

# IC-38 Important Questions & Answers PDF 2026

Important IC-38 revision questions with answers and explanations

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- Use these questions for revision after completing the study material.

### Important Questions 1–5

**What is insurance?**

**Answer:** A method of transferring specified financial risk to an insurer in return for a premium.

**Explanation:** The insurer agrees to provide benefits according to the policy terms.

**What is utmost good faith?**

**Answer:** The principle requiring material facts to be disclosed honestly.

**Explanation:** Material information can affect the insurer's assessment of risk.

**What is insurable interest?**

**Answer:** A legitimate financial or other recognised interest in the subject matter of insurance.

**Explanation:** It helps establish a valid insurance interest.

**What is indemnity?**

**Answer:** The principle that a covered loss is compensated according to policy terms, subject to applicable limits.

**Explanation:** It generally aims to restore the insured financially rather than create a profit from a loss.

**What is a premium?**

**Answer:** The amount paid for insurance coverage.

**Explanation:** Premiums are determined using factors relevant to the product and risk.

### Important Questions 6–10

**What is a policy?**

**Answer:** The insurance contract and its terms and conditions.

**Explanation:** It records coverage, exclusions, obligations and other important details.

**What is underwriting?**

**Answer:** The process of evaluating risk for insurance.

**Explanation:** Underwriting helps determine whether and on what terms a risk may be accepted.

**What is a claim?**

**Answer:** A request for policy benefits after an insured event or as otherwise permitted by the policy.

**Explanation:** The insurer assesses the claim against policy terms and documentation.

**What is nomination?**

**Answer:** A facility that identifies a nominee to receive policy proceeds as provided under applicable rules.

**Explanation:** Nomination should not be confused with assignment.

**What is assignment?**

**Answer:** Transfer of specified rights or interest in a policy as permitted by law and policy terms.

**Explanation:** Assignment and nomination serve different purposes.

## Important Questions 11–15

### What is a waiting period in health insurance?

**Answer:** A period during which specified coverage is not payable or is restricted as stated in the policy.

**Explanation:** The exact waiting periods depend on the policy.

### What is a deductible?

**Answer:** The amount or portion of a covered expense that the policyholder bears before the insurer pays, subject to the policy.

**Explanation:** It is different from a co-payment.

### What is co-payment?

**Answer:** A specified percentage or amount of an eligible claim that the insured bears.

**Explanation:** The policy defines when and how co-payment applies.

### What is cashless treatment?

**Answer:** A claim settlement facility at eligible network hospitals subject to the insurer's process and policy terms.

**Explanation:** Pre-authorisation may be required.

### What is policy servicing?

**Answer:** Activities performed after policy issuance, such as permitted changes, documents, renewals and support.

**Explanation:** Servicing helps maintain accurate policy records.

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