

Insurance Interview Questions And Answers Guide.



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Insurance Job Interview Preparation Guide.

Question # 1

What is an insurance?

Answer:-

An arrangement by which a company or the state undertakes to provide a guarantee of compensation for specified loss, damage, illness or death in return for payment of a specified premium.

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Question # 2

What are the different types of insurance?

Answer:-

All too often we hear about various types of insurance policies without really understanding what they are and more importantly, what they protect. The truth is, there are two main types of insurance, namely life insurance and general insurance which covers different aspects in your life.

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Question # 3

Tell me what is a life insurance?

Answer:-

Life insurance is an insurance coverage that pays out a certain amount of money to the insured or their specified beneficiaries upon a certain event such as death of the individual who is insured. This protection is also offered in a Family takaful plan, a Shariah-based approach to protecting you and your family.

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Question # 4

What are the risks which are covered in life insurance?

Answer:-

The risks that are covered by life insurance are:

- * Premature death
- * Income during retirement
- * Illness

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Question # 5

What are the main products of life insurance?

Answer:-

The main products of life insurance include:

- * Whole life
- * Endowment
- * Term
- * Investment-linked
- * Life annuity plan
- * Medical and health

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Question # 6

What are the modes of payment in insurance?

Answer:-

The coverage period for life insurance is usually more than a year. So this requires periodic premium payments, either monthly, quarterly or annually.



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Question # 7

What is pre-mature death in life insurance?

Answer:-

Death that occurs before the stage where it is accepted by society as part of the natural, expected order of life.

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Question # 8

What is whole of life plan in life insurance?

Answer:-

Buying life insurance for you and your loved ones helps provide some financial security in times of hardship. The money from your policy will be paid to your loved ones when you pass away or to you should you suffer a total and permanent disability or loss.

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Question # 9

What is term plan in life insurance?

Answer:-

This offers insurance protection for a limited period only whereby the money is paid up if you pass away or if you suffer total and permanent disability.

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Question # 10

What is an endowment plan in life insurance?

Answer:-

A combination of protection and savings whereby the money will be paid at the end of a specific period upon your demise or if you suffer total and permanent disability.

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Question # 11

Tell me what is an investment linked plan in life insurance?

Answer:-

For investment-linked insurance, your premium is used to buy life insurance protection and units in a fund managed by the life insurance company. The benefits paid to you or your nominee will depend on the price of the units at the time you surrender your policy or when you pass away.

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Question # 12

Do you know what is life annuity plan in life insurance?

Answer:-

Series of payments paid to you until you pass away. Types of annuity include immediate annuity or deferred annuity.

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Question # 13

What is supplementary/rider cover in life insurance?

Answer:-

A rider is a supplement attached to the basic insurance plan such as endowment or whole life.

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Question # 14

What is a mortgage reducing term assurance in life insurance?

Answer:-

An insurance protection plan that covers the repayment of an outstanding property loan to the financial institution in the event of untimely death, disability or critical illness of the borrower.

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Question # 15

Please tell me what is a general insurance?

Answer:-

General insurance is basically an insurance policy that protects you against losses and damages other than those covered by life insurance. For more comprehensive coverage, it is vital for you to know about the risks covered to ensure that you and your family are protected from unforeseen losses.

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Question # 16

What are the risks which are covered in general insurance?

Answer:-

The risks that are covered by general insurance are:

- * Property loss, for example, stolen car or burnt house
- * Liability arising from damage caused by yourself to a third party
- * Accidental death or injury

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Question # 17

What are the main products which are included in general insurance?

Answer:-

The main products of general insurance includes:

- * Motor insurance
- * Fire/ House owners/ Householders insurance
- * Personal accident insurance
- * Medical and health insurance
- * Travel insurance

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Question # 18

What is the payment mode in general insurance?

Answer:-

The coverage period for most general insurance policies and plans is usually one year, whereby premiums are normally paid on a one-time basis.

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Question # 19

When do you need motor insurance?

Answer:-

You need motor insurance when you buy a motor vehicle. Motor insurance covers your vehicle, be it a motorcycle, a car or a lorry, in case of accidents or theft.

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Question # 20

What is a whole life plan in life insurance?

Answer:-

Life-long protection and premiums are paid throughout your life and the money including any bonuses will be paid when you pass away or suffer total and permanent disability.

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Question # 21

Tell me if you know what is home insurance?

Answer:-

Home insurance, or house owner/householder insurance as it is also known, is one of the most important insurance policies you can buy in your adult life. Your home is one of the largest financial investment you have made, and that is why it is so important to protect it.

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Question # 22

What are the types of insurance policies which you can buy to protect your home?

Answer:-

There are three main types of policies which you can buy to protect your home:

- * Basic fire policy
- * House owner policy
- * House holder policy

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Question # 23

What is a basic fire insurance policy?

Answer:-

This policy provides you with coverage against loss or damage to insured property (i.e. house, shop and factory) caused by fire, lightning or explosion.

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Question # 24

What is a house owner's insurance policy?



Insurance Interview Questions And Answers

Answer:-

This policy provides additional coverage compared to the basic fire policy. It may include loss or damage due to flood, burst pipes, etc.

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Question # 25

What is a house holder's insurance policy?

Answer:-

This is a policy which covers your household contents and includes coverage for fatal injury to you as the insured. This policy does not cover damage to the house itself.

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Question # 26

Tell me what is personal accident insurance in general insurance?

Answer:-

Personal Accident insurance or PA insurance is an annual policy which provides compensation in the event of injuries, disability or death caused solely by violent, accidental, external and visible events. It is different from life insurance and medical & health insurance.

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Question # 27

Tell me what is medical and health insurance?

Answer:-

Medical and health insurance, is an insurance policy which is designed to cover the cost of private medical treatment, which can be very expensive, especially with hospitalisation and surgery. Medical and health insurance also ensures that you will not have to worry about the cost of seeking treatment during emergencies. In addition, medical and health insurance also provides you with an income stream while you undergo treatment.

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Question # 28

Tell me what is a travel insurance?

Answer:-

Travel insurance coverage is usually limited to the period of your travel. However, some insurance companies may offer various combinations of protection to cater to the specific needs of customers, including long-term annual policies for a frequent traveller.

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Question # 29

What exactly is insurance?

Answer:-

Insurance is the transfer of risk by an individual, such as yourself, or an organisation, such as your business, to the insurance company. You or your organisation will thus be known as the policy owner. The insurance company receives payment in the form of premium and will compensate you in the event of losses or damages sustained by you.

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Question # 30

What is takaful?

Answer:-

Takaful is a protection plan based on Shariah principles. By contributing a sum of money to a common takaful fund in the form of participative contribution (tabarru), you undertake a contract (aqad) to become one of the participants by agreeing to mutually help each other, should any of the participants suffer a defined loss.

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Question # 31

What is the difference between insurance and takaful?

Answer:-

Both insurance and takaful have similar basic principles. For instance, the insured, such as yourself, must have a legitimate financial interest in the risk you are insuring, meaning you must suffer a financial loss when the insured event occurs.

You can also buy more than one policy or plan to protect a particular risk but in the event of loss or damage, you can only make one claim. The amount payable will then be contributed by the insurance companies involved. As such, you cannot profit from your general insurance policy or takaful plan. If you suffer a loss, you will be compensated accordingly and no more than that. You will be paid or indemnified to the position you were in before the loss. However, if you wish to cover your life, you can buy more than one policy.

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Question # 32

What is insurance or takaful contract?

Answer:-

Your insurance or takaful contract is a contract of utmost good faith (trust). Thus, you as the policy owner need to disclose all material information required. If any of the relevant material facts are not disclosed, the policy may be invalid and you will not be protected against any loss or damage.



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Question # 33

What is bancassurance?

Answer:-

Banca means bank and assurance is for insurance. The selling of life assurance and other insurance products and services by banking institutions is called bancassurance.

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Question # 34

Where you can get insurance or takaful product from?

Answer:-

You can buy an insurance policy or participate in a takaful plan:

- * Directly from insurance companies or takaful operators
- * Through registered agents or licensed brokers
- * From banking institutions that have bancassurance arrangements with insurance companies or takaful operators
- * Via the internet

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Question # 35

List some useful pointers when buying an insurance policy or takaful plan?

Answer:-

Useful pointers when buying an insurance policy or participating in a takaful plan:

- * Understand the policy or plan including the product features, conditions, benefits limitations and exclusions
- * Ensure that the premium or contribution payable is affordable
- * Ensure that the amount of coverage taken is adequate and suits your needs
- * Ensure that all material facts are fully disclosed
- * Deal only with registered agents/licensed brokers or directly with an insurance company or takaful operators
- * Monitor the period of coverage and time for payment of premium or contribution

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Question # 36

Give examples of takaful?

Answer:-

- * Investment linked takaful
- * Motor takaful
- * Medical and health takaful
- * Personal accident takaful
- * Family takaful
- * House owner takaful
- * Marine takaful
- * Fire takaful
- * Travel takaful

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Question # 37

What are the 2 types of takaful?

Answer:-

There are 2 types of takaful:

- * Family takaful
- * General takaful

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Question # 38

What are the products under family takaful?

Answer:-

- * The products under family takaful are:
- * Family takaful
- * Investment linked takaful
- * Child education takaful
- * Medical & health takaful

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Question # 39

What are the products under general takaful?

Answer:-



The products under general takaful are:

- * Home takaful
- * Motor takaful
- * Personal accident takaful

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Question # 40

What are the basic principals of takaful?

Answer:-

Basic principals of takaful are as follows:

- * You must have a legitimate financial interest in the subject matter to participate in a takaful plan.
- * A takaful contract is based on the principle of utmost good faith (trust), whereby you need to disclose all material information required.
- * You can only recover your financial loss and not gain any profit as a result of a quantifiable loss.
- * In determining the compensation, the takaful operator will identify the actual most important cause that brought about the loss.
- * After you have been compensated for your loss, the takaful operator has the right to claim from any third party responsible for your loss.
- * If a loss is covered by more than one takaful plans or insurance policies, the takaful operator that has made payment to you may call upon other takaful operators or insurance companies to contribute proportionately to the payment.

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Question # 41

Give examples of insurance?

Answer:-

- * Medical and health insurance
- * Retirement annuity
- * Travel insurance
- * House owner insurance
- * Investment linked insurance
- * Life insurance
- * personal accident insurance

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Question # 42

What are the circumstances in which you can buy a travel insurance?

Answer:-

A travel insurance can be purchased for you or your family to insure against travel-related accidents, losses or interruptions, such as:

- * 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

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Question # 43

What are the benefits which are included in Personal accident policy?

Answer:-

The types of coverage normally provided under a PA policy include:

- * Accidental death
- * Permanent disablement
- * Temporary total or partial disablement
- * Medical expenses
- * Corrective surgery
- * Hospitalisation benefits
- * Funeral expenses

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Question # 44

What do you do while buying an insurance policy?

Answer:-

When it comes to buying a policy, always:

- * Check the market value price of your vehicle. If it is a new vehicle, the insured value will be the purchase price.
- * Ensure that your vehicle is adequately insured as it will affect the amount you can claim.
- * Give all material facts about your vehicle, including previous accidents (if any), modification to engines, etc. When in doubt, it is best to ask your insurance company.

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Question # 45

Why did you leave your former job?

Answer:-

No Answer is Posted For this Question

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Question # 46

Why did you join the insurance sector?

Answer:-

* The best way to answer these questions is to be as aware of your industry as possible. Talking about facts and figures like the size of the industry, how it is growing and annual growth rate is a good way of explaining your motivation for joining any sector. However, make sure that you have done your homework well and know the exact figures.

* Then tell your interviewers about your personality traits. You love meeting new people and helping people in need. What better way to utilize your talents than to become an insurance salesperson? Think about the personality traits that make you apt for the job that you want, and make them a reason for wanting to work in the insurance industry.

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Question # 47

What are your strengths and weaknesses?

Answer:-

Tell your interviewers about your positive attributes related to the job. That you are punctual, ambitious (means you can meet targets), a good team player, have good conversation skills etcetra. As far as your weaknesses are concerned, try to keep them work related. In fact, it is a good idea to point out a couple of weaknesses that the interviewer might see as strengths, saying something like, "I am a perfectionist" or "I don't rest till I have completed a job I started", are good weaknesses.

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Question # 48

You will be working as part of a team? How good are you working in a team?

Answer:-

Being a team player is getting more and more important in today's specialized world. It is imperative that you convince your interviewers that you are and have been a good team player throughout your career. If you take part in any kind of team sports, take this opportunity to tell your interviewers about it. The same should be done if you are part of a theater group or any other team for that matter.

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Question # 49

What is general insurance? name 5 types of general insurance?

Answer:-

- * LIVE STOCK INSURANCE
- * OVERSEAS INSURANCE
- * GLASS INSURANCE
- * FIDELITY INSURANCE
- * KEY MAN INSURANCE

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Question # 50

Where do you see yourself five, ten or fifteen years from now?

Answer:-

This is your interviewer's way of knowing about two things. Firstly, he or she wants to know how dedicated you are towards your career; and also how realistic. There is a huge difference between being ambitious and over ambitious, so keep your answers practical and attainable, but they should in no way project you as a hare. Secondly, your interviewer wants to know how the company will benefit from you achieving your goals than what you'll get from it, but it is one and the same thing, to a large extent. It is a bad idea to tell your potential employer that you plan to go for his or her job, but it is okay to mention that you'd like to earn a senior or management position.

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Question # 51

What is the formula for the calculation of Gratuity?

Answer:-

BASIC + DA (Last Pay drawn) X 15 /26 X No.OF YEARS WORKS.

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Question # 52

What is assessment year and previous year?

Answer:-



Assessment year is the year in which the income earned is assessed. Previous year is the year in which income is earned. Eg. AY 2009-10 and prev year is 2008-09

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Question # 53

How we can do agency channel business in general and life insurance companies?

Answer:-

In this channel we have to recruit professionals agents by providing them training and pass the irdai exam for agency. Then only agent can sell products to consumer as an agent of particular company

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