



Insurance Awareness PDF  
for NICL AO 2017 Exam



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**Insurance-** Insurance is a contract by which risks or loss or damage is shifted to another party called insurer on the payment of a charge (by the party insured) known as premium.

The Insurance Company is known as insurer and the person or party getting the insurance is called insured.

**Life Insurance-** Life insurance policies pay a lump sum amount to the beneficiaries of the policyholder upon his death.

**General Insurance-** All other insurance apart from life insurance like Health and property insurance come under general insurance.

## **History of Insurance in India**

*(Text in Red denotes General Insurance)*

**1818-** Life Insurance came to India from England in 1818. Oriental Life Insurance Company was started by Europeans in Calcutta.

**1850-** The General insurance business in India, on the other hand, can trace its roots to the Triton Insurance Company Ltd., the first general insurance company established in the year 1850 in Calcutta by the British.

**1870-** Bombay Mutual Life Assurance Society was the first Indian Life Insurance Company on Indian soil

**1907-** The Indian Mercantile Insurance Ltd. set up, the first company to transact all classes of general insurance business.

***Prior to 1912 India had no legislation to regulate insurance business.***

**1912-** Life Insurance Companies Act, 1912 was passed, which made it necessary that the premium rate tables and periodic valuations of companies should be certified by an actuary. But this Act discriminated between Foreign and Indian Companies, putting the Indian Companies at a disadvantage.

**1938-** The Insurance Act, 1938 was the first legislation governing both life insurance and non-life insurance. The act contains provisions regarding licensing of agents and their remunerations, prohibition of rebates and protection of policyholders interest, use of funds and pattern of investment.

***The demand for nationalization of life insurance industry gathered momentum in 1944 when a bill to amend the Life Insurance Act, 1938 was introduced in the Legislative Assembly.***

***But it was much later on 19<sup>th</sup> January 1956, that Life Insurance in India was nationalized.***

**1956-** On 19<sup>th</sup> January 1956, Life Insurance in India was nationalized with a capital contribution of Rs. 5 crore from Government of India. About 154 Indian Insurance Companies, 16 non-Indian Companies and 75 Provident were operating in India at the time of nationalization. (Total- 245)

***The parliament of India passed the Life Insurance Corporation Act on 19<sup>th</sup> June, 1956 and then the Life Insurance Corporation of India was created on 1<sup>st</sup> September, 1956.***

**1957-** General Insurance Council, a wing of the Insurance Association of India, frames a code of conduct for ensuring fair conduct and sound business practices.

**1968-** The Insurance Act amended to regulate investments and set minimum solvency margins and the Tariff Advisory Committee set up.

**1972 and 1973-**

With the passing of General Insurance Business (Nationalization) Act, 1972 [GIBNA] General Insurance Business in India was nationalized with effect from **1 January 1973**. General Insurance Corporation of India (GIC) was formed in pursuance of Section 9(1) of GIBNA. It was incorporated on 22 November 1972 under the Companies Act, 1956 as a private company limited by shares. As soon as GIC was formed, GOI transferred all the shares it held of the general insurance companies to GIC. After a process of mergers among Indian insurance companies, four companies were left as fully owned subsidiary companies of GIC:

- National Insurance Company Limited.
- The New India Assurance Company Limited.
- The Oriental Insurance Company Limited.
- United India Insurance Company Limited

In **2000**, when IRDA Act came into force, GIBNA and the Insurance Act, 1938 were amended. An amendment to GIBNA removed the exclusive privilege of GIC and its subsidiaries carrying on general insurance in India. In November 2000, GIC was renotified as the Indian Reinsurer and through administrative instruction, its supervisory role over the four subsidiaries was ended. With the General Insurance Business (Nationalisation) Amendment Act 2002 (40 of 2002) coming into force from March 21, 2003; GIC ceased to be a holding company of its subsidiaries. The ownership of the four erstwhile subsidiary companies and also of the General Insurance Corporation of India was vested with Government of India. GIC Re is a wholly owned company of Government of India.

**1993-** Malhotra Committee- Government of India set up a committee in 1993 under the chairmanship of R.N. Malhotra (former governor of RBI), to propose recommendation for initiation and implementation of reforms in the Indian Insurance Sector.

The committee submitted its report in 1994 wherein it was recommended that the private sector should be permitted to enter the Indian Insurance Sector and also participation of foreign companies.

**1999-** Following the recommendation of the Malhotra Committee, the Insurance Regulatory and Development Authority (IRDA) Act, 1999 was passed by the Indian Government.

**IRDA was formed on 19<sup>th</sup> April, 2000.**

The IRDA opened up the Indian Insurance market in August 2000 by inviting applications for registration. Foreign companies were allowed entry with FDI limit 26% at that time. [At present the FDI limit in Insurance Sector is 49%- Automatic Route]

The IRDA has been granted the power to frame regulations under Section 114A of the Insurance Act, 1938.

## **Insurance Regulatory and Development Authority of India (IRDAI) – Regulator of Insurance Sector in India**

The Insurance Regulatory and Development Authority of India (IRDAI) is an autonomous, statutory agency tasked with regulating and promoting the insurance and re-insurance industries in India. Formed on 19<sup>th</sup> April, 2000.

Headquarters- Hyderabad, Telangana (Moved from Delhi in 2001)

IRDAI is a 10 member body consisting of



- Chairman – Presently Mr.T.S.Vijayan (As on 14 June, 2017)
- 5 whole time member
- 4 part time member

## Types of Life Insurance Policies

**Term Plan/ Term Life Insurance-** Term Insurance is an insurance product which offers protection cover for a specific number of years. During this term, if the policy holder dies, then his family is entitled to receive a death benefit in terms of a pre-determined lump sum amount. However in case the insured survives the policy term then nothing is payable at the time of termination. Term plan is a PURE RISK COVERAGE PLAN.

**Whole Life Policy-** The policyholder pays regular premiums until his death, upon which the corpus is paid out to the family. Unlike term insurance in which has a specific termination period irrespective of the death of the insured person, the Whole Life Policy gets terminated only when the insured person dies.

**Endowment Plans-** It is an insurance product which is a combination of Protection Plan and Saving Plan. In case of insured demise before the policy period (termination/maturity period of policy) the sum assured and the accumulated bonuses are paid to the nominee. In case the insured survives till the end of term, he will receive the sum assured and the accumulated bonuses as declared by the company. Premium of such policies are much higher as compared to term plans. Note: Bonus is not guaranteed, they are paid only when insurance company is making profit.

**ULIP- Unit Linked Insurance Plans-** ULIP is a life insurance product, which provides risk cover for the policy holder along with investment options to invest in any number of qualified investments. As the name suggests, performance of ULIP is linked to markets. Individuals can choose the allocation for investments in stock/debt markets. The value of the investment portfolio is captured by the NAV (net asset value). To that end, there are many similarities between ULIPs and mutual funds. ULIPs differ in one area, they are a combination of investment and insurance, while mutual funds are a pure investment avenue.

**Money back policy-** A money back policy is a variant of the endowment plan. It gives periodic payments over the policy term. To that end, a portion of the sum assured is paid out at regular intervals. If the policy holder survives the term, he gets the balance sum assured. In case of death over the policy term, the beneficiary gets the full sum assured.

## Types of General Insurance

1. **Medical and Health insurance-** Treatment or Hospitalization of individual or family. (Minimum paid up capital of health insurance - Rs 100 crore)

### **Types of Health Insurance:**

- Individual Policy – For an individual
- Family Floater Policy- For complete family health protection in a single plan
- Surgery Cover- Specifically designed for surgeries
- Comprehensive Health Insurance- add-on covers, special benefit covers such as maternity benefits and dental treatments, fulfills all the healthcare needs and ensures complete peace of mind, regardless of the situation of life you are in.
- Personal Accident



- Hospital Daily cash Allowance
  - Critical Illness
2. **Motor Insurance**- Motor insurance covers all damages and liability to a vehicle against various on-road and off-road emergencies  
Common motor insurance categories include:
- Car Insurance
  - Two Wheeler Insurance
  - Commercial Vehicle Insurance
3. **Travel Insurance**- These are designed for medical eventualities, and non-medical contingencies such as loss of baggage, trip delay and other incidental expenses that can arise on a trip abroad. Travel Insurance can cover the risks like: Personal accident, medical-related expenses, loss of travel or accommodation expenses due to cancellation or curtailment of the journey, losing your baggage, belongings and money, losing your passport, personal liability, delayed baggage, travel delays, hijacking, repatriation.  
Different types of travel insurance policies include:
- Individual Travel Policy
  - Family Travel Policy
  - Student Travel Insurance
  - Senior Citizens Travel Policy
  - Corporate travel policy
4. **Home Insurance**- Home insurance protects the house and/or the contents in it, depending on the scope of insurance policy opted for. It secures the home against natural calamities and man-made disasters and threats. Home insurance provides protection against risks and damages from fire, burglary, theft, flood, earthquakes etc. covering the physical asset (building structure) and valuables (contents) in it.
5. **Marine/Cargo Insurance**- Marine cargo insurance covers goods, freight, cargo and other interests against loss or damage during transit by rail, road, sea and/or air.
6. **Commercial Insurance**- It is specifically designed for industries. It covers small and medium scale enterprises, large corporations as well as multinational companies.  
Common types of commercial insurance:
- Property Insurance
  - Marine Insurance
  - Liability Insurance
  - Financial Lines Insurance
  - Engineering Insurance
  - Energy Insurance
  - Employee Benefits Insurance



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### Other Types of General Insurance:

- Property Insurance
- Personal Accident
- Corporate Insurance
- Commercial Insurance
- Fire Insurance
- Crop Insurance

### Terms related to Insurance

1. **Banc-assurance**- Selling of insurance products through banks.
2. **Actuary**- A person with expertise in field of economics, statistics and mathematics, who helps in risk assessment and estimation of premium etc. for an insurance business.
3. **Premium**- An insurance premium is the amount of money that an individual or business must pay for an insurance policy. It is the financial cost of obtaining an insurance cover, paid as a lump sum or in installments during the duration of the policy.
4. **Mortality Charge**- is the actual cost of insuring a life in an insurance policy. Mortality charge is a part of life insurance premium.
5. **Lapse in insurance**- it is the termination of all the benefits of the insurance policy to the policy holder due to the non-payment of premium amount on due date or even after the grace period or if the terms on the policy is breached.
6. **Surrender Value**- It is the amount the policy holder will get from the insurance company if he exits the policy before maturity, but after payment of premium for full three years.
7. **Paid up Value**- If the policy holder stops paying the premium, but does not withdraws the money from his policy, the policy is said to be paid up. The sum assured is reduced proportionately depending on when the policyholder stopped paying the premium. At the end of the term i.e on maturity the policyholder receives the amount called paid up value. But the policy holder should have paid the premium for minimum 3 years.
8. **Policy not in Force**- When a policy has lapsed due to non-payment of premium then it is termed as Policy not in force.
9. **Annuity**- An annuity is an insurance product that pays out income to the holder at specified intervals usually after retirement.
10. **AD&D**- Accidental Death & Dismemberment – It is a policy that pays benefits to the beneficiary if the cause of death is an accident. Fractional amount of the policy will be paid if covered member loses a body part or sight due to accident.
11. **Re-insurance**- It is an insurance that an insurance company buys for its own protection. General Insurance Company (GIC Re) is the sole re-insurance company in India.
12. **Lapse Ratio**- It is the ratio of the number of life insurance policy that lapsed within a given period to the number of policy in Force at beginning of that period.
13. **Agent**- An individual who sells and services insurance policies
14. **Claim**- A demand made by the insured, or the insured's beneficiary, for payment of the benefits as provided by the policy.
15. **Commission**-it is the Fee paid to an agent or insurance salesperson as a percentage of the policy premium.



16. **Waiting period**- This is the period of time that must pass before your cover comes into effect. During this time you are unable to claim. For example, if you have a waiting period applied for spinal injuries, you would be unable to claim for this condition until the waiting period had passed. This is to prevent people applying for cover when they know that they are likely to claim in the near future.
17. **Grace Period**- The length of time (usually 31 days) after a premium is due and unpaid during which the policy, including all riders, remains in force. If a premium is paid during the grace period, the premium is considered to have been paid on time.
18. **Indemnity insurance**- is an insurance policy designed to protect professionals and business owners when they are found to be at fault for a specific event such as misjudgment.
19. **Claimant**- A person who makes an insurance claim
20. **Penetration Rate**- indicates the level of development of insurance sector in a country. It is around 4% in India
21. **Vesting date**- it is the date from which the annuity holder starts receiving the policy benefits of a regular stream of income.
22. **Double insurance**- Situation in which the same risk is insured by two overlapping but independent insurance policies. It is lawful to obtain double insurance, and the insured can make claim to both insurers in the event of a loss because both are liable under their respective policies. However- The implications of double insurance are different in fire and marine insurance. When a person purchases two or more policies for his property, he cannot claim the same amount as that of loss from different companies. He will be able to claim only total loss from one or more companies. The loss will be contributed by the insurance companies in proportion to the policies issued by them.
23. **Underwrite**- sign and accept liability under (an insurance policy), thus guaranteeing payment in case loss or damage occurs
24. **Underwriter**- a person or company that underwrites an insurance risk.
25. **Allowable charge**- Allowable charge is applicable mainly for health based insurances. The allowable amount is the permissible amount that an insurer can claim for particular medical services from his health insurance provider.
26. **Appointee**- Appointee is a person who acts as a care taker of the policy benefits for the nominee until he attains the age of 18 years.
27. **Lock-in period**- Certain insurance policies also come with investment benefits. These dual benefit insurance policies have a condition of lock-in period. According to this, during the lock-in period, investor/insurer is not allowed to withdraw the invested amount.
28. **Nominee**- Nominee refers to the person who is entitled to receive the policy benefits in the situation when policy owner meets an unforeseen event and dies.
29. **Regular premium**- Regular premium is the amount that the insurer pays to the insurance company on a regular basis as specified in the insurance terms & conditions.
30. **Single premium**- Single premium is the one-time payment to be paid to insurance provider as specified in the policy terms before the plan commencement date.
31. **Sum assured**- Sum assured is the promised amount of money (as specified in the policy plan) that insurance providers pays to the insurer upon maturity or unforeseen occurrence.
32. **Arson**- The willful and malicious burning of property, often with criminal intent.
33. **Assignment**- The legal transfer of one person's interest in an insurance policy to another person.
34. **Claims Cohort**- A group of claims with a common period of origin. The period is usually a calendar year, but may be shorter. The origin may be defined by the date of the occurrence of claim or alternatively by the date of reporting.
35. **Co-insurance**- A means of spreading the risk on larger insurances between two or more direct insurers.



36. **Compulsory Insurance**- Any form of insurance which is required by law. e.g. Motor third party insurance, Public Liability Act Insurance.
37. **Crop-Hail insurance**- Protection against damage to growing crops as a result of named perils.
38. **Earned Premium**- Premium for which protection has been provided. When a premium is paid in advance for a policy period, the company 'earns' a portion of that premium only as time elapses during that period.
39. **Estimated Maximum Loss (EML)**- An expression used in fire, explosion and material damage policies only. An estimate of the monetary loss which could be sustained by insurers on a single risk as a result of a single fire or explosion considered by the underwriter to be within the realms of possibility.
40. **Floater Policy**- A policy under the terms of which protection follows moveable property, covering it wherever it may be.
41. **Group insurance**- Any insurance plan under which a number of employees and their dependants are insured under a single policy, issued to their employer, with individual certificates given to each insured employee; the most commonly written lines are life and accident and health
42. **Hail Insurance**- Form of insurance that protects against loss of crops from hail.
43. **Indemnification**- Compensation to the victim of a loss, in whole or in part, by payment, repair, or replacement
44. **Indemnify**- Legal principle that specifies an insured should not collect more than the actual cash value of a loss but should be restored to approximately the same financial position as existed before the loss.
45. **Jewelers Block Insurance**- An all risk insurance contract that provides jewelers with coverage to losses, which they would be exposed.
46. **Key-Person Insurance**- Insurance designed to protect a business firm against the loss of income resulting from the death or disability of a key employee.
47. **No-Fault**- A no fault insurance claim, sometimes called a Personal Injury Protection claim (or PIP claim), is one you make against your own automobile insurer for payment of medical bills and lost earnings under your state's no fault laws.
48. **Package Policy**- A combination of two or more individual policies into a single policy. A householders policy, for example, is a package policy.
49. **Self-Insurance**- Self-insure is a method of managing risk by setting aside a pool of money to be used if an unexpected loss occurs. A form of risk financing through which a firm assumes all or a part of its own losses.
50. **Under-insurance**- The situation where the Sum Insured is less than the total value of property at risk.
51. **Unearned premium**- That portion of the original premium for which protection has not yet been provided because the policy still has some time to run before expiration.
52. **Uninsurable Risk**- Risks not acceptable for insurance due to excessive risk.

### **Brief Introduction of Insurance Companies in India**

- ❖ Total number of insurance companies = 53
- ❖ Total number of life Insurance companies= 24
- ❖ Total number of non- life insurance companies= 29
- ❖ Total number of public sector life insurance company- 1 [LIC]
- ❖ Total number of public sector non- life insurance companies- 6
  - The New India Assurance Company Limited
  - United India Insurance Company Limited
  - The Oriental Insurance Company Limited





- National Insurance Company Limited
  - Agriculture insurance company of India limited
  - ECGC Ltd. (Formerly Export Credit Guarantee Corporation of India Ltd.)
- ❖ In addition to these, there is sole national re-insurer, namely, General Insurance Corporation of India (GIC Re). For re-insurance business the minimum paid-up capital will be Rs 200 crore

### **Brief Information about Public Sector Insurance Companies in India**

Company	Type	Formed	Nationalized	Headquarters	Extra Info	Key Person*
Life Insurance Corporation of India (LIC)	Life Insurance Company	1956	1956	Mumbai	Slogan- Yogakshemam Vahamyaham	V.K. Sharma (Chairman)
The New India Assurance Company Limited (NIACL)	General Insurance	1919	1973	Mumbai	Founded by Sir Dorabji Tata Operating in 28 countires	G. Srinivasan (CMD)
United India Insurance Company Limited	General Insurance	1938	1973	Chennai	12 Indian insurance companies, four co-operative insurance societies, five foreign insurers with Indian operations, and the general insurance operations of the southern region of Life Insurance Corporation of India were merged with United India Insurance Company, Limited to form the company.	Madnesh Kumar Mishra Joint Secretary,DFS,M OF,GOI
The Oriental Insurance Company Limited	General Insurance	1947	1973	New Delhi	The Company has overseas operations in Nepal, Kuwait and Dubai.	A V Girija Kumar (CMD)
National Insurance Company Limited (NICTL)	General Insurance	1906	1973	Kolkata	1998 offices all over India including operations in Nepal, National Insurance stands tall today as India's 2nd largest non life insurers as measured by its gross direct written premiums (GDWP).	Shri K Sanath Kumar (CMD)
Agriculture	General	Incorporatio	-	New Delhi	Authorised Share	Smt. Alamelu T.



insurance company of India limited	Insurance	n – 20 Dec 2002 Commencement of Business - 1 April, 2003			Capital - Rs. 1500 Crores Paid-up Share Capital - Rs. 200 Crores	Lakshmanachari (CMD)
ECGC Ltd.	General Insurance	1957	-	Mumbai	Government of India had initially set up Export Risks Insurance Corporation (ERIC) in July 1957. It was transformed into Export Credit and Guarantee Corporation Limited (ECGC) in 1964 and to Export Credit Corporation of India in 1983.	Smt. Geetha Muralidhar (CMD)
General Insurance Corporation of India (GIC Re).	Re-Insurance Company	1972	-	Mumbai	GIC of India (GIC Re) was the sole reinsurance company in the Indian insurance market with over four decades of experience until the insurance market was open to foreign reinsurance players by late 2016 including companies from Germany, Switzerland and France.	Mrs Alice G Vaidyan (CMD)

(\* - Data as on June 15, 2017)

#### Agriculture insurance company of India limited - Promoters (Share Holding)

- ❖ General Insurance Corporation of India - 35 %
- ❖ National Bank for Agriculture And Rural Development (NABARD) - 30 %
- ❖ National Insurance Company Limited - 8.75 %
- ❖ The New India Assurance Company Limited - 8.75 %
- ❖ The Oriental Insurance Company Limited - 8.75 %
- ❖ United India Insurance Company Limited - 8.75 %



## **IRDA Ombudsman**

There are at present 17 Insurance Ombudsman in different locations . Award compensation not exceeding Rs 30 lakhs. The Insurer shall comply with the Award within 30 days from the date of receipt of the Award and intimate of its compliance to the Insurance Ombudsman.

## **Government Initiatives**

The Union Budget of 2017-18 has made the following provisions for the Insurance Sector:

- The Budget has made provisions for paying huge subsidies in the premiums of Pradhan Mantri Fasal Bima Yojana (PMFBY) and the number of beneficiaries will increase to 50 per cent in the next two years from the present level of 20 per cent. As part of PMFBY, Rs 9,000 crore (US\$ 1.35 billion) has been allocated for crop insurance in 2017-18.
- By providing tax relief to citizens earning up to Rs 5 lakh (US\$ 7500), the government will be able to increase the number of taxpayers. Life insurers will be able to sell them insurance products, to further reduce their tax burden in future. As many of these people were understating their incomes, they were not able to get adequate insurance cover.

The Government of India has taken a number of initiatives to boost the insurance industry. Some of them are as follows:

- The Union Cabinet has approved the public listing of five Government-owned general insurance companies and reducing the Government's stake to 75 per cent from 100 per cent, which is expected to bring higher levels of transparency and accountability, and enable the companies to raise resources from the capital market to meet their fund requirements.
- The Insurance Regulatory and Development Authority of India (IRDAI) plans to issue redesigned initial public offering (IPO) guidelines for insurance companies in India, which are to looking to divest equity through the IPO route.
- IRDAI has allowed insurers to invest up to 10 per cent in additional tier 1 (AT1) bonds, that are issued by banks to augment their tier 1 capital, in order to expand the pool of eligible investors for the banks.
- The Government of Assam has launched the Atal-Amrit Abhiyan health insurance scheme, which would offer comprehensive coverage for six disease groups to below-poverty line (BPL) and above-poverty line (APL) families, with annual income below Rs 500,000 (US\$ 7,500).
- IRDAI has given initial approval to open branches in India to Switzerland-based Swiss Re, French-based Scor SE, and two Germany-based reinsurers namely, Hannover Re and Munich Re.

## **Insurance in News (January 2017 - June 2017)**

1. The Insurance Regulatory and Development Authority of India (IRDAI) has taken over the administration of Sahara India Life Insurance, a first of its kind move in the insurance sector. It has named RK Sharma, General Manager, IRDAI, as administrator to manage the affairs of the insurer. The administrator will act as per the powers and duties and applicable provisions under the Insurance Act, 1938.
2. Anurag Rastogi -Committee to examine the current insurance product structure for cover against fire and allied perils.



3. General insurance industry grew 16 per cent to Rs 12,206 crore in April, 2017 in terms of gross written premium (GWP) collection.
4. Insurance Regulatory and Development Authority of India (Irdai) has raised objections to the merger between HDFC Standard Life and Max Life Insurance. The process of the merger and the terms will need to be reworked.
5. Fairfax to back general insurance startup Digit- Canada-based billionaire Prem Watsa's Fairfax Holdings is promoting a techdriven startup general insurance company — Digit.
6. 'Skill for Life, Save a Life' initiative launched by Ministry of Health and Family Welfare to upscale the quantity and quality of trained professionals in the healthcare system.
7. The Rajasthan government has raised the insurance amount by Rs. 1 lakh in the present fiscal year in the 'Raj Sahakar Personal Accident Insurance Scheme' targeted to cover more than 25 lakh farmers
8. Aviva Heart Care, '2 Hearts, 1 Plan' – is a unique joint coverage policy for couples has been voted Product of the Year 2017, for product innovation in the insurance category.
9. HDFC Life Insurance launched automated email reply bot named SPOK
10. M Ramaprasad Committee- to conduct a comprehensive reinsurance framework review. (17 member)
11. The Insurance Regulatory and Development Authority of India (IRDAI) has increased rates by up to 41 per cent across various categories of vehicles.
12. Insurance regulator Irdai has launched a web portal for insurers that will allow them to register and sell policies online. The portal—[isnp.irda.gov.in](http://isnp.irda.gov.in)—is also open to intermediaries in insurance business
13. Irdai forms actuary panels for life, general insurers- The tenure of each panel will be for a period of three years from 1 April 2017 to 31 March 2020. Panel for general Insurance has 9 members while that if Life Insurance has 4 members.
14. The Insurance Regulatory and Development Authority of India (Irdai) has allowed insurers to be part of the Joint Lenders' Forum (JLF), formed under Reserve Bank of India (RBI) guidelines for loan accounts that could turn non-performing assets (NPAs).
15. ICICI Lombard may be first private general insurer to go public this year - ICICI Lombard is a joint venture between ICICI Bank and Canada-based Fairfax Financial Holdings.
16. India's first Mobile Clinic Service launched by Employees State Insurance Corporation (ESIC) in Andhra Pradesh and Telengana.
17. The Office of the Insurance Ombudsman, Delhi was awarded ISO 9001:2015 certification by (STQC). Out of 17 offices in India, it is the first office to get the distinction of being certified as ISO 9001: 2015 office
18. HDFC Life brings country's first life insurance Chatbot with Haptik.
19. 'Pragati' Life Insurance Plan has been launched by HDFC Life for low income group people.
20. Paytm introduces insurance cover to safeguard wallet balance. All customers will be insured up to a limit of Rs. 20,000 or their wallet balance, whichever is lower.
21. Edelweiss Tokio launches India's first insurance that can be bought at PoS- PoS Saral Nivesh
22. General Insurance Corporation of India (GIC Re) has become the first re-insurer to open an office at Gujarat International Finance Tec-City (GIFT City).
23. "Arogya Raksha Scheme"(Andhra Pradesh)- Health Insurance Scheme. Insurance Cover of Rs. 2 lakh. Premium Rs 100/month.
24. Amitabh Chaudhry committee- panel to review life insurance product norms formed by IRDAI.
25. Worst catastrophe list by Swiss Reinsurance Company Ltd- India on 2<sup>nd</sup> Rank. Top- US



26. The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi has given its 'in principle' approval for listing the following five Government owned General Insurance Companies in the stock exchanges. These are:
- The New India Assurance Company Ltd.
  - United India Insurance Company Ltd.,
  - Oriental Insurance Company Ltd.,
  - National Insurance Company Ltd. and
  - General Insurance Corporation of India.
27. The Population Division of United Nations Department of Economic and Social Affairs in its 2015 report has projected the elderly population (60+age group) to be 19.4% in 2050 as per the details given below:-

Percentage of elderly aged 60 years and above			
Year	2015	2030	2050
%	8.9	12.5	19.4

28. IRDA can impose penalties in the range of Rs.1 Crore to Rs. 25 Crore
29. Insurance Cover For Railway Passengers
- In case of Death- ₹ 10 lakh
  - Permanent Total Disability – ₹ 10 Lakh
  - Permanent Partial Disability – ₹ 7.5 Lakh
  - Hospitalization Expenses for Injury – ₹ 2 Lakh &
  - Transportation of mortal remains – ₹ 10 Thousand.
30. Arbitration cases of PSU Insurance Companies- Total number of pending arbitration cases in Public Sector Insurance Companies is 154 and the amount involved thereto was Rs. 2239.42 crore.
31. As per World Health Organization (WHO), Out of Pocket expenditure as percentage of total expenditure on health in India was 62% in 2014. India ranked 182 out of 192 countries in terms of Out of Pocket expenditure as percentage of total health expenditure.

### Insurance related MOUs

1	HDFC Life	Catholic Syrian Bank	to distribute its individual life insurance products to the private lender's customers.
21	FINO Paytech	ICICI group companies	to distribute insurance products
42	Reliance General Insurance	Catholic Syrian Bank	Bancassurance tie-up
44	HDFC Life	ET Money	For Data-Led Group Term Insurance Plan
54	Karnataka Bank	Bajaj Allianz General Insurance Company	General Insurance business
71	Tata AIA Life Insurance	Tata Teleservices Limited (TTSL)	To launch m-Insurance for the prepaid customers of the Telecom Company. The pilot launch has been made in Andhra Pradesh and Telengana The m-Insurance is a term life plan with two options for the sum assured- Rs. 50,000 and Rs. 1 Lakh.
78	Corporation Bank	Religare Health Insurance Co Ltd	to market its products and services through the distribution network of the bank across India.



### Pradhan Mantri Suraksha Beema Yojana (PMSBY)

- PMSBY is a Accidental Insurance Scheme offering accidental death and disability covers for death or disability on account of an accident. It is administered by Public Sector General Insurance companies
- **Scope of Coverage:** All saving bank account holders between the age 18-70 years
- **Benefits:** Death- Rs 2 lakh  
Total and irrecoverable loss of both organ- Rs 2 lakh  
Total and irrecoverable loss of one organ- Rs 1 lakh
- **Premium:** Rs 12 per annum
- **Maturity/Termination:** On attaining age 70 years

### Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

- PMJJBY is an insurance scheme offering life insurance for death due to any reason. Administered by LIC>
- **Scope of Coverage:** All savings bank account holders in the age of 18-50 years
- **Benefits:** Rs 2 lakh
- **Premium:** Rs 330 per annum
- **Maturity/Termination:** On attaining age 55 years

### Pradhan Mantri Fasal Bima Yojana- Premium

- Kharif Crops – 2%
- Rabi Crops- 1.5%
- Horticulture Crops – 5%

## One Liner Questions and Answers

S.No	Questions	Answer
1.	In which year was National Insurance Company Ltd. incorporated? (NICL)	5th December, 1906
2.	Where is the headquarters of National Insurance Company Ltd. located? (NICL)	Kolkata
3.	In which year was National Insurance Company Ltd. nationalized? (NICL)	1973
4.	National Insurance Company Ltd. has branches in which other country?	Nepal
5.	What percent of shares of National Insurance Company Ltd. is held by Government of India? (NICL)	100%
6.	National Insurance Company Ltd. is a type of? (NICL)	General Insurance Company
7.	What is the paid-up capital of National Insurance Company Ltd? (NICL)	Rs 100 crore
8.	Who is the present CMD of National Insurance Company Limited (NICL)? (NICL)	K. Sanath Kumar
9.	What is the CRISIL rating for New India Assurance Co Ltd ? (NICL)	AAA
10.	First Indian Life Insurance Company established in India?	Bombay Mutual Life Assurance Company
11.	Life Insurance Companies Act was passed in which year?	1912
12.	General Insurance business was nationalized in India in which year?	1973
13.	In which year IRDA Act was passed?	1999
14.	Life Insurance in India was nationalized in which year?	1956
15.	Which committee was formed in 1993 to propose recommendation for initiation and implementation of reforms in the Indian Insurance Sector?	R.N. Malhotra Committee
16.	In which year was The Indian Insurance Companies Act enacted to enable the government to collect statistical information about both life and non-life insurance businesses?	1928



17.	In which year General Insurance Corporation of India(GIC) notified as the Indian Reinsurer?	2000
18.	Selling of insurance product through banks is called?	Bancassurance
19.	A person with expertise in field of economics, statistics and mathematics, who helps in risk assessment and estimation of premium rates for insurance business is known as ____ ?	Actuary
20.	_____ is an amount paid periodically to the insurer by the insured for covering his risk by any insurance policy.	Premium
21.	When all the benefits of an insurance policy gets terminated due to non-payment of premium, then the policy is said to be _____ .	Lapsed
22.	_____ is the amount the policy holder will get from the insurance company if he exits the policy before maturity.	Surrendered value
23.	If a policy holder stops paying the premium after three years, but does not withdraw the money from his policy, then the policy is said to be _____.	Paid Up
24.	If a policy holder stops paying the premium after three years, but does not withdraw the money from his policy, the amount that he will get upon maturity of the policy is called _____.	Paid Up value
25.	_____ is an insurance product that pays out income to the holder at specified intervals usually after retirement.	Annuity
26.	_____ is the term for the insurance that the insurance company buys for its own insurance.	Re- Insurance
27.	An individual who sells and services insurance policies is called?	Agent
28.	A demand made by the insured, or the insured's beneficiary, for payment of the benefits as provided by the policy is called?	Claim
29.	_____ is the Fee paid to an agent or insurance salesperson as a percentage of the policy premium.	Commission
30.	_____ is the time which must pass after filing a claim before policyholder can collect insurance benefits.	Waiting period
31.	_____ is the length of time after a premium is due and unpaid during which the policy, including all riders, remains in force.	Grace Period
32.	_____ is an insurance policy designed to protect professionals and business owners when they are found to be at fault for a specific event such as misjudgment.	Indemnity insurance
33.	A person who makes an insurance claim is called ?	Claimant
34.	_____ indicates the level of development of insurance sector in a country.	Penetration Rate
35.	_____ is the date from which the annuity holder starts receiving the policy benefits of a regular stream of income.	Vesting date
36.	Situation in which the same risk is insured by two overlapping but independent insurance policies is known as?	Double insurance
37.	Spreading the risk on larger insurances between two or more direct insurers is known as?	Co-insurance
38.	Protection against damage to growing crops as a result of named perils is known as?	Crop-Hail insurance
39.	Insurance plan under which a number of employees and their dependants are insured under a single policy is known as?	Group insurance
40.	_____ is a method of managing risk by setting aside a pool of money to be used if an unexpected loss occurs	Self-Insurance

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