

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BVoc DEGREE EXAMINATION MAY 2022
(Sixth Semester)

Branch – BANKING, STOCK AND INSURANCE

LIFE INSURANCE

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (10 x 1 = 10)

1. Life Insurance Corporation Act was enacted in the year.
(i) 1956 (ii) 1930 (iii) 1857 (iv) 1872
2. The Life Insurance premium is lowest for
(i) Term Insurance (ii) Whole life policy
(iii) Money back policy (iv) Endowment policy
3. A Life Insurance contract is based on
(i) Completed proposal form and personal statement made before the doctor
(ii) Proposal form and medical report
(iii) Proposal form and Agents report
(iv) Economic value of assets
4. When does a policy lapse?
(i) No premium paid (ii) Sickness
(iii) Address change (iv) Leaving the city
5. Which of the following is a children's policy of LIC?
(i) Jeevan chaaya (ii) Jeevan Vishwas plan
(iii) Jeevan Sathi Plan (iv) Jeevan shree
6. Term assurance provides the following benefits.
(i) Death benefits with bonus
(ii) Periodic payment at predictable intervals
(iii) Death and survival benefits
(iv) Death benefits if the person dies with in term.
7. Risk of premature death is a _____.
(i) Personal risk (ii) Financial risk
(iii) Property risk (iv) Liability risk
8. The term 'Surrender value' is exclusively applicable only for _____.
(i) Health Insurance (ii) Rural Insurance
(iii) Life Insurance (iv) Marine Insurance
9. In a life insurance policy the amount stated in the contract that is payable as a death benefit when the insured dies is called _____.
(i) Withdrawal amount (ii) Face amount
(iii) Supplementary benefit (iv) Bonus option

Cont...

10. The percentage of profit of Life business be distributed to policy holders is ____.
- (i)95% (ii)100% (iii)50% (iv)40%

SECTION - B (35 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 7 = 35)

11. a) What is life insurance? What are its characteristic?
(OR)
b) Explain the fundamental principles of life insurance.
12. a) Distinguish between nomination and assignment.
(OR)
b) Explain briefly loan-cum-revival scheme.
13. a) What are the different types of whole life policies?
(OR)
b) What are the different types of group insurance schemes?
14. a) Discuss the methods of treating sub-standard risks.
(OR)
b) How to compute the surrender value of life policy?
15. a) Explain the various methods of distribution of divisible surplus.
(OR)
b) Explain in the steps involved in settlement of maturity claims in life insurance.

SECTION - C (30 Marks)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 10 = 30)

16. Explain the role of insurers in developing Indian Economy.
17. Explain the procedure of revival of lapsed policies.
18. Explain the various types of special policies offered by LIC.
19. Discuss the factors to that are be considered for selection of risk.
20. Discuss the procedure to be followed in settlement of death claim in life insurance.

Z-Z-Z

END