

Candidates must write the Code on the title page of the answer-book.

Roll No.

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- Please check that this question paper contains **3** printed pages.
- Code number given on the right hand side of the question paper should be written on the title page of the answer-book by the candidate.
- Please check that this question paper contains **32** questions.
- **Please write down the Serial Number of the question before attempting it.**
- 15 minutes time has been allotted to read this question paper. The question paper will be distributed at 10.15 a.m. From 10.15 a.m. to 10.30 a.m., the students will read the question paper only and will not write any answer on the answer-book during this period.

## **PRINCIPLES AND PRACTICES OF LIFE INSURANCE**

**(Theory) Paper I**

*Time allowed : 3 hours*

*Maximum Marks : 80*

**Note :** *Attempt **all** questions.*

1. What is 'Insured Lives Mortality Table' ? 1
2. Sex has no bearing on the risk of the life being assessed for life insurance. (State whether True or False) 1
3. State whether Net Premium is less or more than Office Premium. 1

4. Upto what age are premiums payable under Whole Life Policy ? 1
5. Living too long is a risk as much as dying early. (State True or False) 1
6. Loan can be granted under Children Deferred Assurance Policy during the deferment period. (State True or False) 1
7. Can a proposal for life insurance be accepted with extra premium where moral hazard is present ? (Say Yes or No) 1
8. For revival of a lapsed life policy
  - (a) Original Sum Assured is taken into consideration.
  - (b) Original Sum Assured minus Paid-up Value is taken into consideration.

State whether statement (a) or (b) is correct. 1
9. Fill in the blank :  
The amount given by a person to procure an Annuity is called \_\_\_\_\_. 1
10. Give the name of the principle indicated in the statement 'More the number, better the accuracy'. Also explain this principle in brief. 2
11. Mention the factors which affect Blood Pressure. 2
12. Mention two such plans in which DAB is not allowed/available. 2
13. Hazards peculiar to a person himself are called \_\_\_\_\_ hazards and those peculiar to occupation of the life proposed for insurance are called \_\_\_\_\_ hazards. Fill in the blanks in the above statement. 2
14. Distinguish between 'NOMINEE' and 'APPOINTEE'. 2
15. Name the various forms/reports which form the basis of selecting a life for life insurance. 2
16. What is Paid-up value ? State the formula for finding Paid-up value. 2
17. Explain the term 'ULCER'. 2

18. Explain the concept of RESERVE in context with Level Premium System. 3
19. Explain as to what is 'CASH BONUS' and whether LIC allows Cash Bonus. 3
20. Describe the important organs in the Abdomen. 3
21. Give salient features of 'JEEVAN BALYA' plan. 3
22. Briefly describe the structure of the HEART. 3
23. Differentiate between 'OPERATIVE CLAUSE' and 'PROVISO' in a policy document. 3
24. Describe in brief as to what is 'LIEN' as a method of rating. 3
25. Why is a cautious view taken in the matter of underwriting a proposal for insurance on a female life ? 3
26. Name and briefly explain the possible hazards in connection with life insurance. 3
27. Why is the need for Retirement Annuity being felt today ? Explain. 3
28. Why is age proof insisted alongwith the proposal for insurance ? Discuss fully. 5
29. Describe the main features of 'JEEVAN MITRA' plan. 5
30. In computing the Premium, Expense Loading is involved, explain. Also name and explain the other two factors involved in this context. 5
31. What is Maturity claim ? State the main requirements for settlement of a Maturity claim. 5
32. While accepting a proposal, LIC has to try to avoid acceptance of such risks where Moral Hazard is involved. Mention various ways in which such distortions (hiding) of information can happen. 5