Roll No. | | | | | | | |

**Series SHC** **Code No. 185**

- Please check that this question paper contains 2 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.

# PRINCIPLES AND PRACTICES OF LIFE INSURANCE (Theory) Paper I

*Time allowed : 3 hours* *Maximum Marks: 80*

***Instructions :*** *Attempt* ***all*** *questions.*

**1.** Premium based on Mortality, Interest and Expenses of Management is called _____ Premium. (Fill in blank) 1

**2.** Hazards peculiar to the person himself is called _____ hazard. (Fill in blank) 1

**3.** What is premium ceasing age under Non-Medical (General) Scheme ? 1

**4.** Money-Back Plan is not allowed under Non-Medical (General) Scheme. (State True or False)

**5.** Mention the name of opening paragraph introducing the life policy document. 1

**6.** Distribution of surplus in a life policy is called _____. (Fill in the blank with the correct option out of (a) Dividend (b) Bonus) 1

**7.** Describe briefly the features of 'Guaranteed Annuities'. 2

**8.** Narrate what is meant by 'Coagulation time'. 2

**9.** Name the various forms/reports which form the basis of selecting a life for life insurance. 2

**10.** State clearly the relevance of 'Personal History' of life proposed in life insurance underwriting. 2

**11.** Name the two basic plans which go into the formation of any normal life insurance plan. 2

| | | |
|---|---|---|
| **12.** | Distinguish between Surrender value and Guaranteed Surrender value. | 2 |
| **13.** | Explain the concept of 'Interim Bonus' | 2 |
| **14.** | Distinguish between Conditional Assignment and Absolute Assignment. | 2 |
| **15.** | Describe the need covered by a convertible whole life policy. | 2 |
| **16.** | Although LIC has granted a series of relaxations, yet some restrictions still continue. Mention any two such restrictions. | 2 |
| **17.** | Briefly describe 'DAYS of GRACE' for payment of Renewal Premiums. | 2 |
| **18.** | How does jaundice occur and to which part of the body does it relate ? | 2 |
| **19.** | Discuss Mortality Loading in context with computation of life insurance premiums. | 3 |
| **20.** | Explain as to what you understand by Uniform (Level) Premium System. | 3 |
| **21.** | State effect on mortality in case of impairments of urinary tract. | 3 |
| **22.** | Mention special cavities in which the important organs of the body are contained. | 3 |
| **23.** | Why is a cautious view needed for underwriting a proposal on the life of females ? | 3 |
| **24.** | Differentiate between 'Preamble' and 'Proviso' in a policy document. | 3 |
| **25.** | Give salient features of 'Mortgage Redemption' Assurance. | 3 |
| **26.** | Give salient features of 20 years term — Money Back Plan. | 3 |
| **27.** | Describe in brief as to why the need for Retirement Annuity is being felt. | 3 |
| **28.** | Explain the three types of extra hazards associated with occupational risks. | 3 |
| **29.** | Explain how the different factors for computing the premiums can become the source of SURPLUS in life insurance. | 5 |
| **30.** | What is Maturity claim ? State the main requirements for settlement of Maturity claims. | 5 |
| **31.** | Describe the situations under which moral hazard can be suspected. | 5 |
| **32.** | Why does LIC insist on submission of age proof along with proposals ? Explain fully. | 5 |