

CS/BIRM/SEM-5/BIRM-502/2012-13

2012

**INTRODUCTION TO INSURANCE &
INSURANCE INDUSTRIES**

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

GROUP – A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for any *ten* of the following :

10X1 = 10

i) In which of the following pair of persons does insurable interest not exist ?

- a) Husband - Wife b) Parent - Child
c) Employer - Employee d) Creditor - Debtor.

ii) Which of the following persons decides for the acceptance of an insurance proposal ?

- a) Broker b) Underwriter
c) Loss adjuster d) Actuary.

iii) The principle function of the Insurance Intermediates is

- a) selling b) buying
c) controlling d) exporting.

iv) Legal right to insure is

- a) utmost good faith b) contribution
c) indemnity d) insurable interest.

v) Which of the following statements is true ?

- a) Insurance protects the asset

- b) Insurance prevents its loss
 - c) Insurance reduces its loss
 - d) Insurance pays when there is loss of asset.
- vi) Which of the following class of insurance is not subject to principle of indemnity ?
- a) Engineering b) Fire
 - c) Motor d) Personal accident.
- vii) The contribution made by the Insured is known as
- a) Proposal form b) Policy
 - c) Premium d) Cover note.
- viii) Broker is an example of
- a) Direct Writer System
 - b) Independent Agency System
 - c) Direct Response System
 - d) Exclusive Agency System.
- ix) Operative clause is also known as
- a) Heading b) Recital clause
 - c) Insurance clause d) Schedule.
- x) The object of insurable interest must be
- a) Insurance b) Confidential
 - c) Legal d) Public.
- xi) How indemnity is provided by insurers ?
- a) Cash payment b) Repair
 - c) Replacement d) All of these.
- xii) The insurance Act deals with
- a) Registration of insurance
 - b) Investment of insurance fund
 - c) Licensing of agents
 - d) All of these.

GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following. 3X5 = 15

2. What is Insurance ? How does insurance works ? 2 + 3
3. Define contribution ? When does contribution operate ? 2 + 3
4. State the meaning of Insurance Ombudsman ? 5
5. Mention the benefits of Insurance. 5
6. What is static risk ? Why is it insurable ? 2 + 3

GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. 3X15 = 45

7. a) Define insurance in legal aspect.
b) Discuss about the various contents of a Insurance Policy Documents. 2 + 13
8. a) State the purpose and need of Insurance.
b) What are the essentials of a legal contract ? 8 + 7
9. a) Point out the Role of Actuarial Profession.
b) Explain the duties and functions of IRDA. 5 + 10
10. a) Mention the cost of insurance to society.
b) Distinguish between the role of "insurance Agent" and "Insurance Broker". 10 + 5
11. a) Define 'Consumer' and 'Service' as defined under Consumer Protection Act, 1986.
b) What do you mean by 'Riders' ? Mention the different types of riders that are presently available in the market. 6 + 9
12. a) Discuss about the principle of subrogation.
b) Explain the different cases where the question of subrogation arises. 3 + 12