



**B.V. Patel Institute of Business Management, Computer & Information  
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**Question Bank**

**030030311: Elements of Insurance**

**Unit – 1 Introduction to Insurance:**

**Answer the following: (1 Mark)**

1. Which type of risk is included in personal insurance?
2. Which type of risk is included in property insurance?
3. Give an example of liability insurance.
4. Explain Guarantee insurance.
5. State the works performed by the Underwriter.
6. Define the term 'Insured'.
7. Define the term 'Insurer'.
8. What is Risk?
9. Credit insurance comes under which type of insurance contract?
10. Explain the Concept 'Shifting the risks in insurance'.
11. Define the term 'Annuity'.
12. Define the term 'Indemnity'.
13. What is meant by Grace period?
14. Define the meaning of Contract.
15. What is premium?
16. What is meant by policy?
17. Briefly explain the term whole life insurance.
18. State the contribution in relation to insurance.
19. List various features of a Contract of insurance.

**Briefly answer the following: (2 Marks)**

1. What meant 'Utmost good faith' in insurance?



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2. Define Insurance in financial sense.
3. Define Insurance in legal sense.
4. What is meant by Waiver of premium?
5. How insurance improve the credit standing of insurance holder?
6. What is an Insurable interest?
7. Define principle of contribution.
8. What is meant by policyholder or policy owner?
9. Enlist any four characteristics of Insurance.
10. List any four benefits of having insurance.
11. List any four needs and purposes of Insurance.
12. Enlist any four functions of Insurance.
13. State the concept of diffusion of risks.
14. How Insurance provide protection to insured person?
15. List the types of insurance contract.
16. How insurance solve the social problems?
17. Give an example of Causa Proxima.
18. Give the list of General Insurance.
19. Give the list of various miscellaneous insurance.
20. What is Life insurance?
21. What is meant by indemnification?
22. State the concept of Non-life insurance.

**Answer the Following: (5 Marks)**

1. Explain any five characteristics of insurance.



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2. Discuss various Needs and Purposes of insurance.
3. Discuss any five benefit of insurance to the insured person.
4. Explain any five functions of Insurance.
5. Discuss various importance of having insurance.
6. Describe the principle of Contribution and Mitigation of Loss.
7. “Indemnity has referential importance in life insurance.” Elaborate.
8. Explain description of insurable interest with few examples.
9. Write a short note on Principle of Causa Proxima.
10. Explain the various features of a contract of Insurance.
11. Elucidate the different types of insurance contracts.
12. Explain the various kinds of general insurance contracts.



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**Unit – 2: Life Insurance**

**Answer the following: (1 Mark)**

1. Which plan provides partial survival benefits during the term of the policy?
2. Which endowment policy provides double and triple cover benefits?
3. Which plan caters to the corporate executives and high net worth individuals?
4. Who is the assured person in children plan?
5. Which plan provides single premium Children Plan?
6. Which plan provides single premium whole life plan.
7. When is payment made in endowment assurance plan?
8. Which plan provides of single premium Endowment Assurance Plan?
9. Which plan provides a single premium feature in Annuity Plan?
10. Who are the assured persons in Jeevan Saathi joint life plan?
11. Which plan provides single premium feature for handicapped dependent?
12. Who is insured under “Integrated Rural Development Pogramme”?
13. Which money back plan has a higher maturity term than premium paying term?
14. State the objective of Jeevan Anurag children plan?
15. State the premium amount which carries tax benefit in Hospital Cash Daily Allowance Policy?
16. Which policy provides financial assistance in case of ‘critical illnesses’?
17. Which type of diseases cover the policyholder after waiting period of two years under health guard policy?
18. Write a full form of ESIC.
19. Write a full form of CGHS.



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**Briefly answer the following: (2 Marks)**

1. Mention any two essentials of Life Insurance Contract.
2. Define the term “Sum Assured”.
3. What is meant by assignment of life policy?
4. State the age limit for ‘insurance cover’ in CDA endowment plan (vesting at 18) for child’s life?
5. How payment is made *in* Jeevan Mitra in case of double cover and triple cover endowment plans?
6. State any four advantages of life insurance.
7. What is meant by Aids Thrift?
8. What is the purpose of Marriage Endowment or Education Annuity Plan?
9. How Health Insurance does benefits the insured person?
10. How many days are fixed for claim for hospitalization under Hospital Cash Daily Allowance Policy?
11. State the names of diseases which are not covered in Jan Arogya Bima Policy?
12. List any two types of Health Insurance Scheme in India.
13. Mention the names of foreign companies which have entered the Indian insurance sector.
14. How Insurance is benefited in avoiding a Tax?
15. What is meant by nomination?
16. What is the objective of ‘Komal Jeevan Children’ plan?
17. State the objective of Janashree Bima Yojana?
18. Write the benefits provided in Aam Admi Bima Yojana?
19. How Voluntary retirement scheme (LIC's plan) is benefited to the employees?
20. What is the objective of Group Insurance Scheme for students?



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21. Discuss the salient features of LIC's Health Protection Plus Policy.
22. List any four types of Health Insurance Policies.

**Answer the following: (5 Marks)**

1. List the essential characteristics of life insurance contract. Explain the concept of insurable interest and premium.
2. Discuss various advantages of Life Assurance.
3. Discuss any two endowment assurance plan offered by LIC of India.
4. Explain any two Term Assurance Policy offered by LIC of India.
5. Discuss Jeevan Anurag and Komal Jeevan Children Plan offered by LIC of India.
6. Explain the Marriage Endowment or Educational Annuity Plan and Jeevan Ankur plan offered by LIC of India in detail.
7. Elucidate any two of the following:
8. Explain any two policies offered by LIC of India.
9. Discuss any two Micro Insurance plans offered by LIC of India.
10. Elucidate Rural Group Life Insurance Scheme and Integrate Rural Development Programme Scheme in detail.
11. Discuss the Janshree Bima Yojana and Krishi Shramik Samajik Suraksha Yojana in detail.
12. Describe the Shiksha Sahyog Yojana and Aam Admin Bima Yojana in detail.
13. Write a short note on any two of the following:
14. Describe Health Insurance and elucidate the factors that are responsible for raising the demand for Health Insurance in India.
15. Discuss the Individual Mediclaim Policy in detail.
16. Explain hospital cash daily allowance policy in detail.



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17. Explain Critical Illness Policy.
18. Explain the Bhavishya Arogya Policy and Health Protection Policy in detail.
19. Discuss any one of the following:
20. Explain any two of the following:
21. Explain any two Health Insurance Scheme in India.



**Unit - 3 Fire, Marine and Motor Vehicle Insurance**

**Answer the following: (1 Mark)**

1. What is the duration of fire insurance is usually issue?
2. What is grace period?
3. Under what circumstances fire is not covered causes of fire insurance policy?
4. Define the term 'Explosion'.
5. When is 'Valued policy' usually taken?
6. What is reinstatement policy?
7. Which types of risks are covered in the comprehensive policy?
8. What is the first step required to be taken by the insured in case of outbreak of fire?
9. What is the time period specified to intimate notice to the insurance company in case of occurrence of loss due to fire?
10. What is meant by endorsement?
11. Define the term "Assignment".
12. What is a compulsory requirement of the motor vehicles act?
13. Which risk is covered under garage insurance policy?
14. How 'Third Party Policy' cover the risk under Motor Vehicle Insurance?
15. To whom can the motor vehicle policy be issued?
16. How insurance company determines the liability in case of claim settlement?
17. Write a full form of MACT.
18. Who introduce a marine insurance?
19. Which are the subsidiaries of GIC conduct an insurance business in India?
20. What are the different risks in which Marine Insurance is divided?
21. Which type of risk covered under Cargo Insurance?





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22. What is meant by Freight?
23. What is called Marine Policy?
24. What do you mean by 'Perils of the Sea'?
25. List two implied warranties.
26. Which are the risks covered under voyage policy?
27. List the types of marine losses.
28. What is called average in marine insurance?
29. How Warehouse Clause provide cover to the insured?
30. Which clause is generally incorporated in a time policy?

**Briefly answer the following: (2 Marks)**

1. When does the fire insurance risk commence?
2. List any four insurable properties insured under fire insurance.
3. List any four important clauses of marine insurance.
4. List any four scope of fire insurance.
5. Which documents contain fire insurance policy?
6. Write any four insurable interests exist in the context of fire insurance?
7. List any four types of fire policy.
8. What is the objective of motor vehicle act, 1938?
9. Give a classification of motor vehicle for the purpose of insurance.
10. List any two liabilities covered under Act/ Liability policy?
11. Give any two relevant provisions of motor vehicle act.
12. Give any four perils covered under Comprehensive Policy in accordance with the provision of tariff.
13. Which documents are required for settlement of claim in motor vehicle insurance?



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14. How liability insurance is providing protection to the vessel-owner?
15. Define Marine Insurance.
16. Write any two marine adventures in context of Marine Insurance.
17. Which perils are included in marine insurance?
18. Write any four parties are said to have insurable interest in context to marine insurance?
19. Give any two examples of deviation under marine insurance policy.
20. Enlist any four types of marine policies issued.
21. What is meant by wagering policy?
22. Why is open cover policy obtained by business owner?
23. What is meant by open cover?
24. How Port Risk Policy provide a cover?
25. What is the unique feature of Duty policy?
26. When does constructive total loss occur?
27. Give two examples of total loss.
28. Write a full form of the following.

**Answer the Following: (5 Marks)**

1. Mention any five scopes of fire insurance.
2. Discuss any two kinds of Fire Policies.
3. Write a short note on following:
4. Describe the Act/Liability policy in detail.
5. Explain Package/Comprehensive policy and Third party policy.
6. Discuss the procedure for servicing of motor vehicle insurance policies in detail.
7. Elucidate any two types of claims settlement under motor vehicle insurance.



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8. Write essay on the scope of Marine Insurance.
9. Describe Implied Warranty.
10. Write any three marine insurance policies of the following.
11. Write a brief note on Partial Loss.
12. Define the following important clauses of Marine Insurance contracts.



**Unit-4 Policy Servicing and Claims Settlement**

**Answer the following: (1 Mark)**

1. Who does preliminary underwriting?
2. Why company issue proposal form?
3. What is policy bond or form?
4. Define the term 'Recital Clause'.
5. Define 'Operative Clause'.
6. What is meant by 'Express Condition'?
7. Why endorsement is required in insurance contract?
8. What is meant by nomination?
9. When is nomination revoked automatically?
10. Which assignment cannot be cancelled once legally made?
11. When does a policy lapse?
12. When can an insurer impose fresh terms and conditions?
13. What is surrender value?
14. Write the formula of surrender value.
15. State the formula of paid up value.
16. How best can an agent serve a policyholder?
17. Mention the classification of life insurance claims.
18. When can insurers initiate the procedure of settlement of claim?
19. List any two information that is required to be submitted by the claimant.
20. Which documents are required to be submitted to insurer, in case of death happened by accident?
21. Which documents are required to be submitted to insurer, in case of murder?



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22. Which documents are required to be submitted on the death of defence personnel?
23. In which policy, periodical survival benefits are paid in installment?
24. Which act is implemented for payment of claims to non-resident claimants?

**Briefly answer the following: (2 Marks)**

1. List any four items contained in proposal form.
2. Mention any two documents that are considered a valid proof for age.
3. When is a policy declared void?
4. What is meant by first premium receipt?
5. Write any four common constituents of policy form.
6. When are cover notes issued by insurer?
7. When is marine cover notes issued?
8. Define conditional assignment.
9. Write any four commonly sought alternations.
10. Mention any two cases in which alteration fee is charged.
11. Mention down any two cases in which alteration fee is not charged.
12. How can a policy be revived?
13. What is maximum amount of loan granted by the LIC of India?
14. Who can intimate to the insurer in case of death of policyholder?
15. List down any four documents that are required to be submitted for settlement of death claim.
16. Which documents are required to be submitted to insurer, in case of death due to air crash and ship accident?
17. List any four documents required in case of maturity claims.
18. In which case guardian is required to remain present when policy is discharged?



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**Answer the Following: (5 Marks)**

1. Write a note on any two important documents used in a contract of insurance.
2. Write ten points of differences between nomination and assignment.
3. When can life insurance policy be altered?
4. Explain the policy bond.
5. Write a short note on any two of the following: