STUDY4INSURENCE

GIPSA EXAM DATE
20 December 2026

GIPSA OFFICER PROMOTION EXAM 2026

Full-Length Mock Test

Hard, practical, exam-pattern questions for Scale I – V aspirants

Attempt any 4 Subjects | 120 Questions · 2 Hours | 7 Subjects to choose from

SUBJECTS IN THIS PAPER

01	Fire + Engineering Insurance	22 + 8 Qs
02	Marine (Hull + Cargo) + Aviation	25 + 5 Qs
03	Motor Insurance	30 Qs
04	Miscellaneous Insurance	30 Qs
05	Reinsurance	30 Qs
06	Insurance Accounts	30 Qs
07	Human Resource Management	30 Qs

Instructions to Candidates

1. This booklet has **7 sections** of 30 multiple-choice questions each (210 in all). **Choose any 4 sections**, as in the actual exam, and attempt all **120 questions** of those sections. Each question carries **one mark**.
2. Each question has four options (a), (b), (c) and (d). Choose the **one best answer**.
3. Questions are set at a **hard, officer level**, with a practical, case-based approach. Each insurance section has 4–5 numericals (none in Miscellaneous and Accounts); these are marked NUMERICAL.
4. Time allowed: **2 hours** for your 4 chosen sections. Attempt the paper in one sitting, as in the real exam.
5. Use the **answer sheet** at the end of this booklet to mark your responses, then check your score.
6. Use a simple calculator for numericals. Where a figure is not given, apply the standard rule for that class of business.

#	Section	Question Nos.	Qs
1	Fire & Engineering Insurance	1 – 30	30
2	Marine & Aviation Insurance	31 – 60	30
3	Motor Insurance	61 – 90	30
4	Miscellaneous Insurance	91 – 120	30
5	Reinsurance	121 – 150	30
6	Insurance Accounts	151 – 180	30
7	Human Resource Management	181 – 210	30
	Total	**1 – 210**	**210**

Section 1 has 22 Fire + 8 Engineering questions. Section 2 has 25 Marine (Hull + Cargo) + 5 Aviation questions.

STUDY4INSURENCE

SECTION 1

FIRE & ENGINEERING INSURANCE

Fire 22 questions · Engineering 8 questions

1 A stock-only SFSP policy at a single location (total sum insured ₹3.5 crore) has stock insured for ₹40 lakh. Value of stock on the date of fire is ₹50 lakh. Gross assessed loss is ₹2,00,000; depreciation for deterioration is 10%; the insured keeps salvage valued at ₹40,000. Following the prescribed order of deductions, the net claim payable is: NUMERICAL

(a) ₹1,02,000 (b) ₹1,04,000
(c) ₹1,06,400 (d) ₹1,12,000

2 The annual premium for a godown risk is ₹36,000. The insured wants cover for 6 months and 10 days only. The premium to be charged is: NUMERICAL

(a) ₹18,740 (b) ₹25,200
(c) ₹27,000 (d) ₹28,800

3 A building is insured for ₹2 crore with the escalation clause at 25%. Fire occurs on the 146th day of the policy. Value of the building on the date of loss is ₹2.5 crore and the loss is ₹40 lakh. The claim payable (before excess) is: NUMERICAL

(a) ₹32,00,000 (b) ₹35,20,000
(c) ₹38,40,000 (d) ₹40,00,000

4 A factory is insured for a total sum insured of ₹120 crore at one location under SFSP. After average, the claim works out to ₹60 lakh. No voluntary deductible has been opted. The net amount payable after the compulsory excess is: NUMERICAL

(a) ₹55,00,000 (b) ₹57,00,000
(c) ₹59,75,000 (d) ₹59,90,000

5 A farmer's haystack catches fire by its own spontaneous combustion, and the fire spreads to three adjoining haystacks insured under the same SFSP policy. No spontaneous combustion add-on is in force. The claim position is:

(a) All four haystacks are payable, as fire is a named peril
(b) Only 50% of the total loss is payable under the proximate cause rule
(c) Damage to all four haystacks is excluded, since the fire began by spontaneous combustion
(d) Damage to the first haystack is not payable; damage to the three adjoining haystacks is payable

6 A process boiler in a chemical factory (not a domestic boiler) explodes. The explosion damages the boiler itself, and the resulting fire damages the factory building. Under a standard SFSP policy, which is the correct position?

(a) Both the boiler and the building are payable under the explosion peril
(b) Neither is payable, because the loss started with a boiler explosion
(c) The fire damage to the building is payable; damage to the boiler by its own explosion is not payable
(d) The boiler is payable but the building damage needs a separate machinery breakdown policy

7 An insured who had opted out of STFI at inception now asks mid-term for STFI cover, because the meteorological department has announced a cyclone warning. If the insurer agrees, which conditions apply?

> I. A specific written request with premium in cash or demand draft
> II. Cover must be for the entire property at that location; selection of items is not allowed
> III. Cover commences 15 days after receipt of premium
> IV. Premium is charged pro-rata on the sum insured selected by the insured

(a) I, II, III and IV (b) I, II and III only
(c) II and IV only (d) I, III and IV only

8 Consider the following statements about a stock declaration policy under the fire tariff rules:

> I. Minimum sum insured is ₹1 crore, with not less than ₹25 lakh at any one location
> II. If a monthly declaration is not received by the last day of the following month, the full sum insured is deemed declared for that month
> III. Refund of premium on final adjustment cannot exceed 50% of the total premium
> IV. The policy may be issued for stocks lying at railway sidings

(a) I and II only (b) II, III and IV only
(c) I, III and IV only (d) I, II and III only

9 A factory has fire extinguishers, a hydrant system and an automatic sprinkler system, all as per the prescribed standards. The fire extinguishing appliances (FEA) discount allowed on its policy is:

(a) 10% (b) 7.5%
(c) 15% (d) 22.5%

10 Which of the following statements about the compulsory excess under SFSP (as per the circular effective 1 April 2011) is correct?

(a) The excess applies equally to policies covering dwellings owned by individuals
(b) The excess applies per event per insured, and the sum insured slab is decided per location
(c) The excess is deducted before applying average, so that the insured bears the full excess
(d) The excess applies per item of property insured, and the slab is decided on the total sum insured of the insured across all locations

11 Fire breaks out in an insured warehouse on 10 January 2026. To comply with the claim condition of the SFSP policy, the insured must:

(a) Give notice within 7 days and deliver the claim form within 30 days of the fire
(b) Lodge the claim within 12 months of the fire, as per the arbitration clause
(c) Give notice immediately and deliver a written claim with particulars within 15 days, i.e. by 25 January 2026
(d) Deliver the written claim within 15 days of receipt of the claim form from the insurer

12 An exporter wants stocks at four specified godowns in different cities covered under one floater sum insured, and also wants cover for "any other godown we may hire during the year". Under the tariff rules for floater policies:

(a) All godowns, including unspecified ones, can be covered at the average of the rates plus 10%
(b) A floater policy is allowed only for godowns in the same compound
(c) Unspecified locations can be covered if the floater loading is increased to 25%
(d) Only the specified locations can be covered; the rate is the highest stock rate among them plus a 10% floater loading

13 Under the IIB-based fire rating system in force from 1 January 2020, which statement is correct?

(a) NAT CAT premium is subject to the same long-term discount as the basic fire premium
(b) The final rate is the IIB rate plus the NAT CAT rate, and the minimum rate for FLOP is 100% of the fire rate irrespective of indemnity period
(c) Insurers may give discounts below the IIB rate for good claims experience without any floor
(d) The minimum MBD rate is 1.00‰ and FLOP is charged at 50% of the fire rate

14 After a large fire in a cold store, the surveyor's interim view of net liability is about ₹80 lakh. The insured has already paid ₹35 lakh for new refrigeration plant and requests an on-account payment of ₹75 lakh. The most appropriate response is:

(a) Recommend an on-account payment of about ₹30–35 lakh, leaving a substantial balance pending final documents
(b) Refuse any payment until the final survey report is received
(c) Release ₹75 lakh immediately, as the claim is clearly admissible
(d) Release ₹80 lakh in full and recover any excess later

15 An insured property is covered on the Reinstatement Value basis. After a fire, the insured decides NOT to rebuild and instead sells the site. The claim will be settled on:

(a) 50% of the reinstatement value as a compromise
(b) Book value of the building as per the insured's balance sheet
(c) Market value basis, i.e. after deducting depreciation, as the reinstatement condition has not been complied with
(d) Reinstatement value, since the premium was paid on that basis

16 Under the SFSP policy, the limit of indemnity for the terrorism add-on cover is:

(a) The full sum insured, without any upper limit
(b) ₹2,000 crore per policy, even if several policies cover the same location
(c) ₹500 crore per location for industrial risks
(d) The lower of the total sum insured or ₹2,000 crore per compound/location, with all policies at a location together limited to ₹2,000 crore

17 An insured has opted for a voluntary deductible higher than the compulsory excess and has received a premium discount for it. At the time of a claim:

(a) Both the compulsory excess and the voluntary deductible are deducted
(b) Only the voluntary deductible is deducted; it replaces the compulsory excess
(c) The higher of the two is deducted only for claims above ₹10 crore
(d) Only the compulsory excess is deducted; the voluntary deductible is ignored

18 For contribution to apply between two fire policies, which of the following is NOT a required condition?

(a) The policies must cover the same subject matter
(b) The policies must cover the same peril that caused the loss
(c) The policies must be in force at the time of the loss
(d) Both policies must be issued by the same insurer

19 A retailer's stock-in-trade is destroyed by fire. What is the correct basis of indemnity?

(a) The selling price, as the retailer has lost his profit
(b) The book value as per the last balance sheet
(c) Cost of replacement at the time and place of loss (purchase price plus freight, less normal trade discounts), not the selling price
(d) The average of cost and selling price

20 A factory has not worked for the last 45 days due to a lockout. For the fire policy, this is:

(a) A silent risk, charged at the storage rate or the silent rate, whichever is higher, without any discount
(b) Uninsurable during the lockout period
(c) An ordinary manufacturing risk, charged at the normal rate
(d) Charged at 50% of the manufacturing rate

21 Under the SFSP policy, architects', surveyors' and consulting engineers' fees and debris removal expenses are built into the cover up to:

(a) 5% for fees and 5% for debris removal
(b) 1% for fees and 3% for debris removal
(c) The full amount actually incurred, without any limit
(d) 3% of the adjusted loss for fees and 1% of the claim for debris removal; amounts beyond these can be bought as add-ons

22 Under the fire tariff (IC-58), a claims-experience based discount or loading is applied to risks:

(a) With a sum insured above ₹50 crore, based on the claims experience of the preceding 36 months
(b) Only to dwellings and shops
(c) Of any size, based on the previous 12 months
(d) With a sum insured above ₹500 crore only

23 A power plant erection project has the following costs: landed cost of machinery including customs duty ₹60 crore; erection cost ₹10 crore; machine foundations ₹3 crore; consultancy and design fees ₹4 crore; land development ₹2 crore. The correct EAR sum insured is:

NUMERICAL

(a) ₹70 crore (b) ₹73 crore
(c) ₹77 crore (d) ₹79 crore

24 A CAR policy covers contract works (adequately insured) and contractor's plant (under-insured). A flood damages both. How is average applied?

(a) Both items are reduced in the proportion of the plant's under-insurance
(b) On the total of all items together
(c) Item by item — only the plant claim is reduced in proportion to its under-insurance
(d) Average does not apply under CAR policies

25 A crane insured under a CPM policy at its correct new replacement value is a total loss. How is the claim settled?

(a) At book value as per the contractor's accounts
(b) At new replacement value less 10%
(c) At its market value just before the accident, plus removal cost, less salvage — not at the sum insured
(d) At the full sum insured, since it was adequately insured

26 Under an ALOP (Advance Loss of Profits) claim, liquidated damages that the project owner receives from the contractor for late completion are:

(a) Deducted from the claim as savings
(b) Added to the claim as increased cost of working
(c) Ignored, as they are a separate contract
(d) Paid over to the insurer as salvage after the claim is settled

27 During an EAR project, which stage is considered the most hazardous, and what is the correct sequence around it?

(a) Mechanical completion, which comes before cold testing
(b) Hot testing, which comes after mechanical completion and before handover
(c) Cold testing, which comes after handover
(d) Civil works, which come after hot testing

28 A machine damaged in an MB accident is repaired and put back to work. The insured pays reinstatement premium to restore the sum insured. From which date is this premium calculated?

(a) From the date of loss under both MB and CAR/EAR
(b) From the date of the claim payment under MB, and from policy inception under CAR/EAR
(c) No reinstatement premium is charged under MB, as the sum insured is not reduced
(d) From the date the repaired item is put back to work under MB, whereas under CAR/EAR it runs from the date of loss

29 A factory keeps running a damaged compressor without repair after an MB accident, and the insured reports the accident only on the 20th day. Which statement is correct?

(a) The insurer is not liable unless notice and a completed claim form are received within 14 days, and liability ceases if a damaged item is kept in operation without repair
(b) Both actions are allowed, as the policy covers sudden and unforeseen damage
(c) The claim is payable after deducting 50% for late notice
(d) Late notice is excused if the machine continues to produce output

30 Under a Machinery Breakdown policy covering a steam turbo-generator, the turbine overhaul condition requires the turbine to be fully opened up and overhauled not later than:

(a) Every year at renewal, irrespective of operating hours
(b) 50,000 operating hours or 5 years, whichever comes later
(c) 32,000 operating hours or 4 years, whichever comes first
(d) 20,000 operating hours or 2 years, whichever comes first

SECTION 2

MARINE & AVIATION INSURANCE

Marine (Cargo + Hull) 25 questions · Aviation 5 questions

31 Under an unvalued cargo policy, find the insurable value of a consignment with these figures: prime cost ₹15,00,000; freight and shipping expenses ₹1,80,000; packing and forwarding charges ₹45,000; insurance charges ₹6,000. NUMERICAL

(a) ₹16,80,000
(b) ₹17,25,000
(c) ₹17,31,000
(d) ₹19,04,100

32 An annual open policy has a limit per sending of ₹75 lakh. One truck carries four invoices of ₹20 lakh, ₹25 lakh, ₹30 lakh and ₹15 lakh, and is totally destroyed in a road accident. The insurer's maximum liability is: NUMERICAL

(a) ₹30,00,000
(b) ₹75,00,000
(c) ₹90,00,000
(d) ₹1,50,00,000

33 An insurer pays a partial loss claim on cargo and later recovers from the negligent carrier an amount larger than the claim paid. Under the principle of subrogation:

(a) The insurer keeps the entire recovery
(b) The recovery is shared equally between insurer and insured
(c) The surplus goes to GIC Re as obligatory cession
(d) The insurer keeps recovery up to the amount it paid; any surplus belongs to the insured

34 Cargo valued at ₹24 lakh is insured for only ₹18 lakh and suffers a partial loss. Under Section 81 of the Marine Insurance Act, the position is:

(a) The insurer pays the full partial loss, as it is below the sum insured
(b) The policy is void for under-insurance
(c) The insurer pays 50% of the loss
(d) The assured is deemed his own insurer for the uninsured balance and bears a rateable share of the loss

35 An importer does not produce a marine insurance certificate to Indian Customs while clearing goods bought on FOB terms. The consequence is:

(a) A notional insurance charge of 1.125% of the FOB value is added to arrive at the assessable value, increasing customs duty
(b) No insurance element is added to the assessable value
(c) The goods are confiscated until a certificate is produced
(d) A penalty of 10% of the CIF value is levied

36 Cargo is insured with two insurers for a total sum insured exceeding its value (double insurance). A total loss occurs. Which statement is correct?

(a) Only the insurer whose policy was issued first is liable
(b) The assured may claim from the insurers in any order, but cannot recover more than the indemnity; the insurers then contribute rateably
(c) The assured must claim from both insurers equally
(d) The assured can recover the full sum insured from both insurers

37 An Indian exporter sells under CIF and another sells under CIP (Incoterms 2020). Regarding the seller's insurance obligation, which statement is correct?

(a) Under CIF the buyer must insure; under CIP the seller must insure ICC (B)
(b) Under CIF the minimum cover is ICC (C); under CIP the minimum cover is ICC (A); in both, cover is at least 110% of the contract price
(c) Under both terms the seller must insure only up to the port of loading
(d) Under both CIF and CIP the minimum cover is ICC (A) at 100% of invoice value

38 A shipment is insured under ICC (C). During the voyage, heavy seas enter the hold through a ventilator and wet part of the cargo. The ship is not stranded, sunk or in collision. The claim is:

(a) Payable at 50%, as ICC (C) covers only major casualties partially
(b) Payable, because loss by perils of the sea is covered under all three clauses
(c) Not payable, because entry of sea water into the hold is covered under ICC (B) and (A) but not under ICC (C)
(d) Not payable under any ICC clause, as water damage is always excluded

39 Goods insured under ICC (A) are discharged overside at the final port on 1 March. The consignee leaves them in the port area and does not take them to the named warehouse. A fire in the port area destroys them on 15 May. No extension has been sought. The claim is:

(a) Not payable, because cover terminated 60 days after completion of discharge
(b) Payable, because ICC (A) covers all risks without any time limit
(c) Payable at 50%, as the delay was beyond the assured's control
(d) Payable, because the goods had not reached the final warehouse

40 Cargo is shipped on an unseaworthy vessel. The cargo owner neither knew nor was privy to the unseaworthiness when the goods were loaded. Under ICC 2009, the insurer:

(a) Must pay only 75% of the claim as a penalty for unseaworthiness
(b) Can reject the claim, as the implied warranty of seaworthiness is absolute
(c) Can reject the claim if the unseaworthiness is discovered within 60 days of discharge
(d) Cannot reject the claim on the ground of unseaworthiness, as the exclusion applies only where the assured or his servants were privy to it

41 An exporter covers cargo under the Institute War Clauses (Cargo). The goods are damaged by a bomb explosion while lying in a warehouse at the port of loading before shipment. The war risk claim is:

(a) Payable, as war risks are covered from warehouse to warehouse
(b) Payable under the strikes clauses instead of the war clauses
(c) Not payable, since war cover on cargo generally attaches only while the goods are on board the vessel (waterborne)
(d) Payable, but only up to 60 days after the goods arrive at the port

42 A tanker of 20,000 DWT (GT 12,000) is insured for ₹40 crore. The underwriter quotes a total loss rate of 0.50% and an "other than total loss" (OTL) rate of ₹30 per tonnage unit, applied on the correct tonnage basis for that type of vessel. The resulting H&M rate is: NUMERICAL

(a) 0.50% (b) 0.59%
(c) 0.65% (d) 0.80%

43 The owner of a vessel insured under ITC-Hulls pays collision damages to another ship that are far higher than the insured value. Under the 3/4ths collision liability clause:

(a) Underwriters pay 3/4ths of the liability without any upper limit
(b) Underwriters pay the full liability up to the insured value
(c) The entire liability goes to the P&I Club
(d) Underwriters pay 3/4ths of the liability, but not more than 3/4ths of the insured value for any one collision; the balance falls on the P&I Club or Excess Liabilities cover

44 In a both-to-blame collision, why is the "cross liabilities" basis preferred over "single liability" for recoveries under hull policies?

(a) Because the collision clause pays only sums actually paid; cross liabilities treat each owner as having paid the other its share, but they do not apply if either owner limits liability by law
(b) Because cross liabilities reduce the amount payable by both hull insurers
(c) Because cross liabilities apply even when liability is limited by law
(d) Because single liability is not recognised by Indian courts

45 A vessel insured for less than its sound value incurs sue and labour charges to avert an insured loss. Under ITC-Hulls, the sue and labour claim is:

(a) Payable only if it exceeds 3% of the insured value
(b) Payable in addition to the claim for loss, but reduced in the proportion that the insured value bears to the sound value
(c) Payable in full, irrespective of under-insurance
(d) Not payable, since the loss was averted

46 A ship (arrived value ₹3 crore) carries cargo with an arrived value of ₹80 lakh; freight is prepaid. During the voyage, cargo worth ₹20 lakh was jettisoned as a GA sacrifice, and ₹12 lakh was spent on a tug as GA expenditure. The GA contribution payable by the cargo interests is: NUMERICAL

(a) ₹6,40,000 (b) ₹8,00,000
(c) ₹12,00,000 (d) ₹24,00,000

47 Under the Time Clauses (Freight), a partial loss of freight caused by heavy weather amounts to 2.5% of the freight insured. The claim is:

(a) Payable after deducting 3% as a deductible
(b) Payable only if the vessel is a total loss
(c) Payable in full, as heavy weather is a peril of the sea
(d) Not payable, because partial losses under 3% are not covered unless caused by GA, fire, sinking, stranding or collision

48 After an insured casualty, hull underwriters require the owner to take fresh tenders for repairs, and time is lost. Under the Notice of Claim and Tenders clause:

(a) The owner gets a tender allowance at 30% per annum on the insured value for time lost, and a 15% deduction applies if he does not comply with the clause
(b) The owner gets a fixed ₹1 lakh per day of delay
(c) No allowance is paid, as tendering is the owner's duty
(d) The allowance is 15% per annum, with a 30% penalty for non-compliance

49 Following a collision, the insured vessel's owner becomes liable for (a) damage to the other vessel, (b) damage to a jetty, (c) personal injury to the other ship's crew, and (d) pollution of the coast. Which of these falls within the 3/4ths collision liability clause of ITC-Hulls?

(a) (a), (b), (c) and (d)
(b) (a), (b) and (c)
(c) Only (a)
(d) (a) and (b)

50 A 20-year-old vessel's damaged plating is replaced with new plates after a peril of the sea. Which statement on the repair claim is correct?

(a) ITC-Hulls pays without deduction "new for old", but in a GA adjustment the deduction cannot be waived for ships over 15 years old
(b) ITC-Hulls deducts 50% of repair cost as betterment for ships over 15 years
(c) No claim is payable because plating wear is a running cost
(d) One-third new-for-old deduction applies under ITC-Hulls because the ship is over 15 years old

51 In a hull repair bill, the shipyard charges for scraping and painting the entire bottom of the vessel, along with the first coat of primer on new bottom plates fitted ashore to replace damaged plating. Under ITC-Hulls:

(a) Scraping is payable but painting is not
(b) Only the first coat of primer on the new plates applied ashore is payable; scraping and painting of the bottom is not
(c) The entire bottom treatment is payable as part of the repair
(d) Nothing is payable because bottom treatment is excluded entirely

52 Under the Disbursements Warranty of ITC-Hulls, insurance on disbursements, managers' commissions, profits or excess or increased value of hull is limited to:

(a) 10% of the value stated in the hull policy
(b) 100% of the value stated in the hull policy
(c) 50% of the value stated in the hull policy
(d) 25% of the value stated in the hull policy

53 A vessel insured for ₹50 crore under ITC-Hulls goes aground. The cost of salvage and recovery is ₹12 crore and the repairs would cost ₹40 crore. Which statement is correct?

(a) A CTL can be claimed without notice of abandonment because the loss is obvious
(b) A constructive total loss can be claimed, because the cost of recovery and repair exceeds the insured value; the assured must give notice of abandonment
(c) A CTL cannot be claimed; only particular average is payable, limited to ₹40 crore
(d) A CTL can be claimed only if recovery and repair cost exceeds twice the insured value

54 A cargo of steel coils was delivered short at destination by the carrier on 1 June 2026. The cargo insurer pays the claim and wants to file a suit against the carrier under the Hague/Hague-Visby based rules. The suit must normally be filed:

(a) Within one year of delivery of the goods
(b) At any time, since subrogation rights do not expire
(c) Within six months of the vessel's departure from the loading port
(d) Within three years of the date of the claim payment

55 Which of the following statements about General Average is correct?

> I. The GA act must be extraordinary, voluntary and reasonable, made for the common safety
> II. The amount made good for a cargo sacrifice is added to the cargo's arrived value to arrive at its contributory value
> III. Where two GA acts occur in a voyage, the first GA is adjusted first

(a) I, II and III
(b) II and III only
(c) I and II only
(d) I and III only

56 A helicopter is insured under a hull policy on an agreed value of ₹40 crore, with the market-standard deductible for rotor-wing aircraft. An accident causes partial damage costing ₹3 crore to repair. The amount payable is:

NUMERICAL

(a) ₹1,00,00,000
(b) ₹2,00,00,000
(c) ₹2,85,00,000
(d) ₹3,00,00,000

57 An airline lays up an aircraft for 60 days for heavy maintenance. Under the Laying-Up Returns clause (AVN 26A):

(a) A return is allowed only for lay-up of 180 days or more
(b) The full premium for the lay-up period is refunded
(c) No return is allowed, as the aircraft remains insured
(d) A return of 75% of the pro-rata difference between the flight-risk and ground-risk premium is allowed for lay-up of 30 days or more

58 A turboprop aircraft operating in a desert region suffers gradual engine damage from repeated ingestion of sand and dust, noticed during scheduled maintenance. Under the AVN 1C hull section, the claim is:

(a) Payable after deducting 10% of the agreed value
(b) Payable, as engine damage is always an accident
(c) Not payable, as ingestion of dust and sand is treated as deterioration (wear and tear)
(d) Payable only if recorded in the technical log within 24 hours

59 After 9/11, war and hijacking risks are handled under standard London aviation clauses. Which pairing is correct?

(a) AVN 1C covers war risks in full without any endorsement
(b) AVN 52E excludes war risks; AVN 48B writes them back for hull
(c) LSW 555D excludes hull war risk and cannot be cancelled during the policy period
(d) AVN 48B excludes war, hijacking and allied perils; AVN 52E partly writes back third-party liability; hull war is covered under LSW 555D with 7-day notice of cancellation

60 Under the Montreal Convention 1999, which applies in India through the Carriage by Air Act 1972, the liability of an air carrier for death or injury of a passenger is:

(a) Limited to a fixed SDR amount, with no liability beyond it in any case
(b) Strict up to a fixed SDR threshold; above it, the carrier is liable unless it proves the damage was not due to its negligence
(c) Based only on the passenger proving the carrier's negligence
(d) Unlimited and strict in all cases

SECTION 3

MOTOR INSURANCE

30 questions · Own Damage, Third Party & MACT

61 A private car with a current ex-showroom price of ₹9,00,000 is 2 years and 4 months old at renewal. Under the IDV depreciation schedule, its IDV (no accessories) is: NUMERICAL

(a) ₹5,40,000 (b) ₹6,30,000
(c) ₹6,75,000 (d) ₹7,20,000

62 A car with an IDV of ₹6,00,000 is badly damaged. The surveyor estimates retrieval plus repair cost at ₹4,70,000. The wreck is valued at ₹80,000 and will be retained by the insured. On a constructive total loss settlement ("as is where is"), the insurer's liability (before compulsory deductible) is: NUMERICAL

(a) ₹3,90,000 (b) ₹4,70,000
(c) ₹5,20,000 (d) ₹6,00,000

63 A private car is 3 years and 2 months old. In an accident, the following are replaced or repaired: metal parts ₹40,000; plastic parts ₹10,000; glass ₹8,000; fibre glass parts ₹5,000; labour ₹12,000; and a lump-sum painting bill of ₹8,000 (material and labour not split). The assessed loss after depreciation (before compulsory deductible) is: NUMERICAL

(a) ₹61,500 (b) ₹65,500
(c) ₹66,500 (d) ₹69,500

64 A car owner's policy expired on 1 April with no claim, so he is entitled to 35% NCB at renewal. He renews it with the same insurer only on 15 June; the vehicle was in regular use (not sold or laid up). The OD premium before NCB is ₹24,000. The net OD premium payable is: NUMERICAL

(a) ₹13,200 (b) ₹15,600
(c) ₹18,000 (d) ₹24,000

65 A 34-year-old permanent State Government employee earning ₹30,000 per month (net of tax) dies in a motor accident, leaving a wife and two children. Applying Sarla Verma and Pranay Sethi, the loss of dependency (excluding conventional heads) is: NUMERICAL

(a) ₹38,40,000 (b) ₹54,00,000
(c) ₹57,60,000 (d) ₹64,80,000

66 A self-employed bachelor aged 24 dies in a motor accident; his parents are the claimants. For computing loss of dependency, the deduction for his personal and living expenses is:

(a) One-half of his income (b) One-fifth of his income
(c) One-fourth of his income (d) One-third of his income

67 Under the India Motor Tariff, the IDV of a vehicle more than 5 years old, or of an obsolete model, is fixed:

(a) At the value fixed by the RTO
(b) At 50% of the current ex-showroom price
(c) At the book value in the owner's accounts
(d) By mutual understanding between the insurer and the insured

68 In a partial loss claim, the painting bill shows one consolidated figure without any split of material and labour. The depreciation rule is:

(a) 50% depreciation is applied on the entire painting bill
(b) No depreciation is applied on painting
(c) Depreciation is applied as per the age of the vehicle on the whole bill
(d) Material is taken as 25% of the total painting charge, and 50% depreciation is applied on that portion only

69 Under Section 146 of the MV Act, compulsory third-party insurance does NOT apply to:

(a) A vehicle owned by the Central or a State Government and used for government purposes unconnected with any commercial enterprise
(b) A vehicle owned by a public sector undertaking
(c) A vehicle kept in a private garage but driven occasionally
(d) A vehicle owned by a registered charitable trust

70 In a hit-and-run accident where the vehicle cannot be traced, one person dies and another suffers grievous hurt. Compensation payable from the Motor Vehicle Accident Fund under Section 161 is:

(a) ₹50,000 for death and ₹25,000 for grievous hurt
(b) ₹25,000 for death and ₹12,500 for grievous hurt
(c) ₹2,00,000 for death and ₹50,000 for grievous hurt
(d) ₹5,00,000 for death and ₹2,50,000 for grievous hurt

71 Under the MV (Amendment) Act 2019, if a claimant chooses the no-fault compensation of ₹5 lakh for death under Section 164 through the Section 149 settlement procedure, then:

(a) He can still file a claim under Section 166 and recover the difference
(b) The amount is paid in addition to the full award under Section 166
(c) The insurer can recover the ₹5 lakh from the owner
(d) He cannot pursue any further claim for compensation under the fault-based route for the same accident

72 A truck insured for third-party liability is involved in a fatal accident. The driver's licence had expired three months before the accident and was not renewed. The MACT awards compensation. The insurer's position is:

(a) The insurer pays the third party and then recovers the amount from the owner (pay and recover)
(b) The insurer pays 50% and the owner pays 50%
(c) The insurer pays only if the driver was not negligent
(d) The insurer is fully discharged and the third party must recover from the owner

73 A vehicle is sold along with the existing policy. Regarding third-party cover and the transferee's obligations under Section 157, which statement is correct?

(a) TP cover passes automatically to the transferee; he must apply to the insurer within 30 days for the necessary changes
(b) TP cover lapses on the date of sale until a fresh policy is issued
(c) TP cover passes only if the insurer endorses the transfer within 14 days
(d) Both OD and TP cover pass automatically without any application

74 An insured sells his car and buys a new car of the same class after 2 years. He had earned 45% NCB on the old car. Which statement is correct?

(a) NCB is lost because the policy was not renewed within 90 days
(b) He can get the NCB on the new car because fresh insurance is taken within 3 years of the expiry of the previous policy
(c) NCB is reduced by 10% for each year of break
(d) NCB goes to the buyer of the old car along with the vehicle

75 The owner of a used car transfers the car and the policy to a buyer, who is not entitled to the NCB earned by the seller. The insurer's action at the time of transfer is:

(a) Allow the NCB to continue, as NCB is attached to the vehicle
(b) Refund the NCB amount to the original owner
(c) Cancel the policy from the date of transfer
(d) Recover the NCB amount for the unexpired period from the transferee, as NCB belongs to the insured and not to the vehicle

76 An insured changes insurer at renewal and claims 50% NCB. He has no renewal notice. Under the NCB rules, which statement is correct?

(a) The new insurer must refuse NCB without the original policy
(b) NCB cannot be transferred between insurers
(c) The new insurer may allow NCB on proof; it writes to the old insurer within 21 days, and the old insurer must reply within 30 days
(d) The new insurer may allow NCB only after 90 days of verification

77 An owner-driver already holds a personal accident policy covering death and permanent disability of ₹20 lakh. At renewal of his private car policy, regarding compulsory PA (CPA) cover:

(a) He must buy CPA of ₹15 lakh, as it is compulsory for every owner-driver
(b) He must buy CPA of ₹2 lakh under the old tariff
(c) He may opt out of CPA, as he already holds PA cover of ₹15 lakh or more
(d) He may opt out only if he does not hold a driving licence

78 A private car owner wants to reduce his premium by limiting third-party property damage (TPPD) cover. Which statement is correct?

(a) TPPD can be reduced only for commercial vehicles
(b) TPPD for private cars is ₹1 lakh, the same as for two-wheelers
(c) TPPD for private cars is unlimited and cannot be restricted
(d) TPPD for private cars is ₹7.5 lakh, and it can be restricted to the statutory ₹6,000 with a premium reduction

79 A private car insured under a private car policy is used to carry passengers for hire on an app-based platform at the time of an accident. The OD claim is:

(a) Not payable, as use for hire or reward breaches the "limitations as to use"
(b) Payable after deducting 25% for misuse
(c) Payable, as the vehicle was being driven by the owner
(d) Payable, since only TP claims are affected by the limitation as to use

80 Under the MACT journey, the police must send the First Accident Report (FAR) to the Claims Tribunal and the insurer within:

(a) 7 days of the accident (b) 48 hours of the accident
(c) 30 days of the accident (d) 3 months of the accident

81 Under the MV Act as amended, the Accident Information Report (AIR) filed by the police with the Claims Tribunal is:

(a) Only a record for statistical purposes
(b) Required only in hit-and-run cases
(c) Evidence of negligence that binds the insurer
(d) Treated as an application for compensation under Section 166(4)

82 An insurer receives information of a fatal accident involving its insured truck. Under Section 149, the insurer must:

(a) Deposit ₹5 lakh with the Tribunal immediately
(b) Designate an officer to settle claims and make a settlement offer to the claimants before the Tribunal within 30 days
(c) Wait until the claim petition is filed and then defend the case
(d) Pay the claim directly to the legal heirs without the Tribunal's involvement

83 A homemaker aged 38 dies in a motor accident. The Tribunal fixes a notional income for her. Following Kirti (2021), which statement is correct?

(a) Future prospects are also added to the notional income of a homemaker
(b) Notional income cannot be fixed; only conventional heads are payable
(c) No future prospects are added, as she had no actual earnings
(d) Only funeral expenses and loss of estate are payable

84 A bachelor aged 22 dies in an accident and the claim is filed by his parents. For the multiplier, the Tribunal will consider:

(a) The age of the younger parent
(b) The average age of the deceased and the parents
(c) The age of the deceased, as held in Munna Lal Jain v. Vipin Kumar Sharma (2015)
(d) The age of the older parent

85 Which change did Pranay Sethi (2017) make to the future prospects rule laid down in Sarla Verma (2009)?

(a) It fixed future prospects at a flat 50% for all ages
(b) It removed future prospects for all persons above 40 years
(c) It allowed future prospects only for government employees
(d) It allowed future prospects for self-employed and fixed-salary persons, and +15% for permanent employees aged 50–60

86 A Section 150 defence is NOT available to the insurer in which of the following cases, after the MV (Amendment) Act 2019?

(a) The driver was under the influence of alcohol as covered by Section 185
(b) The policy was obtained by non-disclosure of a material fact
(c) The vehicle owner has not paid the annual road tax for the year
(d) The vehicle was used for a purpose not allowed by the permit

87 Under the India Motor Tariff, a vehicle is treated as a constructive total loss (CTL) when:

(a) The repair cost exceeds 50% of the IDV
(b) The aggregate cost of retrieval and/or repair, subject to the policy terms, exceeds 75% of the IDV
(c) The insured refuses to repair the vehicle
(d) The vehicle is more than 5 years old and damaged

88 A tyre burst causes a car to overturn. The tyre itself and the car body are damaged. Under the OD section, the claim position is:

(a) Damage to the car body is payable; damage to the tyre is payable only because the vehicle was damaged at the same time, subject to 50% depreciation
(b) Both are payable without any depreciation
(c) Only the tyre is payable, as the overturning is a consequence
(d) Neither is payable, as tyre burst is mechanical breakdown

89 Which of the following statements about NCB is correct under the India Motor Tariff?

I. NCB is allowed only on the OD section of the premium
II. On the death of an individual insured, NCB can pass to the spouse, children or parents who take the policy in their name
III. NCB earned abroad can be allowed on a new Indian policy taken within 3 years of the expiry of the foreign policy

(a) II and III only
(b) I and III only
(c) I, II and III
(d) I and II only

90 A Government employee's dependants receive an award of ₹56 lakh in a MACT case. The insurer files an appeal before the High Court. Under Section 173, the appeal must normally be filed within:

(a) 60 days of the award
(b) 90 days of the award
(c) 30 days of the award
(d) 1 year of the award

SECTION 4
MISCELLANEOUS INSURANCE
30 questions · PA, Health, Crime, Package, Rural & Liability

91 Ravi holds two personal accident policies with capital sums insured of ₹15 lakh and ₹25 lakh with two different insurers. He dies in a road accident. His nominee will receive:

(a) ₹40 lakh, as contribution does not apply to capital benefits under PA
(b) ₹25 lakh only, the higher of the two sums insured
(c) ₹20 lakh, shared equally between the two insurers
(d) ₹15 lakh only, the lower of the two sums insured

92 Under a personal accident policy, which one of the following deaths is NOT treated as accidental?

(a) Death due to snakebite while working in a field
(b) Death by drowning when a boat capsizes
(c) Unprovoked murder of the insured during a robbery
(d) Death of the insured in a fight that he himself provoked

93 Consider the following about the Pradhan Mantri Suraksha Bima Yojana (PMSBY):

I. Entry age is 18 to 70 years
II. The premium is ₹20 per annum and the cover period is 1 June to 31 May
III. Accidental death and total permanent disability carry ₹2 lakh; partial permanent disability carries ₹1 lakh

(a) II and III only
(b) I, II and III
(c) I and III only
(d) I and II only

94 A patient is admitted to a 12-bed nursing home in a class 'C' town that has its own operation theatre, qualified nurses round the clock and maintains daily patient records. For an indemnity health policy, this facility:

(a) Qualifies only for day-care procedures
(b) Does not qualify, as at least 15 beds are required everywhere
(c) Qualifies only if it is registered as a trust hospital
(d) Qualifies as a hospital, as at least 10 in-patient beds are required in class 'C' towns

95 An insured buys a fresh individual health policy and is hospitalised for typhoid on the 20th day of the policy. The claim is:

(a) Not payable, as illnesses contracted in the first 30 days are excluded, except accidents
(b) Payable, as typhoid is not a pre-existing disease
(c) Payable after deducting 50% co-payment
(d) Payable only on cashless basis through the TPA

96 Under Videsh Yatra Mitra-type overseas travel cover, which of these statements is correct?

(a) The journey must start within 30 days, and the free extension is 15 days
(b) The policy covers medical treatment in India also during the trip
(c) The policy is valid only if the journey starts within 14 days of the first day of insurance, and a free extension of up to 7 days is allowed if the return is delayed by public transport
(d) There is no time limit to start the journey, and extensions are not allowed

97 A shopkeeper's goods are stolen at night. The police find that a salesman of the same shop opened the shutter with a duplicate key and there are no marks of forcible entry. Under a Burglary (Business Premises) policy, the claim is:

(a) Payable, as theft is covered once reported to the police within 24 hours
(b) Payable, because the shutter was locked at the time
(c) Payable at 75% under the first loss basis
(d) Not payable, as there is no forcible and violent entry, and acts of employees are excluded

98 Which of the following is correct about a Money Insurance policy?

(a) It has two sections, cash in transit and cash in safe, and average does not apply, so partial losses are paid in full up to the limit
(b) The premium for cash in transit is fixed and not adjustable
(c) Shortage due to an error in counting by the cashier is covered
(d) It covers loss of money while being carried by a courier under a contract of affreightment

99 In a Money Insurance policy, unpaid wages kept overnight in the insured's safe are covered against burglary for:

(a) 24 hours only
(b) Until the next pay day, without any limit
(c) 48 or 72 hours after arrival from the bank, as specified
(d) 7 days after arrival

100 Under a commercial Fidelity Guarantee policy, which statement is correct?

(a) It covers consequential loss, including loss of business reputation
(b) It covers only direct pecuniary loss from the employee's fraud or dishonesty; consequential loss is excluded
(c) It covers loss due to poor accounting or errors by the employee
(d) It covers losses caused by a re-employed dishonest employee automatically, without the insurer's consent

101 Fidelity guarantee insurance differs from other classes of non-life insurance mainly because:

(a) It is governed only by the Insurance Act, not by the law of suretyship
(b) It is always issued for a period of three years
(c) It is always issued as a valued policy
(d) Three parties are concerned (employer, employee and insurer), though only two enter into the contract

102 Under the Bankers' Blanket Indemnity policy, claims are settled on which basis?

(a) Loss-occurring basis, limited to losses within the policy period
(b) Discovery basis, with a retroactive period and an extended discovery period
(c) Occurrence basis only
(d) Claims-made basis, without any retroactive period

103 Under a Jewellers' Block policy, which statement is correct?

(a) Notice of loss can be given within 30 days
(b) Any one section can be selected alone
(c) Section I (premises cover) is compulsory, and stock is valued at cost plus 10%
(d) Stock is valued at the retail selling price

104 A passer-by throws a stone and breaks the glass front of a showroom insured under a Plate Glass policy. The frame of the window is also damaged. The claim is:

(a) Payable for the breakage of glass; damage to the frame is not covered unless specifically included
(b) Payable only if the glass was scratched, not broken
(c) Not payable, as malicious acts are excluded
(d) Payable for both glass and frame

105 Under the Drone Rules 2021, third-party insurance for drones is:

(a) Optional for all drones
(b) Mandatory only for drones above 150 kg
(c) Mandatory under Rule 44, as per the Motor Vehicles Act provisions for third-party insurance
(d) Covered automatically under the operator's public liability policy

106 A tea and coffee shop owner applies for a Shopkeeper's Insurance Policy. The underwriter should:

(a) Decline the Shopkeeper's policy, as restaurants and tea shops are not eligible
(b) Issue the policy, but exclude the fire section
(c) Issue the policy only for the burglary section
(d) Issue the policy with a 15% loading

107 Under the Bharat Griha Raksha (BGR) policy, which statement is correct?

(a) Theft is covered at all times, as in a burglary policy
(b) Average applies item by item
(c) The policy can be issued only for one year
(d) Under-insurance (average) is not applied, and theft is covered only if it occurs within 7 days of an insured peril

108 Under a cricket match abandonment policy, there is no liability if:

(a) Rain stops play after 20 overs
(b) Even a single ball has been bowled before the abandonment
(c) Tickets are sold out before the match
(d) The match is shifted to another venue

109 Which statement about Kidnap and Ransom and Cyber insurance in India is correct?

(a) Both covers are compulsory for corporates
(b) K&R is an indemnity (reimbursement) policy, and there is no standard cyber policy wording prescribed for all insurers
(c) Cyber insurance has a standard wording issued by IRDAI for all insurers
(d) K&R pays the ransom directly to the kidnappers on demand

110 Under the IRDAI (Obligations of Insurers to Rural and Social Sectors) Regulations 2015, a general insurer's minimum share of gross premium from the rural sector rises from:

(a) 2% in the 1st year to 7% from the 9th year onwards
(b) A flat 7% from the 1st year
(c) 5% in the 1st year to 10% from the 5th year
(d) 1% in the 1st year to 5% from the 10th year

111 A milch cow insured under a government-sponsored scheme is permanently totally disabled. Under the cattle insurance market agreement, the claim is:

(a) 50% of the sum insured
(b) 100% of the sum insured
(c) Market value or sum insured, whichever is less
(d) 75% of the sum insured

112 Under PMFBY (2016), the farmer's share of premium and the time limit for reporting localised losses is:

(a) 5% for kharif and 2% for rabi; loss reported within 15 days
(b) A flat 2% for all crops; loss reported within 7 days
(c) 2% for kharif, 1.5% for rabi and 5% for commercial/horticultural crops; loss reported within 72 hours
(d) 1.5% for kharif and 2% for rabi; loss reported within 48 hours

113 A gas leak from a factory storing hazardous chemicals injures nearby residents. Under the Public Liability Insurance Act 1991, which statement is correct?

(a) Relief is payable only if negligence is proved
(b) The owner must pay relief on a no-fault basis; relief is in addition to, but deducted from, any later compensation
(c) Relief is payable to the factory's own workmen as well
(d) Insurance under the Act is optional if the owner has a public liability policy

114 Under the PLI Act, the relief payable for death or permanent total disability, in addition to medical expenses, is:

(a) ₹2,00,000 (b) ₹50,000
(c) ₹5,00,000 (d) ₹25,000

115 A public liability policy is issued on a "claims-made" basis with a retroactive date. Which statement is correct?

(a) The accident must occur on or after the retroactive date and the claim must be made during the policy period (or extended reporting period)
(b) Claims-made policies do not need a retroactive date
(c) Any claim made during the policy period is covered, whenever the accident occurred
(d) The accident must occur during the policy period, whenever the claim is made

116 Under the Employees' Compensation Act (as applied), a worker earning ₹25,000 a month dies in an accident arising out of employment. Which statement is correct?

(a) No compensation is payable if the worker was not wearing safety equipment
(b) Compensation is based on 60% of actual wages without any ceiling
(c) Compensation is based on 50% of monthly wages × the age factor, with wages capped at the notified ceiling of ₹15,000 and a prescribed minimum
(d) Compensation is a flat ₹5 lakh as under the MV Act

117 A manufacturer with a products liability policy faces (a) a claim for injury caused by a defective product sold in India, (b) the cost of recalling the defective batch, and (c) the cost of replacing the defective products. Which is covered under a standard products liability policy?

(a) (a), (b) and (c) (b) (a) and (b)
(c) Only (a) (d) (a) and (c)

118 In a Group Mediclaim policy with maternity extension, which statement is correct?

(a) Maternity is covered with a waiting period, only for the first two children, within the sum insured
(b) Maternity is never covered under group policies
(c) Maternity is covered from day one for any number of children
(d) Maternity is covered outside the sum insured without limit

119 Under a householder's package policy, the jewellery and valuables section usually provides cover:

(a) Only while in a bank locker
(b) Anywhere in India, subject to the limits in the schedule
(c) Worldwide, without any limit
(d) Only inside the insured's dwelling

120 Under a standard indemnity health policy, which statement about pre- and post-hospitalisation and domiciliary hospitalisation is correct?

(a) Pre-hospitalisation 60 days and post-hospitalisation 90 days; domiciliary treatment is not covered
(b) Only in-patient expenses are covered
(c) Pre-hospitalisation 15 days and post-hospitalisation 30 days; domiciliary treatment must exceed 24 hours
(d) Pre-hospitalisation up to 30 days and post-hospitalisation up to 60 days are covered; domiciliary treatment must exceed 3 days

SECTION 5
REINSURANCE
30 questions · Proportional, Non-proportional & Practice

121 A cedant has a retention of ₹25 lakh per risk and a first surplus treaty of 10 lines. A risk with a sum insured of ₹2 crore suffers a loss of ₹60 lakh. The surplus treaty's share of the loss is: NUMERICAL

(a) ₹35,00,000 (b) ₹50,00,000
(c) ₹52,50,000 (d) ₹60,00,000

122 An XL cover of ₹1 crore xs ₹25 lakh any one loss is in force. Three separate losses of ₹25 lakh, ₹70 lakh and ₹1.6 crore occur. The total amount payable by the XL reinsurer is: NUMERICAL

(a) ₹1.20 crore (b) ₹1.45 crore
(c) ₹1.80 crore (d) ₹2.30 crore

123 A fire loss of ₹2 crore is paid, with survey and legal costs of ₹10 lakh and in-house staff salary cost of ₹4 lakh on the claim. Salvage of ₹20 lakh is recovered. The risk is in a 30% quota share, and the cedant's retained account is protected by a risk XL of ₹1 crore xs ₹40 lakh. The XL recovery is: NUMERICAL

(a) ₹93 lakh
(b) ₹95.8 lakh
(c) ₹1 crore
(d) ₹1.07 crore

124 An XL layer's losses over five years total ₹2.4 crore against total GNPI of ₹400 crore. The reinsurer applies a loading factor of 100/80. If next year's GNPI is estimated at ₹120 crore, the premium for the layer is: NUMERICAL

(a) ₹60 lakh
(b) ₹72 lakh
(c) ₹90 lakh
(d) ₹1.2 crore

125 A Cat XL of ₹40 crore xs ₹10 crore carries an annual premium of ₹6 crore with one reinstatement at 100% additional premium, pro rata as to amount and time. A loss of ₹30 crore occurs with 8 months of the treaty period left. The reinstatement premium is: NUMERICAL

(a) ₹1.5 crore
(b) ₹2 crore
(c) ₹3 crore
(d) ₹4.5 crore

126 A cedant with a normal retention of ₹25 lakh and a 10-line surplus treaty decides to keep only ₹12 lakh on a hazardous risk. The automatic treaty capacity for that risk becomes:

(a) Unlimited, as the cedant is keeping less
(b) Nil, as the cedant has not kept its full retention
(c) 10 lines of ₹25 lakh, i.e. ₹2.5 crore, as fixed in the treaty
(d) 10 lines of ₹12 lakh, i.e. ₹1.2 crore, because lines are multiples of the retention actually kept

127 For an XL layer, the "rate on line" and "payback period" are related as:

(a) ROL = limit ÷ premium, and higher layers have a higher ROL
(b) ROL = premium ÷ GNPI, and payback = GNPI ÷ premium
(c) ROL and payback period are the same figure
(d) ROL = premium ÷ layer limit × 100, and payback period (years) = 100 ÷ ROL; higher layers normally have a lower ROL

128 An XL treaty is shared by a panel of three reinsurers. A loss with legal costs exceeds the deductible. Which statement is correct?

(a) Legal costs form part of the UNL, and each panel reinsurer pays only its own share of the loss to the layer
(b) The reinsured can collect the whole loss from the lead reinsurer
(c) Legal costs are excluded from the UNL
(d) The reinsurers share the loss equally, whatever their shares

129 A risk is ceded on a PML basis, and the actual loss turns out to be double the estimated PML. Which statement is correct?

(a) The cedant pays only up to its retention and the reinsurer pays the rest
(b) The cession becomes void because the PML was wrong
(c) The reinsurer's liability is limited to the PML
(d) PML is only the cedant's tool for fixing retention, not a limit of liability; the cedant and reinsurers both pay larger amounts in their agreed proportions

130 Under a sliding-scale commission in a quota share treaty, which statement is correct?

(a) Commission moves opposite to the loss ratio within agreed minimum and maximum limits; a provisional rate is paid and adjusted later
(b) Commission rises as the loss ratio rises
(c) Commission is paid only if the treaty makes a loss
(d) Commission is fixed and never adjusted

131 Profit commission under a proportional treaty is calculated on the treaty profit, which is arrived at by:

(a) Deducting only paid claims from written premium
(b) Deducting incurred claims, ceding commission and agreed expenses (and any losses carried forward) from earned reinsurance premium
(c) Applying the profit commission rate to the gross premium
(d) Deducting ceding commission only from earned premium

132 Under exposure rating using a Pareto (loss-distribution) curve, the premium for an XL layer is obtained by:

(a) Applying a flat 10% of original premium
(b) Reading the curve at the limit alone
(c) Reading the curve at the top of the layer (deductible + limit) and at the deductible, and applying the difference to the original premium
(d) Applying the burning cost of the last five years

133 Under facultative reinsurance:

(a) Neither the cedant is bound to offer nor the reinsurer bound to accept any risk
(b) The cedant must cede every risk that falls within the agreed class
(c) Only motor and liability risks can be ceded
(d) The reinsurer must accept every risk offered within the limits

134 A surplus treaty is said to be open to "selection against the reinsurer" because:

(a) The reinsurer can refuse individual cessions
(b) The cedant must cede a fixed percentage of every risk
(c) Losses are shared only above a fixed deductible
(d) The cedant can keep its full retention on good risks and a smaller retention on poor risks, so the reinsurer gets a larger share of poor risks

135 In a three-layer proportional programme (retention, 1st surplus, 2nd surplus), a loss occurs on a risk that used all three layers. Which statement is correct?

(a) The loss is shared equally among the three layers
(b) The 2nd surplus pays first because it carries the top of the risk
(c) Each layer pays in proportion to its share of the sum insured; priority applies only to filling the layers
(d) The retention pays first, then the 1st surplus, then the 2nd surplus

136 Under an excess of loss treaty, the "Ultimate Net Loss" (UNL) clause means:

(a) The gross loss before any recovery
(b) The loss after deducting all recoveries, including proportional reinsurance which inures to the XL, but including legal and survey costs and excluding the cedant's staff and office costs
(c) The loss after deducting XL recoveries only
(d) The loss including the cedant's salaries and overheads

137 A catastrophe XL treaty carries a "Two Risk Warranty". This means:

(a) Only two reinstatements are allowed
(b) Each loss must exceed twice the retention
(c) The cedant must buy two separate catastrophe layers
(d) At least two risks must be involved in the loss event before the cover responds

138 Under a catastrophe XL treaty, the hours clause (for example, 72 hours for windstorm) is used to:

(a) Fix the time within which the cedant must report a loss
(b) Limit the treaty period to 72 hours after inception
(c) Define how many individual losses within a period are aggregated as one event
(d) Fix the time within which reinsurers must pay a claim

139 Why is burning cost rating NOT suitable for catastrophe XL covers?

(a) Burning cost gives too high a rate for catastrophe covers
(b) Cat covers are meant to be remote and usually have little or no loss history, so rates are based on exposure, modelling and market levels
(c) Catastrophe covers have no GNPI
(d) IRDAI prohibits burning cost for catastrophe covers

140 In XL rating, "GNPI" stands for Gross Net Premium Income. It is:

(a) Premium written for the class covered, less returns, cancellations and premium for reinsurances that inure to the benefit of the XL
(b) Gross premium before any deduction
(c) Net premium after all reinsurance including the XL itself
(d) The cedant's net retained premium after deducting claims

141 Minimum and Deposit Premium (MDP) in an XL treaty means:

(a) A refundable deposit returned if there are no claims
(b) A premium paid only after a loss occurs
(c) A deposit premium paid at the start, which is also the minimum premium, adjusted at year end against the actual rate on actual GNPI
(d) The maximum premium that can be charged

142 Which statement about obligatory cession to GIC Re is correct for FY 2026-27?

(a) It is 5% of every policy, including pool premium
(b) It is 10% of fire and marine policies only
(c) It has been abolished from FY 2026-27
(d) It is 4% of every general insurance policy, and premium ceded to the Terrorism and Nuclear Pools is excluded

143 A 'cut-through' clause in a reinsurance contract:

(a) Allows the reinsurer to cancel the treaty mid-term
(b) Allows the original insured to claim directly from the reinsurer if the cedant becomes insolvent
(c) Allows two reinsurers to share a layer
(d) Allows the cedant to reduce its retention on poor risks

144 Under the principle of "follow the fortunes", the reinsurer:

(a) Follows the cedant's technical results on risks within the treaty, including settlements made in good faith and in a businesslike way
(b) Shares in the cedant's investment income
(c) Must pay any claim the cedant pays, even outside the treaty's scope
(d) Can reject claims settled ex-gratia without exception

145 On a "clean-cut" basis, when a reinsurer withdraws from a proportional treaty at the year end, the outgoing reinsurer:

(a) Pays only the outstanding claims, with no premium portfolio
(b) Keeps all premium and pays no outstanding losses
(c) Returns a premium portfolio (unexpired risk) and a loss portfolio (usually 90% of outstanding losses) to the cedant, which credits them to the incoming reinsurer
(d) Remains liable for all claims on policies ceded during its period until they expire

146 Which type of treaty would best protect a motor insurer against a large number of small claims pushing its annual net loss ratio above an acceptable level?

(a) Facultative obligatory treaty
(b) Risk excess of loss treaty
(c) Surplus treaty
(d) Stop loss (aggregate excess of loss) treaty

147 Under a risk XL treaty, reinstatements are usually arranged as:

(a) The first one or two reinstatements free, and later ones at an additional premium
(b) Unlimited reinstatements, all free
(c) No reinstatement at all
(d) Reinstatement only after the treaty expires

148 When a cedant fixes its net retention, which of the following is true?

(a) The retention depends only on the premium income of the year
(b) The retention is generally inversely related to the rate of the risk, so poorer (higher-rated) risks get a lower retention
(c) The retention is decided by GIC Re for every company
(d) The retention must be the same for every risk in a class

149 Which statement about XL treaties is correct?

(a) XL is the most common treaty for fire business in India
(b) XL protects the sum insured and premium is ceded in the same proportion as the sum insured
(c) XL protects the loss amount, not the risk; premium is a rate on GNPI, flat premium or burning cost, and normally no ceding commission is paid
(d) XL always pays a ceding commission of 25%

150 In a programme with a 1st and a 2nd surplus treaty, which statement is correct?

(a) Cession goes to the 2nd surplus only after the retention and the 1st surplus are full, and higher surplus layers usually get a lower ceding commission
(b) The 2nd surplus is filled before the 1st surplus
(c) Higher surplus layers get a higher ceding commission because they carry more risk
(d) Both surplus treaties receive equal cessions on every risk

SECTION 6

INSURANCE ACCOUNTS

30 questions · IRDAI Regulations, Financial Statements & Audit

151 Under the IRDAI (Actuarial, Finance and Investment Functions of Insurers) Regulations 2024, a general insurer must maintain its solvency ratio at all times at or above the control level, which is:

(a) 120% of the Required Solvency Margin
(b) 100% of the Required Solvency Margin
(c) 200% of the Required Solvency Margin
(d) 150% of the Required Solvency Margin

152 For computing the Required Solvency Margin of a general insurer, which pairing of line of business and factor (applied to net premium/net incurred claims limits) is correct?

(a) All lines – 0.50 uniformly
(b) Motor, Liability and Health – 0.75; Miscellaneous – 0.70; Marine Cargo – 0.60
(c) Health – 0.60; Motor – 0.70; Liability – 0.50
(d) Motor – 0.50; Fire – 0.75; Marine Cargo – 0.70

153 While valuing assets for solvency, a general insurer finds premium receivable from a broker outstanding for 45 days, and a balance due from a co-insurer outstanding for 60 days. Under the AFI Regulations, which of these is inadmissible?

(a) Only the premium receivable (outstanding beyond 30 days)
(b) Only the co-insurer balance
(c) Neither item
(d) Both items

154 Under the IRDAI clarification of 31 January 2025 on solvency treatment of reinsurer balances, the ageing of an amount due from a reinsurer starts from:

(a) The end of the financial year
(b) The date of payment of the claim to the insured
(c) The earlier of the 15th day after the invoice or the 46th day after the end of the quarter of settlement
(d) The date of the original policy

155 Under the IRDAI (Expenses of Management, including Commission, of Insurers) Regulations 2024, the overall limit of expenses of management for a general insurer is:

(a) 35% of gross written premium
(b) 30% of gross written premium in India
(c) 15% of net written premium
(d) 20% of gross direct premium

156 If a general insurer's actual expenses of management exceed the allowable limit under the EOM Regulations 2024, the excess is:

(a) Carried forward to the next year's revenue account
(b) Recovered from agents' commission
(c) Ignored if the insurer is profitable
(d) Charged to the Profit and Loss Account (shareholders' account)

157 A general insurer issues a five-year long-term dwelling policy for a total premium collected in advance. Under the Master Circular on Actuarial, Finance and Investment, the premium recognised as GWP in each year is:

(a) Premium recognised only at the end of the five years
(b) Total premium × 1/n, where n is the policy term in years, with commission paid only on the premium so recognised
(c) Premium on a written basis with 50% unexpired risk reserve
(d) The entire premium in the first year

158 For a general insurer, the reserve for unexpired risk (UPR) for Marine Hull business is:

(a) 100% of the net premium (b) 25% of the net premium
(c) 1/365 basis only (d) 50% of the net premium

159 Which of the following statements about IBNR in general insurance accounts is correct?

(a) IBNR is optional for PSU insurers
(b) IBNR is estimated by the statutory auditor and discounted at the bank rate
(c) IBNR is shown as a contingent liability in the notes only
(d) IBNR is estimated by the Appointed Actuary, it is not discounted, and a negative IBNR for a year is taken as zero

160 Under the Schedule B format for general insurers, the Revenue Account (Form B-RA) is prepared:

(a) Separately for each branch of the company
(b) Only for Fire business, the rest being in the P&L Account
(c) Separately for Fire, Marine and Miscellaneous business, showing premium earned (Schedule 1), claims incurred (Schedule 2) and commission (Schedule 3)
(d) As one combined account for all business

161 In the Revenue Account of a general insurer, "Claims Incurred (Net)" consists of:

(a) Claims paid during the year only
(b) Claims paid plus reinsurance recoveries
(c) Claims intimated during the year only
(d) Claims paid net of reinsurance recoveries, adjusted for the change in outstanding claims (including IBNR and IBNER)

162 Which accounting standard is NOT applicable to general insurers, because investments are governed by IRDAI regulations?

(a) AS 17 – Segment Reporting (b) AS 13 – Accounting for Investments
(c) AS 9 – Revenue Recognition (d) AS 3 – Cash Flow Statements

163 For a general insurer, the cash flow statement must be prepared using:

(a) No cash flow statement is required
(b) Either method at the insurer's choice
(c) The direct method under AS 3
(d) The indirect method under AS 3

164 Unrealised gains on listed equity shares held by a general insurer are:

(a) Taken to the Fair Value Change Account, which is not available for distribution as dividend
(b) Credited to the Revenue Account
(c) Credited to the Profit and Loss Account as income
(d) Ignored until sale

165 Investment property held by a general insurer must be revalued:

(a) Only when sold (b) At least once every three years
(c) Every year (d) Every five years

166 Under the IRDAI investment norms for general insurers, the minimum investment in Central Government securities and in housing and infrastructure respectively is:

(a) Not less than 30% and not less than 10%
(b) Not less than 50% and not less than 20%
(c) Not less than 20% and not less than 15%
(d) Not less than 10% and not less than 5%

167 Under the IRACP norms applied by insurers to loans and investments, an asset is classified as non-performing when interest or instalment remains overdue for more than:

(a) 90 days (b) 180 days
(c) 365 days (d) 30 days

168 Under the IRDAI (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) Regulations 2024, the minimum paid-up equity capital required for a general insurer and a reinsurer is respectively:

(a) ₹50 crore and ₹200 crore (b) ₹200 crore and ₹100 crore
(c) ₹100 crore and ₹100 crore (d) ₹100 crore and ₹200 crore

169 The annual fee payable by an insurer to IRDAI is:

(a) The higher of ₹10 lakh or 0.05% of gross direct premium, subject to a maximum of ₹15 crore, payable before 31 January
(b) 1% of gross premium without any upper limit
(c) A flat ₹5 lakh per year
(d) 0.5% of net premium, payable before 30 June

170 The technical returns of a general insurer (GI-TR) must be certified by:

(a) The internal auditor and the company secretary
(b) The Board of Directors alone
(c) The Appointed Actuary, the Principal Officer, the statutory auditor and the CFO
(d) The CFO alone

171 The statutory auditors of a public sector general insurance company are appointed by:

(a) IRDAI
(b) The Comptroller and Auditor General of India (C&AG)
(c) The Ministry of Finance directly
(d) The shareholders in the AGM, without any role of C&AG

172 The format of the auditor's report on the financial statements of an insurer is prescribed in:

(a) Schedule III of the Companies Act 2013 only
(b) Schedule B of the same regulations
(c) The Insurance Act 1938, Section 64V
(d) Schedule C of the IRDAI (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002

173 An insurance company pays commission to its individual agents. Under GST, which statement is correct?

(a) GST is payable only if the agent's commission exceeds ₹20 lakh a year
(b) The insurer pays GST on the agent's commission under the reverse charge mechanism (RCM)
(c) Agent commission is exempt from GST
(d) The agent pays GST and charges it to the insurer

174 On 31 March, a branch's cash book shows a debit balance of ₹5 lakh, but the bank statement shows a different balance. Which item would make the bank balance HIGHER than the cash book balance?

(a) Cheques deposited but not yet credited by the bank
(b) A customer's cheque deposited and dishonoured, not yet entered in the cash book
(c) Cheques issued to claimants but not yet presented for payment
(d) Bank charges debited by the bank but not entered in the cash book

175 At year end, an insurer makes provision for claims intimated but not yet paid. This follows which accounting principle?

(a) Accrual and matching, along with prudence
(b) Cash basis of accounting
(c) Consistency only
(d) Going concern only

176 A reinsurance commission received by a ceding general insurer on business ceded is accounted as:

(a) Other income in the Profit and Loss Account
(b) A liability in the Balance Sheet
(c) An addition to premium earned
(d) Commission on reinsurance ceded, deducted from gross commission in Schedule 3, so that net commission expense in the Revenue Account is reduced

177 Under the Investment Function rules for insurers, which statement is correct?

(a) The mid office is headed by a KMP other than the CIO or CFO, the front office by the CIO, and the back office by the CFO
(b) The mid office is outsourced to the custodian
(c) The CIO heads the mid office and the CFO the front office
(d) All three offices are headed by the CFO

178 "Other Forms of Capital" (such as subordinated debt) issued by an insurer must have a minimum tenor of:

(a) 5 years, with a put option after 3 years
(b) 3 years, with no call option
(c) 15 years, with call and put options after 7 years
(d) 10 years (7 years for health insurers), with a call option permitted only after 5 years and no put option

179 Under the EOM Regulations 2024, a general insurer may claim an additional allowance for expenses on insurtech and insurance awareness (together) of:

(a) No additional allowance is permitted
(b) Up to 10% of gross written premium
(c) Up to 5% of the allowable expenses of management
(d) Up to 15% of the incremental rural premium

180 Which of the following is the correct sequence of the accounting process?

(a) Trial Balance → Ledger → Journal → Final Accounts → Source document
(b) Source document → Journal → Ledger → Trial Balance → Final Accounts
(c) Journal → Source document → Trial Balance → Ledger → Final Accounts
(d) Ledger → Journal → Trial Balance → Source document → Final Accounts

SECTION 7
HUMAN RESOURCE MANAGEMENT

30 questions · Service Rules, Allowances, Terminal Benefits & CDA

181 A Scale II officer is on tour at an 'A' class city for 3 days and 10 hours. His DHA rate is ₹1,100 per day. The organiser of the meeting provides free lodging but not boarding. The DHA admissible is: NUMERICAL

(a) ₹962.50
(b) ₹1,925.00
(c) ₹2,887.50
(d) ₹3,850.00

182 An officer retires with 28 years and 7 months of service. His last drawn Basic Pay + DA + FPA is ₹90,000 per month. Gratuity under the Payment of Gratuity Act formula (before any ceiling) is: NUMERICAL

(a) ₹13,05,000
(b) ₹14,53,846
(c) ₹15,05,769
(d) ₹15,57,692

183 An officer's average Basic Pay + FPA for the last 10 months before retirement is ₹80,000. His qualifying service, after excluding loss of pay periods, is 30 years. His basic pension (before commutation) is: NUMERICAL

(a) ₹24,242
(b) ₹26,667
(c) ₹36,364
(d) ₹40,000

184 An officer has an Earned Leave balance of 258 days on 1 January. During the year he performs 220 days of duty (as defined for EL). The EL credited for the year will be: NUMERICAL

(a) 20 days
(b) 12 days
(c) 22 days
(d) Nil

185 A Scale IV officer was provided a car under the Conveyance Scheme costing ₹8,00,000 on 01.04.2026. He retires on 30.09.2028, i.e. after 30 months. Under the scheme, the amount payable by the officer to retain the car (Net Value on straight-line depreciation at 20%) is: NUMERICAL

(a) ₹60,800
(b) ₹3,39,200
(c) ₹4,00,000
(d) ₹4,60,800

186 Under the tour rules, Scale II and Scale III officers may travel by air where entitled by rail, subject to which condition?

(a) The air fare reimbursed is limited to 125% of the entitled Rajdhani fare, and savings in DHA and hotel charges must be shown
(b) Air travel is allowed at any fare, without conditions
(c) Air fare is limited to the AC II tier rail fare
(d) Air travel is never allowed below Scale IV

187 For halts on tour, DHA is admissible at what percentage of the full daily rate for a halt of (i) more than 12 hours, (ii) 6 to 12 hours and (iii) up to 6 hours?

(a) 100%, 75% and 50% respectively
(b) 100%, 50% and nil respectively
(c) 75%, 50% and 25% respectively
(d) 100%, 50% and 30% respectively

188 On retirement, an officer opts to commute part of his pension. Which statement is correct?

(a) He can commute up to one-half of his basic pension; the lump sum = commuted portion × 100
(b) The lump sum is paid in monthly instalments over 15 years
(c) Commutation is allowed only on Dearness Relief
(d) He can commute up to one-third of his basic pension; the lump sum = commuted portion × commutation factor × 12

189 An officer opts to take sick leave on full pay instead of half pay. Which statement is correct?

(a) Sick leave is debited at half the period when taken on full pay
(b) Sick leave accrues at 30 days on half pay per completed year, up to 240 days, and full-pay sick leave is debited at double the period
(c) Sick leave accrues at 15 days on full pay per year, up to 270 days
(d) Sick leave on full pay is not allowed in any case

190 Under the Staff Group Mediclaim policy 2026-27, the limits for maternity expenses in 'A' class cities are:

(a) ₹65,000 for normal delivery and ₹1,20,000 for caesarean delivery
(b) ₹55,000 for normal delivery and ₹85,000 for caesarean delivery
(c) Actual expenses without any limit
(d) ₹50,000 for normal delivery and ₹1,00,000 for caesarean delivery

191 An employee under suspension is paid subsistence allowance. Which statement is correct under the CDA Rules?

(a) It is not payable for the first 3 months
(b) It is 50% of gross emoluments for the first 6 months; thereafter it may be raised to 75% if the delay is not attributable to the employee, or reduced to 25% if it is
(c) It is a fixed 50% throughout the suspension
(d) It is 75% for the first 6 months and 100% thereafter

192 Which statement about Earned Leave of officers in PSGICs is correct?

(a) EL is granted for a minimum of 6 days and a maximum of 120 days at a time, with an application normally 15 days in advance
(b) EL accumulation is limited to 240 days
(c) EL can be availed during probation training
(d) EL can be granted for any number of days without any upper limit

193 An officer suffering from one of the notified major diseases has exhausted his sick leave. Which leave is available to him?

(a) Advance Earned Leave without any limit
(b) Extraordinary leave on full pay
(c) Casual leave up to 30 days
(d) Special Sick Leave, which is available only when no sick leave balance remains

194 An employee is detained in police custody for more than 48 hours. Under the Conduct, Discipline and Appeal Rules:

(a) He is automatically dismissed from service
(b) He is paid full salary for the custody period
(c) He continues on duty until a charge-sheet is issued
(d) He is deemed to be under suspension from the date of detention, and no subsistence allowance is payable while he remains in custody

195 Which of the following is a MINOR penalty under the CDA Rules?

(a) Withholding of increments permanently
(b) Recovery from pay of pecuniary loss caused by negligence or breach of orders
(c) Reduction to a lower post
(d) Compulsory retirement

196 Which statement on removal and dismissal from service is correct?

(a) Removal is not a disqualification for future employment, while dismissal ordinarily is
(b) Both removal and dismissal are minor penalties
(c) Removal is a disqualification for future employment, but dismissal is not
(d) Dismissal can be imposed without any inquiry

197 An employee wishes to appeal against a penalty order under the CDA Rules. The appeal must be filed within:

(a) 1 year from the date of the order
(b) 30 days from the date of the order
(c) 6 months from the date of the order
(d) 3 months from the date of receipt of the order

198 A confirmed officer's resignation letter is received at his branch on 1 June, and he wants to be relieved on 31 July, while the notice period is 3 months. He has 100 days of Earned Leave to his credit. Which statement is correct?

(a) He must pay one month's gross salary as notice pay; Earned Leave cannot be set off against the notice period
(b) He can adjust 30 days of Earned Leave against the shortfall in notice
(c) He must pay three months' basic pay as notice pay
(d) No notice pay is needed if he joins a PSU

199 The transfer grant payable to an officer on transfer on promotion to another centre is:

(a) Half a month's gross salary
(b) One month's Basic Pay + FPA
(c) Two months' Basic Pay
(d) A fixed ₹10,000

200 FPA (Fixed Personal Allowance) is reckoned as Basic Pay for which of the following?

(a) Only for Gratuity
(b) DA and all other allowances
(c) HRA, Provident Fund, Pension, Gratuity and EL encashment
(d) Only for Provident Fund

201 Under the Vishaka Guidelines and the POSH framework, which statement about the Complaints Committee is correct?

(a) It must be headed by the CMD of the company
(b) It must be headed by a woman, not less than half its members must be women, and it must include a third party such as an NGO
(c) At least one-third of its members must be women
(d) It needs no outside member if all members are women

202 During the pendency of an inquiry under the POSH framework, the committee may recommend leave to the aggrieved woman of up to:

(a) 15 days as special casual leave
(b) 6 months without pay
(c) 3 months, in addition to her normal leave entitlement
(d) 1 month, adjusted against her EL

203 Under the Conveyance Scheme 9A(V) 2025 for officers, which statement is correct?

(a) No additional limit is allowed for electric vehicles
(b) Tyres can be replaced every 10,000 km
(c) The usage period of a car is 3 years with no extension
(d) An additional purchase limit of ₹2,00,000 is allowed for an electric vehicle (BEV/PHEV)

204 Under the Conveyance Scheme, tyres of the officer's car can be replaced after:

(a) 32,000 km or 40 months, whichever is earlier
(b) Every 2 years irrespective of running
(c) 20,000 km or 24 months, whichever is later
(d) 50,000 km only

205 Under the residential lease norms for officers, which statement is correct?

(a) Scale I officers are entitled to 1,076 sq. ft.
(b) Scale III and Scale IV officers have the same leased-flat ceiling of 1,076 sq. ft.
(c) Scale IV officers are entitled to 1,345 sq. ft.
(d) All officers up to Scale V have the same ceiling

206 An officer on tour stays in a hotel because no company guest house is available. Regarding his DHA, which statement is correct?

(a) DHA is not payable when lodging is claimed
(b) DHA is increased by 25% for hotel stay
(c) DHA is paid at 50% for hotel stay
(d) DHA is reduced by ₹10 when the officer stays in a hotel and claims lodging separately

207 Under the tour rules, an employee is treated as being "on tour" when he travels on duty beyond:

(a) The district boundary
(b) 50 km from his residence
(c) 8 km from the outer municipal limits of his headquarters
(d) 25 km from his office

208 Under the training rules, full halting allowance during a training programme is admissible for a maximum of:

(a) 90 days
(b) 180 days
(c) 60 days
(d) 30 days

209 Which statement on gratuity in PSGICs is correct?

(a) Gratuity is payable after 1 year of service
(b) Gratuity is calculated on Basic Pay only, without DA
(c) No gratuity is payable if service is less than 5 years; the higher of the Act and the Scheme amount is paid
(d) Only the Scheme amount is paid, even if the Act amount is higher

210 Under the Staff Group Mediclaim policy, charges in the ICU are admissible up to:

(a) Actual charges without any limit

(b) Three times the entitled room rent

(c) The same as the entitled room rent

(d) Double the entitled room rent

STUDY4INSURENCE

Answer Sheet

Darken one circle per question. Sections chosen: ___ ___ ___ ___ Score: _____ / 120 Time taken: _____

Fire & Engg	Marine & Aviation	Motor	Misc	Reinsurance	Accounts	HRM
1 (a) (b) (c) (d)	31 (a) (b) (c) (d)	61 (a) (b) (c) (d)	91 (a) (b) (c) (d)	121 (a) (b) (c) (d)	151 (a) (b) (c) (d)	181 (a) (b) (c) (d)
2 (a) (b) (c) (d)	32 (a) (b) (c) (d)	62 (a) (b) (c) (d)	92 (a) (b) (c) (d)	122 (a) (b) (c) (d)	152 (a) (b) (c) (d)	182 (a) (b) (c) (d)
3 (a) (b) (c) (d)	33 (a) (b) (c) (d)	63 (a) (b) (c) (d)	93 (a) (b) (c) (d)	123 (a) (b) (c) (d)	153 (a) (b) (c) (d)	183 (a) (b) (c) (d)
4 (a) (b) (c) (d)	34 (a) (b) (c) (d)	64 (a) (b) (c) (d)	94 (a) (b) (c) (d)	124 (a) (b) (c) (d)	154 (a) (b) (c) (d)	184 (a) (b) (c) (d)
5 (a) (b) (c) (d)	35 (a) (b) (c) (d)	65 (a) (b) (c) (d)	95 (a) (b) (c) (d)	125 (a) (b) (c) (d)	155 (a) (b) (c) (d)	185 (a) (b) (c) (d)
6 (a) (b) (c) (d)	36 (a) (b) (c) (d)	66 (a) (b) (c) (d)	96 (a) (b) (c) (d)	126 (a) (b) (c) (d)	156 (a) (b) (c) (d)	186 (a) (b) (c) (d)
7 (a) (b) (c) (d)	37 (a) (b) (c) (d)	67 (a) (b) (c) (d)	97 (a) (b) (c) (d)	127 (a) (b) (c) (d)	157 (a) (b) (c) (d)	187 (a) (b) (c) (d)
8 (a) (b) (c) (d)	38 (a) (b) (c) (d)	68 (a) (b) (c) (d)	98 (a) (b) (c) (d)	128 (a) (b) (c) (d)	158 (a) (b) (c) (d)	188 (a) (b) (c) (d)
9 (a) (b) (c) (d)	39 (a) (b) (c) (d)	69 (a) (b) (c) (d)	99 (a) (b) (c) (d)	129 (a) (b) (c) (d)	159 (a) (b) (c) (d)	189 (a) (b) (c) (d)
10 (a) (b) (c) (d)	40 (a) (b) (c) (d)	70 (a) (b) (c) (d)	100 (a) (b) (c) (d)	130 (a) (b) (c) (d)	160 (a) (b) (c) (d)	190 (a) (b) (c) (d)
11 (a) (b) (c) (d)	41 (a) (b) (c) (d)	71 (a) (b) (c) (d)	101 (a) (b) (c) (d)	131 (a) (b) (c) (d)	161 (a) (b) (c) (d)	191 (a) (b) (c) (d)
12 (a) (b) (c) (d)	42 (a) (b) (c) (d)	72 (a) (b) (c) (d)	102 (a) (b) (c) (d)	132 (a) (b) (c) (d)	162 (a) (b) (c) (d)	192 (a) (b) (c) (d)
13 (a) (b) (c) (d)	43 (a) (b) (c) (d)	73 (a) (b) (c) (d)	103 (a) (b) (c) (d)	133 (a) (b) (c) (d)	163 (a) (b) (c) (d)	193 (a) (b) (c) (d)
14 (a) (b) (c) (d)	44 (a) (b) (c) (d)	74 (a) (b) (c) (d)	104 (a) (b) (c) (d)	134 (a) (b) (c) (d)	164 (a) (b) (c) (d)	194 (a) (b) (c) (d)
15 (a) (b) (c) (d)	45 (a) (b) (c) (d)	75 (a) (b) (c) (d)	105 (a) (b) (c) (d)	135 (a) (b) (c) (d)	165 (a) (b) (c) (d)	195 (a) (b) (c) (d)
16 (a) (b) (c) (d)	46 (a) (b) (c) (d)	76 (a) (b) (c) (d)	106 (a) (b) (c) (d)	136 (a) (b) (c) (d)	166 (a) (b) (c) (d)	196 (a) (b) (c) (d)
17 (a) (b) (c) (d)	47 (a) (b) (c) (d)	77 (a) (b) (c) (d)	107 (a) (b) (c) (d)	137 (a) (b) (c) (d)	167 (a) (b) (c) (d)	197 (a) (b) (c) (d)
18 (a) (b) (c) (d)	48 (a) (b) (c) (d)	78 (a) (b) (c) (d)	108 (a) (b) (c) (d)	138 (a) (b) (c) (d)	168 (a) (b) (c) (d)	198 (a) (b) (c) (d)
19 (a) (b) (c) (d)	49 (a) (b) (c) (d)	79 (a) (b) (c) (d)	109 (a) (b) (c) (d)	139 (a) (b) (c) (d)	169 (a) (b) (c) (d)	199 (a) (b) (c) (d)
20 (a) (b) (c) (d)	50 (a) (b) (c) (d)	80 (a) (b) (c) (d)	110 (a) (b) (c) (d)	140 (a) (b) (c) (d)	170 (a) (b) (c) (d)	200 (a) (b) (c) (d)
21 (a) (b) (c) (d)	51 (a) (b) (c) (d)	81 (a) (b) (c) (d)	111 (a) (b) (c) (d)	141 (a) (b) (c) (d)	171 (a) (b) (c) (d)	201 (a) (b) (c) (d)
22 (a) (b) (c) (d)	52 (a) (b) (c) (d)	82 (a) (b) (c) (d)	112 (a) (b) (c) (d)	142 (a) (b) (c) (d)	172 (a) (b) (c) (d)	202 (a) (b) (c) (d)
23 (a) (b) (c) (d)	53 (a) (b) (c) (d)	83 (a) (b) (c) (d)	113 (a) (b) (c) (d)	143 (a) (b) (c) (d)	173 (a) (b) (c) (d)	203 (a) (b) (c) (d)
24 (a) (b) (c) (d)	54 (a) (b) (c) (d)	84 (a) (b) (c) (d)	114 (a) (b) (c) (d)	144 (a) (b) (c) (d)	174 (a) (b) (c) (d)	204 (a) (b) (c) (d)
25 (a) (b) (c) (d)	55 (a) (b) (c) (d)	85 (a) (b) (c) (d)	115 (a) (b) (c) (d)	145 (a) (b) (c) (d)	175 (a) (b) (c) (d)	205 (a) (b) (c) (d)
26 (a) (b) (c) (d)	56 (a) (b) (c) (d)	86 (a) (b) (c) (d)	116 (a) (b) (c) (d)	146 (a) (b) (c) (d)	176 (a) (b) (c) (d)	206 (a) (b) (c) (d)
27 (a) (b) (c) (d)	57 (a) (b) (c) (d)	87 (a) (b) (c) (d)	117 (a) (b) (c) (d)	147 (a) (b) (c) (d)	177 (a) (b) (c) (d)	207 (a) (b) (c) (d)
28 (a) (b) (c) (d)	58 (a) (b) (c) (d)	88 (a) (b) (c) (d)	118 (a) (b) (c) (d)	148 (a) (b) (c) (d)	178 (a) (b) (c) (d)	208 (a) (b) (c) (d)
29 (a) (b) (c) (d)	59 (a) (b) (c) (d)	89 (a) (b) (c) (d)	119 (a) (b) (c) (d)	149 (a) (b) (c) (d)	179 (a) (b) (c) (d)	209 (a) (b) (c) (d)
30 (a) (b) (c) (d)	60 (a) (b) (c) (d)	90 (a) (b) (c) (d)	120 (a) (b) (c) (d)	150 (a) (b) (c) (d)	180 (a) (b) (c) (d)	210 (a) (b) (c) (d)

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