

Insurance Sales Interview Questions And Answers Guide.



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Insurance Sales Job Interview Preparation Guide.

Question # 1

Explain about yourself. Why should we hire you?

Answer:-

The interviewer is trying to find out about you, your job skills and how well you express yourself. Do not dwell on personal issues. State your best qualifications for the job. Be specific and include examples to support your statements. Try to show that you meet the employer's expectations. For example:

* I am punctual, dependable and can be counted upon to finish what I start. I get a great deal of satisfaction from knowing that I have done something well and on time. For example, at my present job, I was given different work orders every day. It was my responsibility to finish the orders and make sure they all met quality and safety standards within a specific deadline. On occasion, I had to familiarize myself with the product and the production process. I was always able to learn quickly and carry out my job responsibilities. Our company was known for making excellent processed food products. In 1990, it received an award for being one of Canada's top companies in the field. I feel I can use the same skills and hard work to do well on this job too.

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Question # 2

Tell me how comfortable are you with data analysis?

Answer:-

Reps generally only care about one number: their quota. Keeping on top of pipeline and win rate is also important ... as these metrics pertain to their quota. It's all quota, all the time.

But when a rep is promoted to management, they must produce forecasts and reports that analyze a variety of metrics across the entire team. While a sales manager doesn't need to be a data analysis pro, they do need to have some familiarity with and inclination for crunching numbers and spotting trends. Beware of candidates that express active revulsion for data analysis.

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Question # 3

Tell me what is subrogation?

Answer:-

'Subrogation' is referred as the process of seeking reimbursement from the responsible party for a claim that they had already paid. For example, you have an accident where your car gets damaged, and you have car insurance, the insurance company will pay you the money. But the insurance company comes to know that the accident occurred due to other party fault, now they will claim the money from the other party this is known as 'subrogation'.

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Question # 4

Why do you want to work for us? Why are you interested in this job as Insurance Sales Executive?

Answer:-

The interviewer is trying to determine what you know and like about the company, whether you will be willing to make a commitment to the job, and if your skills match the job requirements. Your research will be a big help in formulating your answer to this question. Say as many positive things about the company as possible, show your interest in whatever products/services they sell and explain why the position fits with your career goals.

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Question # 5

How to claim your personal property in a 'Home insurance' policy, how important is to keep inventory list?

Answer:-

In case of fire or natural calamities, if your house is completely damaged and if you want to claim your personal property to insurance company, inventory list is very important. The insurance company will only pay you for those items where you are able to show the evidence that the damaged items belong to you. So, it is advisable to keep a list of inventory in a safe place.

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Question # 6

Explain how do you react to instruction and criticism?



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Answer:-

The interviewer is trying to find out how you get along with Supervisors and how you feel about authority. You might say:

* I appreciate getting instruction and criticism when it is done fairly and constructively.

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Question # 7

Tell me how would you describe your last employer?

Answer:-

Never run down or say anything negative about anybody or anyone. The employer will feel that you will do it to them. You should state the positive things such as he had high expectations and I really respected him for that. He was down to earth and really knew the job I was doing, if I had any problems he was approachable and would always give me suggestion or he gave the responsibility to do a good job.

* I liked my employer. He/she treated me fairly and respected my work

* I appreciated my previous employer having given me the opportunity to acquire a lot of skills and experiences in (name area of work skill).

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Question # 8

Tell me what is 'schedule of loss' in home insurance?

Answer:-

Schedule of loss is a document submitted to the insurance company to claim the policy; it gives the information of damaged or lost items like model number, when it was purchased, cost of the item etc.

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Question # 9

Tell us are you bondable?

Answer:-

This question indicates that the job involves working with money or valuable merchandise. Very likely the employer's insurance company requires that only bondable people be hired as a condition of their insurance policy. As long as you do not have a criminal record, and you have not previously been denied a bond, you should answer "yes" to this question. Caution: If you answer yes when you are not legally bondable it is very likely that the employer will discover this.

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Question # 10

Tell me what kind of machines or equipment have you worked with?

Answer:-

This is your opportunity to give some detail of what actual work skills you have. Don't be vague, supply all of the information that you have to offer.

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Question # 11

Tell me what is no-claim bonus?

Answer:-

No claim bonus is a benefit for those who have not claimed insurance during the preceding year of cover. This will lower the premium on the following year.

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Question # 12

Explain what is a 'PLPD' insurance stand for?

Answer:-

PLPD stands for 'personal liability and property damage'. Personal liability covers when an individual cause injury to others in an accident while property damage is done when any property get damaged. In both, the injured party or third party will claim for insurance money from the insurance company of the offender.

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Question # 13

Tell me why did you choose this line of work as Insurance Sales?

Answer:-

The interviewer is trying to find out about your commitment to your career choice. In other words do you do it because you love the work or just take any job you can get for the money. If you did this work for many years and stopped due to a layoff, you might say:

* I have done this for (number) of years. I like my work. The only reason I left my last workplace was because I was laid off.

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Question # 14

Tell me do you have any other skills of experiences that we have not discussed?

Answer:-

List any other skills that you have that are related to the position. You can also discuss any hobbies or volunteer experience you have and discuss any interest courses or educational upgrading you have.

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Question # 15

Explain what do you mean by 'insurance coverage'?

Answer:-

The term 'insurance coverage' means, when an individual takes an insurance policy the insured will be covered by insurance company for a specific amount for themselves or the things that he had taken the insurance policy, for which he would be paying premiums to the insurance company. The insurance company will pay the insured in case of damage or claims made by the insured according to their 'insurance coverage'.

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Question # 16

Do you know what is Paid Value?

Answer:-

The paid value is something, when the insured stops paying the premium but do not withdraw the amount. The sum assured by the insurance company is reduced proportionally depending when insured has stopped paying the premium. You will get the amount at the end of the term.

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Question # 17

Explain what is 'gap insurance'?

Answer:-

'GAP insurance' is also known as Guaranteed Auto Protection. It covers the difference between the actual cash value of the vehicle and the balance still owed on financing like loan. GAP insurance amount is generally paid up front.

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Question # 18

Tell me have you done this kind of work before?

Answer:-

The interviewer wants to know if you can learn to do the job in a reasonable time and how much training you will need. Never say "no" to this question. Instead, stress the experience you do have that will assist you in learning the new job quickly and efficiently. No two jobs are alike and you never do exactly the same work. In all jobs, new skills, rules and details have to be learned. Be sure to mention the following:

- * Your past work experience.
- * Your education and training related to the job.
- * Volunteer work that might relate to the job.
- * Any transferable skills - e.g. organizational skills, people skills.
- * Your ability to learn quickly and how quickly you learned that type of work in the past.

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Question # 19

Explain what in case if my house completely damagein, fire or flood,and if I stay in a rented house, will insurance company bear all my additional living expenses?

Answer:-

If your policy has Additional Living Expenses coverage, then sure the insurance company will pay you additional expense that you require, to maintain your normal standard of living.

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Question # 20

Explain what do you think of working in a group?

Answer:-

The interviewer is trying to find out about your ability to get along with others.Focus on the following:

- * The advantages of working in a group. Explain how the various individuals in a group complement one another in carrying out certain tasks.
- * Give specific examples of your personal experience in a group

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Question # 21

Tell me with the kind of work experience you have had, do you think this job would bore you?

Answer:-

The interviewer may think you are over-qualified and want this job only until something better comes along. Stress that no job is ever boring because you always learn new skills. Mention how you would benefit by working for the company and vice versa.

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Question # 22

Explain what is the difference between the 'All perils' and 'Specified perils' coverage in home insurance coverage?

Answer:-

In home insurance coverage, 'All perils' protects you from thewidest range of risks besides common risks while 'Specified perils' will give coverage only for the common risks, that is listed in your policy.

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Question # 23

Explain what do you do in your spare time?

Answer:-

Interviewers ask this question to see if your activities and hobbies might help the company and to get an idea of what kind of person you are outside your work life. Describe any volunteer work you do and any hobbies or interests that might relate to the job in some way. Stick to active hobbies, such as playing sports, carpentry, gardening, etc. Avoid mentioning inactive and non-creative activities such as watching television.

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Question # 24

Tell me what is 'collision coverage' and 'comprehensive coverage' in Auto insurance?

Answer:-

Collision coverage covers when you have a collision with any other object or vehicle while comprehensive coverage covers your vehicle other than collision, when your car is not in use.

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Question # 25

Explain have you ever been fired or quit a job?

Answer:-

The interviewer is looking for clues to any problems you have had in previous jobs and if you may have the same problems in a new job. Try to:

- * Avoid saying anything negative about yourself or your previous employer. If you had problems, explain them without being negative.
- * Be careful not to use the word "fired" or "quit". Instead use words such as: "I changed jobs", "I was laid off", or "I needed a more challenging job".
- * If you were fired and are not on good terms with your previous employer, explain the reason why you were fired. Stress that you learned something from the previous situation.

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Question # 26

Tell us what is Personal Accident cover? Does it cover anywhere in the world?

Answer:-

Personal Accident Insurance is for your personal vehicle and covers any fatal accidents to you or your family excluding driver. Most of the insurance companies gives coverage anywhere in the world.

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Question # 27

Tell me why haven't you worked recently?

Answer:-

The interviewer is looking for clues to serious problems or job difficulties that could carry over to a new job. You might say:

- * Since I was laid off from my previous employer, I have been actively looking for a job. However, as you know, there are many people looking for work and applying for the same jobs. I have always worked steadily but I haven't been able to find a job in the present job market.
- * After I got laid off from my previous employer, I decided to go back to school to upgrade my skills so I can get a better, more secure job.

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Question # 28

Tell me, does it cover silver or golden ornaments if I have 'Home insurance'?

Answer:-

You can cover your valuable items like silver or golden ornaments in home insurance, but your premium and policy amount will rise accordingly.

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Question # 29

Explain what kind of training or qualifications do you have?

Answer:-

The interviewer is trying to find out what school credentials you have. If you have no formal school qualifications but have a lot of experience, you might say:

- * I didn't get formal school training for this job but I have (number) of years of experience in the field. I'm willing to learn new skills or go to school to get further training if I am offered the job. I learn quickly and I like to keep upgrading my skills.

If you have just completed a training course but have little work experience, you might say:

- * I took a one year training program in (name of program) at (name of school) which is related to the job I'm applying for. I look forward to working in the field and putting into practice what I learned. I don't have a lot of work experience in this area but I learn quickly. I know you will be happy with my work.

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Question # 30

Explain what is the different type of Life Insurance?

Answer:-

There are two type of life insurance

- * Term Life Insurance :

Term life Insurance is a type of life Insurance, which provides coverage for fixed rate of premium for a limited period of time. Term Insurance can cover you for the term of one or two years.



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* Permanent Life Insurance:

Permanent Life Insurance covers an individual for the whole life; people take permanent life insurance about 25-30 years normally. The premiums are slightly higher than Term Life Insurance.

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Question # 31

Tell me how well do you work under pressure or tight deadlines?

Answer:-

This question indicates that the job you're applying for will involve working under pressure. Give examples of volunteer and paid work that involved pressure and deadlines. You could mention that we are always faced with pressure and deadlines in our lives and you do not mind the stress. Stressful situations are a learning and challenging experience. You might mention the following:

* How you handled large rush orders at your last workplace.

* How you prepared for exams and homework assignments while working full-time and attending school part-time.

* How you managed a crisis situation. (For example: a car accident)

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Question # 32

What is a 'PLPD' insurance stand for?

Answer:-

PLPD stands for 'personal liability and property damage'. Personal liability covers when an individual causes injury to others in an accident while property damage is done when any property gets damaged. In both, the injured party or third party will claim for insurance money from the insurance company of the offender.

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Question # 33

Explain how often were you absent from work in your last job? Have you ever had any serious illness or injuries? Do you have any health problems?

Answer:-

The interviewer is trying to find out if you have any health issues which will cause you to take a lot of sick days. You do not have to go into your health history for the interviewer. If you have health problems that do not interfere with your work performance, do not give the interviewer details about them. If you had a previous health problem that interfered with your work in the past, but is no longer a problem, do not volunteer this information. It no longer affects your work, therefore the employer does not have to know.

If you have a health problem that will affect your work performance, explain your situation briefly and stress the positive points. It will be helpful to have a positive reference letter from your previous employer. This letter should explain the type of duties you did and stress that you are a steady worker who is responsible, hardworking and punctual.

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Question # 34

Explain what is the difference between the 'single limit liability' coverage and 'split liability coverage'?

Answer:-

'Single limit liability coverage' covers a single person for bodily injury and property damage, for instance, in case of an accident only a single person will be covered no matter how many persons were injured. While, in 'split liability coverage' each person is covered separately.

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Question # 35

Tell me what five words would describe you?

Answer:-

These should be your transferrable skills such as reliable, punctual, organized, friendly, honest, cooperative, outgoing, easy to get along with, hardworking, energetic, take pride in my work, responsible, respected, dedicated.

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Question # 36

Tell us, does a beneficiary have to pay tax on the proceeds of a life insurance policy?

Answer:-

Generally, the benefits on a life insurance policy are tax-free and the beneficiary is not liable to pay any tax after the death of the policy holder. But if you are changing your beneficiary for monetary gain or other purposes then the beneficiary has to pay tax on it.

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Question # 37

Tell me can a beneficiary claim the policy if the insured person is missing or disappeared for several years?

Answer:-

It is possible to claim, if the beneficiary has a court declaration that says that the insured person is missing or legally dead (disappeared for more than 7 years).

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Question # 38

Tell me what are your long-term goals or career plans?



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Answer:-

The interviewer may want to know if you are ambitious, plan ahead, or if you set goals for yourself. The interviewer may also want to know what expectation you have of the company. You might say:

- * I hope to become very good at my job and perhaps take some schooling to become more skilled in my field of work.
- * I intend to learn (name of area or skills) very well so that I can be promoted to a higher position in (name skill or department).

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Question # 39

Explain in what all Instances you cannot claim your Personal Accident Insurance?

Answer:-

- * If your injuries are a result of sickness or disease
- * If your injuries are self-inflicted or attempt to suicide
- * Stress fractures, sprains and strains
- * Injury occurred while committing crime
- * Deliberately cause an car accident

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Question # 40

Basic Insurance Sales Agent Interview Questions:

Answer:-

- * Why did you choose this particular vocation?
- * Why did you think you might like to work for our company?
- * What do you know about our company?
- * What qualifications do you have that make you feel that you will be successful in your field?
- * What do you think determines a person's progress in a good company?
- * Can you get recommendations from previous employers?
- * What contributions to profits have you made in your present or former position to justify your salary level there?
- * Can you take instructions without feeling upset?
- * What is your major weakness?
- * Are you willing to relocate?
- * How do you spend your spare time? What are your hobbies?
- * What type of books do you read? How many books per year?
- * Have you saved any money? Do you have any debts?
- * What job in our company do you want to work toward?
- * What jobs have you enjoyed the most? The least? Why?
- * What are your own special abilities?
- * What types of people seem to rub you the wrong way?
- * Define cooperation.
- * Do you like regular hours?
- * What have you done which shows initiative and willingness to work?

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Question # 41

Negative Factors Evaluation based Insurance Sales Agent Interview Questions:

Answer:-

During the course of the interview, the employer will be evaluating your negative factors as well as your positive factors. Listed below are negative factors frequently evaluated during the course of the interview and those which most often lead to the rejection of the candidate.

- * Poor personal appearance.
- * Overbearing--overaggressive--conceited "superiority complex"--"know-it -all".
- * Inability to express thoughts clearly--poor poise, diction, or grammar.
- * Lack of planning for career--no purpose or goals.
- * Lack of interest and enthusiasm--passive and indifferent.
- * Lack of confidence and poise--nervousness.
- * Overemphasis on money--interested only in the best dollar offer.
- * Evasive--makes excuses for unfavorable factors in record.
- * Lack of tack--maturity--courtesy.
- * Condemnation of past employers.
- * Important! - 11. Failure to look employer in the eye.
- * Limp, fishy handshake.
- * Lack of appreciation of the value of experience.
- * Failure to ask questions about the job.
- * Persistent attitude of "What can you do for me?"
- * Lack of preparation for the interview--failure to get information about the company resulting in inability to ask intelligent questions.

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Question # 42

Sample Insurance Sales Agent Interview Questions:

Answer:-

- * What are the most important personality traits of an effective insurance agent?
- * Who are this agency's top 3 competitors?
- * Why were you initially interested in the insurance industry?
- * How do you keep your energy level up on days when you hear more "no's" than "yes's"?
- * Have you thought about pursuing the CFP designation?



- * We must change from being producers to marketers if we are to be successful. What do you think of that statement?
- * Pretend to sell me yourself as the product and tell me what the benefits are.
- * How do you convince prospects that they need to make a change (in insurers)?
- * Tell me about a time when you converted a "no" to a "yes."
- * How do you cope with rejection on a daily basis?
- * Have you ever sent a prospect a written communication that contained a spelling or grammatical error?
- * What are some ways you build trust with clients?
- * How do you differentiate yourself from your peers?
- * How do you personalize the process of buying insurance for each client?
- * Do you belong to any insurance agent associations?
- * What would you tell a customer who said they could buy your product from another agency at a cheaper rate?
- * Do you have experience using a Customer Relationship Management program?
- * What are key elements of an effective content marketing strategy?
- * How do you show the customer that they are valued and important?
- * Tell me some ways you have tried expanding beyond your natural market.

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Question # 43

Tell me what do you feel are your greatest strengths?

Answer:-

This is your opportunity to brag a little bit. It is important that you have done your research about the type of work that you are applying for. For example if you are applying as a production labourer and from your research you understand that this type of work required people that have the ability to meet quotas, work as a team and make improvement suggestions, then it is important for you to incorporate this into your strengths.

My greatest strength is that I have a lot of initiative. I am always looking for a better way to do things at work that I feel would save the company money and I can always achieve my production quotas. For example one time I was working at my station and I felt that I was wasting time by always having to walk to the other side of my station to get some parts. So I reorganized the station and my supervisor was really impressed as it increased my quota.

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Question # 44

Explain what is third party Insurance?

Answer:-

An insurance policy that covers the damage caused by another person or party is known as third party Insurance. In this type of insurance, the insured is the first party, insurance company is the second party while the damage done by another is referred as the third party. This type of Insurance policy is purchased for vehicles, so that in case of the accident they can claim it.

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Question # 45

Explain what did you like about your last job?

Answer:-

Say only positive things that you feel could transfer across to the position you are applying for.

I liked my last job because I got along well with my co-workers and the work was challenging, fast paced and I was given a lot of responsibility to do a good job.

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Question # 46

Tell me what is 'group life' insurance?

Answer:-

'Group life insurance' is a single policy that covers an entire group. Such policy is taken by an employer for the bigger organization to cover their employee, as an individual policy holder, it may cost more than a group policy.

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Question # 47

Explain what are your long range goals?

Answer:-

The interviewer is trying to figure out whether or not you are going to be a long term employee or whether or not you will be using this job as a stepping stone to another objective. So, you should try to assure him/her that your intention is to stay with the company and to grow in your career within the company. You should respond "I am looking for a position with a company where I can stay and grow with and I feel this position would give me this opportunity."

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Question # 48

Explain what is an 'Endowment Policy'?

Answer:-

An endowment policy is a combination of saving along with risk cover. This type of policy is specially designed to accumulate wealth and at the same time cover your life. In this type of policy the insured will pay a regular premium for specific time period. And in case of death the money will be paid to beneficiary but, if you outlive the policy tenure, you will receive the sum assured along with accumulated bonus.

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Question # 49



Explain what do you feel are your weaknesses?

Answer:-

You never want to give any indication of any weaknesses that you have. Turn your weaknesses into strengths by working it to the employer's advantage. I am the type of person or is very hard on myself. I am always expecting myself to do a little bit more. However, I guess this works out well for my employer. I never like to leave work until I have everything finished completely. Sometimes this bothers me but I feel inside that it is important. I am the type of person who always takes my work home with me. This sometimes interferes with my personal life but I feel that work comes first.

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Question # 50

Tell me is it possible to convert a part of term life insurance into permanent life insurance?

Answer:-

Yes, it is possible to convert as far as you are having a convertible life insurance policy. But there is a deadline that has to be taken care of, for converting term life insurance into permanent life insurance. Also, your premium will rise soon you convert your policy.

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Question # 51

Tell me what are the different types of Insurance Coverage?

Answer:-

Insurance policy is categorised into two

* General or Non-life Insurance

* Life Insurance

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Question # 52

Explain what does it mean when company says "no physical exam"?

Answer:-

Such insurance company that says, "No physical exam" gives freedom to the policyholder to take policy and exempt the physical test that is mandatory by certain life insurance company. Normally, such insurance company is more expensive and the insured has to pay a higher premium on their policy.

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Question # 53

Tell me why did you leave your last position?

Answer:-

Keep this answer simple. If you were laid off simply say so, If your company downsized, simply say so. Do not go into a lot of detail. If you were terminated you will have to say you were let go but always follow up that as a result you have learned how to overcome this and feel it will not affect you in the future.

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Question # 54

Tell me what is Elimination period in insurance?

Answer:-

In the disability income insurance or loss of income insurance, the elimination period is the amount of time you have to wait before benefits are paid. In other words, it is a time-period between the beginning of their injury and the benefits you are paid off. Longer the Elimination period lower the premium and vice versa.

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Question # 55

Please tell us what do you know about our company?

Answer:-

This is your opportunity to show them that you have taken the time to research their company in particular.

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Question # 56

Explain what do you mean by term 'cash value'?

Answer:-

'Cash Value' is the cash amount offered to the policy holder while cancelling the policy, where a portion of the premium paid goes into saving plan. It is also referred as surrender value. This term is normally used for life Insurance contract.

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Question # 57

Explain what is the difference between "revocable beneficiary" and "irrevocable beneficiary"?

Answer:-

'Revocable beneficiary' designation gives right to the policy holder to change the beneficiary name without the consent of the named beneficiary. While in 'Irrevocable beneficiary' the policy holder has to take consent of the beneficiary before the name is changed.



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Question # 58

Fresh Insurance Sales Agent Interview Questions:

Answer:-

- * What are the most important personality traits of an effective insurance agent?
- * Who are this agency's top 3 competitors?
- * Why were you initially interested in the insurance industry?
- * How do you keep your energy level up on days when you hear more "no's" than "yes's"?
- * Have you thought about pursuing the CFP designation?
- * We must change from being producers to marketers if we are to be successful. What do you think of that statement?
- * Pretend to sell me yourself as the product and tell me what the benefits are.
- * How do you convince prospects that they need to make a change (in insurers)?
- * Tell me about a time when you converted a "no" to a "yes."
- * How do you cope with rejection on a daily basis?
- * Have you ever sent a prospect a written communication that contained a spelling or grammatical error?
- * What are some ways you build trust with clients?
- * How do you differentiate yourself from your peers?
- * How do you personalize the process of buying insurance for each client?
- * Do you belong to any insurance agent associations?
- * What would you tell a customer who said they could buy your product from another agency at a cheaper rate?
- * Do you have experience using a Customer Relationship Management program?
- * What are key elements of an effective content marketing strategy?
- * How do you show the customer that they are valued and important?
- * Tell me some ways you have tried expanding beyond your natural market.

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Question # 59

Tell me what do you mean by 'Deductible'?

Answer:-

Deductible is one of the several types of clause that are used by the insurance company as a threshold for policy payment for health insurance or travel insurance. Deductible is a decided amount that you have to pay from your pocket while claiming the insurance. For example, you have a deductible of \$500, and you have insurance coverage for \$2000, then you are responsible for paying for \$500 and the remaining amount \$1500 will be paid by insurance company.

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Question # 60

Tell us what happens to the cash value after the policy is fully paid up?

Answer:-

After the policy is fully paid up, the company plans to use the cash value to pay your premium until you die. If you take the cash value out, the insurer will require you to pay the premium or reduce the amount of the death benefit so the remaining cash value will support.

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Question # 61

Tell me what type of salary are you looking for?

Answer:-

Do not get into this subject unless you are forced to. Even then you want to leave an impression that you are flexible in this area.

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Question # 62

Explain what do you mean by term 'Double Indemnity'?

Answer:-

'Double Indemnity' is a provision provided by certain insurance companies, where according to their policy they are liable to pay double the face amount in case of death by accidental means or murder. This type of policy does not cover suicide, and death caused by gross negligence of the insured person. For example, a person who dies due to natural causes including heart disease or cancer, Murder or conspiracy by beneficiary, or death due to an injury from sheer negligence.

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Question # 63

What is a premium'?

Answer:-

It is the amount to be paid for a contract of insurance to the insurance company. It is the sum that a person pays monthly, quarterly or annually according to their plan, in return of the coverage he/she has taken from the insurance company.

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Question # 64

Tell me what does 'Indemnity' term means?

Answer:-



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'Indemnity' term in the insurance is used to cover the loss or damage claimed by another person. For example, the owner of the gym has indemnity insurance to compensate its customers in case of injury or accident and to avoid the financial loss due to a lawsuit.

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Question # 65

Tell me what do you mean by term 'Insurer' and 'Insured'?

Answer:-

Insured is the one who holds the policy and Insurer is the company that covers the insured.

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Question # 66

Explain what is General Insurance policy? What does it cover?

Answer:-

General Insurance is basically an insurance policy that protects you from losses and damages other than covered by life insurance. For example it covers

- * Personal property such as car or house
- * Accident and health Insurance
- * Liability Insurance - legal Liabilities
- * Property against natural calamities like flood, fire, earthquake etc.
- * Burglary and theft
- * Coverage on transport vehicles carrying goods like Cargo Ship
- * Coverage against machinery breakdown
- * Travel

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Question # 67

Explain what do you mean by 'Loss Payee'?

Answer:-

The loss payee is a person or institution (Bank) that receives the insurance payment on the loss of the property or vehicle you own. It is a legal definition used to cover the investment of other parties or bank that is owned by you. For example, you have a car on loan, and also you have insurance for that car. Now you met an accident, and your car is a total loss (meaning completely damaged beyond repair). Your bank still owes money from you in such case when you claim the insurance; the insurance company will pay money directly to Bank or person you owes money. Here bank is a loss payee.

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Question # 68

Tell me what happens if you fail to make required premium payments?

Answer:-

Usually, Insurance Company gives a grace period of 10-15 days to the insured if they fail to pay the premium before the due date. Further, if you fail to pay a premium, then your policy will lapse. You can revive your policy by paying the outstanding premium along with the interest, counted from the date the policy got lapsed. Different Insurance Company has a different norm for reviving the policy.

However, if your policy is in force for a longer period like say more than 2-3 years, and if you fail to pay a premium, then insurance company will deduct the premium amount from your accumulated funds, especially in permanent life insurance. This will continue till there is an available fund after which your policy will be terminated.

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Question # 69

Explain is it possible to restrict the premium payment for a lesser number of years than the duration of the policy?

Answer:-

Certain Insurance company have a provision of Limited Premium Payment, through which you can pay the premium in 3, 5, 7 or 10 years depend upon your income, and you still can have the coverage for the entire tenure of the policy.

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Question # 70

What is Co-insurance?

Answer:-

Co-insurance term is usually referred to health insurance companies. In this type of policy, you share the coverage with the insurance company in percentage of the policy value, after paying deductible or co-payment. It is the split of insurance coverage between you and insurance company; usually the split would be 80/20 % where you are liable to pay 20% and the remaining amount by the insurance company. For example, for health policy you have claimed for \$200, according to policy clause you have to pay deductible, let say \$100, now after paying deductible the remaining amount is \$100, now you have a co-insurance which is split into 80/20%. So you will pay \$20 out of \$100 from your pocket while the \$80 will be paid by co-insurance (meaning the insurance company).

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Question # 71

Do you know who is the beneficiary?

Answer:-

Beneficiary is the one whom you have nominated for the insured amount in case of your death.

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Question # 72

Explain is it possible to get the full payment on cancelling the new policy in free look period?

Answer:-

'Free Look Period' is a time-period where the insured can cancel their newly bought policy in a specific period of time from the date of issuing the policy without any penalties or surrender charges.

Yes, it is possible to get the full payment in free look period; you can cancel your new policy in 15 days by returning the policy to the life Insurance company after you receive all the documents related to the policy.

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Question # 73

Explain what do you mean by 'Additional Insured'?

Answer:-

'Additional Insured' is the status associated mainly with property insurance and liability insurance. The additional insured will be protected under the main policy holder. For example a vehicle insurance policy which covers all the members of family and not only the owner.

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Question # 74

Tell me what is the contestable period' in insurance policy?

Answer:-

'Contestable period' is usually 1 or 2 years, during which the insurance company holds all the right to investigate the policy and decide whether to pay or not to pay to the insured.

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Question # 75

Explain how to claim the policy?

Answer:-

In order to claim the policy, you have to fill up the claim form and contact your financial advisor from whom you have bought the policy. You have to supplement all the required documents like original payment receipt to your insurance company. If everything is ok, you will be paid within seven days of the policy claimed.

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Question # 76

Tell me can an individual take two policies and claim for both of them?

Answer:-

Yes, an individual can take two policies and claim for both.

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Question # 77

Explain what is 'declaration page' in insurance policy?

Answer:-

'Declaration page' in insurance policy, bears all the information of the policy holder like name, address, vehicle information, type of coverage and loss payee information.

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Question # 78

Tell me what is the difference between the participating and non-participating policy?

Answer:-

Participating policy is a policy, where the profit or benefits of the insurance company is shared with the insured in the form of a dividend or reversionary bonuses. While, the non-participating policy, does not share their profit with insured.

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Question # 79

Tell me what do you mean by term "Annuity"?

Answer:-

An annuity is the term used for the regular amount paid by the insurance company to the insured, after a certain period of time. The payment can be monthly or quarterly, this is often done to supplement income after retirement.

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Question # 80

Tell me is it safe to pay the premium through Insurance Agent?

Answer:-

It is safe to pay the premium through your agent as far as you are making the payment through cheques on the name of Insurance Company and receiving all the receipts for the payments.



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Question # 81

Explain what is the Surrender Value?

Answer:-

Surrender Value is the amount when you stop paying the premium and withdraw the entire amount. The policy ceases as soon as you withdraw the money, and the insured will lose out all the returns on it.

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Question # 82

Tell me is it advisable to replace the policy with another policy?

Answer:-

If it is not a long duration that you have bought the policy, then you can replace the policy. But in other case it is not advisable as you will lose all the benefits of the previous policy also the premium will go high as you go older. Also, the two-year period of contestability will also begin again.

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