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FIRE INSURANCE
• If entire building of the Industrial estate is insured under one sum insured the rate is – 1.80%
• Per se means – on its own merits
• Factories where no manufacturing activities are carried out continuously more than 30 days the premium rate is – charged under silent risk (if after loss then no activity it is not applied)
• Monthly declarations under Declaration policy based on the – average of the value at risk on each day or highest value on any day of the month
• Minimum Sum Insured under Floater Declaration Policy is – Rs.2.00 Crores
• Minimum Retention of Premium under Floater Declaration Policy – 80% of the annual
• Premium Reinstatement value policy under Fire provides – that in the event of loss, the amount payable is the cost of reinstating property of the same kind or type, by new property

ENGINEERING

• Policy period are same for both Operational and Construction phase – No. Operational policies are annual policies and whereas construction phase policies are depends upon the period of the project
• IAR policy belongs to – Fire department but covers MBD and MLOP also
• Sum Insured bifurcated into – A) Contract Price B) Materials supplied by the principal C) Any other additional items
• Airport works Air side work consists of – construction or extension of runways and aprons, installation of airport lighting and refuelling facilities
• Contract Works Insurance Policy means – This policy is combination of CAR and EAR policies
• Loss or damage due to faulty design is an exclusion in CAR Policy but in EAR Policy – it excludes shall be limited only to the item affected and shall not exclude loss or damage to other insured items resulting from the excluded peril

MARINE/ AVIATION INSURANCE

• The slip printed in Red and marked “important” is known as – Red Slip
• Red slip drawn the attention of consignees to certain procedures to be followed by them to preserve rights of recovery against carriers is attached to – Marine Policy
• Open Policy is known as – Floating policy also
• An Open Policy is a stamped document and Certificates issued under this policies need not be – Stamped again
• Open policies issued to cover – Inland Transits only
• Open cover is – not a stamped document and issued to cover imports and exports
• Certificates under Open Cover – to be stamped
• **INCAPACITY means** – Any incapacity causing the PTD or TTD of the person insured
• **2This policy to be give to the age group of** - 19 to 49 years only

**MOTOR INSURANCE**

• If the owner died the policy will be in force – **up to 3 months from the date of death or expiry of policy which ever is earlier**
• The vehicle can be transferred to the legal heir on production of – **Death certificate in respect of the insured, Proof of title to the vehicle, Original Policy**
• For Imported cars how much loading we have to do – **30%**
• CNG/LPG what is the % to charge – **4%**
• Deduction for Depreciation is the same for Private car, Two wheeler and for – **Commercial Vehicles also**
• Difference of exclusions for private car and Commercial vehicles are – **in commercial vehicles** 1. there is no liability for damage caused by overloading or strain of the motor vehicle 2. nor is there any liability for loss or damage to accessories by burglary, housebreaking or theft unless the motor vehicle is stolen at the same time

**MISCELLANEOUS**

• Hospital should have – **at least 15 in patient beds ( C Class towns 10 beds )**
• A place of rest, A place for Drug Addicts or Place of Alcoholics are not a – **Hospital/Nursing Homes**
• Minimum period of 24 hours not applicable to – **Dialysis, Chemotherapy, Radiotherapy, Eye Surgery, Dental Surgery, Lithotripsy ( Kidney stone removal ), D&C, Tonsilectomy**
• Domiciliary Hospitalization benefit means – **Medical treatment for a period exceeding 3 days taken at home under some conditions**
• Expenses not covered under Domiciliary Hospitalization are – **Asthma, Bronchitis, Chronic Nephritis, Diarrhoea and Gastro-Enteritis, Diabetes, Epilepsy, Hypertension, Influenza, cough and cold, All Psychiatric disorders, Pyrexia of unknown origin for less than 10 days, Tonsillitis, Arthritis, Gout and Rheumatism**
• Age group for **MEDICLAIM Policy** – **5 to 80 years and children between 3 months to 5 years can be covered if one of the parents insured with him**

**3rd and 4th February 2020 GIPSA One-liners**
FIRE INSURANCE

• If bank signed on the Discharge voucher is it fully binding on all the parties – Yes
• Damage caused by Acid in fire insurance policy is payable or Not – No it is not payable
• Fearing possible burglary one lady kept her Jewelry in an unlighted grate and next morning the fire was lighted by mistake and jewelry was damaged by fire – In this case the loss is payable (Harris vs. Poland, 1941)
• Sugar was being refined by being heated by stove and due to negligence of an employee the stove was overheated and the sugar was spoilt but it did not ignite – The claim was rejected by the court (Austin vs. Drew 1815)
• Once there is a fire within the meaning of policy, the losses covered are – Smoke and heat, scorching, falling walls, collapse of roofs, floors etc

ENGINEERING

• The MCE policy provides – wider cover than under ICC(A)
• On deck shipments can be covered under MCE – at terms to be agreed
• MBD Policy not covered – loss or damage due to Fire, Lightning, Explosion, theft, collapse of buildings, subsidence, etc
• Damage resulting from experiment and overload covered by MCE – No it is not covered
• The most eligible risks for Machinery Insurance are units of – Power plant and Prime Movers
• Electrical and Mechanical breakdown or internal explosions covered by CPM – No all that risks are excluded in the policy
• Whilst working underground in CPM can that equipment covered – No it is an exclusion

MARINE/AVIATION INSURANCE

• Using “Pair and set clause” the underwriter limits his liability - to the insured value of the lost or damaged part
• “Cutting clause” – states that the damaged portion should be cut off and the balance utilized. This is used in policies covering pipes or similar items of length
• Label Clause is used in – Tinned food stuffs
• The Pickings Clause provides that – the insurer will pay the cost of picking and the cost of re baling both sound and damaged material because the damaged material does have salvage value and this implements in Cotton, Wool and similar commodities
• Garbling Clause provides that – the insurer will pay the cost of garbling (means sift, to cleanse, to separate sound from the whose )as such an exercise prevents further damage and reduces the claim

**MOTOR INSURANCE**

• IDV of vehicle beyond 5 years – to be agreed between insured and insurer
• If loss or damage cost exceeds 75% then – the loss is treated as CTL
• Under Two Wheeler loss to accessories by burglary, housebreaking or theft covered only when the vehicle is also stolen at the same time but in Private car – this point is silent
• But under private car accessories are covered under the burglary if they are – on the motor car at the time of loss
• Whether Taximeter considered as accessories of taxicab – Yes
• Accessories are those parts which are directly supplied by the manufacturers along with the vehicle and are not essential for the running of the vehicle

**MISCELLANEOUS**

• Total amount payable under the above policy is – Rs.50000/- towards diagnosis, biopsy, surgery etc
• Who will be covered – Insured and his spouse also covered
• Cancer Insurance Policy can be issued to – Cancer Patients Aid Association Members
• Under Cancer Insurance Policy – Only Allopathic mode of treatment is covered
• Bhavishya Arogya Policy is meant for – medical expenses due to illness/accidental injury incurred by the insured person during his retirement age as defined in the policy
• Bhavishya Arogya Policy can be issued – at the age of 25 years to 55 years age and the maximum sum insured is Rs.50000/- and for any disease 20000/- per any one illness or injury

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5th and 6th February 2020 GIPSA One-liners

FIRE INSURANCE

• A formula is incorporated in the LOP Policy to calculate the loss is known as – Specification

• Where the undertaking provides a service as in case of private nursing homes, hotels etc the policy can be called (LOP) as – Revenue policy

• Gross fee Policy is available for – Professional persons such as Solicitors, CA’s and this policy provides Cover for gross fees, additional expenditure and legal and clerical charges for replacement of documents, books of accounts etc

• Fire means – or ought not to be on Actual ignition or burning, of property which is not, fire, under accidental or fortuitous circumstances, so far as the insured is concerned

• What is ignition – presence of flames is a pre-requisite for ignition

• Goods legally purchased by the insured and insurance taken but smuggled to India and claim reported whether it is payable or not? - English case Geisman Vs Sun Alliance and London Insurance ltd 1977 it was held that the claim is not payable because goods held illegally
ENGINEERING

- Time exclusion means – indemnity period commences after the expiry of the time exclusion immediately after the occurrence of the accident (there is no time exclusion in Fire LOP except under extension of failure of public electric supply, if taken)
- Can Expenses of Gardening pertaining to factory and staff quarters can take in standing charges in MLOP – Yes
- Can insured selectively choose Standing charges for insurance under MLOP – Yes
- In MLOP Sum Insured is – Net profit + Standing charges = Gross profit
- If actual Gross profit turns out to be lower the insured gets – refund of premium upto 50% of the premium originally paid
- Loss assessment of MLOP provided in – Policy schedule itself

MARINE/AVIATION INSURANCE

- What ‘Process clause’ says – which states that when the subject matter is undergoing any process, no claim will attach for loss or damage except by fire, burglary and theft
- The valuation for all Marine risks is CIF + 10% but for Rejection risks – it is CIF value only
- Special covers for Tea, Coffee, Cardamom and Rubber for tea the coverage is – from the time the green leaves plucked at the garden, and continues whilst being carried to, and stored and processed, at the factory, and further continues whilst in transit until sold at the Auction centre in India
- The total period of storage in the above does not exceed – at various locations cannot exceed 120 days
- Special cover for Tea, Coffee, Cardamom and Rubber are equal to All Risks policy but some exclusions are – for TEA policy loss or damage due to defect in the manufacturing process and for CARDAMOM policy excludes loss or damage due to vermin, insects, natural etc and SRCC risks can be covered at additional premium
- LOSS OF LICENCE INSURANCE Covers – in the event of the person insured during the period of Insurance suffering any bodily injury whatsoever or suffering any illness whatsoever resulting at any time whether during or after the period of insurance (but not beyond the period of 5 years after the expiry of the policy) compensation will be paid
MOTOR INSURANCE

- **Commercial vehicle insured is authorised for repairs** – not exceeding Rs.500/-
- Legal liability towards person carried in the vehicle is excluded, however as required by the Motor Vehicles Act legal liability towards – fare paying passengers and persons carried by virtue of an contract of employment is covered
- The employee need not be with the insured employee but – he may be carrying in pursuance of a contract of employment with the owner of the goods
- As per RULE 129-A – **Six months from the date of commencement of Central Motor Vehicle, every goods carriage carrying goods of dangerous or hazardous nature to human life** –shall be fitted with a SPARK ARRESTER
- IZ-300-301 – **Goods carrying vehicle**
- IZ-400 – **Passenger Carrying Vehicle**

MISCELLANEOUS

- Burglary policy does not cover – **Ordinary Theft risk**
- Burglary (private dwellings) insurance policy covers – Theft risk also in addition to burglary and housebreaking
- All Risks Insurance Policy in Burglary is covered – Loss or damage due to Fire or Burglary or theft or any other accidental or fortuitous circumstance and contains the single article limit and pair or set clause
- Baggage Insurance Policy covers – accompanied personal baggage of the insured or member of his family, so lost or destroyed by Fire, Riot and Strike, Terrorist activity, Theft or Accident, whilst the insured is traveling on tour and/or on holiday, in all places and situations during the period of insurance and within the limits stated in the policy
- If insured lost Umbrella, Consumable and perishable goods or leakage or spilling of liquids oils covered by Baggage policy – **No all are exclusions**

7th and 8th February 2020 GIPSA One-liners
FIRE INSURANCE

- Fire business has been de-tariffed from – **1.1.2007**
- Close proximity claims is applicable to a risk occurring within – **5 days**
- Floater policy can be issued to – **Single sum insured**
- Refund of premium under FIRE declaration policy shall be restricted to – **50%**
- Issue of Fire Declaration policy does not cover – **Stock in process**
- In LOP policy indemnity period means – **Specified interruption period opted**
- Terrorism pool is managed by – **GIC**
- The essentials of Fire are – **Fuel, Oxygen & Source of Ignition**

ENGINEERING

- **ALOP Covers** – financial consequences of a project being delayed of accidental damage to the project materials
- **In ALOP the insured means** – Principal or Owner of the project i.e. The party who stands to lose the estimated revenue earnings if the project gets delayed
- **Net profit + standing charges =** Turnover minus Variable cost
- **In case of large Cold Storage Deterioration policies can be issued on** – Declaration basis
- **Civil Engineering Completed Risks Insurance (CECR) is a** – named perils policy
- **CECR Insurance covers** – against external hazards for which the contractor or the operator or owner as the insured is not responsible

MARINE/ AVIATION INSURANCE

- Upward adjustment in Special Declaration Policy – is **not permitted**
- If SDP is cancelled by the assured – **the minimum premium retention is Rs.5000/-**
- Downward adjustment of premium can be made after receiving the final declaration which must be submitted by the insured within 60 days of expiry of the policy
• Annual policy issued to – cover goods belonging to the assured are held in trust by him, not under contract of sale or purchase, which are in transit by rail or road from specified depots/processing units to other specified depots/processing units

• The Annual Policy insurance is subject to the warranty of – warranted that the depots from which the transit commences and at which the transit ends are owned or hired by the assured

**MOTOR INSURANCE**

• For Vehicles designed as Commercial Vehicles and used for Commercial and Private purposes (excluding use for Hire or Reward) – premium to be charged as per CV Tariff with 25% loading and Endorsement IMT – 34 is to be used

• Concession for Laid-up vehicles – GR -31

• In case of IMT 21, 22 and /or 35 – no reduction of premium can be allowed

• Endorsement IMT 21 and 35 are not – applicable in the case of Liability only policies

• Legal liability for Non fare paying passengers including employees of the- insured who are not WORKMEN under the WC Act additional premium to be charged – goods carrying vehicle Rs.50/- per passenger, for CV designed for carriage of passengers Rs.100/- per passenger

**MISCELLANEOUS**

• Floating Policies in Burglary cover goods in – more than one location covered under one sum insured subject to the subject matter of the insured should be the same in all locations and the locations should be in the same city, town or village

• Insured has to produce the bills or invoices of the items at the time of claim and it is a cumbersome process hence to avoid this insurers agree to settle the claims by – incorporating “inventory and valuation clause” in the policy

• As per the above clause the values are agreed and valued by – the Professional valuer and at the time of claim there should be no dispute in regard to value

• The difference between Valued Policy and Inventory and Valuation clause policy is – in valued policy there will not be any depreciation but in second one depreciation and other things to be taken into account to know the pure indemnity
FIRE INSURANCE

- Some property removed from the burning building and that property damaged due to exposure to weather whether it is payable – **Yes if removal was made in an endeavor to mitigate the loss**
- Lightning peril is included so that all damage so caused – **whether fire results or not covered**
- Explosion/Implosion exclusion does not applicable to – **Domestic boilers** (if domestic boilers used for trade/manufacturing purpose then we can not treat that boilers ad domestic boilers )
- What is flood – **water escape from its normal confines , of a body of water, due to rise in its level, or to the breakdown of the barriers retaining it**
- A flood must involve – **a large quantity of water**

ENGINEERING

- If one property insured under Electronic equipment and Fire policy the discount allowed is – **5%**
- **Without Prejudice means – Claim is not admitted**
- **FOES is an extension of – DOS policy**
- **CPM Policy is an All risks policy with an exclusion of – Breakdown**
- If the actual erection period is shorter than the period indicated in the schedule – **no refund of premium shall be allowed**
- Excess apply separately for – **Storage & erection claims, Testing Claims, Maintenance Claims, Fire& AOG Peril claims**

MARINE/ AVIATION INSURANCE

- **In excess of** – Beyond, over and above a certain figure, usually referring to re-insurers proportion
- **Escalator Clause** – A clause allowing for automatic adjustment of the insured value in certain non- marine material damage insurance
• **Excess of line Reinsurance** – A reinsurance to cover that part of the original underwriters acceptance which is in excess of his retained line

• **Excess point** – Term used in excess of loss reinsurance to determine the point at which the re-insurer comes on risk

• **Free on Board (FOB)** – Under FOB contract, the seller undertakes to deliver the goods over the ship's rail, at which point the risk passes from the seller to the buyer. The seller responsibility is to pay all expenses until this point

**MOTOR INSURANCE**

• **Named Driver plates are used for** – driving second hand registered vehicles

• **How many type of policies are there for Motor Trader** – 2 Types 1. Standard form of Motor Trade Package Policy and 2. Standard form of Motor trade internal risks policy

• **NCB as mentioned in GR 27 is not applicable to** – Trade Policies

• **Motor Trade Risks policy covers** loss or damage in a Public place and not at the Insured premises whereas under **Trade Internal Risks policy** – loss or damage or liability arising out of an event occurring only on the Insured business premises

• **Why this Motor Trade Internal Risks policy not popular in India** because – Garage owners and Dealers have relied on the disclaimer clause which is inserted by them in the agreement whilst accepting customers vehicles for repairs

**MISCELLANEOUS**

• **Dacoity** as per section 391 of IPC means – “where five or more persons conjointly commit or attempt to commit a robbery or are present and aid such commission or attempt, every one of them is said to commit dacoity”

• **First Loss Policies are not** – Full value policies

• **First Loss policies are issued** – where the total value of stocks to be insured exceeds, Rs.25.00 Lakhs

• **No First Loss policy is usually issued** for less than – 25% of the total value of the property

• **The rating for First loss policies are** – if the cover is 75% of full value, charge 90% of the premium for full value, if the cover is 65% full value, charge 80%, if the cover is for 50% of the full value, charge 70% and if the cover is for 25% of the full value, charge 50% of the premium for full value

9th and 10th February 2020 GIPSA One-liners
FIRE INSURANCE

- **IAR Covers** – Fire & special perils, Burglary, MBD/Boiler Explosion/Electronic Equipment(Material Damage), Business interruption (Fire& allied perils), Business Interruption( MBD – This is an optional cover)

- **Under Agreed Bank Clause the claim is payable to the bank whose receipt shall be a** – complete discharge and binding on all parties insured

- **Consequential loss policy covers** – Loss of profits and it is called as Business Interruption policy also

- **Forest fire covers** – Loss due to burning, whether accidental or otherwise, of forest, jungles and clearing of lands by fire

- **Loss due to the impact of insured own vehicles covers by the fire policy** – No if insured takes an ADD ON cover of Impact damage due to insured own vehicles then only it is covered

- **If the building collapses not due to insured perils the policy ceases automatically** – after 7 days from the date of such collapse

ENGINEERING

- What is the meaning of Boiler – **means any fired closed vessel or a combined container piping system in which steam is generated under pressure**

- What is the meaning of Pressure Plant – **means any un fired closed container under steam, gas, or fluid pressure**

- Fuel Gas explosion means - **explosion of ignited gases**

- Boiler should be operated by – **Attendant holding valid certificate issued under Appropriate Boiler Act**

- In MLOP policy does insured to insured all the machinery – **No it is not required and he selectively insure the important machines (In LOP under Fire it is different)**

- Time exclusion under MLOP – Explosive, Petro, Power plants – 14 days, Fertilizer plants -14 days, Others – 7 days

MARINE/AVIATION INSURANCE

- Comprehensive clause generally is used to extend the cover afforded by ICC(B) when required contains – “including the risks of theft, pilferage and/or non-delivery, fresh
water and rain water damage, hooks, oils, mud, acid and other extraneous substances or heating and sweating and damage by other cargo”

- “Excluding Shortage” from sound bags/packages unless shortage is caused by an insured peril” – this clause is generally used with bagged cargo in order to eliminate ordinary or inevitable loss

- Institute Replacement Clause is generally used – whenever machinery, plant or equipment is required to be insured. This clause limits any claim for loss or damage to part or parts of the insured machine

- How the above policy operates – it is an Annual Policy and the insured has to declare the total value and as per that the premium will be adjusted.

- Package policy for Exporters can be issued to – exporters who have been granted an Advance License under the Duty Exemption Scheme by the Government Of India

- How many sections are there in Package Policy for Exporters – Three sections one is Inward transit from Air/Sea/Road to warehouse. Section 2 covers Storage cum Processing and Section 3 covers Outward transit by Air/Sea/Road/Rail but Under section 2 the sum insured shall not be less than 20% of the sum insured under section 3 of the policy

**MOTOR INSURANCE**

- Application of this discount will require attachment of – Endorsement IMT– 8

- Private cars certified by the Vintage and Classic Car Club of India as Vintage Cars will be – eligible for 25% discount on Own damage premium

- Vehicles ( other than those covered under Motor Trade Policies ) fitted with anti-theft devices approved by Automobile Research Association of India ( ARAI), Pune eligible for – 2.5% discount on the OD portion subject to maximum of Rs.500/-

- The above to be certified by any of the Automobile Association mentioned in –GR 28

- Vehicles laid up in garage and not in use for a period of not less than – two consecutive months eligible for rebate

- The rebate of premium shall be adjusted at the time of renewal of the policy and the – refund by way of cash even if the policy is not renewed with the same insurer not allowed

**MISCELLANEOUS**

- All companies dealing in hazardous goods have to take a Public Liability policy as per the – Public Liability Insurance Act, 1991
As per the Public liability act policy the compensation in case of an accident is – **Structured Compensation**

Equal amount of premium collected under the PLI Act Policy goes to – **Environment Relief Fund**

Claim settling authority in case of claims under PLI Act Policy is – **District Magistrate / Collector**

Claims under PLI Policy are in the nature of – **Legal Liability**

Under Public Liability Industrial Risks Policy pollution risk is – **to be covered as an ADD ON Cover**

Premium rating for PLI Depends upon – **Turnover, Limit of Indemnity, Number of Units covered, Risk group**

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**11th and 12th February 2020 GIPSA One-liners**

**FIRE INSURANCE**

- **Waiver means** – voluntary relinquishment of a known right

- **Estoppel means** – legal bar raised by a persons own action against asserting a right that he once possessed, or making a choice that once was open to him

- **Waiver may be** – express waiver or waiver by conduct

- **Ejusdem Generis rule means** – of the same kind
• Payment by mistake can be recovered – Yes

• What is explosion – means a sudden and violent burst with a loud report and this is known as Concussion damage also

ENGINEERING

• Petrol Electrical Mobile JIB Cranes – similar as above except that the wheel of under-carriage are fitted with rubber tyros to be operated on roads

• Overhead traveling cranes – usually found in large works, fitted with cross girder at each end with an under-carriage and wheels

• Goliath cranes – electrically operated

• Portal cranes – found on wharfs or docks

• Under CAR policy issued for construction of a road project, is to be extended for a further period – can be extended for the balance sum insured excluding the completed portion which is not put into service

• A CAR policy can be given where civil works are more than – 50%

• Which risk is not an add on cover under project policy – Debris of Uninsured proper

MARINE/AVIATION INSURANCE

• It is prohibited to issue policies to – Transport companies, transport contractors, Freight Forwarders either in their own name or jointly with the owner of the goods, except on goods owned by them

• Minimum annual estimated despatches ie. Annual turnover – shall be Rs.2.00 Crores

• Special Declaration policy shall not be given – in joint names

• SPD is not – Transferable and Proposal form is must

• Sum insured under SPD shall not be less than – Previous year actual turnover

• Mid term increase is allowed – only once and second time increase with the prior approval of the Regional Office

MOTOR INSURANCE

• TAC established in the year – 1938 and amended in the year 1968

• Latest in TAC is with effect from – 1.7.2002
• From 1.7.2002 in Motor Tariff General Regulations has been –
increased from 31 to 46

• GR 8 deals with – Insured Declared Value

• GR 2 deals with – Proposal form is must if material alterations are there

• GR 5 & 6 deals with – Definition of VINTAGE CARS & Classic Cars

• As provided in GR 30 – Vehicles fitted with Anti-Theft device are eligible for discount

• GR 42 Provides – New regulation for vehicles fitted with Bi-fuel system such as
Petrol/Diesel and CNG/LPG provided

**MISCELLANEOUS**

• Losses due to fraud / dishonesty of an employee of the insured is not covered by the
Money Insurance policy but – insurers cover such losses provided they are discovered
within 48 hours of their occurrence

• Theft of money from unattended vehicle – not covered by the Money Insurance Policy

• Loss or damage by Acts of Terrorism in conjunction with the RSMD Cover can be
covered – at an additional premium

• Money retained in burglar resisting safe in the insured premises in ordinarily covered –
only 48 hours after its arrival

• Money in till or on counter in the insured premises during the insured business hours –
can be covered at an additional premium

• HOLD UP means – Hold up is a theft accompanied by violence or a threat thereof by
any person other than an employee of the insured

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**13th and 14th February 2020 GIPSA One-liners**

**FIRE INSURANCE**

• The 15 conditions of the fire policy classified into – Condition precedent to the
contract, Condition subsequent to the contract and Condition precedent of liability ( 3
types )

• Warranty – is an undertaking by the insured

• The purpose of warranty is – to ensure that the risk remains the same as it was at the
time of commencement of risk

• A warranty is a condition which – forms part of contract
• If breach of warranty is technical nature then the claim will be payable – on Non standard basis

• Ex-gratia settlement means – where the loss is outside the scope of the policy or doubtful because it is a borderline case

• Subrogation rights not applicable to – ex gratia payments

• Ex-gratia payments should be approved by Board of directors and not recoverable from- Re insurers

ENGINEERING

• Sum Insured under CECR Policy is – must be insured at replacement value

• Basis of Indemnity under CECR Policy is – only the repair costs are indemnifying, in the case of partial losses, there is no deduction new for old

• The period of policy under CECR – not more than one year

• Cold Testing is called as – Functional Testing also

• Cold Testing means – Checking of component parts of an insured item by mechanical, electrical, hydrostatic under “dry run” conditions which do not necessitate the firing of furnaces

• Testing or Operational & commissioning test means – checking of component parts of an insured item under load or operational conditions

• Traveling JIB Cranes – normally travel on standard gauge railway tracks

MARINE/ AVIATION INSURANCE

• The difference between ICC(B) and Institute Coal clauses is – it extends Fire and Explosion cover to include heating even when caused by spontaneous combustion and inherent vice

• Institute Jute clauses is similar to Institute Commodity Trade clauses (B) with the difference – Earthquake, Volcanic eruption and lightning are not covered and the cover is attached when jute is boarded on vessel and the time limit 60 days after discharge at the port is reduced to 30 days in JuteClauses

• Institute Natural Rubber Clauses is similar to Institute Commodity Trade Clauses (B) with the difference – In ICTC(B) loss or damage to rubber due to water from any source or by hooks, spilling or leakage of any substance or liquid, other cargo or moisture from wet or damp also covered. In addition to that this clause covers theft, pilferage and non-delivery
Institute Bulk Oil Clauses covers as per ICC(B) and Leakage of oil from connecting pipelines in loading, transshipment or discharge and negligence of master, officers and crew in pumping cargo and contamination due to stress of weather is covered.

Trade clauses except Institute Bulk Oil Clauses and Timber Trade Federation clauses are not commonly used in India.

**MOTOR INSURANCE**

Proposal forms as specified in Section 5 of the INDIA MOTOR TARIFF are required to be submitted by the insured.

Policies to be issued to the insured as per the – Section 6 of the INDIA MOTOR TARIFF.

Geographical Area of Motor policies may be extended to include Bangladesh, Bhutan, Nepal, Pakistan, Sri Lanka, Maldives the additional premium to be charges 500/- for package and 100/- for Liability policies.

CLASSIC CARS means – Any car manufactured after 31.12.1940, but before 31.12.1970 is considered as classic car.

Geographical Zones – Private cars/Two wheelers/CV rate able under section4.C.1 and C.4 – Zone A: Ahmedabad, Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, New Delhi and Pune Zone B: Rest of India.

**MISCELLANEOUS**

All Risks policy issued on named exclusions basis.

Under Travellers Baggage policy exclusions are – Routine Travel, Article added during the course of the journey, All other exclusions as per ALL RISKS policy.

Sections of Jewellers Block Insurance – Section I: Premises risks, Section II: Custody Risk outside premises, Section III: Transit Risks, Section IV: FFF & Safes.

Stock under custody in excess of Rs.2.00 Lakhs should be secured in locked safe after business hours – Section II.

Sum Insured under Section II should not exceed Section I Sum insured – under Jewellers Block.

Under Jewellers Block condition of Average applicable to Section I & Section IV.

15th, 16th and 17th February 2020 GIPSA One-liners
FIRE INSURANCE

- What are the conditions of sale of salvage by tender system – 1. salvage is on “as is, where is” basis. 2. The Deposit forfeiture clause
- The deposit forfeiture clause means – if the bidder does not take after tender the seller can forfeit the deposit of the bidder as per this clause
- As per condition no 7 – wider powers are reserved for insurers like the insurer enter and take possession of the building etc after claim
- Which condition protects the insurer against inordinate delay on the part of the insured in substantiating the claims – Condition no.6
- In fire insurance the insured has no right to – abandon the property to the insurers whether taken possession of by the insurers or not (condition no.7)
- Declaration policy has minimum S.I. Of – Rs.1.00 Crore
- Minimum sum insured under Floater Declaration Policy – Rs.2.00 Crores
- DSU means – Delay in start up insurance
- Earthquake zones – 4
- Spontaneous combustion categories – 4
- Fire at suppliers premises can be a part of – an LOP Policy
- Common utilities outside the premises can be rated as – Per se
- Storage of hazardous chemical up to 5% of value at risk – does not effect the claim
- Industrial All Risk policy allows under insurance up to – 15% of sum insured
- Implosion means – bursting inward or sudden collapse inwards due to external pressure
- In fire insurance salvage means – Excess of value at risk over sum insured
- Fire policy covers – 12 named perils
- The basis rate under Fire LOP policy is based on – the average rate of process blocks under the fire policy
- FLOP Covers – Loss of profit due to reduction in turnover during indemnity period
- The gross profit under FLOP Means – Net profits + standing charges
- To constitute Fire elements required are – Three(3)
ENGINEERING

- Under MCE Policy cover starts from – the moment the equipment leave the manufacturers warehouse ( import or within the country )
- In MCE Policy Marine risks covers – All risks as per Institute cargo clauses ( A )
- CPM Policy cover is – operative whilst the equipment is at work or at rest or lying at contractors own premises
- Terrorism cover automatically include under – CPM Policy
- Boiler and Pressure Plant policy covers – Damage other than by fire, to the boilers and to surrounding property of the insured, as specified in the policy and Legal liability to the insured of property /bodily injuries, deaths of third parties
- Maximum permissible escalation under EAR policy is – 50%
- How much discount can be given in EEI if property insured under fire policy also – 5%
- Under MCE Policy cover starts from – the moment the equipment leave the manufacturers warehouse ( import or within the country )
- In MCE Policy Marine risks covers – All risks as per Institute cargo clauses ( A )
- Loss or damage caused under MBD policy cover under following circumstances – while it is at work or at rest, while being dismantled for cleaning or overhauling, during cleaning or overhauling operations, when being shifted within the premises, during subsequent erection

MARINE INSURANCE

- For FPA ( Free of Particular Average ) COVER INCLUDING Jettison and washing overboard the rate should be – 3 times the under deck ICC ( C ) rate is charged
- When the terms of sale are FOB the insurance is arranged by – the Buyer
- Risk under FOB ( buyers policy) commences on loading of the cargo on the overseas vessel – because it is at that juncture of transit that the risk passes from the seller to the buyer
- What is Short Cut Cargo – it relates to goods which arrives too late for a vessel at a loading port or else the goods are not loaded because the vessel has a full cargo load
- BUILLION means – Raw gold or silver in lump
- SPECIE means – metal in the form of minted pieces
• Mechanized Sailing Vessel means – as a vessel registered with Government Authority as having auxiliary engines

• The All India Marine Cargo Tariffs was – discontinued with effect from 1.4.1994

• Who many sections are there in erstwhile All India Marine Cargo Tariff – 13 sections

• Rejection risks policy in Marine designed for – Exporters excluding frog legs in any form

• Insurance underwritten by UIIC as a Flag company in South India the sharing pattern is – 31:23:23:23

• Market Agreement is there for – a) Export of Diamond, Precious stones and Jewelry b) Despatch through Courier Service

• Minimum premium for Marine policy is – Rs. 50/- for a specific marine policy; Rs. 20/- for a Open cover Certificate; for endorsement Rs. 15/-

• Liner means – vessels which are over 15 years of age and below 25 years and maintained a regular pattern of trading on an advertised schedule between ports

• As per Marine Insurance Act all Marine policies are valued policies but DUTY policy – is not a valued policy and if any claim it will be paid as per the duty paid or on the basis of the Sum Insured whichever is less

• The rate of premium for Duty Policy is – 75% of the rate charged on cargo

• In Increased Value policy ‘Lost or not Lost’ provision of the Standard policy shall not apply unless the insurance has been effected in terms of – a standing open policy or Open Cover

• The assured will be required to bear 25% of the claim amount payable under – the Increased Value component of the policy

• Increased value policy shall be given for the insured for more than – 100% of the CIF value of the cargo

• War risk is excluded for sending except – at a transshipment ( or Air port ), when cover is allowed to continue for a maximum period of 15 days on board or on land, whilst awaiting on-carriage

**MOTOR INSURANCE**

• “Articulated Vehicle” means – A motor vehicle to which a semi-trailer is attached

• “Certificate of Registration” means – The certificate issued by Competent Authority to the effect that a motor vehicle has been duly registered in accordance with the provisions of the Act ( Chapter IV of the Act )
• **Conductors License deals by** – Chapter III of the Act

• **“Contract Carriage” means** – a motor vehicle which carries passenger(s) for hire or reward and is engaged under contract, whether expressed or implied, for the use of such vehicle as a whole for the carriage of passengers mentioned therein, and entered into by a person holding a permit in relation to such vehicle or any person authorized by him in this behalf on a fixed or agreed rate of sum on time basis and included a maxicab, motorcab

• Solatium Fund established by the Central Government with effect from - 1st October, 1982

• When a person is entitled to claim compensation under section 140 and section 163(a), he shall file the claim under either of the said sections – and not under both

• Risks covered under section 1 of Private car & Two wheeler policies under package policy are – i. Fire explosion self ignition or lightning ii. By burglary housebreaking or theft iii. By riot and strike iv. Earthquake v. flood, typhoon, hurricane, storm, tempest, inundation, cyclone, hailstorm and frost vi. accidental external means vii. Malicious act viii. Terrorism ix. Whilst in transit by road rial in-land waterway lift or elevator or air x. landslide and rockslide

• Depreciation for Private cars & Two wheelers – Rubber/nylon/plastic parts, tyros and tubes, batteries and air bags – 50%, for fibre glass components 30%

• No depreciation on – Parts made of Glass

• Exclusions under Private car & Two Wheeler policy – a) Consequential loss, depreciation, mechanical or electrical breakdown, failures or breakages b) Damage to tyros and tubes unless the vehicle is damaged in accident and 50% only is payable c) intoxicating liquor or drugs of the driver at the time of accident

• To get NCB confirmation from the previous Insurer – the time limit is 21 days if the insurance company does not write a confirmation letter it is breach of the tariff

• If earlier policy taken at Abroad and earned NCB there can the insured claim the same in India at the time of renewal – Yes, subject to production of proof and he is eligible to utilize the same within 3 years of period

• To get eligibility to claim NCB the vehicle must be insured – continuously for the period of 12 months

• How many Automobile Associations are there – **Automobile Association of Eastern India, Uttar Pradesh Automobile Association, Western India Automobile Association, Automobile Association of Southern India and the Automobile Association of Upper India**
What is the discount allowed if the insured is a member of the above association – 5% of discount of the Own Damage premium subject to a maximum of Rs.200/- for a private car and maximum of Rs.50/- for a Two Wheeler

If insured cancels member during the currency of the policy – the discount eligible is on pro rata basis

MISCELLANEOUS

Bhagyashree Child Welfare Policy is applicable to girl children in the age group of – 0-18 years and whose parents does not exceed 60 years

Bhagyashree Policy intention is – to provide insurance cover to ONE Girl child in a family who loses either the father or the mother due to accidental death

Coverage under Bagyashsree policy is – in case of death of either or both parents due to accident the company shall deposit a sum of Rs.25000/- in the name of the girl child mentioned in the policy and with a financial institution named in the policy

The Financial Institution shall make disbursements as follows – 1-5 years Rs.1200/- payable to Surviving parent or guardian for looking after the needs of that child, 6-11 years 1200 per annum payable if the child is admitted in a school and expenditure incurred on the education, 12-17 years 2400/- per annum as above,18 years balance amount to the credit of the girl child payable to the girl child

Who can bring an action against a director of a company giving rise to a claim under D&O Policy – Customers, Regulator and employees

What cost cannot be usually covered under a Product Recall Cover – Product Guarantee

Claims under Product Liability Policy can be paid in – Foreign currency with RBI Permission

The retroactive clause under a Liability policy defines that – Under a claims made policy the loss should occur within policy period in case of renewal without break

Ratio of AOA:AOY Maximum Indemnity limit under Public Liability ( ACT Policy ) is – 1:3

Contribution to Environmental Relief Fund is under the PLI Act is – An equivalent amount of premium

Retroactive date means – Inception date of the policy without break

Dealers Stock or Travelers Samples covered – No, excluded under Baggage policy

A Burglary insurance policy excludes damage which may be covered by – a PLATE GLASS Insurance policy
• The items mentioned in Section I are covered under Cash in Transit policy and they are – *Wages in transit from bank to insured premises, cash in transit from the insured premises to post office, postal orders, stamps to insured premises, wages in transit from insured main premises to insured branch premises, cheques bills of exchange, etc in transit from insured premises to bank, cash collected by employees from the time of collection and until delivered at insured premises or bank on the day of collection and unpaid wages etc retained at the insured premises in burglar resisting safe or strong room*

• Unpaid wages etc, retained at the insured premises in burglar resisting safe or strong room can be covered under – *Burglary policy also*

• SUM INSURED under Money in transit has two elements – 1. Limit of the insurers liability for any one loss 2. Estimated amount in transit during the year

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