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100 Important Questions of Insurance and Financial Market Awareness for LIC EXAMS.

Directions: Read the following questions carefully and choose the right answer.

1. Where is the headquarters of the IRDA situated?

- A. Lucknow B. Chandigarh C. Mumbai
D. Delhi E. Hyderabad

2. Who is the present Chairman of IRDAI?

- A. Suresh Mathur B. Debasish Panda
C. Subhash Chandra Khuntia D. T S Vijayan E. Dinesh Tyagi

3. Which of the following is NOT a function of the IRDAI?

- A. Protecting the rights of insurance policy holders.
B. Providing registration certification to life insurance companies
C. Promoting professional organisations connected with insurance and reinsurance business
D. Regulate investment of funds by insurance companies
E. All are functions

4. India's GDP grew by what percent in H1 FY23, according to the Finance Ministry's "Mid-Year Expenditure and Revenue Statement" released in December 2022?

- A. 8.2% B. 9.7% C. 7.5%
D. 10.1% E. 8.9%

5. As per the data provided by the Finance Ministry, the Modi-led Government has raised what amount through disinvestment & strategic sale PSUs since 2014?

- A. Rs 3.15 lakh Crore B. Rs 2.50 lakh Crore C. Rs 4.04 lakh Crore
D. Rs 5.26 lakh Crore E. Rs 1.01 lakh Crore

6. Which of the following CANNOT be undertaken as a function by the India Post Payment Bank?

- A. Sanctioning loan B. Funds remittance C. Issue of debit cards
D. Issue of prepaid instruments E. Mutual funds distribution

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7. PLI, a form of insurance, stands for which of the following?

- A. Public Life Insurance B. Post Life Insurance C. Pre Life Insurance
D. Postal Life Insurance E. Portal Life Insurance

8. Postal Life Insurance was introduced in which year?

- A. 1880 B. 1884 C. 1889
D. 1895 E. 1899

9. Which of the following plans is NOT offered by Postal Life Insurance?

- A. SURAKSHA B. SUVIDHA C. SANTOSH
D. KSHAMTA E. SUMANGAL

10. Under the Sampoorna Gram Bima Yojana, what is the minimum number of households to be covered in one village?

- A. 50 B. 75 C. 90
D. 100 E. 150

11. Which of the following categories of people will NOT be covered under Postal Life Insurance?

- A. Government employees B. Semi-government employees
C. Professionals D. Employees of listed companies E. All are covered

12. Which of the following committees recommended the introduction of the Rural Postal Life Insurance?

- A. Dubey Committee B. Pratap Committee C. Malhotra Committee
D. Agastya Committee E. None of the above

13. The insurance sector was liberalized in which year?

- A. 1995 B. 1999 C. 2000
D. 2001 E. 2005



14. What is the present limit of FDI allowed in the insurance sector?

- A. 26% B. 49% C. 51%
D. 74% E. 100%

15. When was Life Insurance Corporation of India privatized?

- A. 1999 B. 2000 C. 2001
D. 2002 E. 2005

16. Which of the following was the first Indian insurer catering to Indian needs?

- A. Oriental Life Insurance Company B. Bombay Mutual Life Assurance Society
C. National Insurance Company D. Life Insurance Corporation
E. United India Insurance Company

17. The headquarters of the LIC is situated where?

- A. Mumbai B. Pune C. Bengaluru
D. Hyderabad E. Chandigarh

18. Who is the present chairman of LIC?

- A. V K Sharma B. Usha Sangwan C. Sunita Sharma
D. Hemant Bhargava E. None of the above

19. Which is the oldest Life Insurance company in India?

- A. Oriental Insurance Company B. New India Assurance Company
C. National Insurance Company D. United India Insurance Company
E. None of the above

20. Which of the following is NOT a former subsidiary of the GIC?

- A. Oriental Insurance Company Limited B. New India Assurance Company Limited
C. National Insurance Company Limited D. United India Insurance Company
E. General Insurance Corporation

21. In which year was the General Insurance Business nationalized in India?

- A. 1972 B. 1973 C. 1975
D. 1976 E. None of the above

22. The Insurance Repository system was launched by the IRDA in which year?

- A. 2012 B. 2013 C. 2014
D. 2015 E. 2018

23. Which of the following is/are insurance repository/ies in India?

I. CDSL II. NSDL III. CISR IV. RBI

- A. Only I and II B. Only II and III C. Only I, II and IV
D. Only II, III and IV E. Only I, III and IV

24. Which of the following offers reinsurance services in India?

- A. General Insurance Corporation B. Life Insurance Corporation
C. United India Insurance D. National Insurance Company
E. None of the above

25. The Ayushman Bharat-National Health Protection Mission is to integrate which of the following centrally sponsored schemes?

**I. Rashtriya Swasthya Bima Yojana
II. Pradhan Mantri Vaya Vandana Yojana
III. Varishtha Pension Bima Yojana.
IV. Senior Citizen Health Insurance Scheme**

- A. Only I and IV B. Only II and III C. Only I, II and IV
D. Only II, III and IV E. All of the above

26. What is the cover given to a family in a year under the Ayushman Bharat-National Health Protection Mission?

- A. 1 lakh per annum B. 3 lakh per annum C. 5 lakh per annum
D. 7 lakh per annum E. 10 lakh per annum

27. The Agriculture Insurance Company of India is headquartered at _____?

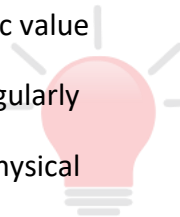
- A. Delhi B. Mumbai C. Bhubaneswar
D. Pune E. Vizag

28. Which of the following is NOT an IRDAI approved insurance repository?

- A. CDSL Insurance Repository Limited
B. CAMS Insurance Repository Services Limited
C. National Insurance-policy Repository
D. Karvy Insurance Repository Limited
E. SHCIL Projects Limited

29. The asset which is being insured must definitely be which of the following?

- I. Has economic value
II. Is graded regularly
III. Has to be physical



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- A. Only I B. Only II C. Only I and II
D. Only I and III E. All of the above

30. The chance of loss is known as –

- A. Peril B. Risk C. Uncertainty
D. Probability E. None of the above

31. The IREDA signed a EUR 20 million loan agreement with which organisation for financing 'Access to Clean Energy Projects' meant for decentralized solar applications?

- A. ADB B. IMF C. World Bank
D. KfW E. Deutsche Bank

32. 'Bima Vahaks' & 'Bima Vistar', that were recently in news, are related to which entity?

- A. LIC B. RBI C. IRDAI
D. HDFC ERGO E. None of these

33. The principle which involves collection of many individual contributions called premium from various people is known as –

- A. Contribution B. Pooling C. Contract
D. Peril E. Compensation

34. Which city topped the chart with 11.1% rise, as per the RBI's "All-India House Price Index (HPI)" for the Q2 FY23?

- A. Ahmedabad B. New Delhi C. Kochi
D. Mumbai E. Jaipur

35. The IRDAI's overall aim is to reach 100% insurance penetration by which year?

- A. 2047 B. 2030 C. 2050
D. 2035 E. 2040

36. Reducing the amount of loss is known as –

- A. Risk minimizing B. Loss Reduction C. Loss prevention
D. Loss lowering E. None of the above

37. Insurance is one of the major forms of risk transfer, and it permits uncertainty to be replaced by certainty.

- A. Risk management B. Risk Transfer C. Risk Pooling
D. Risk retention E. None of the above

38. Which of the following is the best definition of the term Assurance?

- A. It is a financial product offered by a company.
B. It includes protection against an event that may happen.
C. It provides cover against a specific risk.
D. It includes protection against an event that is bound to happen.
E. None of the above

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39. The term 'Risk' does not include which of the following?

- A. Loss suffered B. Expected loss C. Impact of loss
D. Probability of loss E. None of the above

40. Which of the following is /are benefits of insurance?

- A. It protects the capital in industry and releases the capital for further expansion.
B. It removes fear, worry and anxiety associated with one's future.
C. It helps in earning foreign exchange.
D. It leads to development of a nation.
E. All of the above

41. What is the aim of transferring the risk of an individual to an insurer?

- A. To have peace of mind and plan ahead.
B. So that the individual can undertake risky activities.
C. To profit in case a loss causing event occurs.
D. To be able to ignore the risks facing the assets.
E. None of the above

42. Which of the following statements is true?

- A. Insurance transfers the risk of one person to another person.
B. Insurance works on the principle of sharing the losses of a 'many' by a few.
C. Insurance works on the principle of sharing the losses of a 'few' by 'many'.
D. Insurance works on the method of transferring the gains of a few to the many.
E. None of the above

43. Who developed the concept of Human Life Value?

- A. Prof. Hubener B. Prof. Nanajing C. Prof. Abneto
D. Prof. Loreto E. None of the above

44. Which of the following does NOT decrease the value of human life as an asset?

- A. Living too long B. Dying too early C. Living with disability
D. Living a normal life E. None of the above

45. The premium that stays stable over the life of the insurance policy and does not increase with age is known as –

- A. Level premium B. Elevated premium C. Risk Premium
D. Office premium E. Regular premium

46. The premiums collected are held in trust by the insurance company and the amount so collected is called a –

- A. Back up B. Super annuation fund C. Reserve
D. Trust Fund E. None of the above

47. The saving component of the level premium is known as –

- A. Term component B. Protection component C. Cash component
D. Risk component E. None of the above

48. The adage- do not put all your eggs in one basket- is also known as –

- A. Mutuality B. Diversification C. Value ascertain
D. Investment E. Insurance

49. Which of the following is not a part of life insurance?

- A. Risk B. Contract C. Asset
D. Mutuality E. All are part

50. Which of the following is true about indemnity?

- A. The aim is to place the insured in the same financial condition as he was before the loss making event.
B. The aim is to profit out of the loss making event.
C. The aim is to get the same asset back in the same condition.
D. The aim is to buy a new asset with the money.
E. None of the above

51. As per the Interim Budget, fiscal deficit for FY19 is what percent of GDP?

- A. 3.2 % B. 3.3 % C. 3.4 %
D. 3.5 % E. 3.45 %

52. The fiscal deficit target for the FY22 is

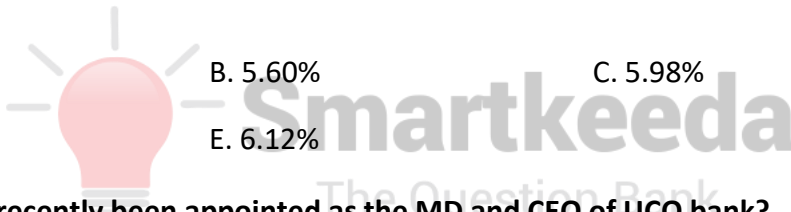
- A. 2.9% B. 3% C. 3.1%
D. 3.2% E. 3.4%

53. Who is the new RBI Governor?

- A. Raghuram Rajan B. Shaktikanta Das C. Urjit Patel
D. Upasna Roy E. None of the above

54. As per the Interim Budget, the highest Direct Tax to GDP ratio in the last 10 years is pegged at –

- A. 4.97% B. 5.60% C. 5.98%
D. 6.45% E. 6.12%



55. Who has recently been appointed as the MD and CEO of UCO bank?

- A. A S Rajeev B. Atul Kumar Goel C. S Harisankar
D. Packirisamy E. Ashok Kumar Pradhan

56. The concept of Human Life Value in insurance helps us understand –

- A. The extent of insurance that is considered adequate for a person.
B. The exact value of a human life measured by considering life expectancy.
C. The extent of insurance cover that fulfils basic family obligations.
D. The amount of extra premium to be paid keeping in mind the health condition of the insured.
E. None of the above

57. The least amount of savings element is present in which of the following policy types?

- A. Endowment plan B. Term insurance C. Money back plan
D. Whole Life plan E. None of the above

58. Which of the following is an element of a valid contract?

- A. Offer B. Acceptance C. Both Offer and acceptance
D. Either offer or acceptance E. None of the above

59. Consent cannot be said to be free in an insurance contract when caused by –

- A. Agreement B. Mutual benefit C. Coercion
D. Consensus E. None of the above

60. Which of the following is a necessary condition to enter into an insurance contract?

- I. Both parties must be of legal age.
II. Both parties must be competent.
III. Both parties must be of sound mind.

- A. Only II B. Only I and III C. Only II and III
D. Only I and II E. All of the above

61. TransUnion CIBIL, in collaboration with Online PSB Loans (OPL), launched “FIT Rank”, a ranking system for ____.

- A. Insurance Companies B. MSMEs C. Large Scale Businesses
D. Public Sector Banks E. Unicorn Start-ups

62. The annual interest rate offered on the Sukanya Samridhi Account scheme for the quarter Jan-March 2023 is _____.

- A. 6.5% B. 6.8% C. 8.2%
D. 5.5% E. 7.6%

63. The compounding frequency of the Kisan Vikas Patra scheme is-

- A. Monthly B. Monthly and Paid C. Semi-annually
D. Quarterly E. Annually



64. The five pronged approach called SASHAKT to deal with NPAs in banks was recommended by –

- A. Sunil Mehta Committee B. Priyanka Deshmukh committee
C. Urjit Patel Committee D. Abhijit Sen Committee E. Bimal Jalan Committee

65. FSR stands for –

- A. Fiscal Standard Report B. Financial Stability Report C. Foreign Stressed Reserves
D. Financially Stressed Reserves
E. Final Stable Report

66. When a person dominates the will of another person and uses their position to obtain undue advantage over the other, it is known as –

- A. Undue influence B. Coercion C. Fraud
D. Mistake E. Either A or B

67. The Principle of Utmost Good Faith is also known as –

- A. Consensus ad idem B. Uberrima Fides C. Caveat Emptor
D. Habeas Corpus E. Amicus Curiae

68. Which of the following is true about the term 'material facts' in an insurance contract?

- I. It includes a list of properties of the insured.
II. It has an effect on whether the insurer would accept the risk.
III. It may impact the premium rate and other conditions.
- A. Only II B. Only III C. Only I and III
D. Only II and III E. All of the above

69. When the insured is silent about material facts because the insurer did not raise any specific enquiry is known as –

- A. Innocent misrepresentation B. Non-disclosure
C. Fraudulent misrepresentation D. Concealment
E. None of the above

76. Which among the following will cover your vehicle from both fire and third party liability?

- A. Act Only Policy B. Comprehensive Car Insurance C. Regulated Policy
D. Utility Policy E. None of the above

77. A Travel Insurance Policy will cover against which among the following?

- A. Cancellation of Trip B. Delay in Flight C. Loss of baggage
D. Both A and B E. All A, B and C

78. In which among the following marine insurance policies, the sum paid is a fixed amount decided mutually by the insurer and the insured?

- A. Time Policy B. Voyage Policy C. Valued Policy
D. Port Risk Policy E. None of the above

79. In case of Export of goods, which among the following should be opted for to cover any financial loss due to non-payment by the importer?

- A. Flood Insurance B. Trade Credit Insurance C. Fire Insurance
D. Marine Insurance E. None of the above

80. The Crop Insurance covers which among the following factors in the production of crop?

- A. Crop revenue B. Crop yield C. Crop Climate
D. Both A and B E. All A, B and C

81. The Government of India started publishing the returns of the insurance companies in India from the year –

- A. 1914 B. 1915 C. 1916
D. 1917 E. 1918

82. Which among the following enabled the government to collect statistical information regarding insurance companies in India?

- A. Indian Life Assurance Companies Act 1912 B. Indian Insurance Companies Act 1928
C. Insurance Act 1938 D. British Insurance Act 1870
E. None of the above

83. The Life Insurance Corporation was formed in 1956 merging _____ Indian insurers and _____ on-Indian insurance companies.

- A. 152, 85 B. 189, 78 C. 154, 16
D. 145, 26 E. 155, 38

84. The Triton Insurance Company was established in 1850 in which among the following cities in India?

- A. Bombay B. Calcutta C. Madras
D. Allahabad E. None of the above

85. Which among the following was formed in order to ensure fair business practices in the general insurance industry, in 1957?

- A. Insurance Association of India B. Insurance Institute of India
C. National Insurance Academy D. General Insurance Council
E. None of the above

86. The Insurance Act 1938 was amended in the year 1968 for which among the following purposes?

- A. To understand the basics of marine and fire business
B. To regulate the tariffs of motor insurance business
C. To regulate the investment and set minimum solvency margins
D. To regulate the insurance intermediaries
E. None of the above

87. The General Insurance Business was nationalized in the year _____ by merging 107 general insurance companies into four public sector companies.

- A. 1972 B. 1978 C. 1973
D. 1974 E. 1975

88. The General Insurance Corporation of India was made the national reinsurer in the year _____.

- A. 1978 B. 1975 C. 1973
D. 200 E. 2002

89. The Insurance Regulatory and Development Authority of India opened the Indian market for foreign players in the year -

- A. 2000
- B. 2005
- C. 2010
- D. 2015
- E. 2002

90. Which among the following is the oldest public sector insurance company in India that is still in business?

- A. Life Insurance Corporation of India
- B. National Insurance Company Limited
- C. Oriental Insurance Company Limited
- D. New India Assurance Company Limited
- E. None of the above

91. This is the field of science which deals with mathematics and statistics to determine the risks assessment in finance?

- A. Actuarial Science
- B. Data Interpretation
- C. Data Crunching
- D. Data Science
- E. None of the above

92. A policy in which all the benefits have ceased for non-payment of premium is known as -

- A. Lapsed Policy
- B. Terminated Policy
- C. External Policy
- D. Extended Policy
- E. None of the above

93. Which among the following is known as a Paid-up Policy?

- A. It is a policy for which all the premium are paid.
- B. It is a policy for which the one time premium is paid and the final amount is due.
- C. It is a policy that only covers for the amount paid to the insurance company.
- D. It is a policy in which the policyholder has discontinued the payment of the premium after a specified period as decided by the insurer.
- E. None of the above

94. If a loss occurs by chance and not by the intention of any person it is known as -

- A. Expired Risk
- B. Earned Risk
- C. Fortuitous Risk
- D. Unearned Risk
- E. None of the above

95. The insurers maintain _____ in order to make provisions for future payments towards losses.

- A. Premium Reserve B. Loss Reserve C. Accidental Reserve
D. Future Reserve E. None of the above

96. For fire insurance policies, ALOP stands for -

- A. Advance Loss of Profit B. Admission of Loss of Profit
C. Additional Loss of Profit D. Assisted Loss of Profit E. None of the above

97. LAE stands for –

- A. Loss Adjusted Expenses B. Loss Adjustment Expenses
C. Loss Additional Expenses D. Liability Automated Expenses
E. None of the above

98. We know about IDV in motor insurance policies that stands for -

- A. Insurance Determination Vertical B. Insured Declared Value C. Insured Detrimental Value
D. Institutional Declared Value E. None of the above

99. CAC stands for -

- A. Combined Alteration Coverage B. Combined Additional Coverage
C. Combined Attention Coverage D. Combined Assessment Coverage
E. None of the above

100. In terms of insurance, CSL refers to -

- A. Combined Structural Liability B. Combined Statistical Liability
C. Combined Single Limit D. Combined Status Limit
E. None of the above

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Correct answers

1	2	3	4	5	6	7	8	9	10
E	B	E	B	C	A	D	B	D	D
11	12	13	14	15	16	17	18	19	20
E	C	C	B	C	B	A	D	C	E
21	22	23	24	25	26	27	28	29	30
B	B	A	A	A	C	A	E	D	B
31	32	33	34	35	36	37	38	39	40
D	C	B	C	A	B	B	D	A	E
41	42	43	44	45	46	47	48	49	50
A	C	A	D	A	C	D	B	E	A
51	52	53	54	55	56	57	58	59	60
C	B	B	C	B	A	B	C	C	E
61	62	63	64	65	66	67	68	69	70
B	E	E	A	B	A	B	D	B	B
71	72	73	74	75	76	77	78	79	80
B	D	C	C	A	B	E	C	B	D
81	82	83	84	85	86	87	88	89	90
A	B	C	B	D	C	A	D	A	B
91	92	93	94	95	96	97	98	99	100
A	A	D	C	B	A	B	B	B	C

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Explanations

1. The Insurance Regulatory and Development Authority of India is an autonomous, statutory body set up to regulate and promote insurance and re-insurance industries in India. It was constituted by the Insurance Regulatory and Development Authority Act, 1999. The agency's headquarters are in Hyderabad, Telangana, where it moved from Delhi in 2001.

Hence, option E is correct.

2. Debasish Panda is the present Chairman of IRDAI.

Hence, option B is correct.

3. The following are the functions of the IRDAI:

Protect the rights of insurance policy holders.

- Provide registration certification to life insurance companies
- Renew, modify, cancel or suspend registration certificate as and when appropriate
- Promote efficiency in conduct of insurance business
- Promote and regulate professional organisations connected with insurance and reinsurance business
- Regulate investment of funds by insurance companies

Adjudication of disputes between insurers and intermediaries or insurance intermediaries.

Hence, option E is correct.

4. On December 21, Ministry of Finance, in its “Mid-Year Expenditure and Revenue Statement”, announced that India’s economic growth, measured by growth in GDP at constant prices, has been estimated at 9.7% for the first half (April-September) of FY23, as compared to 13.7% in H1FY22 and 4.7% in H2 of FY22. [{Read more}](#)

Key Points:

- India’s economic growth (GDP at constant prices) – estimated at 9.7% for H1 FY23 (compared to 13.7% in H1 FY22)

Hence, Option B is correct.



5. Since 2014, the Narendra Modi-led government has raised over Rs 4.04 lakh Crore through disinvestment and strategic sale of public sector enterprises, as per the data provided by the Finance Ministry. Of the Rs 4 lakh crore, the largest amount totalling over Rs 1.07 lakh crore through Offer for Sale (OFS) in 59 cases. This was followed by a stake sale through Exchange Traded Fund (ETF) in 10 tranches, aggregating to Rs 98,949 crore. Strategic sales in 10 companies, including Air India, yielded Rs 69,412 crore to the exchequer in the last 8 years. Share buyback in 45 cases fetched Rs 45,104 crore. [Read more](#)

Key Points:

- Narendra Modi-led Govt has raised over Rs 4.04 lakh Crore through disinvestment & strategic sale PSUs since 2014
- Largest amount totalling over Rs 1.07 lakh Cr – raised through Offer for Sale (OFS) in 59 cases

Hence, option C is correct.

6. The India Post Payment Bank offers basic banking services acceptance of demand deposits, remittance services, internet banking and other specified services. It does not lending services. It can accept deposits up to Rs. 1 lakh per account from individuals and small businesses. It can issue ATM/debit cards but not credit cards. It can also issue other prepaid payment instruments. It can also distribute non-risk sharing simple financial products like mutual funds and insurance products.

Hence, option A is correct.

7. PLI stands for Postal Life Insurance. It was introduced in 1884. It is one of oldest life insurance schemes for benefit of government and semi-government employees.

Hence, option D is correct.

8. The Postal Life Insurance was introduced in 1884. It is one of oldest life insurance schemes for benefit of government and semi-government employees. It covers employees of Central and state governments, Central and state public sector undertakings (PSUs), universities, government-aided educational institutions, nationalized banks, local bodies, autonomous bodies, joint ventures having a minimum of 10% Government/PSU stakes societies etc. It also extends facility of insurance to officers and staff of Defence services and para-military forces. It also manages group insurance scheme for extra departmental employees (Gramin Dak Sevaks) of Department of Posts.

Hence, option B is correct.

9. PLI offers 6 types of plans viz. Whole Life Assurance (SURAKSHA), Convertible Whole Life Assurance (SUVIDHA), Endowment Assurance (SANTOSH), Anticipated Endowment Assurance (SUMANGAL), Joint Life Assurance (YUGAL SURAKSHA) and Children Policy (BAL JEEVAN BIMA).

Hence, option D is correct.

- 10.** Under the Sampoorna Bima Gram (SBG) Yojana, at least one village having a minimum of 100 households will be identified in each of the revenue districts of the country, wherein endeavour will be made to cover all households of that identified village with a minimum of one RPLI (Rural Postal Life Insurance) policy each. Coverage of all households in the identified Sampoorna Bima Gram village is the primary objective of this scheme.

Hence, option D is correct.

- 11.** In 2017, it was announced that the benefits of PLI will no more be confined to Government and semi-Government employees, but will also be available to professionals such as Doctors, Engineers, Management Consultants, Chartered Accountants, Architects, Lawyers, Bankers etc. and to employees of listed companies of NSE (National Stock Exchange) and BSE (Bombay Stock Exchange). The decision has been taken to enlarge the cover of social security and bring maximum number of people under the protection of Postal Life Insurance (PLI).

Hence, option E is correct.

- 12.** The Rural Postal Life Insurance (RPLI), introduced on March 24, 1995 on recommendations of Malhotra Committee, provides insurance cover to people residing in rural areas, especially weaker sections and women living in rural areas. Low Premium and High Bonus is the unique feature of PLI and RPLI schemes.

Hence, option C is correct.

- 13.** The insurance sector was liberalized in the year 2000.

Hence, option C is correct.

- 14.** The insurance sector has gone through a number of phases by allowing private companies to solicit insurance and also allowing foreign direct investment. India allowed private companies in insurance sector in 2000, setting a limit on FDI to 26%, which was increased to 49% in 2014.

Hence, option B is correct.

- 15.** The Life Insurance Corporation of India was privatized in 2001.

Hence, option C is correct.

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16. Insurance in this current form has its history dating back to 1818 when Oriental Life Insurance Company was started by Anita Bhavsar in Kolkata to cater to the needs of European community. The pre-independence era in India saw discrimination between the lives of foreigners and Indians with higher premiums being charged for the latter. In 1870, Bombay Mutual Life Assurance Society became the first Indian insurer.

Hence, option B is correct.

17. Life Insurance Corporation of India (LIC) is an Indian state-owned insurance group and investment company headquartered in Mumbai.

Hence, option A is correct.

18. Hemant Bhargava, the senior-most MD at LIC, has been appointed acting Chairman of LIC. The move comes after VK Sharma retired from the top job at LIC on 31st December 2018.

Hence, option D is correct.

19. The oldest existing insurance company in India is the National Insurance Company was founded in 1906.

Hence, option C is correct.

20. GIC had four subsidiary companies. With effect from December 2000, these subsidiaries have been de-linked from the parent company and were set up as independent insurance companies: Oriental Insurance Company Limited, New India Assurance Company Limited, National Insurance Company Limited and United India Insurance Company.

Hence, option E is correct.

21. General Insurance business was nationalized with effect from 1 January 1973.

Hence, option B is correct.

22. In September 2013, IRDA launched "insurance repository" services in India. It is a unique concept and first to be introduced in India. This system enables policy holders to buy and keep insurance policies in dematerialised or electronic form. Policyholders can hold all their insurance policies in an electronic format in a single account called electronic insurance account.

Hence, option B is correct.

23. Both CDSL and NSDL function as insurance repositories in India.

Hence, option A is correct.



- 24.** GIC of India is a state owned enterprise in India. It was the sole reinsurance company in the Indian insurance market until the insurance market was open to foreign reinsurance players by late 2016.

It is the sole company offering reinsurance services.

Hence, option A is correct.

- 25.** The Ayushman Bharat-National Health Protection Mission integrates two on-going centrally sponsored schemes viz. Rashtriya Swasthya Bima Yojana (RSBY) and Senior Citizen Health Insurance Scheme (SCHIS). AB-NHPM aims to target over 10 crore families belonging to poor and vulnerable population based on Socio Economic and Caste Census 2011 (SECC) database. It will cover of Rs 5 lakh per family per year, taking care of almost all secondary care and tertiary care procedures. There will be no cap on family size and age in the scheme.

Hence, option A is correct.

- 26.** The AB-NHPM aims to target over 10 crore families belonging to poor and vulnerable population based on Socio Economic and Caste Census 2011 (SECC) database. It will cover of Rs 5 lakh per family per year, taking care of almost all secondary care and tertiary care procedures. There will be no cap on family size and age in the scheme.

Hence, option C is correct.

- 27.** The Agriculture Insurance Company of India Limited is a limited company headquartered out of New Delhi. AIC aims to provide insurance coverage and financial support to the farmers in the failure of any of the notified crop as a result of natural calamities, pests and diseases to restore their creditworthiness for the ensuing season; to encourage the farmers to adopt progressive farming practices, high value in-puts and higher technology; to help stabilize farm incomes, particularly in disaster years.

Hence, option A is correct.

- 28.** The Insurance Regulatory and Development Authority originally issued licenses to five entities to act as Insurance Repositories. But SHCIL Projects Limited surrendered its Insurance Repository license in September 2015. The remaining four are:

- CDSL Insurance Repository Limited
- Karvy Insurance Repository Limited
- National Insurance-policy Repository
- CAMS Insurance Repository Services Limited

Hence, option E is correct.

- 29.** The asset should have economic value and can be either
- i. May be physical (like a car or a building) or
 - ii. May be non-physical (like name and goodwill) or
 - iii. May be personal (like one's eyes, limbs and other aspects of one's body)

It does NOT need to be graded regularly.

Both I and III are correct.

Hence, option D is correct.

30. The asset may lose its value if a certain event happens. This chance of loss is called as risk.

Hence, option B is correct.

31. On December 22, Indian Renewable Energy Development Agency Limited (IREDA) signed a loan agreement with KfW for financing 'Access to Clean Energy Projects' meant for decentralized solar applications. The total sanctioned amount of the agreement is EUR 20 million. Energy Efficiency Services Limited (EESL) has signed loan agreements from multilateral agency ADB and bilateral agency KfW, for Decentralized Solar and Electric Mobility. The total sanctioned amount of ADB's loan for 'Decentralized Solar, Electric Mobility and Smart Meters' is USD 296 million. While the total sanctioned amount for KfW's loan of 'Decentralized Solar and lighting' is Euro 200 million. [{Read more}](#)

Key Points:

- IREDA + KfW = a EUR 20 million loan agreement for financing 'Access to Clean Energy Projects'
- EESL + ADB + KfW = a loan agreement for 'Decentralized Solar and Electric Mobility'
- HQs of IREDA – New Delhi | CMD – Pradip Kumar Das
- HQs of EESL – New Delhi | CEO – Vishal Kapoor | Chairman – K. Sreekant
- HQs of KfW – Frankfurt, Germany | CEO – Gunther Braunig
- HQs of ADB – Mandaluyong, Philippines | President – Masatsugu Asakawa | Members – 68 | Established in – 1966

Hence, Option D is correct.

32. On December 22, the Insurance Regulatory and Development Authority of India (IRDAI) announced to introduce "Bima Vahaks" in each gram panchayat, enhance the insurance force in India. Each Gram Panchayat will have a "Bima Vahak" who would be tasked to sell and service simple parametric bundled insurance products, 'Bima Vistar', covering health, property, life and personal accident. 50% of our vehicles are uninsured, and the coverage of property insurance is minuscule. [{Read more}](#)

Key Points:

- IRDAI – to introduce "Bima Vahaks" in each gram panchayat to sell 'Bima Vistar'
- HQs of IRDAI – Hyderabad, Telangana | Chairman – Debasish Panda

Hence, Option C is correct.

33. The principle which involves collection of many individual contributions called premium from various people is known as Pooling.

Hence, option B is correct.

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34. The Reserve Bank of India's "All-India House Price Index (HPI)" grew by 4.5% year on year during the second quarter (Q2 FY23) ended on September 2022. The HPI had grown by 3.5% in the previous quarter (Q1). RBI's HPI is based on transaction-level data received from the registration authorities in ten major cities in India - Ahmedabad, Bengaluru, Chennai, Delhi, Jaipur, Kanpur, Kochi, Kolkata, Lucknow and Mumbai. The YoY movements in HPI varied widely across the cities, ranging from a growth of 11.1% in Kochi to a contraction of 4.1% in Jaipur. Moreover, bank credit for housing, including priority sector lending, rose by 16% YoY this September, as against 12.2% a year ago. [{Read more}](#)

Key Points:

- "All-India House Price Index (HPI)" – released by RBI
- HPI grew by 4.5% YoY basis during Q2 FY23 | Highest – 11.1% in Kochi, Lowest – 4.1% in Jaipur
- Bank Credit for housing rose by 16% YoY in September 2022
- HQs of RBI – Mumbai, Maharashtra | Governor – Shaktikanta Das (25th) | Established in – 1st April, 1935
- Total Deputy Governors (4) – Mahesh Kumar Jain | T. Rabi Sankar | Michael D. Patra | M. Rajeshwar Rao

Hence, Option C is correct.

35. On November 25, the Insurance Regulatory and Development Authority of India (IRDAI) approved some amendments including increase in the maximum number of tie-ups for Corporate Agents (CA) and Insurance Marketing Firms (IMF). Now, a Corporate Agent can tie up with 9 insurers (earlier 3 insurers), and IMF can tie up with 6 insurers (earlier 2 insurers) in each line of business of life, general and health for distribution of their insurance products. Some of the other important proposals approved by the regulator are: Investment through Special Purpose Vehicle (SPV) has been made optional for Private Equity (PE) Funds enabling them to invest directly in insurance companies. Investments up to 25% of the paid-up capital by single investor will now be treated as 'investor' and investments over and above that will only be treated as promoter (Earlier the threshold was 10% for individual investor and 25% for all investors collectively). Now, promoters are allowed to dilute their stake up to 26%, subject to condition that the insurer has satisfactory solvency record for preceding 5 years and is listed entity. Moreover, the solvency ratio is reduced to 0.60% (from 0.80% earlier) for unit-linked plans of life insurers and to 0.05% (from 0.10% earlier) for Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY). The IRDAI's overall aim is to reach 100% insurance penetration by 2047. [{Read more}](#)

Key Points:

- IRDAI approved the following amendments:
 - Corporate Agent can tie up with 9 insurers & Insurance Marketing Firms can tie up with 6 insurers in each category
 - Private Equity Funds can directly invest in insurance companies through Special Purpose Vehicle
 - Investments up to 25% of the paid-up capital by single investor will now be treated as 'investor'
 - Promoters can dilute their stake up to 26%, subject to condition
 - Solvency Ratio is reduced to 0.60% for unit-linked plans of life insurers & to 0.05% for PMJJBY
- The IRDAI's overall aim is to reach 100% insurance penetration by 2047
- HQs of IRDAI – Hyderabad, Telangana | Chairman – Debasish Panda

Hence, Option A is correct.

- 36.** The measures to reduce chance of occurrence of a loss are known as 'Loss Prevention' while the measures to reduce degree of loss are called 'Loss Reduction'.

Hence, option B is correct.

- 37.** Risk transfer involves transferring the responsibility for losses to another party. Here the losses that may arise as a result of a fortuitous event (or peril) are transferred to another entity.

Hence, option B is correct.

- 38.** Insurance refers to protection against an event that might happen whereas assurance refers to protection against an event that will happen. Insurance provides cover against a risk while assurance covers an event that is definite e.g death, which is certain, only the time of occurrence is uncertain.

Hence, option D is correct.

- 39.** Risk is basically the expected loss which further consists of probability of loss and its impact. Loss suffered is incorrect here as risk means loss that is likely to occur.

Hence, option A is correct.

- 40.** All of the statements are correct and highlight the benefits of insurance.

Hence, option E is correct.

- 41.** When transferring risk to the insurer, the aim is not so that the insured can indulge in risky acts or ignore the risks and become careless. The aim is also not to make profits out of a loss causing event.

Only Option A is correct here as risk transfer enables us to plan ahead without fear.

Hence, option A is correct.

- 42.** Statement I: It transfers the risk from one person to an insurer (a company).

Statement II: This is opposite of what is correct.

Statement IV: The aim of insurance is not to pass the gains from one to another.

Statement III is correct.

Hence, option C is correct.

- 43.** The HLV concept considers human life as a kind of property or asset that earns an income. It thus measures the value of human life based on an individual's expected net future earnings. Net earnings means income a person expects to earn each year in the future, less the amount he would spend on self. It thus indicates the economic loss a family would suffer if the wage earner were to die prematurely. These earnings are capitalised, using an appropriate interest rate to discount them.

It was developed by Prof. Hubener.

Hence, option A is correct.

44. Options A, B and C decrease the value of a human life and are incorrect.

Hence, option D is correct.

45. The level premium is a premium fixed such that it does not increase with age but remains constant throughout the contract period. This means that premiums collected in early years would be more than the amount needed to cover death claims of those dying at these ages, while premiums collected in later years would be less than what is needed to meet claims of those dying at the higher ages. The level premium is an average of both.

Hence, option A is correct.

46. Premiums collected in early years of the contract are held in trust by the insurance company for the benefit of its policyholders. The amount so collected is called a Reserve.

Hence, option C is correct.

47. The level premium has two components.

i. The first is known as the term or protection component, consisting of that portion of premium actually needed to pay the cost of the risk.

ii. The second is known as the cash value element. It is made up of accumulated excess payments of the policyholder. It constitutes the savings component.

Hence, option D is correct.

48. Under diversification the funds are spread out among various assets (placing the eggs in different baskets). Under diversification we have funds flowing from one source to many destinations.

Hence, option B is correct.

49. The following elements are part of the Life Insurance industry:

- Risk
- Contract
- Asset
- Mutuality

Hence, option E is correct.

50. The principle of indemnity states that the insured would be compensated for the amount of loss he has suffered without making any profit. This corresponds to option A.

Hence, option A is correct.

- 51.** As per the Interim Budget, fiscal deficit for FY19 is 3.4% of GDP.
- Hence, option C is correct.
- 52.** The fiscal deficit target for the FY22 is 3%.
- Hence, option B is correct.
- 53.** Shaktikanta Das has been appointed as the 25th Governor of RBI. He has taken up the reins after Urjit Patel resigned.
- Hence, option B is correct.
- 54.** As per the Interim Budget, there has been constant growth in direct tax collections as a percent of GDP for three years and the highest Direct Tax to GDP ratio in the last 10 years was achieved in 2017-18 at 5.98%.
- Hence, option C is correct.
- 55.** Atul Kumar Goel has recently been appointed as the MD and CEO of UCO bank.
- Hence, option B is correct.
- 56.** Human Life Value considers human life as a kind of property or asset that earns an income. It thus measures the value of human life based on an individual's expected net future earnings. HLV helps to determine how much insurance one should have for full protection. It also tells us the upper limit beyond which life insurance would be speculative. Out of all the options, option A fits in well and is the correct choice.
- 57.** The premium can be divided into two parts where the first part is used to cover the risk while the second part is used for saving. A term insurance plan has the least amount of savings element.
- Hence, option B is correct.
- 58.** When one person signifies to another his willingness to do or to abstain from doing anything with a view to obtaining the assent of the other to such act, he is said to make an offer or proposal. Usually, the offer is made by the proposer, and acceptance made by the insurer. When a person to whom the offer is made signifies his assent thereto, this is deemed to be an acceptance. Hence, when a proposal is accepted, it becomes a promise.
- Consent is said to be free when it is not caused by coercion, undue influence, fraud, misrepresentation and mistake.
- Hence, option C is correct.
- 60.** All the statements are necessary condition to enter into an insurance contract.
- Hence, option E is correct.

61. On December 20, TransUnion CIBIL, in collaboration with Ahmedabad-based Online PSB Loans (OPL), launched “FIT Rank”, a ranking system for MSME borrowers. The ‘FIT Rank’ will rate the over 6 Crore micro, small and medium enterprises (MSMEs) by drawing inputs from their current accounts, income tax returns and GST returns to arrive at a score between 1-10 to rate a borrower after taking consent to draw the relevant data. [{Read more}](#)

Key Points:

- TransUnion CIBIL + Online PSB Loans (Ahmedabad) = launched “FIT Rank”, a ranking system for MSME borrowers
- HQs of TransUnion CIBIL – Mumbai, Maharashtra | MD & CEO – Rajesh Kumar

Hence, Option B is correct.

62. The annual interest rate offered on the Sukanya Samridhi Account scheme for the quarter Jan-March 2023 is 7.6%.

Hence, option E is correct.

63. The compounding frequency of the Kisan Vikas Patra scheme is annual.

Hence, option E is correct.

64. The Sunil Mehta Committee was setup to deal with resolution of stressed assets and recommended creating an asset management company for the resolution of stressed loans worth more than Rs. 500 crores. It also recommended the five- pronged strategy Project called 'SASHAKT' to deal with Non-performing Assets in the country's banking system. The five-pronged strategy includes: 1. SME resolution approach, 2. Bank-led resolution approach, 3. AMC/AIF led resolution approach, 4. NCLT/IBC approach, & 5. Asset-trading platform.

Hence, option A is correct.

65. FSR stands for Financial Stability Report. This report is released by RBI and talks about risks to financial stability in the economy.

Hence, option B is correct.

66. Undue Influence is when a person dominates the will of another person and uses their position to obtain undue advantage over the other.

Hence, option A is correct.

67. The Principle of Utmost Good Faith is one of the fundamental principles of an insurance contract. It is also called Uberrima Fides and means every party to the contract must disclose all material facts relating to the subject matter of insurance.

Hence, option B is correct.

- 68.** A material fact has been defined as a fact that would affect the judgment of an insurance underwriter in deciding whether to accept the risk and if so, the rate of premium and the terms and conditions.

Statement I is irrelevant and incorrect as per this while II and III are correct.

Hence, option D is correct.

- 69.** Non-disclosure is when the insured is silent about material facts because the insurer did not raise any specific enquiry.

Hence, option B is correct.

- 70.** A free-look period has been introduced whereby a policyholder has the option of cancelling the it, in case of disagreement, within 15 days of receiving the policy document.

Hence, option B is correct.

- 71.** Principle of Utmost Good Faith deals with the fact that the insured should disclose all the material information at the time of taking the policy failing which the insurance contract becomes null and void.

Principle of Indemnity deals with the fact that the insured is liable for compensation up to the extent of the loss incurred by the insured.

Principle of Loss Minimization deals with the fact that the insured is supposed to take all the measures to make sure that loss does not happen to the insured item.

Principle of Subrogation deals with the fact that once the insurer pays the compensation the ownership of the damaged insured item changes hands and the insurer is in charge of the same after that. The insured is not entitled for its ownership post that.

Hence, option B is correct.

- 72.** The Principle of Subrogation deals with the fact that the ownership of the damaged goods shifts to the insurer once the compensation is paid to the insured. It is applicable in case of fire and marine insurance in which the salvage is disposed by the insurance company once the claim is settled. It is not applicable in case of life insurance contracts.

Hence, option D is correct.

- 73.** Web Aggregators are licensed by IRDAI in order to promote and sell insurance policies in India. Such web aggregators are required to have minimum net worth of Rs 25 lakhs as per the IRDAI Regulations 2017. These companies mainly function as the lead generators for the insurance companies. IRDAI requires that these aggregators submit a certificate of compliance at the end of each financial year duly certified by its Principal Officer without fail otherwise the registration of such companies gets cancelled.

Hence, option C is correct.

- 74.** The IMFs can solicit business for two life insurance companies, two general insurance companies and two health insurance companies at one point of time, under intimation to the regulator. Any change in the names of the companies will have to be carried out with the prior approval of the regulator i.e. IRDAI only. The capital requirement to start IMF is now Rs 10 lakhs and the main objective is to increase the insurance penetration in the country.

Hence, option C is correct.

- 75.** The TPAs are mainly related to the health insurance segment in India. The TPAs should have minimum working capital of Rs 1 Crore at all points of time during the course of their business. The license is granted by IRDAI for 3 years and one of the members of the TPA should be a doctor registered with the Medical Council of India. The maximum FDI allowed is 49% in these companies whereas any transfer of 5% paid up equity capital should be intimated by the TPA to the IRDAI without fail.

Hence, option A is correct.

- 76.** The Comprehensive Car Insurance Policy is given to a person who wants to cover his vehicle against any kind of damage that may happen to the car including third party liability. The premium rates are high in this class of business and it covers the vehicle against theft, sabotage, fire, natural calamity etc.

The Act Only Policy is provided if there is only third party liability. It is practically the insurance cover based on the legal requirement under the Motor Vehicles Act 1988.

Hence, option B is correct.

- 77.** A Travel Insurance is opted for to cover for any financial liability arising out of medical or non-medical situations while travelling within or outside the country. It will cover delayed flights, hijacking, loss of baggage, emergency medical expenses etc. It can be taken for a single trip or for annual multiple trips.

Hence, option E is correct.

- 78.** Time Insurance Plan is provided for a definite time period, generally, one year. It is mainly concerned with the marine hull rather than marine cargo.

The Voyage Policy is applicable for a single trip only and the coverage ceases once the journey comes to an end.

The Valued Policy pays a fixed sum in case of loss unless there is any fraud detected. This amount is decided mutually by the insured and the insurer.

The Port Risk Policy covers for any kind of loss to the marine hull and the marine cargo when the same is anchored at a port.

Hence, option C is correct.

- 79.** Trade Credit Insurance is defined as a risk management tool against the risk that emanates from the problem of defaults in payment in case of delivery of goods and services. It generally covers an agreed portion of the invoice that may have left unpaid due to various reasons such as default, political issues etc. It covers a section of buyers mainly.

Hence, option B is correct.

- 80.** The Crop Insurance is applicable to the farmers against the risk of uncertain production or any kind of loss in revenue from sales in a particular year. The Crop Yield Cover is applicable to the uncertainty in production by way of volume generation whereas the Crop Revenue Cover is meant for covering against the loss of revenue due to sales forecast gone wrong or other market mechanisms.

Hence, option D is correct.

- 81.** In 1912, The Indian Life Assurance Companies Act was passed in order to regulate the life insurance business in India. It was the first ever such legislation in the country. The government started publishing the returns of the insurance companies officially from the year 1914. This brought more clarity regarding the business of such companies in the country.

Hence, option A is correct.

- 82.** The Indian Insurance Companies Act was passed in the year 1928. It enabled the government to collect statistical information regarding all the life and non-life companies transacting business in India. It also included all the provident insurance societies operating in India. This ensured more compliance regarding the insurance industry in India.

Hence, option B is correct.

- 83.** The Life Insurance Corporation of India was established in the year 1956 with the enactment of the LIC Act 1956. It was formed merging 154 Indian, 16 non-Indian and 75 provident societies then operating in India. In total, 245 Indian and foreign insurance companies were merged to form LIC. It is the only public sector life insurance company in India and is based in Mumbai, Maharashtra.

Hence, option C is correct.

- 84.** The general insurance business mainly had its roots in the industrialization in the western countries that had given rise to the marine insurance business. The first ever general insurance company in India was established in 1850 by the name of Triton Insurance Company Ltd. It was based in Calcutta and was established by the British. Indian Mercantile Insurance Limited, started in 1907, became the first ever general insurance company in India to conduct all classes of general insurance business.

Hence, option B is correct.

- 85.** General Insurance Council was set up in 1957, as a part of the Insurance Association of India, in order to make sure that fair business practices are being followed in the general insurance industry in India.

Similarly, Life Insurance Council is also there to oversee the life insurance industry in India. National Insurance Academy was established in 1982 in Pune to make sure that the training and education purposes for the insurance industry are met properly. Insurance Institute of India was set up in 1955 in Mumbai for imparting insurance training in India.

Hence, option D is correct.

- 86.** The Insurance Act 1938 is the oldest insurance legislation in India that is still in force. It was amended in the year 1968 to regulate the investment of the insurance companies and also to set minimum solvency margin for the operating companies.

Hence, option C is correct.

- 87.** The General Insurance Business (Nationalization) Act 1972 was passed in India in order to nationalize all the general insurance business in India. In this, 107 general insurance companies have been merged into four companies – United India Insurance Company Limited, National Insurance Company Limited, Oriental Insurance Company Limited and New India Assurance Company Limited. General Insurance Corporation of India was made the holding company for all these four companies.

Hence, option A is correct.

- 88.** The General Insurance Corporation of India was the holding company for all the four public sector general insurance companies in India. In 2000, these subsidiaries of the GIC were made into independent entities and GIC was made the national re-insurer. The Parliament passed a bill de-linking the four subsidiaries of the GIC in 2002.

Hence, option D is correct.

- 89.** The FDI in the insurance sector was implemented in the year 2000 as the Indian insurance market was opened for the foreign players by IRDAI that year. The maximum shareholding permissible was 26% stake in any Indian insurance company. Later the government amended it to allow 49% FDI in the insurance sector in 2014.

Hence, option A is correct.

- 90.** National Insurance Company Limited is the oldest public sector insurance company in India. It was established in 1906 and is still in business. It is based in Kolkata.

Life Insurance Corporation of India came into being in 1956. It is based in Mumbai. Oriental Insurance Company Limited came into existence in 1947. It is based in New Delhi.

New India Assurance Company Limited was set up in 1919. It is based in Mumbai.

Hence, option B is correct.

91. Actuarial Science is that branch of study of science which utilizes mathematical and statistical methods in order to assess the risks associated with insurance, finance, investment banking etc. The person who is proficient in this and is employed by the insurance companies to decide the magnitude of risk associated and the premium is decided accordingly.

Hence, option A is correct.

92. If an insurance policy ceases to exist because of non-payment of premium on time, it is a lapsed policy. A policy lapses if the premium is not paid within the grace period also. It can be revived by payment of premium and penalty as decided by the insurer.

Hence, option A is correct.

93. Paid-up policy is such that the policyholder has stopped the payment of premium and the insurer pays only a reduced value if the policyholder surrenders a paid-up policy. It is to be noted that a policy can only be considered as a paid-up policy after three continuous years of payment of premium to the insurance company.

Hence, option D is correct.

94. If any loss is because of chance and not for the intention of anybody the same is known as fortuitous loss. Insurance policies cover against any loss that is accidental and the insured is not in control of the cause of such accident.

Hence, option C is correct.

95. Loss reserves are maintained by the insurers in order to make sure that the future losses reported to the company are taken care of. These reserves comprise of liquid assets, and they allow the insurer to cover against claims in policies underwritten by the insurer.

Hence, option B is correct.

96. ALOP stands for Advance Loss of Profit. It refers to a clause in the fire insurance policy by which the insurer will cover against the losses due to the incident of fire along with the loss due to business interruption. Additional premium is paid for opting for the ALOP cover.

Hence, option A is correct.

97. LAE stands for Loss Adjustment Expenses. These are the expenses incurred by the insurer in order to investigate and settle a claim. If such expenses are allocated to a single claim they are known as Allocated LAE whereas for such expenses not allocated to a single claim are the Unallocated Loss Adjustment Expenses.

Hence, option B is correct.

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98. IDV stands for Insured Declared Value and it is mainly applicable to the motor insurance policies issued by the insurers. It is the maximum sum assured payable in case of theft or loss to the vehicle and it is decided by the insurer. This amount is payable on total loss reported by the insured to the insurance company.

Hence, option B is correct.

99. The Combined Additional Coverage refers to an absolute auto physical damage coverage term used to refer to hazards other than fire and theft. It is actually an additional cover other than fire and theft by payment of additional premium.

Hence, option B is correct.

100. The Combined Single Limit is defined as the predetermined single number for the combined total of the bodily injury liability coverage and Property Damage Liability coverage per accident per occurrence. Since these policies offer a wider coverage the premium charged is higher than the normal policies.

Hence, option B is correct.



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