



BRAINWARE UNIVERSITY

Term End Examination 2021 - 22

Programme – Bachelor of Law

Course Name – Insurance Law

Course Code - LLB404A

(Semester IV)

Time allotted : 1 Hrs.15 Min.

Full Marks : 60

[The figure in the margin indicates full marks.]

Group-A

(Multiple Choice Type Question)

1 x 60=60

Choose the correct alternative from the following :

- (1) Insurance works on the principle of
- | | |
|----------------------|------------------|
| a) Sharing of losses | b) Probabilities |
| c) Large numbers | d) All of these |
- (2) Insurance helps to
- | | |
|--|--|
| a) Prevent adverse situations from occurring | b) Reduce the financial consequences of adverse situations |
| c) Negate all consequences of adverse situations | d) Make assets continuously productive |
- (3) The main purpose of having Life insurance is:
- | | |
|---|---|
| a) As an avenue for long-term investment | b) As a medium for getting income tax benefits from savings |
| c) As a governmental programme for reducing poverty | d) None of these |
- (4) Which of the following intermediaries do not require IRDA's license/ approval to operate in India?
- | | |
|-------------------------------|--|
| a) Insurance Brokers | b) Insurance Agents |
| c) Third Party Administrators | d) All these intermediaries require IRDA's license/ approval |
- (5) The principle of ensures that an insured does not profit by insuring with multiple insurers

- a) Subrogation
c) Co-insurance
- b) Contribution
d) Indemnity
- (6) Fidelity Guarantee Policies cover losses due to fraud by
a) Employees
c) Borrowers
- b) Customers
d) Suppliers
- (7) GA as used in insurance
a) General Assurance
c) General Adjustment
- b) General Average
d) Guaranteed Assurance
- (8) Which of the following terms matches closest with 'Family Floater'?
a) Health insurance
c) Accidental injury
- b) Property insurance
d) Consequential loss
- (9) A policy where the policyholder makes a one-time payment of premium, is known as a
a) Money-back policy
c) Money-back policy
- b) Money-back policy
d) Half-yearly policy
- (10) State which of the statements given below is correct
a) State which of the statements given below is correct
c) An organisation can exist only with its own office building
- b) An organisation can exist only with different sections
d) An organisation can exist without a purpose
- (11) Which of the following is an important reason for insurers to sell life insurance policies through agents
a) The benefits of life insurance policies are simple and clear to all
c) Agents have to earn their commissions
- b) People can decide which policy is best for them
d) Many people require personalized guidance for selecting the right
- (12) A nomination can be made only in favour of _
a) a bank
c) spouse and minor children
- b) spouse and children with guardian
d) any individual
- (13) Select the expanded form of SA as commonly used in life insurance
a) Sum Assured
c) Supplementary Assurance
- b) Surrender of Assurance
d) Stamp Act
- (14) Select the expanded form of OR as commonly used in life insurance
a) Oral Rehydration
c) Ordinary Rates
- b) Once Renewed
d) Ordinary Renewal
- (15) Select the expanded form of SV as commonly used in life insurance
a) Summary Valuation
c) Surrender Value
- b) Selected Value
d) Stamp Value
- (16) Which of the following terms matches closest with 'Automatic Teller Machines'
a) Divisional Offices
- b) Branch Offices

- c) Agents
d) Information Kiosks
- (17) Which of the following terms matches closest with 'Foreclosure'
a) Surrender Value
b) Nominee
c) Death Claim
d) Maturity Claims
- (18) Find out which of the given statements is incorrect
a) An organisation must have a purpose
b) An organisation is identified by its actions
c) An organisation is identified by the building it occupies
d) A organisation can sue and be sued
- (19) Which of the following terms is dissimilar to the other four in the context of insurable interest in life insurance
a) Employer
b) Creditor
c) Surety
d) Debtor
- (20) Which of the following terms is dissimilar to the other four in the context of death claims in life insurance
a) Early claims
b) Non-early claims
c) Foreclosure
d) Claimant's statement
- (21) As per structured formula under the Motor Vehicle Act, victims of fatal injuries are paid compensation on the basis of:
a) Age and sex
b) Age and number of dependents
c) Income and size of family
d) Age and income
- (22) As per the Insurance Act, every insurer has to prepare at the end of financial year
a) Balance Sheet
b) Profit and Loss Account
c) Revenue Account for each class of Insurance business
d) All of these
- (23) The Third Party Administrator's role mainly involves
a) Canvassing business for the insurer.
b) Issuing documents on behalf of the insurer
c) Arranging for reinsurance
d) Checking and paying insurance claims
- (24) Time Policies relate to:
a) Fire insurance
b) Hull insurance
c) Personal Accident insurance
d) Workmen's Compensation insurance
- (25) Which of the following types of insurances is mandatory?
a) Motor Own Damage
b) Motor Third Party Legal Liability
c) Personal Accident Insurance
d) Product Liability
- (26) In 'Hit and Run' cases, claims are settled from
a) Solatium Fund
b) IRDA's contingency Fund
c) Insuring Company's reserves
d) Motor Third Party Pool
- (27) Select the expanded form of FPA as used in insurance
a) Freight Payable Assured
b) Free of Particular Average
c) Fire Perils Added
d) Fixed Peripherals Added

- (28) Select the expanded form of ALOP used in insurance
- | | |
|---|---|
| a) Advance Loss of Profits insurance | b) Agreed Loss of Profits insurance |
| c) Additional Loss of Profits insurance | d) Associated Loss of Profits insurance |
- (29) Which of the following terms matches closest with 'Professional indemnity cover'?
- | | |
|----------------------------|------------------------|
| a) Hospitals Nursing homes | b) Insurance Companies |
| c) Commercial Banks | d) Practicing Surgeons |
- (30) Insurance cannot prevent the occurrence of risk but it provides for the
- | | |
|-------------------|-----------------------|
| a) losses of risk | b) occurrence of risk |
| c) chance of risk | d) none of these |
- (31) The document which embodies the contract in insurance is called
- | | |
|----------------|------------------|
| a) security | b) policy |
| c) certificate | d) none of these |
- (32) principle in insurance means maximum truth.
- | | |
|-----------------------|-------------------|
| a) subrogation | b) causa proxima |
| c) insurable interest | d) uberrima fides |
- (33) A Surveyor's role includes:
- | | |
|---|------------------------------------|
| a) Checking the admissibility of the loss | b) Quantification of the loss |
| c) Giving comments on the loss | d) Reporting major losses to IRDA. |
- (34) Which of the following types of insurances is dissimilar to the other four options?
- | | |
|------------------------------|------------------------|
| a) Builders' Risks insurance | b) Hut insurance |
| c) Crop insurance | d) Livestock insurance |
- (35) Which of the following terms matches closest with 'Asbestosis'?
- | | |
|------------------|---------------------------|
| a) Products | b) Pension |
| c) Rough Weather | d) Workmen's Compensation |
- (36) Regarding 'Exclusions' find out the incorrect statement.
- | | |
|---|---|
| a) Exclusions are indicated in the policy | b) Exclusions are perils or circumstances not covered |
| c) Exclusions limit the coverage under the policy | d) Exclusions do not deal with risk coverage |
- (37) Which of the following statements is incorrect in respect of brokers?
- | | |
|--|---|
| a) Brokers require to undergo training before being licensed | b) Brokers are appointed by insured to take care of their interests |
| c) Brokers have to pass examinations before being licensed | d) Brokers should be registered companies or firms |
- (38)principle means that the insured is not entitled to make a profit on his loss.
- | | |
|----------------|-------------------|
| a) subrogation | b) causa proxima |
| c) indemnity | d) uberrima fides |
- (39) The purpose of Are to hold the negligent person responsible for the loss and prevent the insured from collecting twice for the same loss.
- | | |
|----------------|------------------|
| a) subrogation | b) causa proxima |
|----------------|------------------|

- c) indemnity
 (40) principle in insurance mention the assured must have insurable interest in the life or property insured
 a) subrogation
 c) indemnity
- d) uberrima fides
 b) causa proxima
 d) insurable interest.
- (41) The first insurance contract was entered into by European maritime nations in 1347 to acceptinsurance as a practice.
 a) life
 c) marine
- b) vehicle
 d) fire
- (42) Dr.Nicholas Barbon set up in 1967 the first fire insurance company known as the
 a) Nicolas company
 c) fire insurance company
- b) fire company
 d) fire office
- (43) Thediscovered by Jakob Bernoulls around 1700 forms the basis of modern insurance
 a) law of insurance
 c) law of modern insurance.
- b) law of large numbers
 d) none of these
- (44) The Sanskrit term,the name of LIC of India corporate headquarters,is found in Rig Veda
 a) Yogaraksha
 c) Yogakshema
- b) Yogakarma
 d) all of these.
- (45) The LIC of India was set up into take over 245 life companies
 a) 1955
 c) 1957
- b) 1956
 d) 1958
- (46) The IRDA was set up in.....
 a) 1999
 c) 2000
- b) 1991
 d) 2001
- (47) The IRDA stands for
 a) Insurance Regulatory and Development Activity.
 c) Insurance Regulatory and Development Authority.
- b) Insurance Reconstruction and Development Activity.
 d) Insurance Regulatory and Department Activity.
- (48) The,has allowed cooperative societies to carry on insurance business
 a) Insurance (amendment)Act,2000
 c) Insurance (amendment)Act,2002
- b) Insurance (amendment)Act,2001
 d) Insurance (amendment)Act,2003
- (49) The Indian insurance industry is governed by
 a) Insurance Act-1978
 c) Life Insurance Corporation Act,1956
- b) General Insurance Business (Nationalisation) Act.1972
 d) All of these
- (50) Objective of IRDA includes

- a) policy holder protection
c) both a and b
- b) healthy growth of the insurance market
d) only a
- (51) IAIS stands for.....
- a) Internal Association of Insurance Supervisors
c) International Academy of Insurance Supervisors
- b) International Association of Insurance Supervisors
d) International Association of Insurance Surveyors
- (52) To provide the insured a speedy and inexpensive grievance redressal system ,the Govt.of India promulgated.....
- a) Redressel of public grievance Rule 1987
c) Redressel of public grievance Rule 1989
- b) Redressel of public grievance Rule 1988
d) Redressel of public grievance Rule 1990
- (53) RPG rule 1988 set up an institution for building the confidence of the policy holders in insurance.
- a) management
c) council
- b) ombudsman
d) committee
- (54) An ombudsman is entrusted with.....functions
- a) managing & concilling
c) agency and principal
- b) conciliation and award making
d) none of these
- (55) are the middlemen in the healthcare delivery chain in insurance sector.
- a) surveyors
c) brokers
- b) loss assessors
d) TPAs
- (56) Insurance provides security against
- a) Risk
c) Both (a) & (b)
- b) Losses
d) None of them
- (57) A contract of insurance is a agreement
- a) Contingent
c) both
- b) Constant
d) None of these
- (58) Risk is evaluated on the basis of theory
- a) Variability
c) Probability
- b) Contingency
d) All
- (59) The Basis of risk is
- a) liability
c) possibility of loss
- b) uncertainty
d) insurance
- (60) To indemnify means to
- a) put back in the same financial position just prior to the loss.
c) transfer risk to someone who has better financial resources and can withstand loss..
- b) put aside funds to pay for losses reported but not yet paid.
d) make financial provisions for dealing with potential losses.