

CHAPTER-5 LIFE INSURANCE PRODUCTS – I

(*Which among the following is an intangible product?

- I. Car
- II. House
- III. Life insurance**
- IV. Soap

(*The premium paid for whole life insurance is _____ than the premium paid for term assurance.

- I. Higher**
- II. Lower
- III. Equal
- IV. Substantially higher

(1)_____ life insurance pays off a policyholder's mortgage in the event of the person's death.

- I. Term
- II. Mortgage**
- III. Whole
- IV. Endowment

(2)The _____ the premium paid by you towards your life insurance, the _____ will be the compensation paid to the beneficiary in the event of your death.

- I. Higher, Higher**
- II. Lower, Higher
- III. Higher, Lower
- IV. Faster, Slower

(3)Which of the below option is correct with regards to a term insurance plan?

- I. Term insurance plans come with life-long renewability option
- II. All term insurance plans come with a built-in disability rider
- III. Term insurance can be bought as a stand-alone policy as well as a rider with another policy**
- IV. There is no provision in a term insurance plans to convert it into a whole life insurance plan

(4)In decreasing-term insurance, the premiums paid _____ over time.

- I. Increase
- II. Decrease
- III. Remain constant**
- IV. Are returned

(5)Using the conversion option present in a term policy you can convert the same to _____.

- I. Whole life policy**
- II. Mortgage policy

- III. Bank FD
- IV. Decreasing term policy

(6) What is the primary purpose of a life insurance product?

- I. Tax rebates
- II. Safe investment avenue
- III. Protection against the loss of economic value of an individual's productive abilities**
- IV. Wealth accumulation

(7) Who among the following is best advised to purchase a term plan?

- I. An individual who needs money at the end of insurance term
- II. An individual who needs insurance and has a high budget
- III. An individual who needs insurance but has a low budget**
- IV. An individual who needs an insurance product that gives high returns

(8) Which of the below statement is incorrect with regards to decreasing term assurance?

- I. Death benefit amount decreases with the term of coverage
- II. Premium amount decreases with the term of coverage**
- III. Premium remains level throughout the term
- IV. Mortgage redemption plans are an example of decreasing term assurance Plans

(9) Which of the below statement is correct with regards to endowment assurance plan?

- I. It has a death benefit component only
- II. It has a survival benefit component only
- III. It has both a death benefit as well as a survival component**
- IV. It is similar to a term plan

(10) Which of the below is an example of an endowment assurance plan?

- I. Mortgage Redemption Plan
- II. Credit Life Insurance Plan
- III. Money Back Plan**
- IV. Whole Life Plan