

D.R. K. COLLEGE OF COMMERCE, KOLHAPUR
QUESTION BANK

Subject: Insurance

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B.Com. Part I: Semester- I (CBCS)

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Notice:

1. Highlighted words are the answers.

1. is considered as one of the examples of social cooperation. (Insurance)
2. A person who buys insurance is called..... (Insured)
3. An Insurer is (Insurance Company)
4. A property or asset whose insurance is taken is called..... (subject Matter)
5.is paid by customer to insurance company as consideration.(Premium)
6. Insurance business works on the principle of (probability)
7. Only.....is compensated under insurance contract. (Financial Loss)
8. Insurance is a contract between two parties called insurer and.....(Insured)
9. The event or incident to be insured must be..... uncertain
10. Incontract there is lack of lawful object. (Wagering/gambling)
11. Insurance provides to the people and their property. (economic protection)
12. Regular payment of insurance premium enhances saving habits among the people.
13. Insurance encourages..... (foreign trade)
14. Insurance is a powerful instrument of..... social security.
15. insurance contract promises to indemnify the insured or his dependents in the event of death of the insured. (Life)
16. Insurance compensates the financial loss due to death or injury to the policyholder because of accident. (Accidental)
17. Through insurance, a person can make provision against the unexpected expenses on surgery, hospitalization charges, medicines, tests etc.
18. Under insurance contract compensation is paid for the losses due to fire or related reasons. fire
19. In marine insurance, losses due to marinein water transport are compensated. perils
20.insurance is related to dishonesty, misappropriation or breach of contract by an employee. Fidelity Guarantee

21. Insurable interest means..... interest of insured in the subject matter of insurance. **financial**
22.has insurable interest in its borrowers' life and deposits. **Bank**
23. A Creditor has..... in his Debtors to the extent of this debts. **insurable interest**
24. Principle ofis the primary and regulatory principle of Insurance. **Indemnity**
25. Principle of Indemnity is not applicable to..... insurance. **life**
26. According to principle of, no party should hide any information which increase the risk or liability. **Utmost Good Faith**
27. In Insurance business, Theoryof helps to know the chances of loss. **probability**
28. Principle ofis also known as 'principle of transfer of ownership right'. **Subrogation**
29. Principle ofis applicable when the insured has taken out two or more insurance policies from two or more insurance companies. **contribution**
30. According to Principle of Mitigation of Loss, if a mishap takes place, the insured should take all necessary steps toas if the owner of uninsured property would have taken. **reduce the loss**
31. The principle of Causa- Proxima means thecause and not remote cause. **nearest**
32.contract is illegal and are unenforceable. **Wagering**
33. Under, the assured has to pay the premium till his death. **Whole Life Policy**
34. The Life Insurance Policy in which the sum assured (policy amount) is payable either on the expiry of a certain period or the death of the policy holder whichever takes place earlier is called.....**Endowment Policy**.
35. Rate of premium is on Endowment Policy. **higher**
36. policy is taken for a particular period and if the policyholder passes away before the period i.e. maturity date, the sum assured is paid to his/her nominees. **Term**
37. Rate of premium is on Term Policy. **lower**
38. insurance is the pure insurance that aims at financial protection of the nominees. **Term**
39. are more useful to the people who do not get monetary benefits or pension after retirement. **Pension plans**
40. plans provide financial independence after retirement or in the old age. **Pension**
41. In contracts, small periodical payments are made so long as the policyholder is alive and the annuity payment (purchase price) by insurance company is made periodically so long as policyholder is alive or up to the pre-determined period. **life Annuity**
42. Annuity payment made by insurance company to the policyholder under Annuity plan is called..... Price. **Purchase**
43. ULIP stands for..... **Unit Linked Insurance Plan**
44. The first ULIP was launched in India in 1971 by..... **Unit Trust of India (UTI)**
45. promise market linked returns. **ULIPs**
46. Investments in both equity as well as debts is called**Balanced Fund**

47. ULIPs provide..... due partial withdrawal, switching money to the desired fund, early withdrawal if needed, Sum Assured reduction, top up facility etc. **flexibility**
48. Heavy charges is the main feature of Unit Linked Insurance Plan. **allocation**
49. In India, are not so popular among the common investors. **ULIPs**
50. is a document of contract of life insurance issued by the insurance company with its seal. **Life Insurance Policy**
51. Life Insurance Policy is the **evidence** of the life insurance contract.
52. Extra days allowed for the payment of premium even after the due date are called..... **Grace Days**
53. Usually a life insurance Policy contains..... clause. **Suicide**
54. If the policy holder commits suicide within..... year after taking the policy, then the claim amount is not paid by insurance company. **one**
55. If the policyholder fails to pay the premium within the grace period, the policy is treated as..... Policy. **Lapsed**
56. Value is cash value of policy paid to the insured on the surrender of policy before maturity. **Surrender**
57. At the time of surrender of the policy the policyholder should return the Original along with application for surrender. **Policy Document**
58. The is paid on the maturity of the policy. **paid up value**
59. The policy money i.e. sum assured is payable to the only on the death of policyholder. **Nominee**
60. is transfer of rights and interest in the life insurance policy. **Assignment**
61. is the first step in the procedure for taking a life insurance policy. **Selection of Insurance Company**
62. A copy of issued by school, college and university wherein date of birth is mentioned is considered as standard proof of age. **Leaving Certificate**
63. As and when the is paid, the insurance contract comes into existence. **First Premium**
64. The policyholder/beneficiary should fill in the..... Form, sign it and submit it to the insurance company for settlement of life insurance claim. **Discharge**