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GIPSA EXAM DATE
20 December 2026

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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

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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.

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SECTION 1

FIRE & ENGINEERING INSURANCE

Fire 22 questions · Engineering 8 questions

1 Stock worth ₹80 lakh is insured for ₹60 lakh under an SFSP policy (total sum insured at the location ₹5 crore). A fire causes a loss of ₹20 lakh. No depreciation or salvage is involved. The net claim payable is: NUMERICAL

(a) ₹14,25,000
(b) ₹14,90,000
(c) ₹15,00,000
(d) ₹19,00,000

2 The sum insured on a building is increased by ₹50 lakh with 3 months left to expiry. The policy rate is 1.20‰. The additional premium is: NUMERICAL

(a) ₹1,500
(b) ₹2,400
(c) ₹3,000
(d) ₹6,000

3 Under Condition 15 (reinstatement of sum insured) of the SFSP policy, a loss of ₹40 lakh is settled. The annual rate is 0.60‰ and 146 days remain to expiry. The reinstatement premium deducted from the claim is: NUMERICAL

(a) ₹960
(b) ₹1,440
(c) ₹2,400
(d) ₹9,600

4 A firm's last-year turnover was ₹40 crore, net profit ₹3 crore and insured standing charges ₹5 crore. After a fire, turnover falls short of the standard turnover by ₹6 crore during the indemnity period. The loss of gross profit (before ICOW, savings and average) is: NUMERICAL

(a) ₹45 lakh
(b) ₹75 lakh
(c) ₹1.2 crore
(d) ₹2 crore

5 A warehouse keeper holds goods of various owners in trust or on commission. He wants to insure them under his own fire policy. Which statement is correct?

(a) He can insure only his storage charges
(b) As bailee he has an insurable interest and can insure the goods held in trust or on commission, if this is stated in the policy
(c) He can insure the goods only with each owner's written consent per consignment
(d) He cannot insure goods he does not own

6 The insured fails to disclose that the adjoining premises is a firecracker godown. The insurer discovers this after a fire. The legal position is:

(a) The insurer pays 50% as a penalty
(b) The insurer must pay, as the insured was not asked about adjoining premises
(c) The policy is automatically void from inception, whether or not the fact was material
(d) The policy is voidable at the insurer's option for breach of utmost good faith, as the fact was material

7 During the policy period, a textile godown starts storing large quantities of solvents without informing the insurer. A fire occurs. Under the SFSP condition on alteration of risk:

(a) The claim is paid after charging extra premium at the hazardous rate
(b) The claim is paid in full, as the policy was in force
(c) Insurance on the property affected ceases unless the insurer's written consent was obtained
(d) Only the solvent stock is excluded

8 A fire starts in a neighbour's house, and the insured's property is damaged by water used by the fire brigade to put it out. Under the SFSP policy, the water damage is:

(a) Not payable, as there was no fire on the insured's premises
(b) Payable only under the STFI peril
(c) Not payable, as water damage is a separate peril
(d) Payable, as damage caused in extinguishing a fire is treated as part of fire loss

9 Which of the following is an insured peril under the SFSP policy, subject to its own exclusions?

(a) Loss of market due to delay after a fire
(b) Bursting or overflowing of water tanks, apparatus and pipes
(c) Theft from the premises during a fire
(d) Mechanical breakdown of machinery

10 Under RSMTD cover in the SFSP policy, which statement is correct?

(a) RSMTD cover can never be deleted at inception
(b) Loss of profit during the strike is covered
(c) Damage caused by terrorism is covered under RSMTD
(d) Damage by striking or locked-out workers acting in furtherance of a strike is covered, but loss from total or partial cessation of work is not

11 The insured's building collapses because of the collapse of the adjoining land due to a landslide. Under the SFSP policy:

(a) Only the debris removal is covered
(b) The loss is covered under the subsidence and landslide peril, but normal settlement or cracking of new structures is excluded
(c) The loss is covered only if the earthquake add-on is taken
(d) The loss is excluded as an act of God

12 Long-term fire policies for dwellings (houses and flats) can be issued by insurers mainly to:

(a) Any insured, for a maximum of 2 years
(b) Industrial units, with a 10% discount
(c) Owners of houses/flats who take long-term home loans, with a long-term premium discount on the basic fire premium (but not on earthquake premium)
(d) Housing societies only, without any discount

13 Which basis of sum insured gives the insured "new for old" settlement, subject to actual reinstatement?

(a) Book value
(b) Reinstatement value
(c) Market value
(d) Agreed value for curios

14 An insured has a fire policy and also a separate marine cargo policy covering the same goods lying in the port warehouse awaiting clearance. The goods are destroyed by fire. The SFSP marine insurance condition provides that:

(a) Both policies contribute equally
(b) The insured can claim in full under both
(c) The fire policy does not cover property that is insured under a marine policy, except for any excess beyond the marine cover
(d) Only the fire policy pays

15 Under the SFSP policy, which property is excluded unless specifically declared and insured?

(a) Stocks of raw material
(b) Plant and machinery
(c) Furniture and fixtures
(d) Bullion, unset precious stones, curios and works of art above ₹10,000, manuscripts and securities

16 Under the fire tariff rating, the earthquake zone that carries the highest industrial earthquake rate is:

(a) Zone I (as printed in the tariff)
(b) Zone IV
(c) Zone III
(d) All zones carry the same rate

17 A fire claim is under consideration. Who bears the burden of proving that the loss was caused by an insured peril?

(a) The surveyor bears the burden of proof
(b) No one, as fire is presumed accidental
(c) The insurer must prove the cause in every case
(d) The insured, while the insurer must prove that an exclusion applies

18 After paying a claim, the insurer wants to recover from a contractor whose welder negligently started the fire. Which statement is correct?

(a) Subrogation is not available in fire insurance
(b) The insured can also recover the same loss from the contractor and keep both amounts
(c) The insurer is subrogated to the insured's rights only to the extent of the claim paid
(d) The insurer can recover more than it paid and keep the profit

19 Which statement on the Spontaneous Combustion add-on under SFSP is correct?

(a) It is charged on the sum insured of the relative commodity, at rates that differ by spontaneous combustion category
(b) It covers spread of fire only, not the commodity itself
(c) It is charged on the total sum insured of the policy
(d) It is included automatically in the basic SFSP cover

20 In a Consequential Loss (Fire) policy, the "indemnity period" is:

(a) The policy period of 12 months
(b) The period beginning with the damage, during which results are affected, not exceeding the maximum indemnity period chosen by the insured
(c) Always 3 months from the date of fire
(d) The time taken by the surveyor to submit the report

21 In a FLOP claim, increased cost of working is payable:

(a) Only if it exceeds 10% of the gross profit
(b) Never, as only gross profit is covered
(c) Only to the extent it avoided or reduced a loss of gross profit that would otherwise have been payable (the economic limit)
(d) In full, whatever the amount spent

22 The SFSP policy excludes loss caused by an insured's own heating process. Which situation is NOT covered?

(a) A fire spreading from the boiler house to the stores
(b) Smoke damage from a fire in an adjoining shop
(c) Lightning striking the roof
(d) Sugar damaged by excessive heating during refining

23 Contract works under a CAR policy are insured for ₹90 crore, but the correct completed value is ₹120 crore. A flood causes a loss of ₹16 crore. The claim before the deductible is: NUMERICAL

(a) ₹10 crore
(b) ₹12 crore
(c) ₹13.5 crore
(d) ₹16 crore

24 Under a CAR policy, the cover for the contract works ends:

(a) On handover or taking over of the works (or of each section put into use), or on expiry of the policy period, whichever is earlier
(b) When the contractor's final bill is paid
(c) When the architect issues drawings
(d) Only on expiry of the maintenance period

25 Under a CAR policy, which of the following is excluded?

(a) Damage to works caused by flood
(b) Fire damage to materials at the site
(c) Damage to works caused by collapse following heavy rain
(d) Cost of replacing defective material or workmanship itself

26 Which statement on Electronic Equipment Insurance (EEI) is correct?

(a) It is issued only on market value basis
(b) It covers only fire and lightning damage
(c) It covers material damage to electronic equipment on an all-risks basis, with optional sections for external data media and increased cost of working
(d) It covers wear and tear of computers

27 In a Machinery Breakdown policy, a bearing wears out (excluded) and then seizes, wrecking the shaft. The claim is:

(a) Only the bearing is payable
(b) The shaft damage is payable, but the cost of the worn bearing itself is not
(c) Both the bearing and the shaft are payable
(d) Nothing is payable, since the cause was wear and tear

28 Under the Deterioration of Stock (DOS) policy, cover is given for:

(a) Deterioration of stock in cold storage caused by a rise or fall of temperature resulting from breakdown of the insured refrigerating machinery
(b) Theft of stock from the cold store
(c) Damage caused by power cuts by the electricity board, in all cases
(d) Normal shrinkage of stock

29 Under a Boiler and Pressure Plant policy, the surrounding property section is usually insured on:

(a) A first-loss basis, so the actual loss is paid up to the sum insured without average
(b) Market value with average
(c) Reinstatement value with average
(d) Agreed value

30 Under Contractor's Plant and Machinery (CPM) insurance, which loss is excluded?

(a) Overturning of a crane at the site
(b) Fire damage to an excavator
(c) Breakdown of the machine due to its own mechanical or electrical failure, unless specifically extended
(d) Flood damage to a road roller

SECTION 2
MARINE & AVIATION INSURANCE

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

31 An exporter's consignment has a CIF value of ₹32 lakh. Following international practice, the sum insured on the cargo policy should normally be: NUMERICAL

(a) ₹32,00,000 (b) ₹33,60,000
(c) ₹35,20,000 (d) ₹38,40,000

32 Two separate losses occur under a cargo policy: ₹1,20,000 and ₹30,000. The policy has a franchise of ₹40,000. The total amount payable is: NUMERICAL

(a) ₹80,000 (b) ₹1,10,000
(c) ₹1,20,000 (d) ₹1,50,000

33 An imported turbine has a CIF value of ₹15 crore and customs duty of ₹3 crore. For the marine portion of a Marine-cum-Erection policy, the sum insured is: NUMERICAL

(a) ₹16.5 crore (b) ₹18 crore
(c) ₹19.5 crore (d) ₹21 crore

34 A vessel insured for ₹30 crore at a total loss rate of 0.80% and an OTL rate of ₹50 per GT (GT 8,000, general cargo ship) pays a total premium of: NUMERICAL

(a) ₹4,00,000 (b) ₹24,00,000
(c) ₹28,00,000 (d) ₹32,00,000

35 The consideration paid for a contract of affreightment is called:

(a) Hire charges (b) Freight
(c) Demurrage (d) Premium

36 Under the Marine Insurance Act, which principle is especially characteristic of marine insurance and not usually listed among the general principles of other classes?

(a) Insurable interest (b) Utmost good faith
(c) Indemnity (d) Abandonment

37 In marine cargo insurance, insurable interest must exist:

(a) Only at the time the insurance is effected
(b) At the time of loss, though it need not exist when the insurance is effected
(c) Only at the time of claim settlement
(d) Both at inception and throughout the voyage

38 A policy says "Warranted packed in new gunny bags". The goods are packed in second-hand bags and are damaged by sea water. Which statement is correct?

(a) It is an express warranty that must be strictly complied with; the insurer is discharged from the date of breach
(b) The insurer pays 50% for breach of warranty
(c) The claim is payable since the breach did not cause the loss
(d) Warranties do not apply in cargo insurance

39 Under Incoterms 2020, in which of the following terms does the risk pass from seller to buyer when the goods are on board the vessel at the port of shipment?

(a) CPT and CIP only
(b) DAP, DPU and DDP
(c) EXW, FCA and DAP
(d) FOB, CFR and CIF

40 A buyer purchases goods on FOB Shanghai terms. The goods are damaged while being loaded at Shanghai, before they are on board. Whose insurance should respond?

(a) The seller's, as risk had not yet passed to the buyer
(b) Both share equally
(c) No one, as loading loss is excluded
(d) The buyer's, as he bought on FOB terms

41 Which of the following is covered under ICC (A) but NOT under ICC (B)?

(a) Loss by fire or explosion
(b) Washing overboard
(c) General average sacrifice
(d) Loss by theft or pilferage

42 Which of the following is excluded under all three ICC (A), (B) and (C)?

(a) Loss by stranding of the vessel
(b) Loss caused by inherent vice or nature of the subject-matter insured
(c) General average contribution
(d) Loss by jettison

43 Under the Institute Cargo Clauses (Air), the outer limit of cover after unloading from the aircraft at the final place of discharge is:

(a) 30 days
(b) 60 days
(c) 15 days
(d) 7 days

44 In an annual open policy, the "limit per location" for unintentional accumulation of goods (for example at a port during a strike) is usually:

(a) Half the limit per sending
(b) Twice the limit per sending
(c) Equal to the limit per sending
(d) Unlimited

45 An insurer settles a short-landing claim and takes a Letter of Subrogation from the consignee. The main purpose of this document is to:

(a) Cancel the cargo policy
(b) Admit liability on behalf of the carrier
(c) Prove that the goods were insured
(d) Transfer the consignee's rights of recovery against the carrier to the insurer

46 Under ITC-Hulls, the cover for Inchmaree (latent defect, negligence of master/crew) perils is subject to which condition?

(a) The loss must not result from want of due diligence by the assured, owners or managers
(b) The vessel must be less than 10 years old
(c) The loss must exceed the deductible by 50%
(d) The master must hold a foreign licence

47 Under ITC-Hulls, the deductible is NOT applied to which claim?

(a) A claim for collision damage to the insured vessel
(b) A claim for heavy weather damage
(c) A claim for sue and labour along with a partial loss
(d) A claim for total or constructive total loss

48 Under ITC-Hulls, the policy terminates automatically (unless underwriters agree otherwise) if:

(a) The vessel enters a port for routine bunkering
(b) The vessel's classification society is changed, or its class is withdrawn or suspended
(c) The master is changed
(d) The vessel carries a new cargo

49 The proportion of collision liability NOT covered under hull policies (and usually covered by P&I Clubs) is:

(a) One-fourth
(b) Three-fourths
(c) Nil
(d) One-half

50 Which risk is typically covered by a P&I Club and NOT by the hull policy?

(a) General average sacrifice of the ship
(b) Loss of life and personal injury claims, and removal of wreck
(c) Particular average damage to the vessel's hull
(d) Three-fourths of collision liability

51 After an accident that endangers ship and cargo, the vessel enters a port of refuge. Under the York-Antwerp Rules, the cost of entering the port and the wages and maintenance of crew during the detention there are generally:

(a) Borne only by the cargo owners
(b) Particular average borne by the ship-owner alone
(c) Allowed in general average, as they are incurred for the common safety
(d) Excluded from GA under all rules

52 When cargo owners take delivery after a GA act, the ship-owner usually exercises a lien and demands security. Which document is typically provided by the cargo insurer?

(a) A certificate of origin
(b) A letter of credit
(c) A bill of lading
(d) A GA guarantee

53 Under the Marine Insurance Act, an "actual total loss" occurs when:

(a) The vessel is detained for 30 days
(b) Repair cost exceeds 50% of the insured value
(c) The subject matter is destroyed, so damaged as to cease to be a thing of the kind insured, or the assured is irretrievably deprived of it
(d) Notice of abandonment is accepted

54 Which statement on the measure of indemnity under a valued marine policy is correct?

(a) 90% of the insured value is paid
(b) For a total loss, the insured value agreed in the policy is paid, even if it is higher than the market value, unless fraud is proved
(c) Market value at the time of loss is always paid
(d) The lower of insured value and market value is paid

55 An insured hull is laid up in port for a long period. Under ITC-Hulls, the Returns for Lay-up and Cancellation clause allows:

(a) A return only if the vessel is laid up for one year
(b) No return of premium in any case
(c) A full refund for any lay-up period
(d) A return of premium for each period of 30 consecutive days the vessel is laid up in an approved port

56 An aircraft has an agreed value of ₹200 crore. Under the AVN 1C hull section, the insurer allows reasonable emergency expenses for protection of the aircraft after an accident up to a limit of: NUMERICAL

(a) ₹2 crore
(b) ₹10 crore
(c) ₹20 crore
(d) ₹40 crore

57 The AVN 1C London Aircraft Insurance Policy is structured in which order of sections?

(a) Section I – Loss of or damage to aircraft; Section II – Legal liability to third parties; Section III – Legal liability to passengers
(b) Section I – Passengers; Section II – Hull; Section III – Crew
(c) Section I – Cargo; Section II – Hull; Section III – Airport
(d) Section I – War; Section II – Hull; Section III – Third parties

58 In aviation hull insurance, total loss of an aircraft is normally settled on:

(a) Replacement cost less depreciation
(b) Agreed value basis
(c) Market value basis
(d) Book value basis

59 Which aviation clause provides for no-fault payments to injured passengers, similar to personal accident cover?

(a) AVN 34A – Passenger Voluntary Settlement
(b) AVN 46B – Noise and Pollution
(c) AVN 48B – War Exclusion
(d) AVN 26A – Laying-up Returns

60 The Indian law governing the liability of air carriers to passengers on international carriage is:

(a) The Aircraft Act 1934 only
(b) The Merchant Shipping Act 1958
(c) The Motor Vehicles Act 1988
(d) The Carriage by Air Act 1972, which gives effect to the Montreal Convention 1999

SECTION 3

MOTOR INSURANCE

30 questions · Own Damage, Third Party & MACT

61 A private car with a current ex-showroom price of ₹12,00,000 is 4 years and 3 months old at renewal. Its IDV (no accessories) under the tariff schedule is: NUMERICAL

(a) ₹4,80,000
(b) ₹6,00,000
(c) ₹7,20,000
(d) ₹7,80,000

62 A car 7 months old meets with an accident. Replaced parts: metal ₹60,000; rubber/plastic ₹8,000; glass ₹12,000. Labour is ₹10,000. The assessed loss after depreciation (before compulsory deductible) is: NUMERICAL

(a) ₹80,000
(b) ₹83,000
(c) ₹86,000
(d) ₹90,000

63 A 45-year-old permanent bank officer earning ₹50,000 per month (net of tax) dies in a motor accident, leaving 5 dependants. Under Pranay Sethi and Sarla Verma, the loss of dependency (excluding conventional heads) is: NUMERICAL

(a) ₹63,00,000
(b) ₹72,80,000
(c) ₹81,90,000
(d) ₹93,60,000

64 An insured enjoying 50% NCB lodges an OD claim during the current policy year. At renewal the OD premium before NCB is ₹30,000. The OD premium payable at renewal is: NUMERICAL

(a) ₹15,000
(b) ₹19,500
(c) ₹22,500
(d) ₹30,000

65 A goods-carrying commercial vehicle of 12,000 kg GVW has an OD claim assessed at ₹60,000 after depreciation. After the compulsory deductible, the claim payable is: NUMERICAL

(a) ₹58,500
(b) ₹59,000
(c) ₹59,500
(d) ₹60,000

66 Under Section 147 of the MV Act, the liability of the insurer for death of or bodily injury to a third party under a motor policy is:

(a) Unlimited, i.e. the actual liability incurred
(b) Limited to ₹7.5 lakh
(c) Limited to ₹5 lakh per person
(d) Limited to ₹15 lakh

67 A goods carriage carries the owner of the goods travelling with them, as permitted. He dies in an accident. Under the Act policy for a goods vehicle:

(a) The owner of goods (or his authorised representative) travelling in the vehicle is covered
(b) He is covered only up to ₹1 lakh
(c) He is covered only if he paid a fare
(d) No person travelling in a goods vehicle is ever covered

68 Under the MV Act, a claim petition for compensation filed by the victim under Section 166 should normally be filed within:

(a) 3 years of the accident
(b) 90 days of the accident
(c) 30 days of the accident
(d) 6 months of the accident

69 The Motor Vehicle Accident Fund (Sec 164B) under the amended MV Act is used for:

(a) Paying premium for government vehicles
(b) Funding road construction
(c) Treatment of victims (including the golden hour), hit-and-run compensation and other purposes notified by the Government
(d) Paying commission to motor insurance agents

70 Under the MV Act, the duty of the driver in case of an accident includes:

(a) Informing only the vehicle owner
(b) Settling the claim with the victim directly
(c) Leaving the spot immediately to avoid a mob
(d) Taking the injured to the nearest hospital and informing the police and the insurer

71 Under the India Motor Tariff, geographical extension of a private car policy is allowed to which countries?

(a) Nepal, Bhutan, Bangladesh, Pakistan, Sri Lanka and Maldives
(b) Any country in Asia
(c) Only Nepal
(d) USA and Europe

72 A car owner fits an LPG/CNG kit after purchase. For own-damage cover of the kit:

(a) LPG/CNG kits can never be insured
(b) The kit is covered automatically without any premium
(c) The kit's value must be declared and an additional OD premium charged on it
(d) Only TP premium is increased

73 Under the India Motor Tariff, electrical and electronic accessories not supplied by the manufacturer are covered:

(a) Never under the motor policy
(b) Automatically within the IDV
(c) Only for theft, not for accident damage
(d) On payment of additional premium on their declared value

74 A motor policy covers a vehicle which is laid up in a garage and not used for 3 months. Under the tariff:

(a) The policy is automatically cancelled
(b) The policy becomes TP only
(c) The insured can get a refund or extension benefit for the laid-up period if the insurer is notified, subject to the tariff conditions
(d) No benefit is available, as the vehicle remains at risk

75 An insured who is a member of a recognised automobile association approved by the tariff is entitled to:

(a) A discount on the OD premium, subject to a maximum amount
(b) Free roadside assistance cover
(c) An extra NCB of 10%
(d) A discount on TP premium

76 An insured opts for a voluntary excess under his private car policy. The effect is:

(a) NCB is doubled
(b) He gets a discount on the OD premium, and the voluntary excess is borne in addition to the compulsory deductible
(c) The compulsory deductible is waived
(d) He gets a discount on TP premium

77 Under the MV Act, who is NOT a third party for a motor TP policy?

(a) A passenger in another vehicle
(b) The owner of the vehicle himself
(c) A cyclist hit by the vehicle
(d) A pedestrian

78 Under the MV Act, a Claims Tribunal awards compensation with interest. Interest on the award is provided under:

(a) Section 147
(b) Section 157
(c) Section 171
(d) Section 134

79 In a death claim under MACT, which conventional heads are awarded as per Pranay Sethi and Magma General?

(a) Loss of amenities and future medical expenses
(b) Pain and suffering only
(c) Mental agony of the driver
(d) Loss of estate, funeral expenses and loss of consortium (spousal, parental and filial)

80 In an injury claim before MACT, which statement about disability is correct?

(a) The Tribunal must assess the functional disability affecting earning capacity, which may differ from the medical (physical) disability percentage
(b) Only medical expenses are paid in injury claims
(c) Disability is not compensated in injury claims
(d) Medical disability percentage is always applied directly to income

81 An insurer wants to avoid a TP award on the ground that the vehicle was used without a valid permit. The proper remedy under the MV Act is:

(a) Cancel the policy retrospectively
(b) Satisfy the award to the third party and recover from the insured owner (pay and recover)
(c) Refuse to pay the third party
(d) Pay only 50% of the award

82 Under the motor tariff, damage to a vehicle while being used for organised racing or speed testing is:

(a) Covered with 50% deductible
(b) Covered under the OD section
(c) Covered only if the insured is the driver
(d) Excluded under the limitations as to use

83 Which of the following is covered under the OD section of a private car package policy?

(a) Damage by fire, explosion, self-ignition or lightning
(b) Wear and tear and mechanical breakdown
(c) Consequential loss such as hiring a taxi
(d) Damage while driven by a person without a valid licence

84 The Motor Vehicles (Amendment) Act 2019 introduced the Good Samaritan provisions. Their purpose is to:

(a) Require helpers to compensate victims
(b) Give a reward of ₹5 lakh to every helper
(c) Protect persons who help accident victims in good faith from civil or criminal liability
(d) Make helpers liable for medical bills

85 Under the tariff, a two-wheeler owner-driver's compulsory PA cover is provided for:

(a) Death and permanent total disability of the owner-driver, with a capital sum insured of ₹15 lakh
(b) Third-party death only
(c) Only medical expenses up to ₹50,000
(d) All passengers on the vehicle

86 Under the motor tariff, damage to tyres and tubes is payable:

(a) Never
(b) Only when the vehicle is damaged at the same time, and then limited to 50% of the replacement cost
(c) Only if the tyres are less than 1 year old
(d) Always in full

87 A vehicle is stolen and not traced. Before settling a theft total loss claim, the insurer normally requires:

(a) Only the insured's affidavit
(b) A surveyor's repair estimate
(c) FIR, final (untraced) report from the police, original keys, and transfer of RC/indemnity in the insurer's name
(d) The previous year's policy only

88 Which statement on the "owner-driver" concept is correct?

(a) It covers the owner even if he has no driving licence
(b) It covers paid drivers only
(c) It covers any person who drives the vehicle
(d) Compulsory PA covers the registered owner who holds an effective driving licence, while driving or travelling in the insured vehicle

89 Under the MV Act, "golden hour" means:

(a) The first hour after the police reach the spot
(b) The hour in which the FAR is filed
(c) The one-hour period after a traumatic injury when prompt medical care has the highest chance of preventing death
(d) The time within which the claim must be lodged

90 An insurer finds that the insured had concealed earlier claims and the NCB declaration was false. Under the tariff, the consequence is:

(a) No action is possible after the policy is issued
(b) The OD cover is void for the false NCB declaration (or NCB recovered), as the proposal declaration is the basis of contract
(c) Only TP cover is cancelled
(d) The insurer must still allow the NCB

SECTION 4

MISCELLANEOUS INSURANCE

30 questions · PA, Health, Crime, Package, Rural & Liability

91 Under a standard personal accident policy, the Temporary Total Disablement (TTD) benefit is usually:

(a) 5% of the CSI per week without limit
(b) 1% of CSI per month for 12 months
(c) A lump sum of 50% of the CSI
(d) 1% of the capital sum insured per week, for a maximum of 104 weeks, subject to a weekly cap

92 Under a personal accident policy, the cumulative bonus for claim-free renewals is:

(a) 5% of the CSI per claim-free year, up to 50%, protected if renewal is within 30 days
(b) 10% per year, up to 100%
(c) 5% per year, up to 25%
(d) Not available in PA policies

93 Under a personal accident policy, loss of one limb or one eye is compensated at:

(a) 100% of the capital sum insured
(b) 25% of the capital sum insured
(c) 50% of the capital sum insured
(d) 75% of the capital sum insured

94 For a group personal accident policy covering employees only while on duty, the premium is usually:

(a) The same as 24-hour cover
(b) 50% of the 24-hour cover premium
(c) 25% of the 24-hour cover premium
(d) 75% of the 24-hour cover premium

95 In health insurance, Third Party Administrators (TPAs) were introduced in India in:

(a) 2001
(b) 1986
(c) 2020
(d) 1996

96 Under the Pradhan Mantri Jan Arogya Yojana (PM-JAY), the cover provided is:

(a) ₹30,000 per family, as under RSBY
(b) ₹5 lakh per family per year for secondary and tertiary hospitalisation, with pre-existing diseases covered from day one
(c) ₹1 lakh per person per year, after a 2-year waiting period
(d) ₹2 lakh for accidental death only

97 Under a standard health policy, a reimbursement claim (when cashless is not used) must normally be submitted:

(a) Within 7 days of admission
(b) Within 30 days of discharge, with post-hospitalisation bills within 15 days of completing that treatment
(c) At policy renewal
(d) Within 6 months of discharge

98 In a Burglary (Business Premises) policy rated on a "first loss" basis, which statement is correct?

(a) First loss cover is cheaper per rupee of cover than full-value cover
(b) Average applies to the first-loss sum insured
(c) First loss cover is available only for dwellings
(d) The insured selects a first-loss sum insured lower than the total value, and premium is charged at a higher percentage of the full-value premium

99 Under the Indian Penal Code (now BNS) concept used in burglary insurance, robbery committed by how many or more persons becomes dacoity?

(a) Seven
(b) Four
(c) Five
(d) Three

100 The "key clause" in a burglary policy excludes loss where entry is gained by use of a key, unless the key was obtained by force or threat. This clause:

(a) Cannot be deleted even on payment of extra premium
(b) Can be deleted for 10% extra premium
(c) Applies only to safes, not to premises
(d) Applies only to dwellings

101 Under a Money Insurance policy, the sum insured for the cash-in-transit section requires two figures. These are:

(a) The maximum single withdrawal and the insurer's limit
(b) The daily average and the bank balance
(c) The cash in safe and the cash at counter
(d) The per-carrying limit and the estimated annual amount in transit

102 Under a commercial Fidelity Guarantee policy, a claim must be submitted:

(a) Within seven days of discovery
(b) Within one year of the act of fraud
(c) Within three months of the notice of loss, with full details
(d) Only after the employee is convicted

103 Under a floating Fidelity Guarantee policy, the floating sum insured:

(a) Applies separately to each employee
(b) Is reduced by the amount of each claim paid, unless reinstated
(c) Remains unchanged after claims
(d) Increases automatically with salaries

104 Under the Bankers' Blanket Indemnity policy, for sections A–E, the excess is:

(a) 25% of the loss or 2% of the basic sum insured, whichever is higher, subject to a maximum of ₹50,000 (no excess for fire, riot/strike and burglary)
(b) 5% of the claim, minimum ₹25,000
(c) A flat ₹10,000 per claim
(d) Nil for all sections

105 Under a Jewellers' Block policy, the insured must notify the insurer of a loss:

(a) Within 30 days only
(b) Within 7 days, and details within 30 days
(c) At renewal
(d) Within 24 hours, and send full details within 14 days

106 Under a Pedal Cycle insurance policy, theft of lamps and accessories is covered:

(a) At all times
(b) Never
(c) Only if the cycle itself is also stolen at the same time
(d) Only if insured separately

107 A pet dog insurance policy covers:

(a) Death of the dog, with an extension for loss of value up to 50% of the sum insured; disability is not covered
(b) Only veterinary expenses
(c) Third-party liability only
(d) Both death and permanent disability

108 Under the Shopkeeper's policy, a package discount is allowed when the insured opts for more than 4 sections, and a higher discount for more than 6 sections. The discounts are:

(a) 20% and 30%
(b) 15% and 20% respectively
(c) 10% and 25%
(d) 5% and 10%

109 Under the Bharat Griha Raksha policy, cover is excluded for:

(a) Alterations or additions to the home exceeding 10% of the carpet area, unless declared
(b) Damage to building by flood
(c) Damage by earthquake
(d) Theft within 7 days of an insured peril

110 A "Special Contingency" policy is generally issued when:

(a) The insured wants a 50% discount
(b) Only fire risk is involved
(c) The risk is not rated by any department or covers of several departments need to be combined
(d) The risk is fully covered by a standard tariff policy

111 Under trade credit insurance, which of the following is generally excluded?

(a) Insolvency of the private buyer
(b) Sales to government buyers and financial guarantees
(c) Political risks in the buyer's country
(d) Protracted default of the private buyer

112 Under sheep and goat insurance, the age of animals eligible for cover is:

(a) Any age
(b) 2 years to 12 years
(c) 1 year to 10 years
(d) 6 months to 6 years, with free migration within 80 km

113 Under poultry insurance, the minimum number of birds per batch for broilers and layers respectively is:

(a) 500 broilers and 100 layers
(b) 100 broilers and 500 layers
(c) 50 broilers and 200 layers
(d) 1,000 each

114 Under aquaculture (shrimp/prawn) insurance, which statement is correct?

(a) It is covered under cattle insurance
(b) Only death due to theft is covered
(c) There is no excess
(d) Claims are subject to an excess of 20%, and the value is fixed by a fortnight-wise valuation table

115 Under the Public Liability Insurance Act 1991 (and Rules), the owner handling hazardous substances must take an insurance policy for an amount not less than his paid-up capital, subject to limits of:

(a) ₹25,000 per victim only
(b) Unlimited liability
(c) ₹5 crore any one accident and ₹15 crore any one year
(d) ₹50 lakh per accident without annual limit

116 Under the PLI Act, in addition to the premium, the owner pays a contribution of an equal amount to:

(a) The Environment Relief Fund
(b) The Motor Vehicle Accident Fund
(c) GIC Re as obligatory cession
(d) The National Disaster Response Fund

117 Under a Workmen's/Employees' Compensation policy, Table A covers:

(a) Only common law liability, without the EC Act
(b) Only occupational diseases
(c) Only contractors' workers
(d) Liability under the EC Act plus the Fatal Accidents Act and common law

118 For employees covered by the ESI Act, the employer's liability under the Employees' Compensation Act:

(a) Applies only for death cases
(b) Does not arise, as ESIS overrides the EC Act for covered employees
(c) Is doubled
(d) Applies in addition to ESI benefits

119 In liability insurance, the "claims-made" trigger is preferred by insurers for long-tail risks mainly because:

(a) It ties cover to claims made during the policy period, avoiding open-ended exposure years later under old policies
(b) It does not need a retroactive date
(c) It is always more expensive than occurrence cover
(d) It covers claims made after the policy expires without any limit

120 A Directors' and Officers' (D&O) liability policy primarily protects:

(a) Employees against bodily injury at work
(b) The company's property against fire
(c) Directors and officers against personal liability for wrongful acts in their capacity as directors/officers
(d) The public against product defects

SECTION 5

REINSURANCE

30 questions · Proportional, Non-proportional & Practice

121 An insurer cedes 40% of every fire risk under a quota share treaty. A risk with premium ₹2,50,000 suffers a loss of ₹30 lakh. The reinsurer's share of the premium and the loss respectively is: NUMERICAL

(a) ₹1,00,000 and ₹12,00,000
(b) ₹1,00,000 and ₹18,00,000
(c) ₹1,50,000 and ₹12,00,000
(d) ₹1,50,000 and ₹18,00,000

122 A cedant's retention is ₹15 lakh per risk. A risk with a sum insured of ₹1.35 crore is to be fully ceded under its surplus treaty. The number of lines required is: NUMERICAL

(a) 7 lines
(b) 8 lines
(c) 9 lines
(d) 10 lines

123 A per-risk XL treaty covers ₹2 crore xs ₹50 lakh. A single fire loss of ₹3.2 crore occurs (net of proportional recoveries). The amount retained by the reinsured is: NUMERICAL

(a) ₹50 lakh
(b) ₹70 lakh
(c) ₹1.2 crore
(d) ₹2 crore

124 A catastrophe layer has a limit of ₹150 crore and a rate on line of 6%. The annual premium for the layer is: NUMERICAL

(a) ₹6 crore
(b) ₹9 crore
(c) ₹15 crore
(d) ₹25 crore

125 A quota share treaty earned premium of ₹40 crore, with incurred claims of ₹24 crore and ceding commission of 25%. Profit commission is 20% of treaty profit, with no other expenses or losses carried forward. The profit commission is: NUMERICAL

(a) ₹1.2 crore
(b) ₹2 crore
(c) ₹3.2 crore
(d) ₹6 crore

126 The oldest known reinsurance contract was written in:

(a) 1846, at Cologne
(b) 1863, at Zurich
(c) 1681, in France
(d) 1370, at Genoa

127 Reinsurance of a reinsurer's own accepted business with another reinsurer is called:

(a) Co-insurance
(b) Fronting
(c) Retrocession
(d) Facultative obligatory reinsurance

128 Which arrangement best suits a newly formed insurer with a small, unbalanced portfolio?

(a) Stop loss only
(b) Catastrophe XL only
(c) No reinsurance at all
(d) Quota share, as it shares every risk and gives the cedant ceding commission to support its expenses

129 Under a facultative obligatory (fac-oblig) arrangement:

(a) The cedant must cede every risk and the reinsurer may decline
(b) It applies only to life insurance
(c) Both parties are free to accept or decline every risk
(d) The cedant may choose which risks to cede, but the reinsurer must accept any risk ceded within the terms

130 In proportional treaties, the reinsurer pays the cedant a "ceding commission" mainly to:

(a) Compensate for late premium payment
(b) Cover the reinsurer's claims expenses
(c) Reimburse the cedant's acquisition and management costs on the business ceded
(d) Pay the reinsurer's broker

131 A "cash loss limit" in a proportional treaty means:

(a) A deduction from the claim for early payment
(b) A large loss above the agreed amount is paid by the reinsurer immediately in cash, instead of waiting for the periodical account
(c) The maximum the reinsurer will ever pay
(d) The maximum premium payable in cash

132 A "premium reserve deposit" retained by the cedant under a treaty provides security mainly for:

(a) The reinsurer's share of unexpired risk liability
(b) The broker's brokerage
(c) Tax payments
(d) The cedant's commission

133 The "errors and omissions" clause in a treaty provides that:

(a) The cedant may omit unprofitable risks
(b) Errors are corrected only at treaty renewal
(c) Inadvertent errors or omissions in reporting cessions do not invalidate the cover, provided they are corrected when discovered
(d) The reinsurer is not liable for any error by the cedant

134 Under an XL treaty, the "stability" or "indexation" clause is used to:

(a) Adjust the retention and limit for inflation (especially in long-tail motor and liability business) between the date of loss and settlement
(b) Fix the premium for 5 years
(c) Give the reinsurer the right to cancel
(d) Reduce the cedant's retention every year

135 Which of the following is a non-proportional arrangement?

(a) Surplus
(b) Facultative proportional
(c) Quota share
(d) Aggregate excess of loss (stop loss)

136 A catastrophe XL treaty protects the cedant against:

(a) Adverse annual loss ratio from many independent losses
(b) The accumulation of many losses from one event (such as a cyclone) on its net retained account
(c) Losses on facultative business only
(d) A single large loss on one risk only

137 The Indian Market Terrorism Risk Insurance Pool was formed in 2002 and is managed by:

(a) IRDAI
(b) GIC Re
(c) The Ministry of Finance
(d) New India Assurance

138 In 1972 general insurance was nationalised in India, and from 1973 GIC operated through:

(a) Two subsidiaries
(b) One merged company
(c) Six regional companies
(d) Four subsidiary companies — National, New India, Oriental and United India

139 In the surplus treaty context, a "line" means:

(a) The maximum loss on a risk
(b) The reinsurer's share of premium
(c) An amount equal to the cedant's retention on that risk
(d) 10% of the sum insured

140 Estimated Maximum Loss (EML) or Probable Maximum Loss (PML) is used in reinsurance mainly to:

(a) Help the underwriter fix the retention on large fire and engineering risks
(b) Fix the sum insured under the original policy
(c) Calculate the agent's commission
(d) Limit the insurer's liability to the policyholder

141 Under an XL treaty, the reinsured is called the "reinsured" rather than the "cedant" because:

(a) The reinsured does not cede a share of each risk; the reinsurer pays only losses above the deductible
(b) The reinsured pays no premium
(c) The reinsurer controls all claims
(d) XL is only for life business

142 The "claims cooperation" or "claims control" clause in a reinsurance contract gives the reinsurer:

(a) The obligation to pay claims before the cedant pays
(b) The right to collect premium directly from the insured
(c) The right to cancel the treaty after any claim
(d) The right to be consulted or to control settlement of large claims affecting it

143 The "insolvency clause" in a reinsurance contract ensures that:

(a) Premiums are refunded on insolvency
(b) The reinsurer pays its share to the liquidator of an insolvent cedant without reduction because of the insolvency
(c) The original insured can always claim directly from the reinsurer
(d) The reinsurer can stop paying if the cedant is insolvent

144 The "offset" clause in a reinsurance contract allows:

(a) The cedant to delay premium payments indefinitely
(b) Losses to be shared equally
(c) Balances due between cedant and reinsurer to be set off against each other
(d) The reinsurer to offset its losses against another treaty's profit

145 A "bordereau" in proportional reinsurance is:

(a) A detailed listing of risks ceded, premiums and claims sent periodically to the reinsurer
(b) A certificate of reinsurance for each policy
(c) A broker's invoice only
(d) The treaty wording

146 Under a risk XL treaty, the cedant's own salaries and overheads incurred in handling a claim are:

(a) Included in full in the UNL
(b) Included up to 10% of the claim
(c) Excluded from the ultimate net loss
(d) Shared equally with the reinsurer

147 Why do reinsurers prefer recent years over 15–20 years of data while calculating burning cost?

(a) Because older years always show more claims
(b) Because IRDAI prohibits using old data
(c) Because older data is not available
(d) Because claim sizes rise over time with higher sums insured, court awards and inflation, so recent years better reflect present exposure

148 Which statement on obligatory cession to GIC Re over time is correct?

(a) It has risen every year since 1973
(b) It was 20% for many years, then reduced in stages, and it is 4% in FY 2026-27
(c) It was introduced only in 2020
(d) It has always been 5%

149 In an XL treaty, losses are reported to reinsurers:

(a) Only at the end of the treaty year
(b) Only if the loss exceeds the total limit
(c) Only after the claim is paid in full
(d) As soon as the reinsured believes a claim is likely to exceed its retention (or once an escalating claim does exceed it)

150 Which proportional treaty is the most widely used for fire and engineering business, as it lets the cedant keep more of small risks and cede more of large ones?

(a) Quota share treaty
(b) Surplus treaty
(c) Stop loss treaty
(d) Catastrophe XL treaty

SECTION 6

INSURANCE ACCOUNTS

30 questions · IRDAI Regulations, Financial Statements & Audit

151 Section 64VB of the Insurance Act 1938 provides that:

(a) Assets must be valued at market value
(b) The insurer must maintain a solvency margin
(c) No risk shall be assumed by an insurer unless the premium is received in advance (or guaranteed/deposited in the prescribed manner)
(d) Agents must be licensed

152 The financial statements of a general insurer comprise which forms under Schedule B?

(a) Revenue Accounts (Form B-RA), Profit and Loss Account (Form B-PL), Balance Sheet (Form B-BS) and Receipts and Payments Account
(b) Only the Balance Sheet and P&L
(c) Trading Account and Balance Sheet
(d) Income and Expenditure Account only

153 Under the IRDAI financial statements regulations, an insurer's accounts follow:

(a) The IRDAI regulations (Schedule B) along with applicable accounting standards, in place of the general Schedule III format of the Companies Act
(b) International Financial Reporting Standards only
(c) Schedule III of the Companies Act only
(d) The Income Tax Act format

154 Under the AFI Regulations, which share of deferred tax asset of a general insurer is treated as inadmissible for solvency?

(a) 100%
(b) 75%
(c) 50%
(d) 25%

155 Debt securities (including government securities) held by a general insurer are shown in the balance sheet at:

(a) Lower of cost or face value
(b) Market value on the balance sheet date
(c) Face value only
(d) Historical cost, adjusted for amortisation of premium or accretion of discount

156 Investments in mutual fund units by a general insurer are valued at:

(a) Book value of the fund
(b) Cost only, ignoring NAV
(c) Fair value (NAV), with unrealised gains/losses taken to a separate Fair Value Change account
(d) Face value

157 Under the IRACP norms, the provision on standard assets (loans/investments) of insurers is:

(a) 0.40%
(b) 5%
(c) 1%
(d) 10%

158 An insurer's balance sheet shows a claim against it under arbitration, which it considers possible but not probable. This is:

(a) Ignored completely
(b) Provided for in full in the accounts
(c) Disclosed as a contingent liability in the notes, not provided for
(d) Shown as a reduction from reserves

159 Segment reporting under AS 17 for a general insurer requires information:

(a) Only for investment income
(b) By class of business (such as fire, marine, motor, health), as these are its business segments
(c) Only by geographical region
(d) Only for the company as a whole

160 Corporate Social Responsibility (CSR) expenditure of an insurer is charged to:

(a) A separate reserve, not through accounts
(b) Policyholders' funds
(c) The Revenue Account
(d) The Profit and Loss Account (shareholders' account)

161 Under the IRDAI Master Circular, policyholders' and shareholders' funds of an insurer must be:

(a) Kept separate only for life insurers
(b) Kept separately, with the split reviewed quarterly and any shortfall recouped half-yearly
(c) Merged into one investment pool
(d) Separated only at the year end

162 The Premium Deficiency Reserve (PDR) is created when:

(a) Investment income falls
(b) Premium is received in advance
(c) The expected claims and expenses on unexpired risks exceed the unearned premium reserve
(d) An agent's commission is unpaid

163 IBNER stands for:

(a) Incurred But Not Enough Reported — the expected increase in the estimates of reported claims
(b) Incurred But Not Ever Reported
(c) Insured Benefit Net of Expenses Reserve
(d) Investment Balance Net of Earned Revenue

164 An insurer's investment returns to IRDAI are filed:

(a) Annually, within 6 months
(b) Only when asked by IRDAI
(c) Monthly, within 7 days
(d) Quarterly, within 45 days of the end of the quarter

165 Under the investment regulations, the Principal Officer for the purpose of investment returns of an insurer is:

(a) The CFO
(b) The Appointed Actuary
(c) The CEO
(d) The CIO

166 Under the investment regulations, if a security has ratings from two credit rating agencies, the insurer must consider:

(a) The lower of the two ratings
(b) The higher of the two ratings
(c) The average of the two
(d) The more recent rating

167 In co-insurance, the "leader" insurer accounts for the premium:

(a) In full, as its own premium
(b) Only to the extent of its own share, showing the shares of the follower insurers as amounts due to them
(c) As reinsurance premium
(d) Only after the follower pays

168 Under GST, the general rate on general insurance premium (such as fire, motor and marine) is:

(a) 5%
(b) 28%
(c) 12%
(d) 18%

169 The accounting concept that requires an enterprise to anticipate no profits but provide for all known losses is:

(a) Prudence (conservatism)
(b) Going concern
(c) Consistency
(d) Money measurement

170 The accounting assumption that the enterprise will continue in operation for the foreseeable future is:

(a) Business entity
(b) Materiality
(c) Accrual
(d) Going concern

171 Under the dual aspect concept, which equation always holds?

(a) Revenue = Assets − Liabilities
(b) Assets = Liabilities + Capital
(c) Capital = Assets + Liabilities
(d) Assets = Capital − Liabilities

172 Depreciation charged under the Written Down Value method:

(a) Is charged only when an asset is sold
(b) Increases every year
(c) Is higher in the early years and declines over time, being a fixed percentage of the opening book value
(d) Is the same every year

173 Depreciation is described as a "non-cash expense" because:

(a) It is a capital receipt
(b) It increases cash balances
(c) It is paid in cash to the supplier
(d) It reduces profit without any cash outflow in the year it is charged

174 While preparing a bank reconciliation statement starting from the cash book balance, a cheque deposited but not yet credited by the bank should be:

(a) Shown as a contingent liability
(b) Ignored
(c) Deducted from the cash book balance to arrive at the bank balance
(d) Added to the cash book balance

175 The audit report on the financial statements of an insurer must include the auditor's certificate on which of these matters, as per Schedule C?

(a) That the actuarial valuation of liabilities has been duly certified by the Appointed Actuary and relied upon, and that investments have been valued as per the regulations
(b) That GST returns have been filed
(c) That all agents are licensed
(d) That the CEO's salary is within limits

176 In public sector general insurers, the Comptroller and Auditor General of India may conduct:

(a) The concurrent audit of branches
(b) A supplementary audit of the financial statements after the statutory audit
(c) No audit at all
(d) Only the internal audit

177 Concurrent audit of investment operations becomes mandatory for an insurer when its assets under management exceed:

(a) ₹100 crore
(b) ₹10,000 crore
(c) ₹500 crore
(d) ₹1,000 crore

178 The minimum paid-up equity capital requirement for a health insurer under the 2024 Registration Regulations is:

(a) ₹50 crore
(b) ₹200 crore
(c) ₹100 crore
(d) ₹150 crore

179 Under the IRDAI (Regulatory Sandbox) Regulations 2025, which of the following CAN be relaxed for a sandbox applicant?

(a) Certain IRDAI regulatory provisions needed to test the innovation, but not capital, solvency, investment, reserving or any provision of an Act
(b) Provisions of the Insurance Act 1938
(c) Minimum capital requirements
(d) Solvency margin requirements

180 Section 64V of the Insurance Act 1938 deals with:

(a) Appointment of the Appointed Actuary
(b) Assets, liabilities and solvency margin to be valued in the manner prescribed by regulations
(c) Premium to be received in advance
(d) Licensing of insurance agents

SECTION 7

HUMAN RESOURCE MANAGEMENT

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

181 An employee joins the company on 1 August. The Casual Leave credited to him for that calendar year is: NUMERICAL

(a) 4 days (b) 5 days
(c) 6 days (d) 12 days

182 An officer's salary for encashment (Basic Pay + FPA + DA) is ₹90,000 per month. He encashes 15 days of Earned Leave during service. The encashment amount is: NUMERICAL

(a) ₹30,000 (b) ₹45,000
(c) ₹51,923 (d) ₹90,000

183 An officer drawing Basic Pay of ₹80,000 and FPA of ₹1,500 is transferred on promotion to another centre. The transfer grant payable is: NUMERICAL

(a) ₹40,750 (b) ₹80,000
(c) ₹81,500 (d) ₹1,63,000

184 A retiring officer's basic pension is ₹30,000 per month. He commutes one-third, and the commutation factor for his age is 9.81. The lump-sum commutation amount is: NUMERICAL

(a) ₹98,100 (b) ₹11,77,200
(c) ₹23,54,400 (d) ₹35,31,600

185 An employee joins on 1 July. The sick leave credited at the end of that year, computed on the joining-year formula (days from joining to 31 December ÷ 12, fraction below half ignored), is: NUMERICAL

(a) 6 days (b) 15 days
(c) 16 days (d) 30 days

186 Which statement about Casual Leave in PSGICs is correct?

(a) Maximum 10 days at a time
(b) CL can be accumulated up to 30 days
(c) Maximum 15 days a year, carried forward to the next year
(d) Maximum 12 days in a calendar year, not more than 5 days at a time, and unused CL lapses on 31 December

187 Without prior sanction, an employee may take Casual Leave in an unforeseen emergency for:

(a) One day, with prompt intimation (b) Three days
(c) Any number of days (d) Five days

188 Maternity leave for a female employee is admissible:

(a) Up to 26 weeks without any service limit
(b) Up to 90 days, on half pay
(c) Only for the first child
(d) Up to 180 days for each confinement, on full pay, subject to a total of 12 months in the entire service (including miscarriage leave)

189 Adoption leave is admissible to a female employee for:

(a) Adoption of a child of any age, up to 6 months
(b) Only for adoption of a girl child
(c) Legal adoption of a child below 1 year, for up to 2 months, once only
(d) Up to 180 days for each adoption

190 Paternity leave is available to a male employee who has:

(a) Less than 2 surviving children, and it may also be availed on legal adoption of a child below 1 year
(b) Any number of children
(c) Completed 10 years of service only
(d) A spouse employed in the same company

191 Quarantine leave is granted when:

(a) A member of the employee's household suffers from an infectious disease declared by the State Government, on medical certificate
(b) The employee himself suffers from any illness
(c) The employee travels abroad
(d) The office is closed for fumigation

192 Leave on Loss of Pay (Extraordinary Leave) is normally limited to:

(a) 6 months on one occasion and 24 months in service
(b) 2 years at a time
(c) 1 month on one occasion with no service limit
(d) 3 months on any one occasion and 12 months in the entire service

193 The effect of Leave on Loss of Pay on increment is that:

(a) The increment is forfeited permanently
(b) LOP has no effect on increment
(c) The next increment date is postponed whenever LOP exceeds 30 days
(d) The increment is postponed by one year for any LOP

194 Under the Leave Travel Subsidy (LTS) scheme, holiday travel is admissible:

(a) Once a year, up to 1,000 km
(b) Once in 4 years, anywhere in the world
(c) Once in a block of 2 years, for travel up to 3,000 km each way
(d) Twice a year, without distance limit

195 An employee is found to have made a false LTS claim. The consequence under the scheme is:

(a) Loss of LTS for two blocks, besides disciplinary action
(b) Recovery of the claim only
(c) A warning letter only
(d) Loss of one EL encashment

196 During service, encashment of Earned Leave by an officer is allowed for:

(a) Up to 30 days every year
(b) Not allowed during service
(c) Up to 60 days once in service
(d) Up to 15 days, once in a 2-year block

197 On retirement, the maximum Earned Leave that can be encashed is:

(a) 270 days (b) 300 days
(c) 180 days (d) 240 days

198 An officer transferred on promotion leaves his family at the old station because of children's studies. The family must normally shift to the new station within:

(a) 1 month
(b) 6 months of the officer's relief, or by the start of the next academic year (extendable by a further 6 months)
(c) 2 years
(d) No time limit

199 An officer seeks a transfer on his own request. Which transfer benefits are admissible?

(a) Only shifting of family and household goods; no transfer grant and no halting allowance
(b) Only the transfer grant
(c) All benefits including transfer grant
(d) No benefits at all

200 On retirement, an officer may claim transfer benefits to settle at his chosen place, except the transfer grant, if claimed within:

(a) 1 year of retirement (b) 2 years of retirement
(c) 6 months of retirement (d) 1 month of retirement

201 Under the vehicle loan scheme revised in 2025, a four-wheeler loan can be availed:

(a) Only once in the entire service
(b) After 1 year's service, every 3 years
(c) After a minimum of 3 years' service, once in every 7 years, and not more than 3 times in service
(d) Only by officers in Scale IV and above

202 Under the PF Trust rules, a non-refundable withdrawal for purchase or construction of a house is allowed:

(a) After 25 years of service, once only
(b) After 10 years of service, with a maximum of 3 such withdrawals in the career
(c) After 1 year of service, any number of times
(d) Only on retirement

203 The resignation notice period for an officer on probation and for a confirmed officer is respectively:

(a) 15 days and 1 month (b) 3 months and 6 months
(c) 1 month in both cases (d) 1 month and 3 months

204 For promotion to Scale I, the total vacancies are divided:

(a) Equally between Para 13.1 (seniority-cum-merit) and Para 13.2 (merit, through written test)
(b) Entirely through Para 13.2
(c) By direct recruitment only
(d) 75% under Para 13.1 and 25% under Para 13.2

205 Under the officers' promotion policy, the fast-track written test (up to Scale V) is of 100 marks. The qualifying marks for general candidates are:

(a) 60 (b) 70
(c) 40 (d) 50

206 An officer is under suspension. How often must the suspension be reviewed?

(a) Only when the inquiry ends (b) At least once in 3 months
(c) Once a year (d) Every month

207 Which of the following carries no "rigor" (adverse effect for a fixed period) under the CDA Rules?

(a) Withholding of increments for a specified period
(b) Recovery of pecuniary loss
(c) Compulsory retirement
(d) Censure

208 Under the Conduct Rules, an employee acquiring movable property worth more than two months' basic salary must:

(a) Inform only at the year-end return
(b) Seek prior permission 3 months in advance
(c) Inform the competent authority within 30 days
(d) Not acquire such property at all

209 An employee donates blood at a recognised blood bank. Special leave for blood donation is limited to:

(a) 1 day per month
(b) 2 days in a year, on production of a certificate from the blood bank
(c) 7 days per year
(d) No special leave is available

210 Which statement on the Mid-Academic Year Allowance for officers is correct?

(a) It is a one-time lump sum of ₹10,000
(b) It is paid on own-request transfers too
(c) It is paid per child
(d) It is a flat monthly amount (revised to ₹2,715) paid when children continue studies at the old station after the officer's transfer, irrespective of the number of children

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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