reasonable price for the insurance.

✶ Actual Cash Value
- The cost of replacing damaged or destroyed property with comparable new property, minus depreciation and obsolescence

✶ Actuarial Science
- A discipline that applies mathematical and statistical methods to assess risk in insurance, finance and other industries and professions

✶ **Actuary**

- A person with expertise in the fields of economics, statistics and mathematics, who helps in risk assessment and estimation of premiums etc for an insurance business

✶ **AD&D**

- Accidental Death and Dismemberment Insurance is a policy that pays benefits to the beneficiary if the cause of death is an accident. This is a limited form of life insurance which is generally less expensive

✶ **Agent**

- A person licensed by state to sell Insurance. The Agents serve as an intermediary between the insurance company and the insured.
- l Captive Agent – One who sells Insurance of a specific Company
- l Independent Agent – One working independently and selling Insurance of many companies

✶ **Annuity**

- A long-term contract sold by an insurance company designed to provide payments to the holder at specified intervals, usually after retirement

✶ **Banccasurance**

- Banccasurance means selling of insurance products through banks. The insurance companies and the banks come up in a partnership wherein the bank sells the tied insurance company's insurance products to its clients via cross-selling

✶ **BCAR**

- Best's Capital Adequacy Relativity is a rating of the strength of an insurance company's balance sheet. It examines an insurer's leverage, underwriting activities, and financial performance and uses this information to test various scenarios to see how each would impact the insurer's balance sheet. The basic formula for BCAR is adjusted policyholders' surplus (APHS) divided by net required capital (NRC).

✶ **Broker**

- A specialist in insurance and risk management. Brokers act on behalf of their clients and provide advice in the interests of their clients. Insurance brokers can be best described as a kind of super-independent agent.

✶ **Burglary Insurance**

- When the insurance company undertakes to indemnify the insured against losses from burglary

✶ **Casualty Insurance**

- It is primarily concerned with losses caused by injuries to persons and legal liability imposed upon the insured for such injury or for damage to property of others. It also includes such diverse forms as plate glass, insurance against crime, such as robbery, burglary and forgery, boiler and machinery insurance and Aviation insurance

✶ **Coinsurance**

- An amount, generally expressed as a fixed percentage, an insured must pay against a claim after the deductible is satisfied

✶ **Composite Insurance Companies**

- Insurance companies which sell both life and non-life insurance

✶ **Convertible Insurance Plan**

- It allows insured to convert a term policy to a permanent policy at a later date. This plan is designed to meet the needs of those who are initially unable to play larger premium required for whole life insurance plan

✶ **Death claim**

- A type of claim made by the nominee of the insured to the insurance company due to death of the insured

✶ **Encumbrance**

- A claim on property, such as a mortgage, a lien for work and materials, or a right of dower. The interest of the property owner is reduced by the amount of the encumbrance

✶ **Endowment Life Insurance**

- A life insurance policy which, apart from covering the life of the insured, helps the policyholder save regularly over a specific period of time so that he/she is able to get a lump sum amount on the policy maturity in case he/she survives the policy term.

Fidelity Insurance
- A protection against the risks of loss on account of embezzlement or defalcation of cash or misappropriation of goods by employees

Fire Insurance
- A contract whereby the insurer, on payment of premium by the insured, undertakes to compensate the insured for the loss or damage suffered by reason of certain defined subject matter being damaged or destroyed by fire

Freight Insurance
- When freight is payable by the owner of cargo on safe delivery at the port of destination, the shipping company may insure the risk of loss of freight if the cargo is damaged or lost. This insurance is called Freight Insurance.

Group Life Insurance
- A type of insurance coverage offered to a group of people, usually, employees of a company, members of a union or association etc

Hull Insurance
- Where the ship is the subject matter of insurance

Insurable and Uninsurable Risks
- A risk that conforms to the norms and specifications of the insurance policy in such a way that the criterion for insurance is fulfilled is called insurable risk. In case of a scenario where the loss is too huge that no insurer would want to pay for it, the risk is said to be uninsurable

Insurable Risk
- A situation that an insurance company will protect you against because it is possible to calculate how likely it is to happen, how much damage it will cause, etc.

Insurance Retention
- The amount of money an insured person or business becomes responsible for in the event of a claim

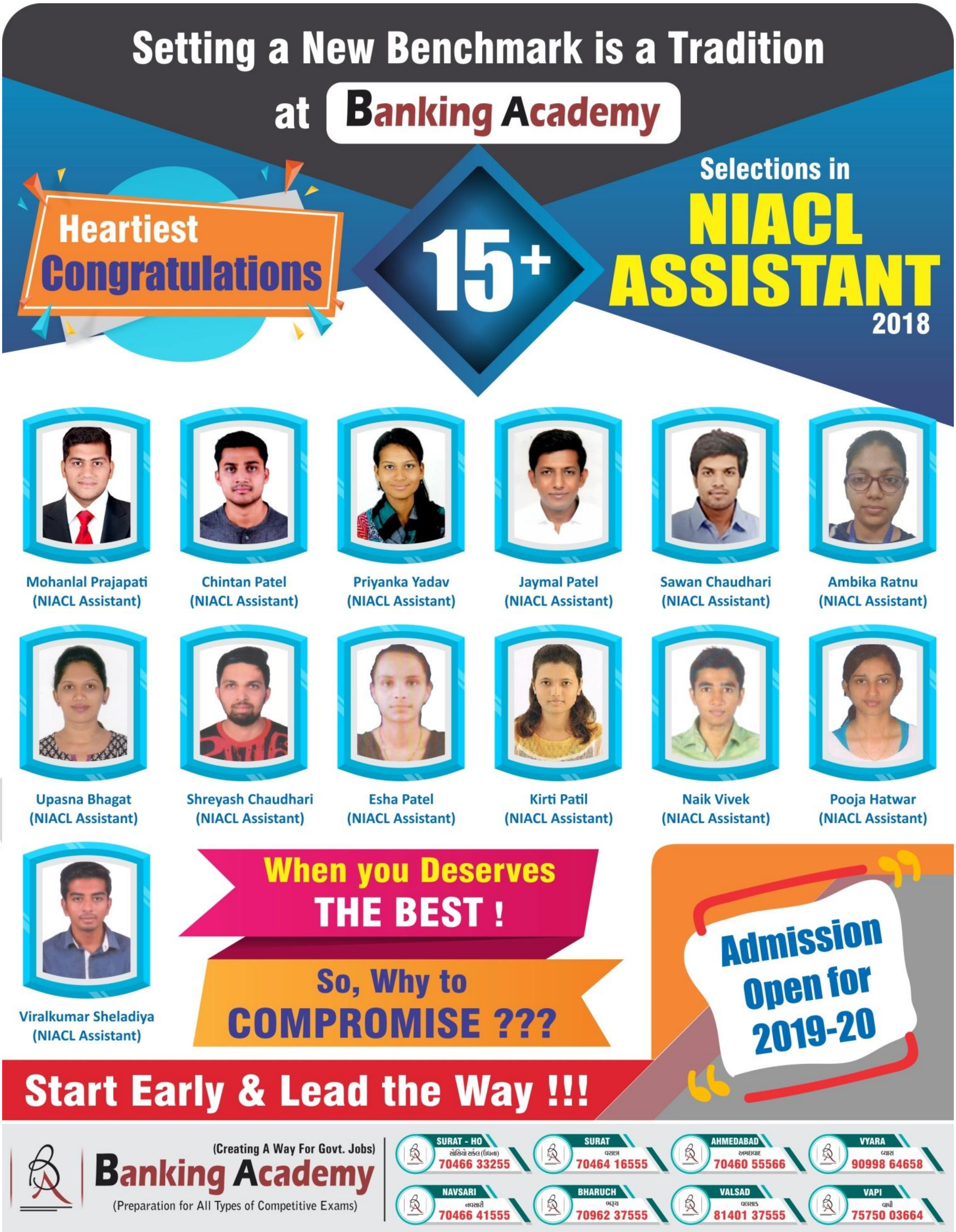
Joint Life Insurance Plan
- These policies are designed to cover couples or partnership in the event of either partner's death

Lapse Ratio
- The ratio of number of life insurance policies that lapsed within a given period to the number in force at the beginning of that period

Lapsed Policy
- A policy for which all benefits to the policy holder cease and is terminated due to non-payment of premium amount on the due date or even after the grace period

Life Insurance
- A contract whereby the insurer undertakes to pay a certain sum either on the death of the insured or on the expiry of a certain number of years. In return, the insured agrees to pay an amount as premium either in a lump sum or in periodical installments.

Marine Insurance
- An agreement (contract) by which the insurance company (also known as underwriter) agrees to indemnify the owner of a ship or cargo against risks, which are incidental to marine adventures. It also includes insurance of the risk of loss of freight due on the cargo. There are 4 types of Marine Insurance policies:
  - Time Policy
  - Voyage Policy
  - Mixed Policy
  - Floating Policy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✶ **Maturity claim**

➢ A maturity claim is sent along with the original policy document to the insurance company before the maturity date to get timely settlement from the insurance company as a post dated cheque or ECS (Electronic Clearance Service) payment on the maturity date.

✶ **Maturity Date**

➢ A date on which the principal amount of a note, draft, acceptance bond or other debt instrument becomes due and is repaid to the investor and interest payments stop

✶ **Micro Insurance Plan**

➢ Offers coverage to low income households are micro insurance

✶ **Mortality Charge**

➢ Amount charged every year by the insurer to provide the life cover to the policyholder on the life of the Life Insured

✶ **Motor Vehicle Insurance**

➢ Insurance of all types of motor vehicles passenger cars, vans, commercial vehicles, motor cycles, scooters, etc. Covers the risks of damage of the vehicle by accident or loss by theft, and also risks of liability arising out of injury or death of third party involved in an accident.

✶ **Paid up value**

➢ If the insured have paid premiums for minimum of three years and they couldn't pay premium any further, the policy doesn't get cancelled and the sum assured is reduced in proportion to the number of premiums paid by the insured.

✶ **Principles of Insurance**

- Utmost Good Faith
- Insurable Interest
- Principle of Indemnity
- Principle of Contribution
- Principle of Subrogation
- Principle of loss Minimization
- Principle of CAUSA PROXIMA

✶ **Property Insurance**

➢ Covers a wide variety of items from goods in transit or in store to building or contents

✶ **Reinsurance**

➢ An insurance that an insurance company buys for its own protection. The risk of loss is spread so a disproportionately large loss under a single policy doesn't fall on one company. Reinsurance enables an insurance company to expand its capacity; stabilize its underwriting results; finance its expanding volume; secure catastrophe protection against shock losses; withdraw from a line of business or a geographical area within a specified time period.

✶ **Single Life Insurance Plan**

➢ This policy covers one person only and pays out the chosen amount of cover if that person dies, during the length of the policy, after which the policy would end

✶ **Surrender Value**

➢ An amount a policyholder will get from the insurance company if he decides to exit the policy before maturity. Surrender value is payable only after the payment of premium of three full years.

✶ **Term Insurance Plan**

➢ This policy provides the insured person coverage for a certain period of time.

✶ **Terminal bonus**

➢ Also known as persistency bonus which is paid once, i.e. at the time of maturity of the policy. It is a sort of loyalty bonus given to a policyholder for maintaining the policy till maturity. Its value is not guaranteed and will be disclosed only at the time of policy maturity.

✶ Third Party Administrators

- They are a vital link between health insurance companies, policyholders and health care providers.The TPAs maintain databases of policy holders and issue them identity cards with unique identification numbers and handle all the post policy issues including claim settlements.

✶ ULIP

- Unit Linked Insurance Policy is a product offered by insurance companies that, unlike a pure insurance policy, gives investors both insurance and investment under a single integrated plan.

✶ Whole Life Insurance

- It is a life insurance contract with level premiums that has both insurance and an investment component.

CURRENT SCENARIO OF THE LIFE INSURANCE INDUSTRY

❖ ABOUT INSURANCE

- Insurance is a social device to reduce or eliminate the risk of loss to life/property. In other words, it spreads the risks and losses of some people among a large number of people. This is achieved by different schemes of economic cooperation participating in which members of the community share the unavoidable risks. Talking about the history of the Insurance sector in India, it seemed to be first quoted in the Vedas as “Yogakshema” which is also the name of LIC (Life Insurance Corporation of India)’s corporate headquarters. Obviously, insurance can’t prevent the occurrence of risk, but it provides the losses of risk.
- In other words, insurance can be defined as a legal contract between 2 parties- the insurer and the insured where the insurer undertakes to pay a fixed amount of money on the happening of a particular event which may be certain or uncertain. The insured pays a premium (a fixed sum of money) in exchange. The document which embodies the contract is called the policy.

❖ SOME IMPORTANT POINTS RELATED TO THE LIFE INSURANCE INDUSTRY:

- There are 24 players in the life insurance industry. Amongst these LIC is the public sector insurer and the remaining 23 are private sector insurers. These insurers are:
  - HDFC Life Insurance Co. Ltd
  - Max Life Insurance Co. Ltd.
  - ICICI Prudential Life Insurance Co. Ltd,
  - Kotak Mahindra Life Insurance Co. Ltd.
  - Aditya Birla SunLife Insurance Co. Ltd.
  - TATA AIA Life Insurance Co. Ltd.
  - SBI Life Insurance Co. Ltd.
  - Exide Life Insurance Co. Ltd.
  - Bajaj Allianz Life Insurance Co. Ltd.
  - PNB MetLife India Insurance Co. Ltd,
  - Reliance Nippon Life Insurance Company Limited
  - Aviva Life Insurance Company India Ltd.
  - Sahara India Life Insurance Co. Ltd.
  - Shriram Life Insurance Co. Ltd.
  - Bharti AXA Life Insurance Company Ltd,
  - Future Generali India Life Insurance Company Limited
  - IDBI Federal Life Insurance Company Limited
  - Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited,
  - Aegon Life Insurance Company Limited,
  - DHFL Pramerica Life Insurance Co. Ltd.
  - Star Union Dai-Ichi Life Insurance Co. Ltd.
  - IndiaFirst Life Insurance Company Ltd.,
  - Edelweiss Tokio Life Insurance Company Limited,3rd & 4thFloor,
- LIC is the largest insurer followed by ICICI Prudential Life Insurance and SBI Life.

- The new business premium for the industry was around Rs 1,07,362 crore in 2012-13 which was Rs 1,13,942 in 2011-12. While LIC's market share has increased to 73%, that of the private players has declined to 27.5% in 2012-13 from 29.32% in 2011-12.
- The growth of the life insurance industry in India was fastest in the world in 2006 touching 163 %. LIC's growth was a phenomenal 184% contributing significantly to the industry's growth.
- The individual single premium segment was the dominant one in the new business growth accounting for 60% of it.
- Insurance penetration/premium volume as a ratio of GDP stood at 3.17% and 0.78% for life & non-life insurance respectively in the year 2012.
- Only 16 private sector companies reported a net profit in 2012-13.
- The share of insurance is the overall GDP is a mere 4% for life and 0.6% for non-life insurance.
- IRDA issued stringent guidelines in Dec 2005 to curb the aggressive selling of ULIPs (Unit Linked Insurance Plans) by insurers.

✶ **INSURANCE LAWS (AMENDMENT) ACT, 2015** India's top 5 insurance companies are expected to attract upwards of $3 billion of additional foreign investment in the immediate future following the recent increase in the ceiling on permissible foreign investment from 26% to 49%. One of these, for instance (HDFC Standard Life), was itself recently valued in a publicly announced deal at $3.5 billion – which reflects an impressive trajectory for a relative young industry (outside of state owned insurers). India currently has 52 registered insurance companies, including 24 engaged in life insurance. It is estimated that over the next five years, the industry will grow at a CAGR of 12-15% and require $8 billion of additional capital. This changing landscape presents new opportunities for strategic and financial investments, and for consolidation in the industry, in no small part driven by the regulatory regime.

✶ **INSURANCE AMENDMENT ACT** The long overdue Insurance Laws (Amendment) Act, 2015 was enacted on 23 March, 2015, in one of the first legislative actions of India's new government led by NarendraModi. The amendment was first presented before parliament as far back as 2008, but failed to get traction because of the legislative logjam in the intervening years. The amendment also underwent a few material changes since it was first introduced, such as the prescription for Indian control over insurance joint ventures. However, the head-line objective of increasing the ceiling on foreign investment from 26% to 49% has been achieved.

❖ SOME IMPORTANT HEALTH INSURANCE POLICIES

- **1. Janashree Bima Yojana (JBY)**
  - Launched on 10th August 2000 by Life Insurance Corporation.
  - JanashreeBima Yojana replaced social security group insurance schemes (SSGIS) and Rural Group Life Insurance Scheme(RGLIC)
  - Provides for an insurance cover of Rs.30000 on natural death, Rs.75000 on permanent disability to accident and Rs.37500 on partial disability.
  - The Premium is Rs.200 per member per annum.
  - 45 occupational groups having 25 members.
  - For both Rural and Urban people
  - For BPL and marginally above BPL people.
  - 50% of finance is met out of social security fund.
- **2. Aam Aadmi Bima Yojna (AABY)**
  - Launched on 2nd October 2007.
  - It was launched by LIC for rural landless households at Shimla.
  - Premium fixes at Rs.200 per person per annum to be shared equally by centre and the states.
  - The age covered is 18years to 59 years
  - Death or Permanent disability Rs. 75000, Partial disability Rs37500
  - For Rural landless household.
  - Head of the family or one carring member in the family of rural landless
  - Free add-on benefit for children of the members of AamAadmiBima Yojana.
- **3. Universal Health Insurance Scheme (UHIS)**
  - Launched from the year 2003-2004 for improving the healthcare access to the poor families.

- Launched by four public sector general insurance company.
- Export credit Gurantee Corporation (ECGC) and the Agriculture Insurance Company (AIC) are the specialised insurers.

➢ **4. Rashtriya Swasthya Bima Yojana (RSBY)**

- Launched on 1st October 2007.
- Provides smart-card based casters health insurance cover Rs.30000 per family per annum to BPL families (a unit of five) in the unorganised sector.
- The premium is shared in 75:25 between the center and the states.
- For BPL families (A unit of five)
- For unorganised sectors.
- It's a smart card based cashless health insurance, cover Rs.30000 per annum of insurance or family floats basis.
- It also cover migrant workers.
- It was for 5years from 2008 to 2013.
- It cover all pre-existing diseased, maternity benefit, transport cost
- It use IT application both private and public service providers for delivering the insurance package
- No age limit has been prescribed.

➢ **5. Siksha Sahayog Yojana**

- Less the burden of parents in meeting the educational exenses of their children.
- For BPL families
- Between 9th to 12th Standard.

➢ **6. Atal Pension Yojana (APY)**

- Launched on 9th May 2015 in 2015 Budget.
- Launched by PM Sri Nrendra Modi.
- It targeted at the Unorganised Sectors.
- It has fixed pension for the Insurer ranging between Rs1000 to Rs.5000, If he joins and contributes in between 18years to 40 years, till they turn 60 Years.
- This scheme is open to all bank account holders who are not a members of any statutory social security scheme.
- The Minimum and Maximum age of Atal pension Yojana is 18 years & 40 Years
- The Minimum period of this scheme i.e. Atal Pension Yojana is 20 years or more.

➢ **7. Pradhan Mantri Suraksha Bima Yojana**

- It was launched in 9th May 2015.
- It was formally lauched by PM Sri Narendra Modi.
- It foused mainly on Accidental Death and disability of a person.
- It will cover Rs.2 lakh on Accidental Death and disability of a person
- The costs of Premium is Rs.12 per year as mentioned.
- The scheme can be used by anyone who has a saving bank account in the banks that offer this Pradhan Mantri Suraksha Bima Yojana Scheme.
- This scheme is specially for drivers, security guards, news-paper vendors, etc. other than who are exposed to the risk of accidental death or disability.

➢ **8. Pradhan Mantri Jeevan Jyoti Bima Yojana**

- This scheme was launched on 9th May 2015.
- It was formally launched by PM Sri Narendra Modi.
- This scheme is a pure protection term insurance cover which plays Rs.2Lakh on the event of the policy holder's death.
- The Premium of this policy Rs.330 per year.
- The basic eligibility is for Any-one in-between 18-70 years who has a saving bank account in a bank.

✶ **ULIP** - Unit Link Insurance plan

✶ **ARM** – Associate in Risk Management

- **BAP** – Business Auto Policy
- **BOP** – Business Owners Policy
- **CIC** – Certified Insurance Counselor
- **CISR** – Certified Insurance Service Representative
- **DSU** – Delay in Start-Up Insurance
- **DOD** – Date of Death
- **EAP** – Estimated Annual Premium
- **ETB** – Engaged In Trade or Business
- **FMV** – Air Market Value
- **GAP** – Guaranteed Auto Protection
- **GL** – General Liability
- **GWP** – Gross Written Premium
- **HII** – Health Insurance Institute
- **HLV** – Human Life Value
- **LOC** – Letter Of Credit
- **M&D** – Minimum and Deposit
- **MDO** – Monthly Debit Ordinary Life Insurance
- **MPL** – Maximum Possible Loss
- **MPP** – Managed premium plan
- **ORFS** – Operational Risk Financing Securities
- **PAP** – Personal Auto Policy
- **RAM** – Reverse-Annuity Mortgage
- **SPAP** – Special Personal Auto Policy
- **TDI** – Trade Disruption Insurance
- **TERI** – Targeted Enterprise Risk Insurance
- **TPA** – Third-party administrator
- **UL** – Umbrella Liability
- **YRT** – Yearly Renewable Term

QUESTIONS BANK

1. What does "Reinsurance" mean?
   (A) Taking insurance by person from multiple insurance companies
   (B) Double insurance taken by a entity or person
   (C) Insurance for insurance companies
   (D) Term insurance taken by a person
   (E) Life time insurance taken by a person
2. Which term is used for options given to policyholders of ULIPs to move their investments from one fund to another within one plan?
   (A) Transfer Pricings (B) Trade Options (C) Switches (D) Unit Payments (E) Dual Payments
3. What do you understand by term 'Premium Allocation Charge's' used in insurance sector?
   (A) Third-party insurance charge
   (B) Charge levied by insurance firms to recover the initial expense
   (C) CESS levied by union government
   (D) Commission charged by the Policy agent
   (E) Surcharge appropriated by union government

4. Which life insurance company has unveiled an Artificial Intelligence (AI) –powered customer service app "Khushi"?
(A) ICICI Prudential Life Insurance (B) SBI Life Insurance Company
(C) HDFC Life Insurance Company (D) PNB Metlife India Insurance Company
(E) Aegon Life Insurance Company
5. Which of the following is India's oldest existing insurance company?
(A) Life Insurance Corporation of India (B) New India Assurance Company Ltd.
(C) United India Insurance Company Ltd. (D) National Insurance Company Ltd.
(E) General Insurance Company Ltd.
6. _______ is a policy contract that for some reason specified in the policy becomes free of all legal effect.
(A) Salvage (B) Schedule (C) Retrospective Rating (D) Void (E) None of these
7. What do you understand by term "Life Assured" used extensively in insurance sector?
(A) The payment to the policy holder at the end of the stipulated term of the policy
(B) The person whose life is insured by an individual life policy
(C) The scope of protection provided under a contract of insurance
(D) These are policies where the payment stays fixed (E) All of the above
8. What does 'Co-insurance' term mean in Health insurance?
(A) Taking two insurance policies simultaneously
(B) Taking Joint insurance
(C) Percentage premium of Health and Vehicle insurance
(D) Taking Property and Term Insurance
(E) Percentage of Health expenditure paid by policyholder
9. What is maximum FDI limit in insurance sector at present?
(A) 76% (B) 49% (C) 26% (D) 51% (E) 100%
10. What do you mean by term "Underwriting" used in insurance sector?
(A) Licensing to insurance firms (B) Writing the contract between insurer and re-insurer
(C) Process of assessing risks for insurance (D) Assessing annual average cost of premium
(E) Assessing the total benefits post maturity of policy
11. In which of the following years the Government of India nationalized the general insurance business under the General Insurance Business (Nationalize(D) Act?
(A) 1970 (B) 1972 (C) 1976 (D) 1973 (E) 1981
12. Special investigation is necessary if death is occur within two years from:
(A) The date of commencement (B) The date of revival (C) Either (A) or (B)
(D) The date of maturity (E) None of these
13. Which of the following is the first life insurance company started on the Indian soil in the year 1818?
(A) New Indian Life Insurance Company (B) East Indian Life Insurance Company
(C) Oriental Life Insurance Company (D) Occidental Life Insurance Company
(E) None of the above
14. The insurance is a contract which assures to put the insured in the same position as he was the before the uncertain event took place. This is covered under which of the following principles of insurance?
(A) Principle of utmost good faith (B) Principle of insurable interest
(C) Principle of indemnity (D) Principle of contribution (E) None of these
15. The small payment or series of regular payments made by the insured are:
(A) Interest (B) Premium (C) Sum assured
(D) Either 1 or 2 is correct (E) None of these
16. If an insurance policy is designed to provide cover under a single limit to two or more items that is known as
(A) Double Insurance (B) Rider Insurance (C) Blanket Insurance (D) Basic Insurance (E) None of these
17. In insurance terminology, the full form of ACV is
(A) Asset Classification Value (B) Actual Cash Value
(C) Assisting Cash Value (D) Actual Claim Value (E) None of these
18. In the absence of utmost good faith the insurance contract becomes:
(A) Null and Void (B) Void –ab-initio
(C) Wagering Contract (D) Allium Fact per se (E) None of these
19. The loyalty bonus paid by an insurer to the insured for maintaining a policy till the maturity is known as
(A) Maturity Value (B) Sum Assured (C) Terminal Bonus (D) Statute Bonus (E) None of these

20. Floating Policy is related to which among the following?
(A) Marine Insurance (B) Accidental Death Insurance
(C) Endowment Policy (D) Fidelity Policy (E) None of these
21. Which of the following names Is NOT associated with the Insurance business in India ?
(A) Bajaj Allianz (B) LIC (C) GIC (D) Tata AIG (E) GE Money
22. Alice Vaidyan is the Chairman & Managing Director of________
(A) General Insurance Corporation of India (B) National Insurance Company
(C) New India Assurance Co. Ltd (D) Oriental Insurance Company
(E) United India Insurance
23. Which is an insurance regulatory body?
(A) TRAI (B) SEBI (C) IRDA (D) None of the above
24. Which organization provides the Jan Dhan yojna additional insurance coverage?
(A) LIC (B) NICL (C) NIA (D) HDFC
25. Which of the following will be the insurance company providing the cover for the Rupay card offered under the Jan Dhan Yojana?
(A) HDFC EGRO (B) ICICI Lombard (C) Bajaj Allianz (D) Birla Sun Life (E) None of these
26. Which of the following terms/ expressions is not used in the Insurance sector?
(A) Refraction (B) Casualty (C) Actuary (D) Claim (E) Brokerage
27. In the field of insurance, which term is employed for describing a professional who deals with the financial impact of risk and uncertainty?
(A) Actuary (B) Agent (C) Assessor (D) Appraiser (E) Bailee
28. Which of the following was/were not a subsidiary company of the General Insurance Corporation of India in 2015?
(A) National Insurance Company Limited (B) Life Insurance Corporation
(C) New India Assurance Company Limited (D) Oriental Insurance Company Limited
(E) United India Insurance Company Limited
29. Who is the following was/ were not the subsidiary company of the General Insurance Corporation of India?
(A) Stephen Cohen (B) Jaswant Singh (C) Tony Aloctt
(D) Lal Krishna Advani (E) Manmohan Singh
30. To which of the following crops does the Rashtriya Krishi Bima Yojana (NAIS) provide insurance?
(A) Food crops(cereals and pulses (B) Oilseeds
(C) Horticultural crops (D) Commercial crops (E) All of the above.
31. General Insurance Corporation (GI(C) of India is a state owned enterprise in India. Where is the head office of GIC?
(A) Kolkata (B) Chennai (C) New Delhi (D) Mumbai (E) Hyderabad
32. Life Insurance Corporation of India is an Indian state-owned insurance group and investment company. In which year LIC was founded?
(A) 1956 (B) 1952 (C) 1961 (D) 1935 (E) 1955
33. General Insurance Corporation (GI(C) of India was incorporated on _________ under the Companies Act, 1956 as a private company limited by shares.
(A) 01st July 1955 (B) 01st April 1935
(C) 22nd November 1972 (D) 12th April 1992 (E) 12th November 1992
34. LIC was formed by an Act of Parliament, viz. LIC Act, 1956, with a capital contribution of Rs. _________ from the Government of India.
(A) Rs. 10 crore (B) Rs. 50 crore (C) Rs. 100 crore (D) Rs. 1 crore (E) Rs. 5 crore
35. Who is present Chairman-cum-Managing Director of GIC?
(A) Tajinder Mukherjee (B) Alice G Vaidyan (C) TL Alamelu
(D) Atul Sahai (E) AV Girija Kumar
36. Who is the Chairman In-charge and Managing Director of LIC of India?
(A) Hemant Bhargava (B) B Venugopal
(C) Subhash Chandra Garg (D) Girish Chandra Murmu (E) Alice G Vaidyan
37. Where is the headquarter of LIC?
(A) Kolkata (B) Mumbai (C) New Delhi (D) Chennai (E) Hyderabad
38. The New India Assurance Company Limited (NIACL) was founded in-
(A)1935 (B)1921 (C) 1919 (D) 1949 (E) 1956

39. Who is present Chairman cum Managing Director of UIIC?
(A) Susmita Mukherjee (B) M Shahul Hameed
(C) Tajinder Sharma (D) Girish Radhakrishnan (E) Atul Sahai
40. Where is the headquarter of NIACL?
(A) Kolkata (B) Hyderabad (C) New Delhi (D) Chennai (E) Mumbai
41. United India Insurance Company Limited was incorporated as a Company on-
(A) 10th February 1956 (B) 26th February 1989
(C) 26th February 1949 (D) 18th February 1938 (E) 15th February 1919
42. Where is the Head Office of UIIC?
(A) Bengaluru (B) Mumbai (C) New Delhi (D) Kolkata (E) Chennai
43. The Oriental Insurance Company Ltd was incorporated at Bombay on-
(A) 12th September 1956 (B) 12th September 1947
(C) 12th September 1962 (D) 12th September 1982 (E) 12th September 1961
44. Where is the Head Office of National Insurance Company Limited (NICL)?
(A) Hyderabad (B) Mumbai (C) Kolkata (D) Chennai (E) Mumbai
45. Who is present Chairman-Cum-Managing Director of Oriental Insurance Company Limited (OICL)?
(A) TL Alamelu (B) AV Girija Kumar
(C) Girish Radhakrishnan (D) Tajinder Mukherjee (E) Atul Sahai
46. NIC (National Insurance Company Limite(D) is India's oldest general insurance Company. It was incorporated on-
(A) 27th December 1956 (B) 02nd December 1949
(C) 21st December 1935 (D) 17th December 1920 (E) 05th December 1906
47. In 2003 all shares of Oriental Insurance Company Limited held by the General Insurance Corporation of India have been transferred to-
(A) LIC (B) IRDAI
(C) Central Government (D) RBI (E) Finance Ministry
48. Who is present Chairman-Cum-Managing Director of National Insurance Company Limited?
(A) Tajinder Mukherjee (B) AV Girija Kumar
(C) Girish Radhakrishnan (D) TL Alamelu (E) Atul Sahai
49. Where is the Head Office of Oriental Insurance Company Limited?
(A) Hyderabad (B) Chennai (C) Mumbai (D) New Delhi (E) Kolkata
50. Agriculture Insurance Company of India Limited was incorporated under the Indian Companies Act ____________.
(A) 1956 (B) 1961 (C) 1949 (D) 1969 (E) 1980
51. Recommendations of which committee, The Insurance Regulatory and Development Authority (IRD(A) was constituted as an autonomous body to regulate and develop the insurance industry?
(A) Sivaraman Committee (B) Malhotra Committee
(C) Rangarajan Committee (D) Mehta Committee (E) Reddy Committee
52. What was the authorised capital of Agriculture Insurance Company of India Limited (AI(C)?
(A) Rs. 1000 Crores (B) Rs. 2000 Crores (C) Rs. 1500 Crores (D) Rs. 500 Crores (E) Rs. 100 Crores
53. Which of the following is/are functions and duties of IRDAI?
(A) Registering and regulating insurance companies
(B) Protecting policyholders' interests
(C) Licensing and establishing norms for insurance intermediaries
(D) Promoting professional organisations in insurance
(E) All of the above are functions and duties of IRDAI
54. Where is the Registered Office of Agriculture Insurance Company of India Limited?
(A) Hyderabad (B) Chennai (C) Mumbai (D) New Delhi (E) Kolkata
55. Insurance Regulatory and Development Authority (IRD(A) was set up as autonomous body under which act?
(A) IRDA Act, 1996 (B) IRDA Act, 1999 (C) IRDA Act, 2000 (D) IRDA Act, 2002 (E) IRDA Act, 1995
56. Who is current Chairman-cum-Managing Director of Agriculture Insurance Company of India Limited?
(A) Tajinder Mukherjee (B) AV Girija Kumar
(C) Girish Radhakrishnan (D) TL Alamelu (E) Alamelu T Lakshmanachari

57. Parliament was passed Insurance Laws (Amendment) Bill, 2015. The amendment bill hikes Foreign Direct Investment (FDI) cap in the insurance sector to ______________ percent from present 26 percent.
(A) 49% (B) 40% (C) 64% (D) 75% (E) 100%

58. Name the insurance that is a financial cover for a contingency linked with human life, like death, disability, accident, retirement etc.
(A) Property Insurance (B) Health Insurance (C) Motor Insurance
(D) Life Insurance (E) Travel Insurance

59. A ____________________ may be deducted for premature partial or full encashment of units wherever applicable, as mentioned in the policy conditions.
(A) Policy Charges (B) Administration Charges
(C) Surrender Charges (D) Fund Switching Charge (E) Mortality Charges

60. Who is the present Chairman of IRDAI?
(A) TS Vijayan (B) Subhash Chandra Khuntia (C) Ajay Tyagi
(D) HK Bhanwala (E) David Rasquinha

61. Name the insurance that is insurance of buildings, machinery, stocks etc against Fire and Allied Perils, Burglary Risks and so on.
(A) Health Insurance (B) Property Insurance
(C) Motor Insurance (D) Life Insurance (E) Travel Insurance

62. Where is the headquarters of IRDAI?
(A) Bengaluru (B) Mumbai (C) New Delhi (D) Chennai (E) Hyderabad

63. Which of the following are the charges to provide for the cost of insurance coverage under the plan?
(A) Policy Charges (B) Administration Charges
(C) Surrender Charges (D) Fund Switching Charge (E) Mortality Charges

64. The IRDAI was incorporated as a statutory body in-
(A) April 2000 (B) May 2001 (C) December 1999 (D) August 1991 (E) January 2003

65. ________________ is a percentage of the premium appropriated towards charges before allocating the units under the policy.
(A) Premium Allocation Charge (B) Mortality Charges
(C) Surrender Charges (D) Fund Switching Charge
(E) Service Tax Deduction

66. ULIP is a life insurance product, which provides risk cover for the policy holder along with investment options to invest in any number of qualified investments such as stocks, bonds or mutual funds. What is the full form of ULIP?
(A) Unit Linked Insurance Policy (B) Unit Linked Instant Plan
(C) Universal Linked Insurance Plan (D) Unit Linked Insurance Plan
(E) Unique Linked Insurance Plan

67. In insurance, IBNR claims is the amount owed by an insurer to all valid claimants who have had a covered loss but have not yet reported it. What is the meaning of "I" in IBNR?
(A) Initial (B) Institute (C) Insurance (D) Incurred (E) Indian

68. ______________ is the method by which firms evaluate potential losses and take action to reduce or eliminate such threats.
(A) Risk Retention (B) Risk Management (C) Risk control (D) Risk Transfer (E) Risk Avoidance

69. From which year the General Insurance Council has been constituted under section 64C of the Insurance Act, 1938?
(A) 2000 (B) 2002 (C) 2001 (D) 2004 (E) 2003

70. Prithvi, Agni, Jal, Akash, Sabki Suraksha Hamare Paas is the slogan of-
(A) General Insurance Corporation of India (B) Oriental Insurance Company Limited
(C) United India Insurance Company (D) New India Assurance Company Limited
(E) National Insurance Company Limited

71. What is the tagline of Bajaj Allianz Life Insurance Company Limited?
(A) Prithvi, Agni, Jal, Akash, Sabki Suraksha Hamare Paas
(B) Zimmedari ka humsafar
(C) You click, we cover (D) Karo Zyada ka Iraada (E) Jiyo Befiqar

72. The General Insurance Council has been constituted under section 64C of the Insurance Act, 1938 by-
(A) IRDAI (B) Government of India (C) Finance Ministry (D) NABARD (E) LIC

73. Name the insurance that is refers to liability insurance that is in excess of specified other policies and also potentially primary insurance for losses not covered by the other policies.
(A) Life Insurance (B) Travel Insurance
(C) Motor Insurance (D) Umbrella Insurance (E) Flood Insurance
74. Where is the head office of General Insurance Council?
(A) Pune (B) Chennai (C) Mumbai (D) New Delhi (E) Kolkata
75. A ________________ is a person who has an insurance policy with an insurance company.
(A) ADO (B) Policyholder
(C) Assistant Administrative Officer (D) Insurance Agent (E) Premium
76. TPA is a person or organization that processes claims and performs other administrative services in accordance with a service contract, usually in the field of employee benefits. What is the full form of TPA?
(A) Third Party Allowed (B) Treaty Party Administration
(C) Third Panel Administration (D) Third Party Assistant
(E) Third Party Administration
77. Who are responsible for clerical completion of all claim files in insurance sector?
(A) Insurance Agent (B) Frequency-Severity Matrix
(C) Claim Service Representative (D) Third Party Administration
(E) Assistant Administrative Officer
78. __________________ offers cover for third party liabilities (Bodily Injury / Property Damag(E) arising out of the premises and operations of the Insured and legal costs incurred in connection therewith.
(A) Public Liability Insurance (B) Negotiated Dealing System
(C) Trade Related Investment Measures (D) Board for Industrial and Financial Reconstruction
(E) Insurance Regulatory and Development
79. _________________ is the written insurance contract that may include all clauses, riders and endorsements.
(A) Pooling (B) Peril (C) Premium (D) Policy (E) Physical Hazard
80. Which of the following country topped the Asian Wrestling Championship 2019 medal tally?
(A)India (B)Japan (C)Iran (D)South Korea (E)Nepal
81. John Singleton has passed away following complications from a stroke. He was a well-known __________.
(A)Environmentalist (B)Scientist (C)Economist (D)Activist (E)Director
82. The former _________president, Dr Negasso Gidada had passed away in Germany where he was undergoing medical treatment.
(A)Italian (B)Algerian (C)Bulgarian (D)Ethiopian (E)Cambodian
83. Which of the following country has recently withdrawn from the U.N. Arms Trade Treaty?
(A)Cuba (B)Canada (C)Israel (D)USA (E)France
84. The Defence Ministry has awarded a contract of worth___________ to Garden Reach Shipbuilders & Engineers Limited (GRS(E) to build eight anti-submarine warfare shallow watercraft (ASWSW(C) for the Indian Navy.
(A)Rs 5,615 crore (B)Rs 6,311 crore (C)Rs 3,825 crore (D)Rs 4,998 crore (E)Rs 8,717 crore
85. Wipro Consumer Care announced that it is acquiring personal care company_________,which is based in the Philippines.
(A)Splash (B)Engeo (C)Snagjob (D)Backrub (E)Motion
86. Who among the following is set to become the first wrestler from India to fight at the iconic Madison Square Garden in New York?
(A)Sakshi Malik (B)Yogeshwar Dutt (C)Sushil Kumar (D)Vijender Singh (E)Bajrang Punia
87. Who among the following won the outstanding achievement as a player award at the fourth edition of the annual India Golf Industry Association (GI(A) awards at the Delhi Golf Club?
(A)Shubhankar Sharma (B)Gaganjeet Bhullar
(C)Anirban Lahiri (D)Jyoti Randhawa (E)Jeev Milkha Singh
88. Which of the following city hosted the 5th Asia Pacific Broadcasting Union (ABU) Media Summit on Climate Action & Disaster Preparedness?
(A)Seoul (B)Beijing (C)Kathmandu (D)Manila (E)Tokyo
89. Who among the following was named Professional Footballers' Association (PF(A) Players' Player of the Year for the 2018-19 season?
(A)Virgil van Dijk (B)Lionel Messi (C)Wayne Rooney (D)Vinnie Jones (E)Andrea Pirlo
90. Life Insurance Corporation (LI(C) has come into existence from the year ………………
(A) 1954 (B) 1956 (C) 1960 (D) 1959 (E) 1971

92. The premium charged by the life insurer is calculated on the basis of
(A) Mortality (B) Interest (C) Expenses
(D) The rate of Deaths of very large number of persons insured. (E) All of the above.

93. If the amount of claim is Rs.25 Lakhs, which consumer court will hear the grievances of the consumer?
(A) Ombudsman (B) State level (C) National Level
(D) District Level (E)Specially appointed tribunals

94. How does nomination gets automatically canceled?
(A)Assignment. (B) Consideration. (C) As per trust act. (D) Forfeiture. (E) Both 2 and 3.

95. Which of the following is treated as evidence of the contract of life insurance?
(A) First Receipt. (B) The sum of policy assured.
(C)The policy bond. (D) Both 1 and 3.

96. An insurance cover that is linked with credit activities and aims to protect the credit is called ______
(A) Claims (B) Retrocession (C) Retrospective Rating (D) Credit life (E) None of these

97. Accidental Insurance was started in …………..
(A) 1845 (B) 1856 (C) 1780 (D) 1990 (E) 1991

98. A person resident in India may take a general insurance policy issued by an insurer outside India provide that before taking that policy he has been obtained a no objection certificate from the
(A) IRDA (B) FEMR (C) Central Govt. of India.
(D) Finance Ministry. (E) Home Ministry.

99. IF a policyholder is reported missing for more than seven years then
(A) Maturity claim is payable. (B) Death claim is payable is assuming non-accidental death.
(C) Ex-gratia benefit is payable. (D) Either (A) and (B).
(E) Both (B) and (C).

100. The analytical ability for an insurance agent is must for
(A) The reasoning of customer objections. (B) Deciding on other investment options.
(C) Narrating dreadful consequences of non-insurance.
(D) Communicating the benefits of policies.

101. In Mortgage Redemption Policy, the sum assured can be payable
(A) On death anytime. (B) On termination.
(C) At the end of the term (D) On death within the term. (E) Both (B) and (C).

102. No person resident in India is permitted to take any general or Life insurance policy issued by an insurer outside India except for units located in
(A) Bangladesh (B) Special Economic Zone (C) America
(D) United Kingdom (E) Luxembourg

103. Which of the following is not a feature of a successful reinsurance market?
(A) Mature financial markets. (B) Locational advantage.
(C) Availability of knowledge capital (D) The role of foreign insurance. (E) Both 2 and 3.

104. The minimum paid-up equity capital of the insurer should be
(A) 100 crores (B) 125 crores (C) 200 crores (D) 250 crores (E) 300 crores

105. Which of the following is a Term Assurance Policy?
(A) Lifeguard of ICICI Prudential. (B) Bhīma Sandesh Plan 94 of LIC.
(C) Term care plan of Bajaj Allianz. (D) ULIP & LIC. (E) Both 2 and 3

106. The policy acquires surrender value if runs for a period of
(A) 3 years (B) 2 years (C) 5 years (D) 6 years (E) 7 years

107. The first insurance Act in India was passed in 1912. When was a detailed and amended act passed to look into investments, expenditure and management of these companies fund?
(A) 1928 (B) 1938 (C) 1961 (D) 1953 (E) 1940

108. The insurance agent's licence is valid for a period of ………… Years.
(A) 2 years. (B) 3 years. (C) 4 years. (D) 5 years. (E) 7 years.

109. Which of the following is the most prevalent method for transferring fund from once city Another by Indian Banks
(A) Internet (B) EDI (C) TT (D) Fax (E) None

110. In the field of life insurance, the "material facts" refers to
(A) Age, weight, the height of the insured. (B) Facts of a common language.
(C) Facts that required being disclosed (D) Facts which lessen the risk.

111. Two basic principles specially governing life insurance contract are
(A) Offer and acceptance. (B) Insurable interest and almost good faith.
(C) Proposal and agent's report. (D) Personality history and medical report.

112. The main office of the Salary Savings Schemes division of LIC of India is located in
(A) Bhopal. (B) Jaipur. (C) Lucknow. (D) Mumbai (E) Banglore

113. The principle of Indemnity does not apply to
(A) Life Insurance. (B) Fire Insurance. (C) Marine Insurance. (D) Earthquake Insurance.

114. Every policyholder is given the option to choose the premium payment
(A) Method. (B) Mode. (C) System. (D) Procedure. (E) None.

115. Under which of the cases insurable interest is to be established
(A) Creditor and Debtor. (B) Husband and Wife.
(C) Brothers and Sisters. (D) Employee and Employer.

116. Which of the following LIC group scheme provides pension to employees on their retirement from service?
(A) Group Insurance Scheme in Lieu of EDLI. (B) Group Term Insurance Schemes
(C) Group Superannuation Scheme. (D) Group Gratuity Scheme. (E) None

117. Customers of LIC can now get information about their policies by dialing which of the following telephone numbers?
(A) 135 (B) 136 (C) 1251 (D) 101

118. Under which of the following sections of the income tax Act the LIC Policyholders cannot get any income tax benefit?
(A) Section 68 A, B and C. (B) Section 80 CD (C) Section 80 C (D) Section 80 CCC.

119. A person who acts as an arbitrator under section 114 of insurance act is
(A) Ombudsman. (B) Arbitrator. (C) Councilor. (D) Mediator.

120. The Life Insurance Corporation of India has how many zonal offices in India?
(A) Seven (B) Eight (C) Fifteen (D) None of these.

121. The slogan of Life Insurance Corporation is …………………..
(A) Your welfare is our responsibility (B) Welfare and Responsibility.
(C) Customers, Welfare is Our Responsibility (D) Savings and Investments.

122. If an Organization wishes to start insurance business. At first, it has to obtain a license from which of the following?
(A) IBA (Indian Banks Association) (B) SEBI (Securities and Exchange Board of Indi(A)
(C) TAC (Tariff Advisory Committe(E) (D) IRDA (Insurance Regulatory and Development Authority)
(E) None of these.

123. Which of the following is a pension plan of the Life Insurance Corporation?
(A) Jeevan Adhar. (B) Jeevan Akshay. (C) Amulya Jeevan. (D) Jeevan Anand. (E) None of these.

124. The premium charged by the Life Insurance Corporation is calculated on the basis of
(A) Interest (B) Expenses (C) Mortality (D) All of the above.

125. Which of the following documents is an evidence of the contract in life insurance?
(A) Medical Report. (B) Policy document.
(C) Proposal Form. (D) Premium Receipt. (E) None of these.

126. Revival and days of race are an
(A) Rider. (B) Guarantee (C) Options (D) None of these.

127. An insurer who wish to start life insurance business in the year 2000 or later is required to underwrite in the fifth financial year, at least,
(A) 15%. (B) 5%. (C) 20%. (D) 25%.

128. Sar Utha ke Jiyo is the tag line of –
(A)HDFC Life Insurance (B)Birla Sun Life Insurance
(C)Aviva Life Insurance (D)Sahara India Life Insurance

129. When a fire breaks out it destroys the building, machinery and contacts of the firms which are insured. Then, this damage is covered under the
(A) Capital loss policy. (B) Material damage policy.
(C) Property damage policy. (D) None of these.

130. Yogakshemam Vahamyaham is the tag line of –
(A)HDFC Life Insurance (B)SBI Life Insurance (C)Bharti AXA Life Insurance (D)Life Insurance Corporation

131. In mortgage redemption policy, the sum assured is payable

(A) On termination.
(B) On death anytime.
(C) At the end of the term.
(D) On death within the term.

132. What is the similarity between insurance and reinsurance?
(A) The principle of almost good faith.
(B) The principle of indemnity.
(C) Conditional contracts.
(D) All of the above.

133. A person who acts as an arbitrator under section 114 of insurance act is
(A) Ombudsman. (B) Arbitrator. (C) Councilor. (D) Mediator.

134. Which of the following is correctly matched?
(A) Pure Risk: It exists when a situation is characterized by uncertainty as to whether or not loss will occur.
(B) Speculative: When an event can result in either a gain or a loss or a status quo.
(C) Dynamic Risk: Arising from changes that can take place in every society.
(D) All of the Above.

135. The large amounts in the life insurance company come by way of
(A)Policy Loan Interests.
(B) Premium and Return on Investment (ROI).
(C) The policies which lapse.
(D) Other Services.

136. In marine insurance, the loss due to roles and vermin is
(A) A statutory exclusion.
(B) Floating policy.
(C) Consequential loss.
(D) None of these.

137. The proposal forms are to be signed by the
(A) The proposed and the life to be assured.
(B) The proposed and the witness by the third party.
(C) The proposed and the agent.
(D) (A) and (C)

138. By producing which documents the duplicate policies are issued?
(A) Indemnity bond. (B) Medical Report (C) Guarantee (D) None of these.

139. Infirmities are related to
(A) Old age. (B) Lose of limbs. (C) Sickness (D) All of the above.

140. The rural insurance scheme is regulated by
(A) Govt. of India.
(B) Insurance Act of 1938.
(C) IRDA.
(D) None of those.

141. Which of the following companies in India is considered as 'Indian Reinsurer' and gives support to all public and private insurance companies?
(A) New India Insurance Company.
(B) Life Insurance Corporation of India.
(C) General Insurance Corporation of India.
(D) Oriental Insurance Company Ltd.,
(E) United Insurance Company.

142. Which of the following is a social security scheme of the LIC?
(A)Jeevan Saathi. (B) Bima Nivesh. (C) Market Plus (D) Jeevan Surabhi (E) None of these.

143. LIC allows its policyholders to use which of the following for payment of premium?
(A) The Internet
(B) Electronic Clearing Service.
(C) ATM's of some selected Banks.
(A) Only A. (B) Only B. (C) Only C. (D) Both A & B. (E) All A, B, & C.

144. Which of the following is single premium money back policy?
(A) Bima Bachat. (B) Jeevan Pramukh (C) Jeevan Saral (D) Jeevan Aadhar (E) None of these.

145. Which of the following types of companies issue 'ULIP'?
(A) Insurance Companies. (B) RBI. (C) NABARD. (D) Banks. (E) All of these.

146. Insurance Business in India is regulated by which of the following authorities?
(A) FICCI (B) IRDA (C) CII (D) NFCG.

147. 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) Sahara Life Insurance.
(E) Life Insurance Corporation of India.

148. The insurance companies collect a fixed amount from its customers at a fixed interval of time. What it is called?
(A) Instalment. (B) Contribution. (C) Premium. (D) EMI. (E) Service Charge.

149. In which of the following years the govt. of India nationalized the general insurance business under the General Insurance Business (Nationalization) Act?

(A) 1970 (B) 1972 (C) 1973 (D) 1981.

150. The Life Insurance Corporation of India was established in September 1956 under an Act of the Indian Parliament. The government of India invested a capital of …………… In this corporation.
(A) Rs.5 crore. (B) Rs.7 crore. (C) Rs.4 crore. (D) Rs.3 crore.

151. How is complaint to be launched with an insurance ombudsman?
(A)Made face to face (B)made in writing (C)through newspaper advertisement (D)orally over the phone

152. Which Insurance Company started its operation in the year in which India got Independence?
(A)UIICL (B)GIC (C)LIC (D)OICL

153. Who was the actual Pioneer of LIC?
(A)Debendranath Tagore (B)S.K.Roy. (C)Surendranath Tagore (D)A.K.Roy.

154. Who among the following was appointed as member(actuary) in Insurance Regulatory Authority of India (IRD(A) recently?
(A)Pournima Gupte (B)Pournima Sarkar (C) Jyotsna Suri (D) None of these

155. GIC was incorporated in the year?
(A) 1971 (B) 1972 (C) 1973 (D) 1974

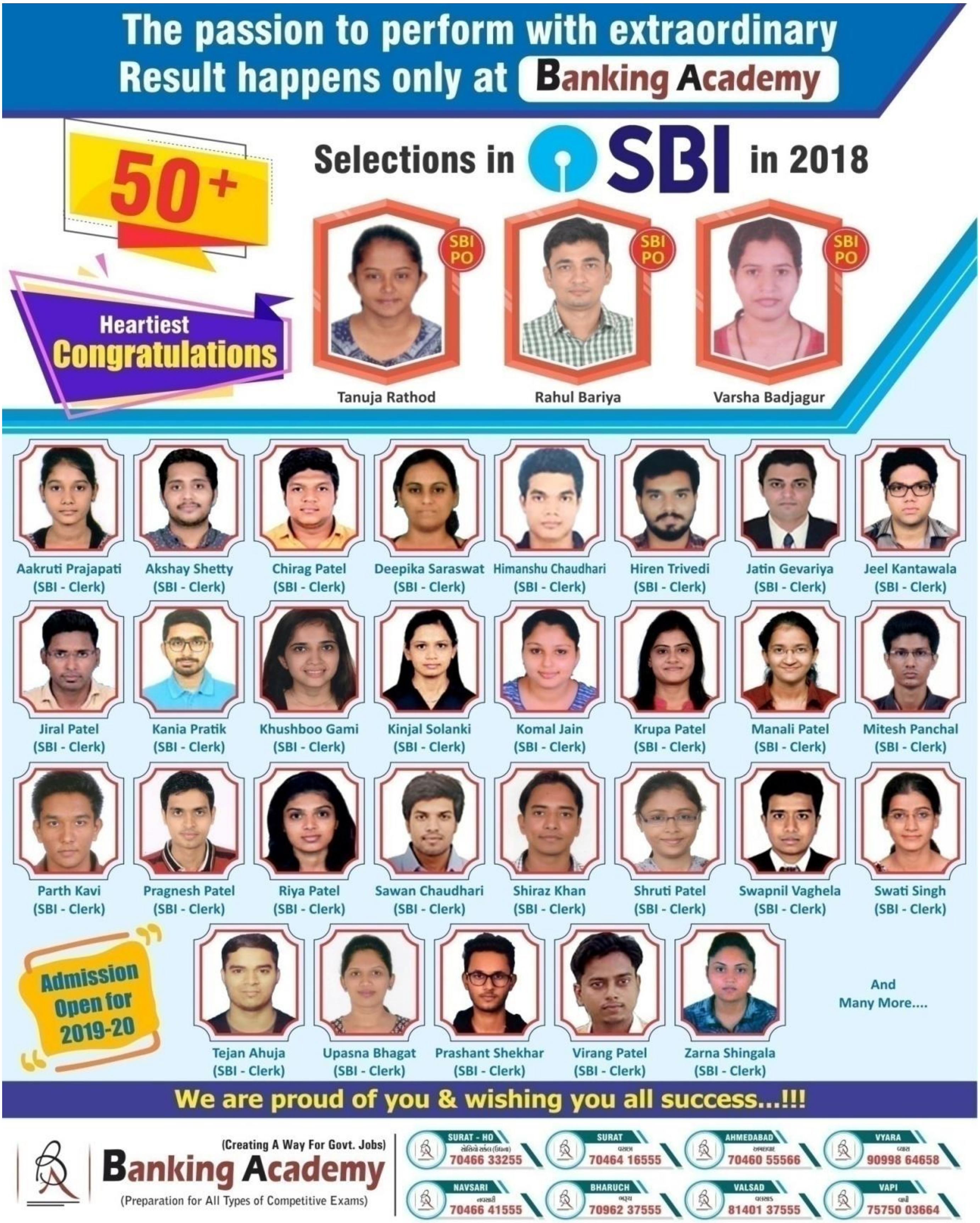
156. NIACL's pioneer was:
(A) Sir Jamshedji Tata (B) Sir Dorabji Tata (C) Sir Ratan Tata (D)None of these

157. What does the term Actuary stands for in Insurance:
(A) A specialist in Insurance claimsettlement (B) A specialist in insurance marketing
(C) A specialist in Insurance calculations (D) None of this

158. ECGC is made to provide:
(A) Insurance cover in external trade (B) Insurance cover in internal trade
(C) Insurance cover in export trade (D) Insurance cover in import trade.

159. Which is not a part of Life insurance?
(A) Endowment (B) Term (C) Priority (D) Annuity

160. AXA is an insurance company headquartered in –
(A) London (B) Tokyo (C) New York (D) Paris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SBI PO
Varsha Badjagur
Aakruti Prajapati (SBI - Clerk)
Akshay Shetty (SBI - Clerk)
Chirag Patel (SBI - Clerk)
Deepika Saraswat (SBI - Clerk)
Himanshu Chaudhari (SBI - Clerk)
Hiren Trivedi (SBI - Clerk)
Jatin Gevariya (SBI - Clerk)
Jeel Kantawala (SBI - Clerk)
Jiral Patel (SBI - Clerk)
Kania Pratik (SBI - Clerk)
Khushboo Gami (SBI - Clerk)
Kinjal Solanki (SBI - Clerk)
Komal Jain (SBI - Clerk)
Krupa Patel (SBI - Clerk)
Manali Patel (SBI - Clerk)
Mitesh Panchal (SBI - Clerk)
Parth Kavi (SBI - Clerk)
Pragnesh Patel (SBI - Clerk)
Riya Patel (SBI - Clerk)
Sawan Chaudhari (SBI - Clerk)
Shiraz Khan (SBI - Clerk)
Shruti Patel (SBI - Clerk)
Swapnil Vaghela (SBI - Clerk)
Swati Singh (SBI - Clerk)
Admission Open for 2019-20
Tejan Ahuja (SBI - Clerk)
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