

CBSE | DEPARTMENT OF SKILL EDUCATION

INSURANCE (SUBJECT CODE-814)

MARKING SCHEME FOR CLASS XI (SESSION 2022-2023)

Max. Time: 3 Hours

Max. Marks: 60

General Instructions:

1. Please read the instructions carefully.
2. This Question Paper consists of **24 questions** in two sections – Section A & Section B.
3. Section A has Objective type questions whereas Section B contains Subjective type questions.
4. **Out of the given (6 + 18 =) 24 questions, a candidate has to answer (6 + 11 =) 17 questions in the allotted (maximum) time of 3 hours.**
5. All questions of a particular section must be attempted in the correct order.
6. **SECTION A - OBJECTIVE TYPE QUESTIONS (30 MARKS):**
 - i. This section has 06 questions.
 - ii. There is no negative marking.
 - iii. Do as per the instructions given.
 - iv. Marks allotted are mentioned against each question/part.
7. **SECTION B – SUBJECTIVE TYPE QUESTIONS (30 MARKS):**
 - i. This section contains 18 questions.
 - ii. A candidate has to do 11 questions.
 - iii. Do as per the instructions given.
 - iv. Marks allotted are mentioned against each question/part.

SECTION A: OBJECTIVE TYPE QUESTIONS

Q. No.	QUESTION	Source Material (NCERT/PSSCIVE/ CBSE Study Material)	Unit/ Chap. No.	Page no. of source material	Marks
Q. 1	Answer any 4 out of the given 6 questions on Employability Skills (1 x 4 = 4 marks)				
i.	Gestures describe movements of parts of the body, especially hands or head, to express an idea or meaning. For example, raising a hand may mean asking a question. Biting nails show nervousness. (any one example)	CBSE Study Material	Unit 1	12	1
ii.	2. Group Activity	CBSE Study Material	Unit 2	85	1
iii.	S - Specific R - Realistic	CBSE Study Material	Unit 2	97	1
iv.	3. Shift + F7	CBSE Study Material	Unit 3	123	1
v.	4. Using New Technologies	CBSE Study Material	Unit 2	85	1
vi.	All the living organisms in a particular area and, the non-living environment with which the organisms interact, such as air, mineral, soil, water and sunlight, together form an ecosystem.	CBSE Study Material	Unit 5	171	1

Q. 2	Answer any 5 out of the given 7 questions (1 x 5 = 5 marks)				
i.	2. 49%	CBSE Study Material	Unit 1	20	1
ii.	Insurance Regulatory & Development Authority.	CBSE Study Material	Unit 1	20	1
iii.	1. Special Parliament Act	CBSE Study Material	Unit 2	42	1
iv.	Balanced Funds.	CBSE Study Material	Unit 3	57	1
v.	3. 30 Days.	CBSE Study Material	Unit 4	69	1
vi.	1972	CBSE Study Material	Unit 1	15	1
vii.	2. Insured	CBSE Study Material	Unit 2	39	1
Q. 3	Answer any 6 out of the given 7 questions (1 x 6 = 6 marks)				
i.	Premium	CBSE Study Material	Unit 1	16	1
ii.	50%	CBSE Study Material	Unit 1	17	1
iii.	Uberrima	CBSE Study Material	Unit 2	43	1
iv.	Tenure	CBSE Study Material	Unit 4	57	1
v.	The party which indemnifies or undertakes to compensate the other party of such potential loss is termed as 'Insurer'	CBSE Study Material	Unit 1	11	1
vi.	1. Bajaj Allianz Life Insurance Company Limited 2. Birla Sun Life Insurance Company Limited 3. HDFC Standard Life Insurance Company Limited 4. ICICI Prudential Life Insurance Company Limited 5. ING Vysya Life Insurance Company Limited 6. Max New Life Insurance Company Limited 7. PNB Metlife Insurance Company Limited 8. Kotak Mahindra Old Mutual Life Insurance Company Limited 9. SBI Life Insurance Company Limited 10. TATA AIA Life Insurance Company Limited (any 2)	CBSE Study Material	Unit 2	27	1
vii.	The amount after deduction of applicable charges called "Residual Amount" is finally invested in the fund chosen by the policyholder	CBSE Study Material	Unit 3	49	1
Q. 4	Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)				
i.	Life Insurance Corporation of India	CBSE Study Material			1
ii.	Less than actual cost	CBSE Study Material			1
iii.	Health	CBSE Study Material	Unit 4	57	1
iv.	In ULIP there are options to select from Equity funds, Debt funds or fixed interest funds, balanced funds, etc (any 2)	CBSE Study Material	Unit 3	50	1
v.	If the revival of the policy is effected within 6 months from the due of the first unpaid premium no personal statement of health is required and the policy is revived on collection of delayed premium along with interest	CBSE Study Material	Unit 4	60	1
vi.	Guaranteed Surrender Value is the amount guaranteed by the insurance company to the policyholder in case of termination of the policy before maturity	CBSE Study Material	Unit 4	61	1
Q. 5	Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)				
i.	1. General Insurance	CBSE Study Material	Unit 1	11	1
ii.	The Insurer provides the coverage for the potential Financial Loss for a fee or a	CBSE Study Material	Unit 1	11	1

	consideration which is called the 'Premium'.				
iii.	3. Proposal	CBSE Study Material	Unit 2	43	1
iv.	4. Units	CBSE Study Material	Unit 3	54	1
v.	2. Investor	CBSE Study Material	Unit 3	48	1
vi.	Surrender Value is the amount payable to the policyholder by the Insurer, if he/she decides to exit the policy before maturity period	CBSE Study Material	Unit 4	61	1
Q. 6	Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)				
i.	2. 1956	CBSE Study Material	Unit 1	15	1
ii.	1. Whole life Insurance	CBSE Study Material	Unit 2	33	1
iii.	1.Term Life Insurance 2.Whole Life Insurance 3.Children Life Insurance 4.Pension Life Insurance 5.Money Back Life Insurance 6.Group Life Insurance 7.UILP(any 2)	CBSE Study Material	Unit 2	31	1
iv.	4. Annuities	CBSE Study Material	Unit 3	47	1
v.	Claim form B1	CBSE Study Material	Unit 4	63	1
vi.	The investment is denoted as units and is represented by the value that it has attained called as Net Asset Value (NAV)	CBSE Study Material	Unit 3	51	1

SECTION B: SUBJECTIVE TYPE QUESTIONS

Q. No.	QUESTION	Source Material (NCERT/PSSCIVE/ CBSE Study Material)	Unit/ Chap. No.	Page no. of source material	Marks
Answer any 3 out of the given 5 questions on Employability Skills in 20 – 30 words each (2 x 3 = 6 marks)					
Q. 7	<p>Noun Nouns are words that refer to a person, place, thing or idea. These are 'naming words' In the sentence, "Reema wrote a letter." both Reema and letter are nouns.</p> <p>Pronoun A pronoun is a word used in place of a noun In the second sentence, "Reema wrote a letter. She is tired." 'She' is used in place of the noun Reema, and it is a pronoun</p> <p>Adjectives Adjectives are words that describe other words</p> <p>In the sentence: "Reema wrote a long letter." 'Long' is an adjective that describes the noun 'letter'.</p> <p>Verbs Verbs are words that show action</p> <p>In the sentence: "Reema wrote a letter." 'Wrote' is the verb. It tells what action Reema did.</p> <p>Adverbs Adverbs are words that add meaning to verbs, adjectives, or other adverbs. They answer the questions — How?How often?</p>	CBSE Study Material	Unit 1	34	2

	When? And Where? In the sentence: “Reema quickly wrote a letter.” ‘Quickly’ is an adverb. It tells us how Reema did the action (writing) (Any two)				
Q. 8	Personal hygiene is important because it <ul style="list-style-type: none"> • helps us stay healthy. • creates a good image of ourselves. • helps us avoid feeling ashamed in public due to our bad breath, body odour, etc. (Any two) 	CBSE Study Material	Unit 2	81	2
Q. 9	The menu bar is found at the top of the Libre Office window and has several options, such as File, Edit, View, Insert, Format, Styles, Table, Form, Tools, Windows and Help. File: contains commands that apply to the entire document, such as New, Open, Close, Save, Print, etc. <ul style="list-style-type: none"> • Edit: contains commands which are used for editing a document. Some of these are Undo, Cut, Copy, Paste, Find and Replace, etc. • View: contains commands used to change the display of a document in the LibreOffice Window, for example Zoom in/out, Web, Status Bar, Ruler, etc. • Insert: contains commands that help to add or insert various objects into a document, for example, Image, Shape, Chart, Header, Footer, Page Number, etc. • Format: contains commands to change the look of the text in the document, for example, making the text bold, line spacing, aligning text, paragraph, etc. • Styles: contains commands which set the common style of the document, i.e., it specifies the default format of the document. It has commands to create a new style, load a style and access the Styles and Formatting section. • Table: contains commands to insert or delete a table in a document and format it. 	CBSE Study Material	Unit 3	111	2

	<ul style="list-style-type: none"> • Form: contains commands to insert controls, such as text box, list box, check box, option, button etc., in a document. • Tools: contains functions, such as Spelling and Grammar check, Mail merge and Macros, etc. • Window: shows all the open LibreOffice windows and allows user to switch to any window by clicking on it. It also contains commands to open a new window and close an existing one. • Help: contains options to open the LibreOffice built-in help or go to online help. (Any two) 				
<p>Q. 10</p>	<p>Customer Need An idea should serve the customer’s need or demand. A business idea can come from an existing demand in the market or through a desire to make what is available in the market, better. A product or service, which is either not meeting customer’s needs, or is partially meeting needs is available, so there is a demand to fill in the gap. Hence, an entrepreneur thinks of starting a business to meet this demand.</p> <p>Entrepreneur’s Own Interest or Talent An entrepreneur often works with an idea that she or he is passionate about. Not all entrepreneurs start with just what is in demand or what the market needs. Some entrepreneurs start with using their own interest or talent to serve the customer. Knowing one’s interest or talent is in fact important for an entrepreneur as it leads to self-confidence and even others believing and trusting in their capabilities. For example, a girl who is studying to be a fashion designer can use her interest in the subject to start a shop where she sells different types of clothes.</p> <p>Innovative Innovative means new methods or original ideas. A business can be innovative in its</p>	<p>CBSE Study Material</p>	<p>Unit 4</p>	<p>156</p>	<p>2</p>

	idea or the way it is done. The chances of a business growing increases if the idea is innovative and the way it is implemented is also innovative. For example, in Vivek's case, the food he serves in his restaurant is different and no one else sells food for people who are sick.(any 2)				
Q. 11	National Action Plan on Climate Change (NAPCC) This is an action plan which includes different missions or plans within it which aim at sustainable development. A policy that comes with a fixed action date and budget becomes a 'mission'. Jawaharlal Nehru National Solar Mission also known as the National Solar Mission This mission aims to meet India's energy needs sustainably. It aims to make India a global leader in solar energy (a renewable source of energy— unlike coal, petroleum, etc.). Along with energy and ecological protection, the Solar Mission promotes local production and distribution of energy.	CBSE Study Material	Unit 5	176	2

Answer any 3 out of the given 5 questions in 20 – 30 words each (2 x 3 = 6 marks)

Q. 12	The composition of the Authority IRDA is a ten member body consisting of: <ul style="list-style-type: none"> • A Chairman • Five whole time members • Four part time members Recently in the year 2015 the limit of Foreign Investment in Insurance Business has been increased from 26% to 49% something that was under discussion for more than a decade. Also global re insurance companies have been able to set up branches in India, something that was not allowed earlier.	CBSE Study Material	Unit 1	19	2
Q. 13	An endowment policy is a saving linked Insurance policy with a specific maturity date. Under this policy the sum assured becomes payable if the assured reaches a particular age or after the expiry of a fixed period called the endowment period or at the death of the assured whichever is earlier. The premium under this policy is to be paid up to the maturity of the policy i.e. the time when the policy becomes payable. Premium would be little higher in case of this policy than the whole life policy. This is a very popular policy these days as it serves	CBSE Study Material	Unit 2	33	2

	the dual purpose securing the family and /or saving for the retirement.				
Q. 14	There are essentially two ways in which the individual receives the annuity payout: 1. Immediate annuity – he begins to receive payments soon after the initial investment. This is ideal for someone approaching retirement age. 2. Deferred annuity –it accumulates money as opposed to paying out annuity regularly. Deferred annuity can be converted into immediate annuity based on the individual’s preference.	CBSE Study Material	Unit 3	47	2
Q. 15	Risk is an integral part of life. It can be defined as a probability or threat that amounts to: <ul style="list-style-type: none"> • Damage • Injury • Liability • Loss due to occurrence of a negative event that may be caused because of internal factors or external factors	CBSE Study Material	Unit 1	10	2
Q. 16	The charges that are debited under ULIP are as follows: 1 Premium Allocation Charge 2 Fund Management Charge 3 Mortality Charge 4 Policy Administration Charge 5 Surrender/ Discontinuance Charge 6 Redirection Charge 7 Partial withdrawal charge (any 2)	CBSE Study Material	Unit 3	51	2

Answer any 2 out of the given 3 questions in 30– 50 words each (3 x 2 = 6 marks)

Q. 17	In India, insurance has a deep-rooted history. It finds mention in the writings of Manu (Manusmriti), Yagnavalkya (Dharmasastra) and Kautilya (Arthasastra). The writings talk in terms of pooling of resources that could be re-distributed in times of calamities such as fire, floods, epidemics and famine. This was probably a pre-cursor to modern day insurance. 1818 saw the advent of life insurance business in India with the establishment of the Oriental Life Insurance Company in Calcutta. This Company however failed in 1834. In 1829, the Madras Equitable had begun transacting life insurance business in the Madras Presidency. 1870 saw the enactment of the British Insurance Act and in the last three decades of the nineteenth century, the Bombay Mutual (1871), Oriental (1874) and Empire of India (1897) were started in the Bombay Residency. In 1914, the Government of India started publishing returns of Insurance Companies	CBSE Study Material	Unit 1	13	3
--------------	--	---------------------	---------------	-----------	----------

	<p>in India. The Indian Life Assurance Companies Act, 1912 was the first statutory measure to regulate life business. In 1928, the Indian Insurance Companies Act was enacted to enable the Government to collect statistical information about both life and non-life business transacted in India by Indian and foreign insurers including provident insurance societies. In 1938, with a view to protecting the interest of the Insurance public, the earlier legislation was consolidated and amended by the Insurance Act, 1938 with comprehensive provisions for effective control over the activities of insurers. The Insurance Amendment Act of 1950 abolished Principal Agencies. However, there were a large number of insurance companies and the level of competition was high. There were also allegations of unfair trade practices. The Government of India, therefore, decided to nationalize insurance business.</p>				
Q. 18	<p>Under Nomination, the Nominee gets only the right to receive the policy money in the event of the death of the policyholder. Nomination does not pass on the property in the policy. If nominee dies when the policyholder is still surviving then the nomination would be ineffective. Nomination has no effect if the policyholder is surviving. If Nominee dies after the death of the policyholder but before receiving policy money, then also Nomination becomes ineffective and money can be claimed only by the legal heirs of the policyholder.</p>	CBSE Study Material	Unit 2	40	3
Q. 19	<p>Claim form A – Claimant’s Statement giving details of the deceased and the claimant. 1.Certified extract from Death Register (Death Certificate) 2.Documentary proof of age if age is not admitted. 3.Evidence of the title of the deceased life if the policy is not nominated or assigned. 4.Original Policy Document.</p>		Unit 4	63	3
Answer any 3 out of the given 5 questions in 50– 80 words each (4 x 3 = 12 marks)					
Q. 20	<p>The Mission Statement or the Objectives of IRDA are: A. To protect the interest of and secure fair treatment to policyholders B. To bring about speedy and orderly growth of the insurance industry (including annuity and superannuation payments), for the benefit of the common man, and to provide long term funds for accelerating growth of the economy;</p>	CBSE Study Material	Unit 1	18	4

	<p>C. To set, promote, monitor and enforce high standards of integrity, financial soundness, fair dealing and competence of those it regulates;</p> <p>D. To ensure speedy settlement of genuine claims, to prevent insurance frauds and other malpractices and put in place effective grievance redressal machinery.</p> <p>E. To promote fairness, transparency and orderly conduct in financial markets dealing with insurance and build a reliable management information system to enforce high standards of financial soundness amongst market players;</p> <p>F. To take action where such standards are inadequate or ineffectively enforced</p> <p>G. To bring about optimum amount of self-regulation in day-to-day working of the industry consistent with the requirements of prudential regulation (Any four)</p>				
Q. 21	<p>The essential features of life insurance can be summed up as under:</p> <ul style="list-style-type: none"> • It is a contract relating to human life. • There need not be an express provision that payment is due on the death of a person. • A definite agreed money known as premium needs to be paid for starting a Life Insurance Contract/Policy. • The contract provides for payment of lump sum money • The amount is paid at the expiration of a certain period or on the death of a person. (Any four) 	CBSE Study Material	Unit 2	30	4
Q. 22	<p>The Insurance Company will pay his claim after his demise to his nominee, because the Insurer had disclosed all the facts about his health before taking the Insurance Policy according to principle of Insurance 'Utmost Good Faith'.</p>	CBSE Study Material	Unit 2	35	4
Q. 23	<p>The settlement of claims is a very important aspect of service to the policyholders. Hence, the Corporation has laid great emphasis on expeditious settlement of Maturity as well as Death Claims. The procedure for settlement of maturity and death claims is detailed below :</p> <p>A. Maturity Claims:</p> <p>a. In case of Endowment type of Policies, amount is payable at the end of the policy period. The Branch Office which services the policy sends out a letter informing the date on which the policy monies are payable to</p>	CBSE Study Material	Unit 4	62	4

	<p>the policyholder at least two months before the due date of payment. The policyholder is requested to return the Discharge Form duly completed along with the Policy Document. On receipt of these two documents post dated cheque is sent by post so as to reach the policy holder before the due date.</p> <p>b. Some Plans like Money Back Policies provide for periodical payments to the policyholders provided premium due under the policies are paid up to the anniversary due for Survival Benefit. In these cases where amount payable is less than up to Rs.60,000/-, cheques are released without calling for the Discharge Receipt or Policy Document. However, in case of higher amounts these two requirements are insisted upon.</p> <p>B. Death Claims</p> <p>The death claim amount is payable in case of policies where premiums are paid up-to-date or where the death occurs within the days of grace</p>				
<p>Q. 24</p>	<p>1. Understanding the Concept of ULIP One should understand the concept of ULIP thoroughly. Read all literature, material available on web sites and brochures circulated by Insurance Company and try to understand the constraints and benefits of the plan that you are selecting.</p> <p>2. Focus on your requirements and risk profile Understand all the charges levied on the product over its tenure, not just the initial charges. A complete charge structure would include the initial charges, the fixed administrative charges, fund management charges and mortality charges.</p> <p>3. Examine the performance of the plan Compare the performance of the plan with benchmark indices like BSE Sensex or Nifty in the past two or three years to get a better idea about the performance. Ensure that you can easily get information about your NAV when you need it. Thoroughly understand the flexibility and redemption conditions of an ULIP.</p> <p>4. Compare ULIP Products of different Insurance Companies Compare products of different insurance companies in terms of</p>	<p>CBSE Study Material</p>	<p>Unit 3</p>	<p>52</p>	<p>4</p>

<p>premium payments, cost structure, performance of the scheme (equity as well as debt schemes), additional facilities such as top-up premium and free switch between different fund options, flexibility in terms of increasing or decreasing protection, reporting structure and flexibility in redemption.</p> <p>5. Know about the Insurance Company Last but not least, insure with a brand you can trust to honor its commitment and service in accordance to your requirements. (any 4)</p>				
--	--	--	--	--