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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 An 8-year-old machine is destroyed by fire. A similar new machine costs ₹25 lakh; freight is ₹1 lakh and erection ₹2 lakh. Depreciation is agreed at 5% a year. The indemnity (before average, salvage and excess) is: NUMERICAL

(a) ₹15,00,000
(b) ₹16,80,000
(c) ₹18,20,000
(d) ₹28,00,000

2 The annual premium for a risk is ₹30,000. A policy is required for 3 months and 10 days. The premium chargeable is: NUMERICAL

(a) ₹8,356
(b) ₹12,000
(c) ₹15,000
(d) ₹18,000

3 An SFSP policy with an annual premium of ₹40,000 is cancelled by the INSURER after 3 months. The refund due to the insured is: NUMERICAL

(a) ₹16,000
(b) ₹24,000
(c) ₹30,000
(d) ₹40,000

4 A 15-year-old godown is partly damaged. Cost of repairs at today's rates, including replacement of the roof, is ₹20 lakh. Depreciation is agreed at 2% a year. The indemnity (before average, salvage and excess) is: NUMERICAL

(a) ₹6,00,000
(b) ₹14,00,000
(c) ₹17,00,000
(d) ₹20,00,000

5 For a loss to be covered under the fire peril of the SFSP policy, which of the following is essential?

(a) There must be actual fire or ignition, and it must be accidental; mere heating or fermentation is not enough
(b) There must be visible smoke even without ignition
(c) The fire must start inside the insured premises
(d) The fire must be reported to the fire brigade within 1 hour

6 Lightning strikes the insured building. It causes a fire, and also damages electrical installations by the electrical surge without any fire. Under SFSP:

(a) Only the fire damage is covered
(b) Only the electrical damage is covered
(c) Neither is covered without an add-on
(d) Both the fire damage and the lightning damage to the installations are covered, as lightning is a named peril

7 Under the aircraft damage peril of SFSP, which loss is excluded?

(a) Damage caused by articles dropped from an aircraft
(b) Damage caused by an aircraft crashing on the building
(c) Fire caused by a falling aircraft
(d) Damage caused by pressure waves from aircraft travelling at sonic or supersonic speeds

8 A delivery truck owned by the insured himself reverses into his own compound wall. Under the impact damage peril of SFSP:

(a) The loss is not covered, as impact by a vehicle owned or operated by the insured or his employees is excluded
(b) The loss is covered after a 50% deductible
(c) The loss is covered only if the driver had a licence
(d) The loss is covered in full

9 The terms "storm", "cyclone", "flood" and "inundation" in the SFSP policy are:

(a) Defined precisely by wind speed in the policy
(b) Defined only for coastal areas
(c) Defined by the IMD warning level
(d) Not defined in the policy, so they take their popular meaning or the meaning given by case law

10 Water damage caused by accidental leakage from an automatic sprinkler installation in a factory is:

(a) Excluded in all cases
(b) An insured peril under SFSP, but leakage caused by repairs, alterations or freezing in refrigerating plants is excluded
(c) Covered only if the sprinkler was installed less than a year ago
(d) Covered only under a separate machinery policy

11 Fire caused by burning of forest, bush and jungle, and clearing of lands by fire, is:

(a) Excluded under the basic SFSP policy, but forest fire can be covered as an add-on
(b) Covered only for plantations
(c) Covered only in hilly areas
(d) Always covered under the fire peril

12 Loss or damage to stocks in a cold storage caused by change of temperature following an insured fire is:

(a) Covered only if the cold storage has a generator
(b) Covered only up to 10% of the sum insured
(c) Excluded under SFSP; such deterioration needs a separate cover
(d) Covered as a consequence of fire

13 Under the SFSP policy, which peril was separated from RSMD and excluded from the basic cover with effect from 1 April 2002?

(a) Strike
(b) Malicious damage
(c) Riot
(d) Terrorism

14 Under the SFSP policy, the earthquake peril is:

(a) Excluded from the basic cover, but can be added as an add-on for extra premium
(b) Included in the basic cover at no extra premium
(c) Covered only for dwellings
(d) Never insurable in India

15 Under the SFSP policy, if the insured or anyone acting on his behalf makes a fraudulent claim:

(a) The claim is paid after a 25% deduction
(b) The policy continues but the premium is doubled
(c) All benefits under the policy are forfeited
(d) Only the fraudulent part is rejected

16 The arbitration clause of the SFSP policy applies when:

(a) The insurer denies liability altogether
(b) Liability is admitted and the dispute is only about the quantum (amount) of loss
(c) The insured wants to claim interest
(d) The dispute is about premium only

17 The "Omission to insure additions, alterations or extensions" add-on in a fire policy provides:

(a) Automatic cover for additions or alterations to buildings/plant during the policy period, up to an agreed percentage of the sum insured
(b) Cover for theft after a fire
(c) Cover for loss of rent
(d) Cover for stocks not declared

18 The Industrial All Risks (IAR) policy differs from the SFSP policy mainly because:

(a) It covers only fire and lightning
(b) It is available for dwellings only
(c) It has no excess
(d) It covers material damage on an all-risks basis (with listed exclusions) together with business interruption, for large industrial risks

19 The "temporary removal" add-on under a fire policy covers:

(a) Theft of property from the premises
(b) Stocks shifted permanently to a new godown
(c) Plant and machinery temporarily removed to another location for repairs, cleaning or overhaul, up to a limit
(d) Goods in transit by sea

20 Loss caused by "missile testing operations" is:

(a) Excluded as a war risk
(b) An insured peril under SFSP
(c) Covered only under the terrorism add-on
(d) Covered only for government property

21 Contamination or pollution resulting from an insured peril (for example, chemicals spilled because of a fire) is:

(a) Covered only for dwellings
(b) Covered in all cases
(c) Covered to the extent of the damage caused by the insured peril, but pollution not resulting from an insured peril is excluded
(d) Excluded in all cases

22 In fire claims, the "DESAFER" order of deductions is applied mainly to:

(a) Speed up the survey report
(b) Reduce the claim as much as possible
(c) Calculate the premium for renewal
(d) Ensure the net claim does not vary between surveyors and is correct in law

23 A boiler with a new replacement value of ₹3 crore is insured for ₹2.4 crore under a Boiler and Pressure Plant policy. An explosion causes damage of ₹50 lakh to the boiler. The claim payable (ignoring excess) is: NUMERICAL

(a) ₹30,00,000
(b) ₹37,50,000
(c) ₹40,00,000
(d) ₹50,00,000

24 The sum insured under a Machinery Breakdown policy should represent:

(a) The current new replacement value of the machine, including freight, customs duty and erection costs
(b) The written-down value in the books
(c) The original purchase price only
(d) The market value of a second-hand machine

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

(a) Electrical short circuit damaging a motor
(b) Loss caused by fire, chemical explosion and lightning, which are fire policy risks
(c) Damage due to faulty operation by an employee
(d) Centrifugal force tearing a rotor

26 Under an EAR policy, the testing period cover:

(a) Is unlimited until handover
(b) Is usually limited to 4 weeks for each item; beyond that, an extension is needed
(c) Covers only second-hand machinery
(d) Is not available at all

27 Third-party liability (Section II) under a CAR policy covers:

(a) Injury to the contractor's own employees
(b) Damage to the contract works themselves
(c) Liability for delay in completion
(d) Legal liability for bodily injury or property damage to third parties arising out of the construction work at the site

28 Under an Electronic Equipment Insurance policy, the "external data media" section covers:

(a) Material damage to data media and the cost of restoring the data, not the value of the information itself
(b) The value of lost business information
(c) Viruses and software corruption without physical damage
(d) Theft of data by employees

29 A Contractor's All Risks policy normally excludes damage caused by:

(a) Flood at the site
(b) Collapse due to a storm
(c) Fire on the site
(d) Wear and tear, rust and gradual deterioration due to atmospheric conditions

30 A Machinery Loss of Profits (MLOP) policy can be issued:

(a) Only where the machinery is also insured under a Machinery Breakdown policy, as the MB claim must be admissible
(b) Only for new machines under erection
(c) Independently, without any MB cover
(d) Only along with a fire policy

SECTION 2

MARINE & AVIATION INSURANCE

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

31 Machinery valued at ₹40 lakh is insured for ₹30 lakh under an unvalued cargo policy. A partial loss of ₹8 lakh occurs. The claim payable by the insurer is: NUMERICAL

(a) ₹2,00,000 (b) ₹5,00,000
(c) ₹6,00,000 (d) ₹8,00,000

32 Cargo with an insurable value of ₹20 lakh is insured with Insurer X for ₹15 lakh and Insurer Y for ₹10 lakh. A total loss occurs. Insurer X's rateable share of the loss is: NUMERICAL

(a) ₹8,00,000 (b) ₹10,00,000
(c) ₹12,00,000 (d) ₹15,00,000

33 A vessel has an insured value of ₹45 crore and a sound value of ₹60 crore. Sue and labour charges of ₹12 lakh are reasonably incurred. The amount recoverable under the policy is: NUMERICAL

(a) ₹3,00,000 (b) ₹7,50,000
(c) ₹9,00,000 (d) ₹12,00,000

34 A freight policy is valued at ₹12 lakh, while the gross freight at risk is ₹10 lakh. A peril causes loss of ₹2 lakh of freight. Under ITC-Freight Clause 13, the claim is: NUMERICAL

(a) ₹1,66,667 (b) ₹2,00,000
(c) ₹2,40,000 (d) ₹12,00,000

35 The "Both to Blame Collision" clause in the Institute Cargo Clauses indemnifies the cargo owner against:

(a) His liability to the carrier under the contract of carriage for the carrier's share of liability in a both-to-blame collision
(b) Damage to cargo caused by collision in all cases
(c) Hull damage to the carrying vessel
(d) Liability for pollution following a collision

36 The difference between an "open cover" and an "open policy" in marine cargo insurance is mainly that:

(a) An open cover is a policy and an open policy is not
(b) An open cover is an agreement to issue policies/certificates for shipments declared, while an open policy is a policy issued for a large sum insured reduced by each declaration
(c) Both are identical
(d) An open policy covers only inland transit

37 Under the Inland Transit Clauses used for road and rail transit within India, which statement is correct?

(a) ITC clauses apply only to sea transit
(b) ITC (A) covers only fire
(c) ITC (B) covers theft and pilferage
(d) ITC (A) is wider (all risks basis), while ITC (B) covers named perils such as fire, lightning and overturning/collision of the vehicle

38 An "increased value" insurance in cargo is taken by a buyer mainly when:

(a) The seller has failed to insure
(b) The market value of the goods at destination has risen above the CIF + 10% insured by the seller
(c) The ship is detained
(d) The goods are damaged in transit

39 Which document is NOT normally required to support a cargo claim for loss in transit by sea?

(a) The original fire policy of the warehouse
(b) Commercial invoice and packing list
(c) Copy of the bill of lading
(d) Survey report

40 Under the Hague-Visby based rules, where loss or damage to cargo is not apparent at delivery, written notice of loss should be given to the carrier within:

(a) 1 year of delivery
(b) 30 days of delivery
(c) 7 days of delivery
(d) 3 days of delivery

41 "Rejection insurance" covers an exporter of food products against:

(a) Rejection of the shipment by the bank under a letter of credit
(b) Rejection of the goods by the importing country's authorities on health or quality grounds
(c) Rejection of the claim by the cargo insurer
(d) Rejection of the vessel by the port authorities

42 Under ITC-Hulls, the Navigation clause allows the vessel to:

(a) Sail with or without pilots, go on trial trips and assist or tow vessels in distress, but not be towed except as customary or to the first safe port when in need of assistance
(b) Sail only with a licensed pilot on board
(c) Be towed under any contract at any time
(d) Carry out salvage operations under prior contract

43 A hull policy restricts the vessel to trading within the Institute Warranties (trading limits). The vessel breaches the trading warranty. Under ITC-Hulls:

(a) The policy is void from inception
(b) The insurer is discharged automatically without any option
(c) The vessel is held covered, provided notice is given immediately and any amended terms and additional premium are agreed
(d) The vessel is covered only for total loss

44 Hull insurance (Marine Hull) in India was de-tariffed with effect from:

(a) January 2008
(b) April 2000
(c) April 2007
(d) April 2005

45 For hull rating, tugs are generally rated on the basis of:

(a) Dead-weight tonnage
(b) Brake horsepower (BHP)
(c) Net register tonnage
(d) Gross tonnage

46 When underwriting a hull risk, which factor is MOST relevant?

(a) The number of ports visited in a year
(b) The value of cargo carried
(c) The nationality of the crew only
(d) Age, classification, flag, management and claims history of the vessel

47 Who usually acts for hull underwriters abroad when a casualty occurs, so that a surveyor may be appointed?

(a) The P&I correspondent only
(b) The port captain
(c) Lloyd's Agents
(d) The Indian embassy

48 "Duty of assured" (sue and labour) under a marine policy requires the assured to:

(a) Take reasonable measures to avert or minimise a loss and to protect rights against third parties
(b) Abandon the property to the insurer immediately
(c) Inform the insurer only at renewal
(d) Wait for the surveyor before taking any steps

49 Under the Marine Insurance Act, if notice of abandonment is not given when required:

(a) The loss can be treated only as a partial loss
(b) The claim is rejected completely
(c) The loss becomes an actual total loss
(d) The insurer must pay double

50 In marine cargo, "particular average" means:

(a) A total loss of the cargo
(b) Expenses incurred to save the ship and cargo together
(c) A loss shared by all interests in the voyage
(d) A partial loss of the subject-matter caused by an insured peril, which is not a general average loss

51 Under the Institute Strikes Clauses (Cargo), which loss is covered?

(a) Loss from delay caused by a strike
(b) Damage caused by strikers, locked-out workmen or persons taking part in riots or civil commotions
(c) Deterioration of cargo because of absence of labour during a strike
(d) Loss of market due to a port strike

52 For a marine cargo claim arising from short-landing, the "Clean Bill of Lading" is important because:

(a) It fixes the freight rate
(b) It proves that the goods were insured
(c) It shows that the goods were shipped in apparent good order and condition, which supports a claim against the carrier
(d) It is required only for air cargo

53 Under the ITC-Hulls Classification clause, which of the following is a condition of cover?

(a) The vessel must be classed with an approved classification society and comply with its recommendations within the required time
(b) The vessel must be registered in India
(c) The master must hold a foreign certificate
(d) The vessel must be less than 15 years old

54 The "Adventure clause" of a marine cargo policy defines:

(a) The insured value of goods
(b) The limit per sending
(c) The perils excluded
(d) The period of the voyage covered, from the loading place to the destination

55 The scale used to express the size of a ship by its enclosed internal volume is:

(a) Displacement tonnage
(b) Dead-weight tonnage
(c) Gross tonnage
(d) Brake horsepower

56 An aircraft's annual flight-risk premium is ₹24 lakh and the ground-risk premium would be ₹4 lakh. It is laid up for 73 days. Under AVN 26A, the laying-up return is: NUMERICAL

(a) ₹80,000 (b) ₹3,00,000
(c) ₹3,60,000 (d) ₹4,00,000

57 Under the AVN 1C hull section, an incident recorded in the aircraft's technical log is relevant because:

(a) It converts the claim into a liability claim
(b) Damage arising from an event recorded in the tech log is treated as accidental and covered, whereas gradual damage is not
(c) It makes all damage excluded
(d) It doubles the deductible

58 AVN 46B in aviation insurance relates to:

(a) Exclusion of noise, pollution and other perils, except where caused by a crash, fire, explosion or collision or a recorded in-flight emergency
(b) War and hijacking exclusion
(c) Agreed value of the aircraft
(d) Laying-up returns

59 Loss of Licence insurance in aviation is meant for:

(a) Airports whose licence is suspended
(b) Airlines whose operating permit is cancelled
(c) Aircraft manufacturers
(d) Pilots and aircrew who lose their flying licence due to accident or illness

60 Airport Owners' and Operators' liability insurance covers:

(a) Hull war risks of aircraft
(b) Damage to aircraft owned by airlines
(c) Legal liability for bodily injury or property damage to third parties arising out of airport operations
(d) Loss of licence of pilots

SECTION 3

MOTOR INSURANCE

30 questions · Own Damage, Third Party & MACT

61 A private car with a current ex-showroom price of ₹10,00,000 is 1 year and 3 months old. Its IDV (no accessories) is: NUMERICAL

(a) ₹7,00,000 (b) ₹8,00,000
(c) ₹8,50,000 (d) ₹9,50,000

62 A self-employed bachelor aged 28 earning ₹30,000 per month (net of tax) dies in a motor accident; his parents claim. The loss of dependency (excluding conventional heads) is: NUMERICAL

(a) ₹30,60,000 (b) ₹42,84,000
(c) ₹45,36,000 (d) ₹57,12,000

63 An insured has completed 3 consecutive claim-free years. At renewal, the OD premium before NCB is ₹20,000. The OD premium payable after NCB is: NUMERICAL

(a) ₹11,000 (b) ₹13,000
(c) ₹15,000 (d) ₹16,000

64 A car's painting bill shows a consolidated amount of ₹16,000 without split of material and labour. The amount payable towards painting after depreciation is: NUMERICAL

(a) ₹8,000 (b) ₹12,000
(c) ₹14,000 (d) ₹16,000

65 A bus licensed to carry 40 passengers suffers an OD loss assessed at ₹75,000 after depreciation. After the compulsory deductible, the claim payable is: NUMERICAL

(a) ₹73,500 (b) ₹74,000
(c) ₹74,500 (d) ₹75,000

66 Since September 2018, for new vehicles, third-party cover must be taken:

(a) For 5 years for cars and 3 years for two-wheelers
(b) For 1 year only for all vehicles
(c) For 10 years for all vehicles
(d) For 3 years for new private cars and 5 years for new two-wheelers

67 Since 2019, a vehicle owner can buy:

(a) A standalone own-damage policy from any insurer, provided a valid TP policy is in force
(b) Only a package policy from the TP insurer
(c) TP cover only from the dealer's insurer
(d) OD cover without any TP cover at all

68 Under the MV Act, compulsory third-party insurance applies to vehicles used in:

(a) National highways only
(b) Private property only
(c) Any place, including inside a factory compound not open to public
(d) A public place

69 Under Section 163 of the amended MV Act, if compensation has been paid for a hit-and-run accident and the vehicle is later identified and an award is made:

(a) The later award is cancelled
(b) The victim keeps both amounts
(c) The hit-and-run compensation is refunded to the Fund out of the later award
(d) The insurer pays double compensation

70 No-fault compensation under Section 164 for grievous hurt is:

(a) ₹50,000 (b) ₹1,00,000
(c) ₹2,50,000 (d) ₹5,00,000

71 In National Insurance Co. v. Swaran Singh (2004), the Supreme Court held regarding breach of the driving licence condition that:

(a) Any defect in the licence frees the insurer completely
(b) Fake licences do not affect the insurer at all
(c) The insurer can never recover from the owner
(d) The insurer must prove a fundamental breach by the insured; even then it pays the third party and may recover from the insured

72 Under the Sarla Verma method, for a married deceased with more than 6 dependants, the deduction for personal expenses is:

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

73 For a deceased aged above 65, the multiplier under Sarla Verma is:

(a) 7 (b) 9
(c) 11 (d) 5

74 Under Pranay Sethi, future prospects for a deceased aged above 60 years are:

(a) Nil, for all categories (b) +10% for self-employed
(c) +25% for all (d) +15% for permanent employees

75 In Magma General Insurance v. Nanu Ram (2018), the Supreme Court held that consortium:

(a) Is payable only to the widow
(b) Includes spousal, parental and filial consortium, payable to each eligible claimant
(c) Is payable only in injury cases
(d) Is not payable in motor claims

76 Under the MV Act, the Claims Tribunal must send copies of the award to the parties within:

(a) 30 days of the award, with deposit in 90 days
(b) 7 days of the award, with deposit in 15 days
(c) 15 days of the award, and the insurer must deposit the amount within 30 days
(d) 60 days of the award

77 Under Section 170 of the MV Act, the Tribunal may implead the insurer and permit it to contest the claim on all grounds when:

(a) The vehicle is a government vehicle
(b) There is collusion between the claimant and the insured, or the insured fails to contest the claim
(c) The claim exceeds ₹10 lakh
(d) The insurer requests it in every case

78 A "zero depreciation" (nil depreciation) add-on in a private car policy:

(a) Increases the IDV to the ex-showroom price
(b) Removes the compulsory deductible
(c) Covers mechanical breakdown
(d) Pays the cost of replaced parts without deducting depreciation on them

79 A "Return to Invoice" add-on pays, in case of total loss or theft:

(a) The difference between the invoice value (with registration and taxes as per the add-on) and the IDV
(b) The full IDV twice
(c) Only the registration charges
(d) The cost of a taxi for 30 days

80 Under the India Motor Tariff, "motor trade" policies (Classes E, F and G) are issued to:

(a) Private car owners
(b) Government departments
(c) Motor dealers, repairers and service stations for vehicles in their custody or on trade plates
(d) Transport companies with fleets

81 A vintage car is eligible for the vintage car discount under the tariff if it is:

(a) Imported from abroad
(b) Certified as a vintage car by the Vintage and Classic Car Club of India (manufactured before the specified date)
(c) More than 10 years old
(d) Used only on Sundays

82 A vehicle under a hire-purchase or hypothecation agreement is a total loss. The claim is paid:

(a) Only to the dealer
(b) Only to the insured
(c) To the financier (as per the endorsement) to the extent of its interest, with the balance to the insured
(d) Equally to insured and financier

83 Under the tariff, a trailer attached to a tractor or goods vehicle:

(a) Must be separately declared and insured, with its own premium
(b) Cannot be insured
(c) Is automatically covered with the towing vehicle
(d) Is covered only for TP

84 Under the MV Act, who must produce the insurance certificate when demanded by a police officer?

(a) The RTO
(b) The financier
(c) The insurer
(d) The driver of the vehicle (Sec 158)

85 A private car is stolen when the insured left it unlocked with the keys in the ignition outside a shop. The insurer may:

(a) Pay the claim in full without any question
(b) Pay double the IDV
(c) Reject or reduce the claim for breach of the condition requiring the insured to take reasonable steps to safeguard the vehicle
(d) Pay only TP liability

86 In an injury claim, which of these is a pecuniary head of compensation?

(a) Medical expenses and loss of earnings
(b) Loss of expectation of life
(c) Pain and suffering
(d) Loss of amenities of life

87 A motor accident causes death of a passenger travelling in a private car. The passenger's legal heirs:

(a) Can claim only from the driver personally
(b) Can claim against the insurer of the car under the comprehensive policy, as occupants of a private car are covered for TP liability
(c) Can claim only under the owner-driver PA cover
(d) Cannot claim, as passengers of private cars are never covered

88 Under the motor tariff, damage to a vehicle by flood, inundation, cyclone or hurricane is covered under the OD section as:

(a) An excluded act of God
(b) A TP claim
(c) A peril requiring a separate add-on
(d) An insured peril (natural calamity)

89 Who has the power to fix third-party premium rates for motor insurance in India?

(a) The Central Government in consultation with IRDAI
(b) The Insurance Information Bureau
(c) The State Transport Department
(d) Each insurance company

90 Before settling an OD claim above the prescribed limit, an insurer must:

(a) Wait for the policy to expire
(b) Obtain police permission
(c) Obtain a survey report from a licensed surveyor
(d) Obtain court approval

SECTION 4

MISCELLANEOUS INSURANCE

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

91 Under a personal accident policy, the capital sum insured that can be offered for death and disability is usually limited to:

(a) 20 years' earnings
(b) Any amount the insured wants
(c) 12 months' earnings
(d) About 72 months' (6 years') earnings of the insured

92 Under a standard personal accident policy, which of the following is excluded?

(a) Death by drowning
(b) Death or disability arising from pregnancy or childbirth
(c) Disability from a road accident
(d) Death due to snakebite

93 Under a personal accident policy, if the insured dies, the insurer may require a post-mortem examination. The report must normally be provided within:

(a) 1 year of death
(b) 30 days of death
(c) 3 days of death
(d) 14 days of the insurer's demand

94 Entry age for an individual personal accident policy is normally:

(a) 0 to 100 years
(b) 5 to 70 years, with renewal up to 80 years with loading and no medical examination
(c) 18 to 60 years only
(d) 21 to 65 years, with medical examination

95 Under a standard indemnity health policy, which of the following is excluded?

(a) Hospitalisation for appendicitis after the waiting period
(b) Accidental fracture treated as an in-patient
(c) Correction of eyesight for refractive error below 7.5 dioptres
(d) Day-care chemotherapy

96 Under a standard health policy, a free health check-up is allowed:

(a) Once at the end of a block of 4 claim-free years, up to 1% of the average sum insured
(b) Never under indemnity policies
(c) Every year without limit
(d) Only on the first renewal

97 Under a standard health policy, the cumulative bonus is:

(a) 50% after the first year
(b) Not available
(c) 10% per year without limit
(d) 5% of the sum insured for each claim-free year, up to 10 claim-free years

98 Tertiary care group policies in the source material:

(a) Cover only OPD expenses
(b) Cover nine major heads of high-cost treatment, require a minimum group of 51, and do not qualify for Section 80D benefit
(c) Cover only accidents
(d) Are individual policies for senior citizens

99 Under overseas travel (Videsh Yatra Mitra-type) cover, Plans A and F:

(a) Cover only the USA and Canada
(b) Are meant for employment and study
(c) Exclude travel to the USA and Canada
(d) Are corporate frequent traveller plans

100 Under an overseas travel policy, the baggage delay benefit is payable when checked baggage is delayed by more than:

(a) 12 hours (b) 2 hours
(c) 48 hours (d) 7 days

101 Under a Burglary (Dwellings) policy, the limits for jewellery and valuables are:

(a) Single articles up to 50% of the sum insured
(b) Jewellery up to 100% of the sum insured
(c) Jewellery not more than one-third of the total sum insured, and any single article not more than 5% of the sum insured unless specified
(d) Jewellery excluded in all cases

102 Under a Burglary policy, losses discovered only at the time of stock-taking are:

(a) Excluded, as there is no evidence of burglary
(b) Covered in full
(c) Covered if reported within 30 days
(d) Covered at 50%

103 Under a burglary declaration policy, the minimum premium retained is:

(a) 100% of the provisional premium (b) 25% of the provisional premium
(c) Nil (d) 50% of the provisional premium

104 A "court bond" (a type of fidelity/surety guarantee) differs from an ordinary fidelity policy because:

(a) It covers only employees of the court
(b) It is a specialty contract where the proposal is not part of the contract, it renews automatically, and there is no time limit for claims
(c) It is valid for 30 days only
(d) It is cancelled on any claim

105 Under the Bankers' Blanket Indemnity policy, the policy can be cancelled by either party by giving notice of:

(a) 3 months (b) 15 days
(c) 30 days (d) 7 days

106 Under the Shopkeeper's Insurance Policy, which statement is correct?

(a) It has 11 sections, the fire section is compulsory, and it is meant for shops with an original value not exceeding ₹10 lakh
(b) Only the burglary section is compulsory
(c) It is available to restaurants and hotels
(d) It has 4 sections and no compulsory section

107 The Householder's Insurance Policy has how many sections, and which section is compulsory?

(a) 8 sections, PA compulsory
(b) 13 sections, burglary compulsory
(c) 10 sections, with the fire section compulsory
(d) 5 sections, none compulsory

108 Under a package policy (Shopkeeper's/Householder's), the insurer may cancel the policy by giving notice of:

(a) 15 days (b) 3 months
(c) 30 days (d) 7 days

109 Under a sports insurance policy, the limits in the source material include:

(a) Equipment ₹50,000 and liability ₹50 lakh
(b) Equipment covered at replacement value without limit
(c) Only PA cover without limits
(d) Sports equipment ₹2,000 per sport, personal effects ₹1,000 and liability ₹5 lakh

110 Under drone personal accident cover (as per the source), permanent total disablement is paid at:

(a) 50% of the sum insured (b) 75% of the sum insured
(c) 125% of the sum insured (d) 100% of the sum insured

111 Horse (blood stock) insurance pays a death claim at:

(a) Only for racing horses below 2 years
(b) The sum insured or market value, whichever is less, and excludes air/sea transport unless covered
(c) Twice the purchase price
(d) Always the sum insured

112 Identity theft insurance generally excludes:

(a) Charges incurred after the loss is reported, and cash advances
(b) Costs of re-issuing documents
(c) Lost wages due to identity theft
(d) Legal costs to restore identity

113 Intellectual property (IP) insurance is generally available only if:

(a) The policy is issued for 10 years
(b) The insured is a listed company
(c) A prior IP search or filed registration exists and there is no known infringement at inception
(d) The patent is more than 10 years old

114 The cattle insurance market agreement came into force on:

(a) 1 April 1986 (b) 1 January 2000
(c) 1 April 2016 (d) 1 April 1976

115 The age limit for insuring milch cows under cattle insurance is:

(a) 6 months to 6 years (b) 2 to 10 years
(c) 3 to 12 years (d) 1 to 15 years

116 Under silkworm (sericulture) insurance, which statement is correct?

(a) It covers total loss of cocoons, with the sum insured based on input cost; disease within 5 days of inception is excluded
(b) It covers partial loss of each worm
(c) It covers market price fluctuations
(d) It has no waiting period

117 Cycle rickshaw insurance includes third-party liability, in which:

(a) Only the rickshaw puller is covered
(b) Passengers are treated as third parties, with limits per accident and per year
(c) Liability is unlimited
(d) Passengers are never covered

118 Under the Carriers' Legal Liability policy (as per the source), which statement is correct?

(a) It covers the carrier's own vehicle damage
(b) It has no limit of liability
(c) It covers only marine transit
(d) It is available on Basic and Wider forms, and cover continues for 7 days after arrival at destination

119 A Multimodal Transport Operator (MTO) in India must be registered under:

(a) The Carriers Act 1865 only
(b) The Merchant Shipping Act 1958
(c) The Multimodal Transportation of Goods Act 1993, and liability insurance is a licence condition
(d) The Motor Vehicles Act 1988

120 A doctor's professional indemnity policy is generally written on:

(a) A claims-made basis with a retroactive date
(b) A first-loss basis
(c) An occurrence basis without any retroactive date
(d) An agreed value basis

SECTION 5

REINSURANCE

30 questions · Proportional, Non-proportional & Practice

121 A cedant keeps ₹20 lakh on a risk with a sum insured of ₹1.6 crore and cedes the balance to its surplus treaty. The original premium is ₹80,000. The premium ceded to the surplus treaty (before commission) is: NUMERICAL

(a) ₹10,000 (b) ₹64,000
(c) ₹70,000 (d) ₹80,000

122 A risk XL of ₹60 lakh xs ₹20 lakh responds to three separate losses of ₹15 lakh, ₹50 lakh and ₹1 crore. The total recovery from the XL reinsurer is: NUMERICAL

(a) ₹90 lakh (b) ₹1.05 crore
(c) ₹1.1 crore (d) ₹1.25 crore

123 A Cat XL of ₹80 crore xs ₹20 crore has an annual premium of ₹8 crore with one reinstatement at 100% additional premium, pro rata as to amount only. A loss of ₹60 crore occurs. The reinstatement premium is: NUMERICAL

(a) ₹2 crore (b) ₹4 crore
(c) ₹6 crore (d) ₹8 crore

124 A treaty pays sliding-scale commission: 30% at a loss ratio of 60% or more, rising by 1% for each 1% fall in loss ratio, up to 40% at 50% or less. The actual loss ratio is 45% and ceded premium is ₹10 crore. The final commission is: NUMERICAL

(a) ₹3 crore (b) ₹3.5 crore
(c) ₹4 crore (d) ₹4.5 crore

125 An outgoing reinsurer's share of last year's premium is ₹50 lakh and its share of outstanding losses is ₹30 lakh. With a premium portfolio of 35% and a loss portfolio of 90%, the total portfolio withdrawal credited to the reinsurer is: NUMERICAL

(a) ₹17.5 lakh (b) ₹27 lakh
(c) ₹44.5 lakh (d) ₹80 lakh

126 Which of the following is NOT a function of reinsurance?

(a) Stabilising the cedant's underwriting results
(b) Increasing the cedant's capacity to accept large risks
(c) Protecting the cedant against catastrophes
(d) Guaranteeing a profit to the cedant every year

127 Which factor is NOT normally considered while fixing an insurer's net retention?

(a) The personal preference of the insurance agent
(b) The insurer's capital and free reserves
(c) The size and spread of the portfolio
(d) The nature and hazard of the risk

128 A "working XL" (working layer) is designed to protect against:

(a) Losses on facultative business only
(b) Very remote catastrophe losses
(c) Annual loss ratio fluctuations only
(d) Losses expected to occur fairly often on individual risks, just above the cedant's retention

129 Under a stop loss treaty, the cover is usually expressed as:

(a) A percentage of each claim
(b) A percentage of the cedant's annual net premium (loss ratio), e.g. 30% xs 80% loss ratio
(c) A fixed number of lines
(d) A fixed share of each risk

130 In a reinsurance programme, layering of XL cover means:

(a) Splitting the total cover into several layers, each placed with reinsurers at its own price
(b) Combining quota share and surplus
(c) Ceding a fixed percentage of each risk
(d) Buying facultative cover risk by risk

131 In facultative reinsurance placement, the document circulated to reinsurers giving the main details of the risk is the:

(a) Bordereau
(b) Treaty wording
(c) Cover note to the insured
(d) Slip

132 The role of a reinsurance broker is mainly to:

(a) Issue original policies to insured persons
(b) Act as intermediary between cedant and reinsurers — design programmes, place risks and handle accounts and claims
(c) Fix premium rates for the market
(d) Settle claims directly with the insured

133 "Fronting" in reinsurance means:

(a) The insurer keeps 100% of the risk
(b) The reinsurer issues the original policy
(c) A broker fronts premium for the insured
(d) An insurer issues a policy and cedes almost all of the risk to a reinsurer, often because the reinsurer cannot write the business directly

134 The main risk faced by a cedant from a weak reinsurer is:

(a) Credit (security) risk — the reinsurer may fail to pay its share of claims
(b) Interest-rate risk
(c) Expense risk
(d) Underwriting risk on the original policy

135 The Indian Nuclear Insurance Pool provides capacity mainly for:

(a) Health insurance of nuclear workers
(b) Motor third-party risks
(c) Operators' liability and related covers under the Civil Liability for Nuclear Damage Act 2010
(d) Crop insurance

136 The "follow the settlements" clause means that the reinsurer:

(a) Must pay only after a court judgment
(b) Is bound by settlements made by the cedant in good faith and within the policy terms, without re-adjusting each claim
(c) Follows the investment decisions of the cedant
(d) Can re-negotiate each claim with the insured

137 Under a proportional treaty, a "loss reserve deposit" is retained by the cedant to secure:

(a) The reinsurer's share of future premium
(b) Brokerage only
(c) The reinsurer's share of outstanding claims
(d) The cedant's commission

138 Under the "run-off" method of ending a treaty, the reinsurer:

(a) Returns a premium and loss portfolio immediately
(b) Pays all future claims of the cedant
(c) Is free from all liability at once
(d) Remains liable for policies ceded during its period until they expire, and for claims on them

139 An excess of loss reinsurer quotes a "minimum rate" and "maximum rate" for burning-cost rating. At year end, if the loaded burning cost is above the maximum rate:

(a) The minimum rate applies
(b) The maximum rate applies to the actual GNPI
(c) The burning cost rate applies without any cap
(d) The treaty is cancelled

140 In a catastrophe XL treaty, the reinsured's time zone is usually used for:

(a) Determining the commencement and expiry hours and the "hours clause" periods
(b) Converting currencies
(c) Calculating the premium
(d) Fixing brokerage

141 Which statement best describes "proportional" reinsurance?

(a) The cedant keeps all premium and the reinsurer pays all claims
(b) The reinsurer pays a fixed amount per loss
(c) The reinsurer pays only losses above a fixed amount
(d) The reinsurer shares premiums and losses in the same proportion as the sum insured ceded

142 In surplus treaties, a higher retention on better risks and a lower retention on poorer risks is achieved through:

(a) A table of limits (retention table) based on the class and grading of risks
(b) Facultative placement only
(c) Stop loss cover
(d) A fixed retention for all risks

143 Why are "losses occurring during" and "risks attaching during" bases important in reinsurance?

(a) They fix the premium rate
(b) They decide whether a treaty covers losses that occur in the period or policies that incept in the period
(c) They decide the broker
(d) They decide the currency of payment

144 GIC Re's financial strength rating from AM Best, as per the source notes, is:

(a) B+ (Good)
(b) Not rated
(c) A- (Excellent), stable outlook
(d) AAA (Superior)

145 When a cedant buys a quota share and a risk XL protecting its retained share, the XL premium is based on:

(a) The GNPI after deducting the quota share cession, as the QS inures to the benefit of the XL
(b) The gross premium before the quota share
(c) The sum insured of all risks
(d) The quota share reinsurer's premium

146 Catastrophe XL is unsuitable for burning-cost rating mainly because:

(a) Cat losses are always small
(b) Catastrophes are infrequent, so a few loss-free years give no reliable basis for the rate
(c) Cat XL has no deductible
(d) Cat XL is always proportional

147 Under the payback concept for a catastrophe layer, a payback period of 20 years means:

(a) The treaty is for 20 years
(b) The reinsurer pays 20 claims
(c) The rate on line is 5%, i.e. premium of 20 years would pay for one total loss of the limit
(d) The deductible is 20% of the limit

148 Under the IRDAI regulations, every Indian general insurer must cede a fixed percentage of each policy to GIC Re. This is called:

(a) Facultative cession
(b) Voluntary quota share
(c) Retrocession
(d) Obligatory (statutory) cession

149 Which arrangement protects an insurer's retained account against the accumulation of many small losses during a year?

(a) Surplus treaty
(b) Facultative reinsurance
(c) Aggregate excess of loss (stop loss)
(d) Per-risk XL

150 Profit commission under a treaty encourages the cedant to:

(a) Cede more claims to the reinsurer
(b) Increase its retention on bad risks
(c) Delay premium payment
(d) Cede good-quality business and underwrite carefully, as it shares in the reinsurer's profit on the treaty

SECTION 6

INSURANCE ACCOUNTS

30 questions · IRDAI Regulations, Financial Statements & Audit

151 Under the IRDAI financial statements regulations, premium of a general insurer is recognised as income:

(a) Over the contract period or the period of risk, with a reserve for unexpired risk created for the unexpired portion
(b) Only when the policy expires
(c) Fully on receipt, without any reserve
(d) Only after claims are settled

152 Premium received by an insurer before the policy period begins (risk not yet commenced) is shown in the balance sheet as:

(a) Share capital
(b) Premium received in advance, a current liability
(c) Income of the year
(d) Investment income

153 Under AS 1, which are the three major considerations governing selection of accounting policies?

(a) Going concern, accrual and consistency
(b) Cost, revenue and matching
(c) Prudence, substance over form, and materiality
(d) Entity, money measurement and periodicity

154 Gratuity and leave encashment liabilities of an insurer's employees are measured under:

(a) AS 11 (Foreign Exchange)
(b) AS 15 (Employee Benefits), generally on an actuarial valuation basis
(c) AS 6 (Depreciation)
(d) AS 2 (Inventories)

155 Computer software purchased by an insurer for its operations is accounted for as:

(a) Revenue expense in the year of purchase in all cases
(b) An investment
(c) Inventory
(d) An intangible asset under AS 26, amortised over its useful life

156 Transactions between an insurer and its key management personnel or group companies must be disclosed under:

(a) AS 18 (Related Party Disclosures)
(b) AS 16 (Borrowing Costs)
(c) AS 20 (Earnings Per Share)
(d) AS 19 (Leases)

157 Income and expenses arising in the current year because of errors in previous years' financial statements are:

(a) Adjusted silently in reserves
(b) Treated as extraordinary income
(c) Ignored
(d) Prior period items, disclosed separately in the statement of profit and loss (AS 5)

158 Under the IRDAI investment norms, transactions such as repo/reverse repo by a general insurer are limited to:

(a) 10% of investment assets, with tenor up to 6 months and only in eligible securities
(b) Not permitted at all for general insurers
(c) 50% of investment assets
(d) No limit

159 Under the IRDAI exposure norms, investment by a general insurer in the promoter group companies is limited to:

(a) No limit
(b) 25% of investment assets
(c) 5% of investment assets
(d) 15% of investment assets

160 Under the debt quality norms for general insurers, the share of sovereign / AAA-rated debt must be at least:

(a) 25%
(b) 65% of debt investments
(c) 50%
(d) 90%

161 Under the IRDAI Registration Regulations 2024, promoters of an insurer may dilute their holding below 50% (but not below 26%) only if:

(a) The insurer has 100 branches
(b) The insurer is listed and has maintained solvency above the control level for the preceding 5 years
(c) The insurer is a health insurer
(d) IRDAI is informed after the dilution

162 Prior approval of IRDAI is needed for transfer of shares of an insurer when the transfer exceeds:

(a) 25%
(b) 10%
(c) 1%
(d) 5% of the paid-up equity capital

163 Under the EOM Regulations 2024, the overall limit of expenses of management for a standalone health insurer is:

(a) 35% of gross written premium
(b) 40%
(c) 25%
(d) 30%

164 Under the EOM Regulations 2024, an additional allowance is available for growth in premium from the rural sector, PMJAY and PMFBY, limited to:

(a) 5% of total premium
(b) 100% of actual expenses
(c) 15% of the incremental premium over the previous year, and not more than the actual EOM on these in the previous year
(d) 30% of rural premium

165 Under the AFI Regulations 2024, the Appointed Actuary of a general insurer must:

(a) Be a Fellow member of the Institute of Actuaries of India with prescribed experience, not more than 70 years of age, and hold a certificate of practice
(b) Be the CFO of the company
(c) Be a chartered accountant
(d) Be appointed by IRDAI directly

166 Under the AFI Regulations, the Appointed Actuary reports to:

(a) The CFO
(b) The CEO of the insurer
(c) The statutory auditor
(d) The Chairman of IRDAI

167 Under the AFI framework, the reserve for unexpired risk is certified by:

(a) IRDAI
(b) The internal auditor
(c) The CFO and the statutory auditor
(d) The Appointed Actuary alone

168 Investment income of a general insurer is allocated between the Revenue Accounts and the Profit and Loss Account:

(a) Entirely to the P&L account
(b) Entirely to the Revenue Accounts
(c) Equally between them
(d) On the basis of policyholders' funds (technical reserves) and shareholders' funds

169 TDS on insurance commission paid to agents is deducted under:

(a) Section 194C
(b) Section 194D of the Income Tax Act
(c) Section 192
(d) Section 194J

170 The provision for doubtful premium receivables is shown in the financial statements:

(a) As a deduction from the related asset (premium receivable) or as a provision, charged to the revenue/P&L account
(b) As income
(c) Not at all, as premium is always received in advance
(d) As share capital

171 Under AS 29, a provision is recognised when:

(a) The auditor demands it
(b) The management wishes to create a reserve
(c) A future loss is merely possible
(d) There is a present obligation from a past event, an outflow of resources is probable, and a reliable estimate can be made

172 Outstanding claims of an insurer at the year end are shown in the balance sheet as:

(a) Investments
(b) Fixed assets
(c) Current liabilities (claims outstanding), net of reinsurance recoverable as per the format
(d) Share capital

173 Under the companies law, the statutory audit report of a company includes reporting under:

(a) The Companies (Auditor's Report) Order (CARO), in addition to the main audit opinion, where applicable
(b) The Insurance Act only
(c) The GST Act only
(d) The Income Tax Act only

174 The internal audit function of a general insurance company is mainly meant to:

(a) Prepare the annual accounts
(b) Replace the statutory audit
(c) Provide independent assurance on internal controls, risk management and compliance across underwriting, claims, accounts and investments
(d) Fix premium rates

175 An insurer's receipts in foreign currency (for example, reinsurance balances) are accounted for under:

(a) AS 15
(b) AS 11 (Effects of Changes in Foreign Exchange Rates)
(c) AS 26
(d) AS 19

176 A trial balance that agrees:

(a) Proves the profit is correct
(b) Proves that there are no errors at all
(c) Is required only for insurers
(d) Proves arithmetical accuracy of the ledger, but does not reveal errors of omission, commission (in the same class) or principle

177 Which of these is an error of principle?

(a) Posting ₹500 as ₹50
(b) Wrong addition of the sales book
(c) Recording purchase of furniture as office expenses
(d) Omitting a transaction completely

178 A petty cash book maintained on the imprest system means:

(a) Petty cash is never reimbursed
(b) The cashier is given a fixed amount, and the amount spent is reimbursed periodically to restore the fixed balance
(c) The petty cash balance keeps increasing
(d) All payments are made by cheque

179 Under the Insurance Act 1938, which section requires insurers to maintain the required solvency margin?

(a) Section 64VA
(b) Section 40
(c) Section 64VB
(d) Section 2C

180 The IRDAI Master Circular on Actuarial, Finance and Investment functions (17.05.2024) is reviewed:

(a) Every five years
(b) Never
(c) Every three years
(d) Every year

SECTION 7

HUMAN RESOURCE MANAGEMENT

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

181 A Scale II officer halts at an 'A' class city for 2 days and 5 hours, staying in the company guest house. His full DHA rate is ₹1,100 per day. The DHA admissible is: NUMERICAL

(a) ₹2,200
(b) ₹2,530
(c) ₹2,750
(d) ₹3,300

182 An officer's average Basic Pay + FPA for the last 10 months is ₹60,000, and his qualifying service after excluding loss of pay is 27 years. His basic pension (before commutation) is: NUMERICAL

(a) ₹16,364
(b) ₹24,545
(c) ₹27,000
(d) ₹30,000

183 On retirement, an officer has 255 days of Earned Leave. His salary for encashment is ₹1,20,000 per month. The leave encashment payable is: NUMERICAL

(a) ₹6,00,000
(b) ₹9,60,000
(c) ₹10,20,000
(d) ₹10,80,000

184 An employee retires on 30 June. The Casual Leave available to him in the year of retirement (1 January to 30 June = 181 days) is: NUMERICAL

(a) 5 days
(b) 6 days
(c) 7 days
(d) 12 days

185 An officer resigns exactly 2 years after a car costing ₹10,00,000 was provided to him under the Conveyance Scheme. On exit for reasons other than retirement/death/VR, he pays the written down value (reducing balance at 20%). The amount payable is:

NUMERICAL

(a) ₹3,60,000 (b) ₹6,00,000
(c) ₹6,40,000 (d) ₹8,00,000

186 Advance sick leave is granted:

(a) Only in hardship cases at the CMD's discretion, once in the career
(b) Only to probationers
(c) Without any limit
(d) To every employee on request

187 An officer on Earned Leave falls sick and produces a medical certificate. His leave:

(a) Must continue as EL
(b) Becomes Loss of Pay
(c) Is converted into Casual Leave
(d) Can be converted into Sick Leave for the period of sickness, if SL is due and the illness is genuine

188 Examination leave for employees appearing in III / CII / Actuarial examinations is granted for:

(a) Not at all; EL must be used
(b) Only if the exam is outside the headquarters
(c) The day(s) of the examination; even a half-day exam gets one full day's examination leave
(d) 7 days before each exam

189 Special leave for Home Guard training is limited to:

(a) 15 days a year for training, while emergency duty is treated as on duty without a limit
(b) No leave is allowed
(c) 7 days a year
(d) 30 days a year for all duties

190 Absence due to curfew or total failure of transport is treated as special leave only for employees living:

(a) In company quarters
(b) Within 1 km of the office
(c) In another state
(d) More than 5 km away from the office

191 Under the LTS scheme, an advance can be drawn up to:

(a) 90% of the total subsidy, only after leave is sanctioned
(b) 50% of the subsidy
(c) 100% of the subsidy at any time
(d) No advance is allowed

192 Un-availed LTS at the time of superannuation can be availed:

(a) Within 2 years of retirement, with advance
(b) Never after retirement
(c) Only by the spouse
(d) Within 6 months of retirement, with prior approval and without any advance

193 Leave encashment during service is:

(a) Taxable only above ₹1 lakh
(b) Fully exempt
(c) Fully taxable, whereas encashment at retirement is exempt within limits
(d) Not paid at all

194 An employee who resigns from service is:

(a) Entitled to 120 days encashment
(b) Entitled to encashment only of sick leave
(c) Entitled to 240 days encashment
(d) Not entitled to EL encashment

195 Under the transfer rules, disturbance allowance for an officer on transfer is:

(a) ₹1,000 flat
(b) ₹5,000 for all transfers
(c) ₹500 for transfer up to 150 km and ₹1,000 beyond 150 km
(d) One month's basic pay

196 An employee receives summons to attend a Lok Adalat on behalf of the company. The allowance (besides TA/HA) for attending is:

(a) ₹1,000 for a local Lok Adalat and ₹500 for an outstation one
(b) Nil
(c) ₹2,000 flat
(d) ₹500 for local and ₹1,000 for outstation

197 Under the CDA Rules, an appeal against an order of suspension lies to:

(a) The Board of Directors
(b) The CMD in all cases
(c) The Labour Court
(d) The authority immediately superior to the suspending authority

198 Under the CDA Rules, an employee who remains absent without intimation for more than 90 days may be treated as:

(a) On deputation
(b) Having abandoned his post, after due notice
(c) On extraordinary leave automatically
(d) On sick leave

199 No major penalty can be imposed under the CDA Rules without:

(a) A police complaint
(b) A court order
(c) Holding an inquiry in the manner laid down, giving the employee reasonable opportunity to defend himself
(d) The approval of IRDAI

200 The Vishaka Guidelines on sexual harassment at the workplace were laid down by the Supreme Court in:

(a) Vishaka and Others v. State of Rajasthan (1997)
(b) Olga Tellis v. BMC
(c) Indira Sawhney v. Union of India
(d) Maneka Gandhi v. Union of India

201 Under the POSH framework, "workplace" includes:

(a) Only during office hours inside the office
(b) Only the office building
(c) Any place visited by the employee arising out of or during employment, including transport provided by the employer
(d) Only places owned by the employer

202 For taking an office on lease, the rental deposit normally allowed is:

(a) Up to 1 month's rent only
(b) Up to 24 months' rent at the branch level
(c) No deposit is allowed
(d) Up to 6 months' rent; 6–12 months needs CMD approval and more than 12 months needs Board approval

203 The rent-to-premium ratio norm for a new office in its year of operation is:

(a) 2.0% (and 1.5% in later years)
(b) 10% in the first year
(c) 1% throughout
(d) 5% throughout

204 A retiring officer may retain company accommodation (with CMD approval) for up to:

(a) No retention is allowed
(b) 6 months, paying 0.75% of scale minimum for months 1–3 and 1.5% for months 4–6
(c) 1 month free of cost
(d) 2 years at normal licence fee

205 Officers promoted to Scale I are placed on probation for:

(a) 2 years
(b) No probation
(c) 1 year
(d) 6 months

206 For promotion to Scale VI and VII, officers are assessed through:

(a) Group discussion only
(b) Seniority alone
(c) A written test of 100 marks
(d) A screening interview by a committee of 4–5 outside experts

207 Under the transfer rules, the joining time and transfer benefits are NOT admissible when:

(a) The transfer is made at the employee's own request (grant and halting allowance are not paid)
(b) The transfer is in the company's interest
(c) The employee is transferred to the North-East
(d) The transfer is on promotion

208 Under the Staff Group Mediclaim policy 2026-27, maternity limits in cities other than 'A' class are:

(a) ₹40,000 and ₹65,000
(b) ₹55,000 for normal delivery and ₹85,000 for caesarean delivery
(c) ₹50,000 and ₹1,00,000
(d) ₹65,000 and ₹1,20,000

209 Under the Staff Group Mediclaim policy, if an employee occupies a room above his entitled category, the proportionate deduction applies to related charges EXCEPT:

(a) Operation theatre charges
(b) Doctor's fees
(c) Nursing charges
(d) Pharmacy and implants

210 An employee who joins a Government department or PSU after resigning, while under a service bond, must:

(a) Serve the new employer for the balance bond period (undertaking on stamp paper), otherwise pay the bond amount
(b) Pay the bond amount in all cases
(c) Get the bond cancelled by IRDAI
(d) Return all salary drawn

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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