

Nandyal Banking Coaching Center - LIC Housing Finance -CA

1. RBI REGULATION OF HOUSING FINANCE COMPANIES

1. Current Regulatory Framework

In 2019, RBI took over the regulatory authority over Housing Finance Companies (HFCs) from NHB. Since then, HFCs are classified as NBFC-HFCs and regulated by RBI. NHB continues supervisory oversight.

2. Principal Business Criteria for HFCs

- **Housing Finance Test:** At least 60% of total assets must be in housing finance.
- **Individual Housing Loans:** At least 50% of total assets must be individual housing loans (non-corporate).
- **Net Owned Fund:** Minimum Rs 10 crore for new HFCs.
- **Registration:** Must be registered with RBI as NBFC-HFC.

3. Key RBI Norms for HFCs

Parameter	Norm
Capital Adequacy (CRAR)	Minimum 15% (Tier 1: 10%)
NPA Classification (Stage 3)	90+ days overdue = NPA (as per Ind AS)
Loan-to-Value Ratio (LTV)	Up to 90% for loans up to Rs 30 lakh; 80% for Rs 30-75 lakh; 75% for above Rs 75 lakh
Risk Weight on Housing Loans	35% for LTV ≤ 80%; 50% for LTV > 80%
Priority Sector	Housing loans up to Rs 35 lakh in metro/Rs 25 lakh in non-metro qualify

4. SARFAESI Act and Recovery:

- **SARFAESI Act:** Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Allows secured creditors (banks/HFCs) to recover dues without court intervention.
- **DRT:** Debt Recovery Tribunal — for recovery of debts above Rs 10 lakh.

2. IMPORTANT HOUSING FINANCE COMPANIES IN INDIA

Company	HQ / Parent	Key Facts
LIC Housing Finance (LIC HFL)	Mumbai / LIC of India	Largest HFC; FY26 loan book Rs 3.21 lakh crore; est. 1989
PNB Housing Finance	New Delhi / PNB	Listed HFC; focus on affordable and prime housing
Can Fin Homes	Bengaluru / Canara Bank	Small but efficient HFC; affordable housing focus
Aadhar Housing Finance	Mumbai / BCP Asia	Focus on EWS/LIG — affordable housing
Aavas Financiers	Jaipur / Kedaara Capital	Affordable housing in semi-urban/rural India
Aptus Value Housing Finance	Chennai / Private	South India focused affordable housing HFC
Home First Finance Company	Mumbai / Private PE	Urban affordable housing; digital-first model
India Shelter Finance	Gurugram / Private	Affordable housing in small towns
Tata Capital Housing Finance	Mumbai / Tata Capital	Part of Tata Group; diversified HFC
ICICI Home Finance	Mumbai / ICICI Bank	Subsidiary of ICICI Bank
Bajaj Housing Finance	Pune / Bajaj Finserv	Fast-growing; listed on

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		NSE/BSE; sizable AUM
HDFC Ltd (merged)	Mumbai	Merged with HDFC Bank in July 2023; was India's largest HFC

Note on HDFC-HDFC Bank Merger

- HDFC Ltd, which was India's largest HFC, merged with HDFC Bank on 1 July 2023.
- After merger, HDFC Bank became India's largest private sector bank with largest home loan book.
- This left LIC Housing Finance as the largest standalone HFC in India.

3. GOVERNMENT HOUSING SCHEMES

(i) Pradhan Mantri Awas Yojana — Urban (PMAY-U)

Parameter	Details
Launched	25 June 2015
Mission Period	2015–2022 (extended); PMAY-U 2.0 from 2024
Objective	'Housing for All' in urban areas
Target	2.95 crore houses (original); PMAY-U 2.0: 1 crore families
Ministry	Ministry of Housing and Urban Affairs (MoHUA)
Nodal Agency	National Housing Bank (NHB) for CLSS component

PMAY-U Four Verticals

- **1. Beneficiary Led Construction (BLC):** EWS families owning land can construct new house with government assistance.
- **2. Affordable Housing in Partnership (AHP):** Government partners with private developers to build affordable homes.
- **3. Affordable Rental Housing Complexes (ARHC):** For migrant workers and urban poor — affordable rental housing.
- **4. In-Situ Slum Redevelopment (ISSR):** Redevelopment of existing slums using land as resource. (Earlier component; modified in 2.0)

Credit Linked Subsidy Scheme (CLSS)

- **Status:** CLSS closed on 31 March 2022 under PMAY-U 1.0.
- **Purpose:** Interest subsidy on home loans for EWS, LIG, and MIG households.
- **Subsidy Amount:** Up to Rs 2.67 lakh (EWS/LIG) and varying amounts for MIG.
- **New Scheme ISS:** Under PMAY-U 2.0, a new Interest Subsidy Scheme (ISS) has been introduced.

(ii) PMAY-U 2.0 (New Phase)

- **Launched:** September 2024
- **Target:** 1 crore urban families
- **Financial Assistance:** Rs 2.5 lakh per eligible beneficiary
- **Verticals:** BLC, AHP, ARH, ISS (Interest Subsidy Scheme replacing CLSS)
- **6th CSMC Meeting:** 23 February 2026 — 2.87 lakh houses sanctioned in one meeting; total 13.61 lakh houses sanctioned under PMAY-U 2.0
- **Angikaar Campaign 2025:** 4 September to 31 October 2025 — focused on change management and community ownership of PMAY-U houses.

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(iii) Pradhan Mantri Awas Yojana — Gramin (PMAY-G)

Parameter	Details
Launched	20 November 2016
Earlier Name	Indira Awaas Yojana (IAY) — restructured in 2016
Ministry	Ministry of Rural Development
Financial Assistance	Rs 1.20 lakh (plains); Rs 1.30 lakh (hilly/tribal areas)
Target	Pucca houses for rural homeless
Toilet	Additional Rs 12,000 under Swachh Bharat Mission
Technology	AWAAS+ app for beneficiary identification

(iv) Other Housing Related Schemes

- **SWAMIH Fund:** Special Window for Affordable and Mid-Income Housing — government fund to complete stalled residential projects.
- **Smart Cities Mission:** Urban development initiative covering housing, infrastructure, and services in 100 selected cities.
- **AMRUT:** Atal Mission for Rejuvenation and Urban Transformation — water, sewage, urban transport.
- **PM-UDAY:** Scheme for regularisation of unauthorised colonies in Delhi, giving ownership rights to residents.
- **RERA:** Real Estate (Regulation and Development) Act 2016 — protects homebuyers, regulates builders.

5. LIC Housing Finance

- **May 2026 — Q4 FY26 Results:** LIC HFL reported Q4 PAT of Rs 1,497 crore (up 9% YoY). Full year FY26 PAT: Rs 5,595 crore. Loan book: Rs 3,20,707 crore. Stage 3 improved to 2.16%.
- **May 2026 — Dividend:** Board approved Rs 10 per share dividend for FY26 (500% on face value Rs 2).

6. Home Loan Concepts

- **EMI:** Equated Monthly Instalment — fixed monthly payment covering principal and interest.
- **LTV Ratio:** Loan-to-Value Ratio — % of property value lent by bank/HFC. Max 90% for small loans.
- **Fixed Rate:** Interest rate fixed for entire loan tenure — no impact of market rate changes.
- **Floating Rate:** Rate changes with EBLR/RLLR — currently more common for home loans.
- **CIBIL Score:** Credit score by TransUnion CIBIL — 300 to 900. Above 750 considered good for home loans.

7. Priority Sector Lending and Housing

- **Housing Under PSL:** Home loans up to Rs 35 lakh (metro) and Rs 25 lakh (non-metro) qualify as priority sector lending for banks.
- **Affordable Housing:** Loans to EWS/LIG for property up to Rs 45 lakh qualify as priority sector.

8. Budget and Tax Benefits on Home Loans

- **Section 24(b):** Deduction of up to Rs 2 lakh per year on interest paid for self-occupied property.
- **Section 80C:** Deduction of up to Rs 1.5 lakh on principal repayment of home loan.
- **Section 80EE:** Additional Rs 50,000 deduction for first-time home buyers (specific conditions).
- **Section 80EEA:** Up to Rs 1.5 lakh additional deduction for affordable housing — subject to conditions.
- **New Tax Regime:** These deductions are not available under new tax regime (Section 115BAC).

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9. Important Acts Related to Housing Finance

Act	Year	Purpose
SARFAESI Act	2002	Recovery of dues without court — secured creditors
Debt Recovery Tribunal Act	1993	DRT for recovery above Rs 10 lakh
IBC	2016	Insolvency resolution for corporates and individuals
RERA	2016	Regulate real estate; protect homebuyers
NHB Act	1987	Establishment and functions of NHB
RBI Act	1934	Central banking functions
National Housing Policy	2007	Government policy framework for housing
Transfer of Property Act	1882	Governs mortgage and property transfer

Key Insurance Regulatory Bodies in India

Body	Function	Established / HQ
IRDAI	Regulates insurance & reinsurance; protects policyholders	1999 / Hyderabad
GIC Re	National reinsurer of India	1972 / Mumbai
NIA	National Insurance Academy — apex training institute	Pune
III	Insurance Institute of India — professional exams	Mumbai
IIB	Insurance Information Bureau — data analytics	Hyderabad
IAI	Institute of Actuaries of India — actuarial education	Mumbai
IIRM	Institute of Insurance & Risk Management	Hyderabad
Insurance Ombudsman	Grievance redressal outside courts (18 offices)	Pan-India

Key Government Insurance Schemes

Scheme	Coverage	Premium	Eligibility
PMJJBY	₹2 lakh life cover (any cause)	₹436/year	18–50 yrs
PMSBY	₹2L death/total disability; ₹1L partial disability	₹20/year	18–70 yrs
PMJAY (Ayushman Bharat)	₹5 lakh health cover/family/year	Government funded	Poor & vulnerable
PMFBY (Kharif)	Crop insurance — natural calamities	2% of SI by farmer	All farmers
PMFBY (Rabi)	Crop insurance — natural	1.5% of SI by	All farmers

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	calamities	farmer	
PMFBY (Commercial/Horti)	Crop insurance	5% of SI by farmer	All farmers
EDLI	Life insurance for EPFO members	Employer paid	PF members

Capital & Regulatory Parameters

Parameter	Requirement
Minimum capital — Life Insurer	₹100 crore
Minimum capital — General Insurer	₹100 crore
Minimum capital — Health Insurer (SAHI)	₹100 crore
Minimum capital — Re-insurer (Indian)	₹200 crore
NOF for Foreign Re-insurer (post Sabka Bima Act 2025)	₹1,000 crore (reduced from ₹5,000 crore)
Solvency Ratio (RSM)	Minimum 150%
ULIP Lock-in Period	5 years
Free Look Period	15–30 days
Share transfer threshold requiring IRDAI approval	5% (raised from 1% by Sabka Bima Act 2025)
Ombudsman maximum award	₹50 lakh
Bima ASBA maximum blocked amount	₹2 lakh (14-day processing)
FDI in Insurance (post Sabka Bima Act 2025)	100% (from 74%)

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1. When was LIC Housing Finance Limited established? Ans: 19 June 1989
2. What is the headquarter of LIC Housing Finance Ltd.? Ans: Mumbai
3. Which organisation holds the largest stake in LIC HFL? Ans: Life Insurance Corporation of India (45.24%)
4. Who is the current MD & CEO of LIC Housing Finance Ltd.? Ans: Tribhuwan Adhikari
5. What was LIC HFL's total loan portfolio as of FY2025-26? Ans: Rs 3,20,707 crore
6. What was LIC HFL's net profit (PAT) for Q4 FY2025-26? Ans: Rs 1,497 crore
7. What was LIC HFL's full year PAT for FY2025-26? Ans: Rs 5,595 crore (up 3% from Rs 5,429 crore in FY25)
8. What dividend per share was declared by LIC HFL for FY26? Ans: Rs 10 per share
9. What is LIC HFL's home loan product specially designed for women borrowers? Ans: Shakthi
10. Which LIC HFL product is designed for NRI home loans? Ans: Lakshmi
11. LIC HFL's Stage 3 (NPA) ratio as of March 2026 was? Ans: 2.16%
12. On which stock exchanges is LIC HFL listed? Ans: Both BSE and NSE
13. What is LIC HFL's product for plot/land loans? Ans: Prakash
14. National Housing Bank was established on? Ans: 9 July 1988 (under the National Housing Bank Act, 1987)
15. Where is the headquarters of National Housing Bank? Ans: New Delhi
16. Who owns the National Housing Bank currently? Ans: Government of India (NHB was transferred from RBI ownership to Government of India ownership in 2019. GoI now owns 100% of NHB.)
17. RESIDEX is associated with which institution? Ans: NHB (RESIDEX is NHB's Residential Property Price Index launched in 2007 tracking housing prices in 50+ cities.)
18. In which year was RESIDEX launched? Ans: 2007
19. Which body was the nodal agency for CLSS (Credit Linked Subsidy Scheme) under PMAY-U? Ans: National Housing Bank (NHB)
20. In 2019, regulatory authority over HFCs was transferred to? Ans: RBI (In 2019, the regulatory authority over Housing Finance Companies was transferred from NHB to RBI. NHB retains supervisory oversight)
21. EBLR (External Benchmark Lending Rate) for home loans is linked to? Ans: RBI Repo Rate
22. Pradhan Mantri Awas Yojana — Urban was launched on? Ans: 25 June 2015
23. PMAY-U 2.0 was launched in? Ans: September 2024
24. The financial assistance per beneficiary under PMAY-U 2.0 is? Ans: Rs 2.5 lakh
25. CLSS (Credit Linked Subsidy Scheme) under PMAY-U closed on? Ans: 31 March 2022 (it has been replaced by Interest Subsidy Scheme (ISS))
26. How many houses were sanctioned in total under PMAY-U 2.0 as per the 6th CSMC meeting (conducted on 23 Feb 2026)? Ans: 13.61 lakh
27. PMAY — Gramin was launched on? Ans: 20 November 2016
28. What is the financial assistance per house under PMAY-G in plain areas? Ans: Rs 1.20 lakh
29. 'Angikaar' campaign 2025 was related to which scheme? Ans: PMAY-U (held from 4 September to 31 October 2025)
30. Which ministry administers PMAY — Urban? Ans: Ministry of Housing and Urban Affairs
31. What does BLC stand for in context of PMAY-U? Ans: Beneficiary Led Construction
32. What is the minimum Capital Adequacy Ratio (CRAR) required for HFCs? Ans: 15% (with Tier 1 capital at least 10%)
33. A housing loan is classified as NPA if overdue for? Ans: 90 days
34. What is the maximum LTV ratio for housing loans above Rs 75 lakh? Ans: 75%
35. What % of total assets must HFCs maintain in housing finance (principal business criteria)? Ans: 60%
36. SARFAESI Act was enacted in which year? Ans: 2002

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37. Debt Recovery Tribunals (DRTs) were established under which Act? Ans: Recovery of Debts and Bankruptcy Act 1993
38. RERA — Real Estate Regulatory Authority was set up under which Act? Ans: RERA Act 2016 (constituted under the Real Estate (Regulation and Development) Act, 2016)
39. Which credit score is most commonly used in India for home loan evaluation? Ans: CIBIL (CIBIL score (300-900) is the benchmark for home loan approvals)
40. What does EMI stand for? Ans: Equated Monthly Instalment
41. HDFC Ltd. merged with HDFC Bank in? Ans: July 2023
42. REITs — Real Estate Investment Trusts in India are regulated by? Ans: SEBI
43. Under Section 24(b) of Income Tax Act, maximum deduction on home loan interest for self-occupied property is? Ans: Rs 2 lakh
44. Priority Sector Lending housing loan limit for metro cities is? Ans: Rs 35 lakh
45. What does SWAMIH fund stand for? Ans: Special Window for Affordable and Mid-Income Housing (It is a government fund to complete stalled housing projects)
46. The LTV ratio for housing loans up to Rs 30 lakh can be up to? Ans: 90%
47. Which index tracks residential property prices across 50+ cities in India? Ans: RESIDEX
48. The face value of LIC HFL equity share is? Ans:Rs 2
49. Which scheme replaced IAY (Indira Awaas Yojana) in 2016? Ans: PMAY-G (Pradhan Mantri Awas Yojana Gramin)
50. Individual housing loan requirement as % of total assets for HFC classification? Ans: 50%
51. Can Fin Homes is promoted by which bank? Ans: Canara Bank
52. PNB Housing Finance is headquartered in? Ans: New Delhi
53. What does LAP stand for in banking/HFC context? Ans: Loan Against Property
54. The minimum Net Owned Fund for a new HFC is? Ans: Rs 10 crore
55. Aavas Financiers is headquartered in? Ans: Jaipur
56. Which PMAY-U 2.0 vertical provides rental housing for migrant workers? Ans: ARH — Affordable Rental Housing
57. What does MCLR stand for? Ans: Marginal Cost of Funds-based Lending Rate
58. Insolvency and Bankruptcy Code (IBC) was enacted in? Ans: 2016
59. EWS annual income limit for housing scheme benefits is? Ans: Up to Rs 3 lakh
60. The parent company of Bajaj Housing Finance is? Ans: Bajaj Finserv
61. What is the full form of ARHC in housing schemes? Ans: Affordable Rental Housing Complexes
62. Home First Finance Company India is headquartered in? Ans: Mumbai
63. The Risk Weight for housing loans with LTV up to 80% is? Ans: 35%
64. RERA Act came into force in? Ans: 2017
65. Which body maintains India's RESIDEX housing price index? Ans: NHB
66. Under Section 80C, maximum deduction for principal repayment of home loan is? Ans: Rs 1.5 lakh
67. What does CIBIL score range from? Ans: 300 to 900 (Score of 750+ is generally considered excellent for home loan approval)
68. LIG (Low Income Group) annual income range for housing benefits is? Ans:Rs 3-6 lakh
69. Smart Cities Mission covers how many cities in India? Ans: 100 (Smart Cities Mission was launched in 2015)
70. What is the maximum home loan amount eligible as priority sector in non-metro areas? Ans: Rs 25 lakh
71. What does NIM stand for in banking? Ans: Net Interest Margin
72. Under RBI's LTV norms, for home loans between Rs 30-75 lakh, the maximum LTV is? Ans: 80%
73. Aptus Value Housing Finance is headquartered in? Ans: Chennai
74. What is the minimum CIBIL score generally required for home loan approval? Ans: 750
75. 'Griha Suvidha' is a flagship product of which HFC? Ans: LIC Housing Finance
76. Transfer of Property Act 1882 governs which key concept in housing finance? Ans: Mortgage creation
77. LIC HFL's affordable housing loan product is? Ans: Samridhi

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78. What does 'Stage 3 Assets' mean in the context of HFCs? Ans: Non-Performing Assets (90+ days overdue)
79. AUM stands for? Ans: Assets Under Management
80. Can Fin Homes is headquartered in? Ans: Bangalore
81. MIG (Middle Income Group) households for housing scheme purposes have annual income of? Ans: Rs 6-18 lakh
82. The National Housing Bank Act was passed in which year? Ans: 1987
83. AMRUT stands for? Ans: Atal Mission for Rejuvenation and Urban Transformation (focuses on water supply, sewerage, urban transport in 500 cities)
84. Which section of Income Tax Act allows additional deduction for first-time home buyers? Ans: Section 80EE
85. What is the primary purpose of SARFAESI Act? Ans: Allow secured creditors to recover dues without court intervention
86. Which of the following HFCs focuses primarily on South India's affordable housing? Ans: Aptus Value Housing Finance
87. LIC HFL's product for home improvement/renovation is? Ans: Griha Vikas
88. DRT handles debt recovery cases above? Ans: Rs 10 lakh
89. What percentage of LIC of India's stake is approximately in LIC HFL? Ans: 45.24%
90. NHB was transferred from RBI to GoI in? Ans: 2019
91. PMAY-G is administered by which ministry? Ans: Ministry of Rural Development
92. ROA (Return on Assets) is calculated as? Ans: $\text{Net Profit} / \text{Total Assets} \times 100$
93. Housing loan principal repayment qualifies for deduction under IT Act, Section? Ans: Section 80C
94. Aadhar Housing Finance is promoted by? Ans: BCP Asia (Blackstone group entity)
95. The maximum loan tenure for most home loans in India is? Ans: 30 years
96. Which of the following is India's largest standalone Housing Finance Company? Ans: LIC Housing Finance
97. What is the full form of CRAR? Ans: Capital to Risk-weighted Assets Ratio
98. The maximum interest deduction under Section 80EEA (affordable housing) is? Ans: Rs 1.5 lakh
99. Which government scheme provides housing to rural homeless? Ans: PMAY-G (Pradhan Mantri Awas Yojana Gramin)
100. The maximum LTV for commercial property loans by HFCs is? Ans: 70%
101. India Shelter Finance Corporation is headquartered in? Ans: Gurugram
102. NHB (National Housing Bank) was established on? Ans: 9 July 1988 (under the NHB Act 1987)
103. Full form of HUDCO is? Ans: Housing and Urban Development Corporation
104. Which body sets the minimum LTV norms for home loans in India? Ans: RBI
105. The credit information company that provides 'CIBIL Score' is operated by? Ans: TransUnion CIBIL
106. Which Act protects homebuyers from builder fraud and ensures project delivery? Ans: RERA Act 2016
107. The risk weight of 50% applies to home loans with LTV? Ans: Above 80%
108. Section 80EE deduction was specifically introduced for? Ans: First-time home buyers
109. Real estate sector contributes approximately what % to India's GDP? Ans: 7-8%
110. What is the purpose of SWAMIH Investment Fund? Ans: to provide last-mile financing to complete stalled and delayed housing projects
111. The headquarters of National Housing Bank is in? Ans: New Delhi
112. PMAY-G provides additional Rs 12,000 for? Ans: Toilet construction under Swachh Bharat Mission
113. Home loan interest rate linkage to Repo Rate was made mandatory from? Ans: October 2019
114. The maximum LTV for housing loans up to Rs 30 lakh is? Ans: 90%
115. RESIDEX covers how many cities approximately? Ans: 50 cities
116. Which organisation is described as 'apex financial institution for housing finance sector'? Ans: National Housing Bank (NHB)

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117. What is the primary role of NHB's refinance function? Ans: Provide low-cost funds to HFCs and banks for housing loans
118. Which scheme helps complete stalled housing projects? Ans: SWAMIH Fund (SWAMIH (Special Window for Affordable and Mid-Income Housing) Investment Fund)
119. AWAAS+ is an app used for? Ans: PMAY-G beneficiary identification
120. The Debt Recovery Tribunal was established under? Ans: Recovery of Debts Act 1993
121. NBFC stands for? Ans: Non-Banking Financial Company
122. Section 24(b) allows maximum deduction of Rs 2 lakh on home loan interest for? Ans: Self-occupied property
123. What does EBLR full form expand to? Ans: External Benchmark Lending Rate

Q1. What is the 'Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025'?

Ans: A landmark insurance reform Act that amends the Insurance Act 1938, LIC Act 1956, and IRDAI Act 1999. Introduced in Lok Sabha on 16 Dec 2025, passed by Parliament on 17 Dec 2025, received Presidential assent on 20 Dec 2025, and published in Gazette on 21 Dec 2025 (Act No. 40 of 2025). Commencement date to be notified separately.

Q2. What is the biggest reform in the Sabka Bima Sabki Raksha Act 2025?

Ans: FDI limit in Indian insurance companies raised from 74% to 100% under the automatic route — enabling full foreign ownership.

Q3. What happened to the NOF requirement for foreign reinsurers under Sabka Bima Act 2025?

Ans: Net Owned Funds (NOF) requirement for foreign reinsurance branch offices reduced from ₹5,000 crore to ₹1,000 crore, widening participation.

Q4. What new powers were granted to IRDAI under the Sabka Bima Act 2025?

Ans: IRDAI received disgorgement powers (to recover wrongful gains), stronger enforcement tools including inspection and investigation, one-time licensing for intermediaries, and power to approve scheme of arrangement between insurer and a non-insurance company.

Q5. What consumer fund was established under the Sabka Bima Act 2025?

Ans: A 'Policyholders' Education and Protection Fund' — to promote insurance literacy and strengthen consumer protection.

Q6. What operational change did the Sabka Bima Act 2025 make for LIC?

Ans: LIC can now open zonal offices without prior government approval, and restructure overseas operations for administrative efficiency.

Q7. What is the new share transfer threshold requiring IRDAI approval under the Act?

Ans: 5% of paid-up equity (raised from 1%), reducing compliance burden under Ease of Doing Business reforms.

Q8. What change did the Act make for insurance intermediaries?

Ans: Introduction of one-time licensing (instead of periodic renewal) and provision for suspension of licence rather than straight cancellation.

Q9. What data protection requirement was introduced by the Sabka Bima Act 2025?

Ans: KYC details (including PAN) and policy/claim records must be shared with IRDAI on a concurrent basis, and preserved confidentially — aligning with DPDP Act 2023.

Q10. Who is the current Chairman of IRDAI (as of May 2026)?

Ans: Ajay Seth

Q11. What GST relief on insurance did the government announce effective September 22, 2025?

Ans: GST on individual insurance (term, ULIP, endowment, and health insurance policies) was reduced from 18% to 0% on selected products, making insurance more affordable.

Q12. What major accounting change did IRDAI approve at its 135th Board Meeting (March 30, 2026)?

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Ans: Mandatory adoption of Indian Accounting Standards (Ind AS) framework for all insurers (life, general, standalone health, reinsurers) from 1 April 2026 — aligning with IFRS 17 (global standard) for greater transparency and comparability.

Q13. What is IRDAI's forbearance provision for Ind AS transition (2026)?

Ans: IRDAI allowed a one-year forbearance and extended parallel reporting for two years: insurers may continue publishing financials under the current framework while also submitting Ind AS-based information to IRDAI.

Q14. What is the IRDAI Insurance Fraud Monitoring Framework Guidelines 2025?

Ans: Guidelines issued by IRDAI on 9 October 2025, effective 1 April 2026 — repealing the 2013 framework. Scope expanded to include distribution channels; new fraud categories ('external fraud' and 'affinity/complex fraud') introduced. Insurers must establish a Fraud Monitoring Committee (FMC) and a Fraud Monitoring Unit (FMU).

Q15. What are the IRDAI (Regulatory Sandbox) Regulations 2025?

Ans: Notified in 2025, replacing the 2019 Regulations. Scope expanded across the 'insurance value chain'; replaces fixed 36-month approval period with an 'experiment period' set by IRDAI. Aims to promote innovation while ensuring policyholder protection.

Q16. What is the annual premium for PMJJBY in FY 2025-26?

Ans: ₹436 per year (life cover: ₹2 lakh).

Q17. What is the LIC Bima Sakhi Yojana?

Ans: Scheme launched by PM Modi at Panipat, Haryana. LIC aims to enrol 2 lakh women agents in 3 years. Monthly stipend: Year 1 – ₹7,000; Year 2 – ₹6,000; Year 3 – ₹5,000.

Q18. What is the 'Bima Trinity' announced by IRDAI?

Ans: Three-pronged digital infrastructure: (i) Bima Sugam — digital marketplace/UPI of insurance; (ii) Bima Vistaar — first composite insurance product (death + accident + property + health, priced ₹1,500/year); (iii) Bima Vahak — women-centric distribution agents in every Gram Panchayat.

Q19. What is India's insurance penetration and density as per latest data (FY25)?

Ans: Penetration: 3.7% of GDP (third consecutive year of decline; global average 7.3%). Density: \$97 per capita (global average \$943/capita).

Q20. Which group acquired Allianz's stakes in Bajaj Allianz JVs?

Ans: Bajaj Group acquired Allianz's stakes in both Bajaj Allianz Life Insurance and Bajaj Allianz General Insurance for ₹24,180 crore.

Q21. Which firm became India's first private reinsurer, ending GIC Re's monopoly since 1972?

Ans: Valueattics Reinsurance Ltd (backed by Fairfax Financial Holdings and Oben Ventures/Kamesh Goyal). IRDAI's first private reinsurance licence; starting capital ₹210 crore.

Q22. Who are the Domestic Systemically Important Insurers (D-SII) for FY 2024-25?

Ans: LIC, GIC Re, and New India Assurance.

Q23. What was India's non-life insurance industry's net profit in FY24?

Ans: ₹10,119 crore — after two consecutive years of losses. Industry incurred claim ratio: 82.52%.

Q24. What was India's non-life premium growth in FY25?

Ans: 6.2% Y-o-Y, to ₹3.08 trillion.

Q25. What was the life insurance industry's new-business-premium growth (Apr–Nov 2024)?

Ans: 15.67% Y-o-Y to ₹2.42 lakh crore. However, Dec 2024 saw a 21.7% decline (LIC: –41.15%).

Q26. What are IRDAI's revised Rural, Social Sector and Motor TP Obligations (2025)?

Ans: IRDAI issued Master Circular on 25 July 2025, superseding the 2024 circular. Specifies revised minimum thresholds for life, general, and health insurers for FY 2025-26 and FY 2026-27 under Rural Sector Regulations 2024. IRDAI also raised targets: insurers must cover more Gram Panchayats.

Q27. Which reinsurer obtained Board approval to set up a UK subsidiary in 2025?

Ans: GIC Re (General Insurance Corporation of India).

Q28. What action did IRDAI take against Star Health in 2025?

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Ans: IRDAI issued a show-cause notice for violations in claims settlement and regulatory compliance. Star Health's incurred claim ratio: 66.47% vs industry average of 82.52%.

Q29. Which company became the first in GIFT City to act as a corporate agent for NRIs?

Ans: Three entities: HDFC Bank, IDFC First Bank (IFSC unit) and Stock Holding Securities IFSC Ltd.

Q30. What is Bima Bharosa?

Ans: IRDAI's consumer-facing portal for consumer education, grievance redressal, and policy verification services.

Q31. What premium growth does Swiss Re project for India (2026-2030)?

Ans: India will record the fastest real premium growth among major insurance markets. Life insurance: 6.8% average annual real growth; Health: 7.2%; Motor: 7.5%. (Swiss Re Institute India Insurance Market Outlook 2026–2030.)

Q32. What interest rate did EPFO recommend for FY 2024-25?

Ans: 8.25%.

Q33. What is the standard penalty for late PF payments (EPFO 2025)?

Ans: 1% per month.

Q34. What enforcement structure did IRDAI establish at its 132nd Board Meeting?

Ans: IRDAI formed panels of Whole-Time Members (WTMs) to decide on violations of the Insurance Act and Regulations by insurers and insurance intermediaries, strengthening enforcement.

Q35. What was LIC's Brand Strength Index ranking globally (Brand Finance 2025)?

Ans: LIC ranked 3rd strongest insurance brand globally with a Brand Strength Index of 88/100. PZU (Poland) ranked 1st globally.

Q36. Which IR partnered with LIC to offer insurance repository services?

Ans: Centrico Insurance Repository Ltd (CIRL) — CDSL subsidiary — partnered with LIC. LIC holds 8.3% stake in CIRL. CIRL has partnered with 43 insurance companies.

Q37. Which bank received IRDAI approval to raise its stake to 30% in Ageas Federal Life?

Ans: Federal Bank Ltd (acquired additional 4% stake, increasing total stake to 30%).

Q38. What is DIVE?

Ans: India's first fully paperless end-to-end digital platform launched by LIC, in partnership with Infosys.

Q39. Why did IRDAI penalise Flipkart ₹1.06 crore?

Ans: Flipkart violated IRDAI's Insurance E-commerce Guidelines 2017 by redirecting insurance buyers to another intermediary site.

Q40. What is IRDAI's 'State Insurance Plan' initiative (2025)?

Ans: Introduced by IRDAI to bridge protection gaps and increase insurance penetration at state level.

Q41. Which insurer launched 'Jeevan Samriddhi Plus' in 2025?

Ans: LIC of India — a savings-cum-protection plan with a 15-year policy term.

Q42. Which scheme covers employees with job gaps up to 2 months (revised EDLI)?

Ans: Employees' Deposit Linked Insurance (EDLI) Scheme — revised to cover employees even with gaps of up to two months between jobs.

Q43. What is 'HERizon Care' and who launched it?

Ans: A women-exclusive health insurance plan by Bajaj Allianz General Insurance. Optional 'Nurture Nest Cover' supports infertility treatment, adoption, and egg-freezing expenses.

Q44. What is the EPFO Employees' Enrolment Scheme 2025?

Ans: An enrolment drive open from 1 November 2025 to 30 April 2026, aimed at enrolling unregistered eligible employees under EPFO.

Q45. What GST demand notice did LIC receive in 2025?

Ans: LIC received an IT/GST demand notice of ₹105.42 crore in 2025.

Q46. Who was the first insurer to go live with Bima-ASBA?

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Ans: Bajaj Allianz Life Insurance Company Ltd.

Q47. What did IRDAI's 135th Board Meeting (March 30, 2026) approve?

Ans: Mandatory Ind AS financial reporting framework for all insurers from April 1, 2026; also granted certificates of registration to one reinsurer and one general insurer.

Q48. What is the GST Council's proposal for individual health insurance GST rate?

Ans: Reduce to 5% without Input Tax Credit (ITC). Convenor of the GST GoM on insurance tax rates: Samrat Choudhary (Deputy CM, Bihar).

Q49. How much unclaimed maturity amount did LIC report for FY24?

Ans: ₹880.93 crore.

Q50. What was India's non-life insurance FDI share in services sector inflows (H1 FY25)?

Ans: About 62% of the \$5.7 billion services FDI inflows.

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Q1. What is the primary purpose of insurance?

Ans: To provide financial protection against unforeseen losses by transferring risk from the insured to the insurer.

Q2. What is the principle of Utmost Good Faith (Uberrimae Fidei)?

Ans: Both parties must disclose all material facts truthfully and completely at the time of entering the contract.

Q3. What is the principle of Indemnity?

Ans: The insured is restored to the same financial position as before the loss — without profit or gain.

Q4. Does the principle of Indemnity apply to life insurance?

Ans: No. Life insurance is a value contract (not a contract of indemnity).

Q5. What is Insurable Interest?

Ans: The financial interest of the policyholder in the subject matter of insurance. Must exist at inception and at the time of loss (for life insurance — only at inception).

Q6. Define Subrogation.

Ans: After paying a claim, the insurer acquires the right to recover the loss amount from the responsible third party.

Q7. What is Contribution in insurance?

Ans: When the same risk is covered by multiple insurers, each insurer shares the loss proportionately.

Q8. Explain Proximate Cause.

Ans: The nearest/most effective cause of loss used to decide claim liability.

Q9. What is Mitigation of Loss?

Ans: The insured must take reasonable steps to minimise loss after an incident.

Q10. How many basic principles govern insurance contracts?

Ans: Seven: Utmost Good Faith, Insurable Interest, Indemnity, Subrogation, Contribution, Proximate Cause, and Mitigation of Loss.

Q11. What is the difference between Insurance and Assurance?

Ans: Insurance covers uncertain events (fire, accident); Assurance covers certain events (death).

Q12. What is Risk Pooling?

Ans: Sharing losses of a few among many policyholders to make individual loss manageable.

Q13. When was the Insurance Act enacted in India?

Ans: 1938.

Q14. When was life insurance nationalised in India?

Ans: 1956.

Q15. How many insurers were merged to form LIC in 1956?

Ans: 245 insurance companies.

Q16. When was general insurance nationalised?

Ans: 1972 under the General Insurance Business (Nationalisation) Act.

Q17. Who regulates insurance in India?

Ans: Insurance Regulatory and Development Authority of India (IRDAI).

Q18. When was IRDAI established?

Ans: 1999 (operational since April 2000).

Q19. Where is IRDAI headquartered?

Ans: Hyderabad, Telangana.

Q20. What is the minimum solvency ratio (RSM) for insurers?

Ans: 150% (1.5 times the Required Solvency Margin).

Q21. What is the minimum paid-up capital for a life insurance company?

Ans: ₹100 crore.

Q22. What is the minimum paid-up capital for a re-insurance company?

Ans: ₹200 crore.

- Q23. What is the current FDI limit in insurance sector after Sabka Bima Act 2025?**
Ans: 100% under automatic route (raised from 74% by the Sabka Bima Sabki Raksha Act, 2025).
- Q24. What is the FDI limit for insurance intermediaries (brokers, TPAs etc.)?**
Ans: 100%.
- Q25. Name the national reinsurer of India.**
Ans: General Insurance Corporation of India (GIC Re).
- Q26. When was the first life insurance company in India established?**
Ans: Oriental Life Insurance Company in 1818 at Kolkata.
- Q27. What are the two broad categories of insurance?**
Ans: Life Insurance and General (Non-Life) Insurance.
- Q28. What are the three main branches of general insurance?**
Ans: Fire, Marine and Miscellaneous.
- Q29. Which type of motor insurance is mandatory in India?**
Ans: Third-Party Liability Insurance under the Motor Vehicles Act, 1988.
- Q30. What is a Family Floater Policy?**
Ans: A single sum insured shared by all family members under one health policy.
- Q31. What is the waiting period for pre-existing diseases under new IRDAI guidelines (2025)?**
Ans: Maximum 3 years (reduced from 4 years under new IRDAI health insurance guidelines 2025).
- Q32. What is the moratorium period as per new IRDAI health insurance guidelines?**
Ans: 5 years (reduced from 8 years).
- Q33. Can insurers deny new health policies based on age (as per 2025 IRDAI guidelines)?**
Ans: No. Insurers must offer at least one health policy to applicants of any age — the upper age limit for new policies has been removed.
- Q34. What is cashless treatment?**
Ans: Facility allowing the insurer to directly settle hospital bills with an empanelled hospital without the insured paying upfront.
- Q35. Who facilitates cashless health services?**
Ans: Third Party Administrators (TPAs) authorised by IRDAI.
- Q36. What is Workmen's Compensation Insurance?**
Ans: Covers an employer's legal liability for injury/death of employees during employment.
- Q37. What does PMJAY provide and what is the cover?**
Ans: Ayushman Bharat – PM Jan Arogya Yojana provides ₹5 lakh health cover per family per year for secondary and tertiary care.
- Q38. What is 'cashless settlement timeline' prescribed by IRDAI?**
Ans: 30 days after receipt of complete documents (15 days if no investigation; as per 2024 IRDAI guideline).
- Q39. What is a 'Deductible'?**
Ans: Part of loss borne by the insured before the insurer's liability starts.
- Q40. What is an 'Average Clause'?**
Ans: Clause reducing claim proportionately if property is under-insured.
- Q41. What is 'Sum Insured'?**
Ans: Maximum liability of the insurer under the policy.
- Q42. What is 'Claim Settlement Ratio (CSR)'?**
Ans: Percentage of total claims settled by an insurer in a given period.
- Q43. What is a 'Free Look Period'?**
Ans: 15–30 days allowed to review and cancel a new policy with refund of premium.
- Q44. What is a 'Rider'?**
Ans: Add-on benefit enhancing coverage (e.g., critical illness rider, accident rider).
- Q45. What is 'Revival of Policy'?**
Ans: Reinstating a lapsed policy within a specified period on payment of arrears and interest.
- Q46. What does ULIP stand for?**

Ans: Unit Linked Insurance Plan.

Q47. What is the lock-in period for ULIPs?

Ans: 5 years.

Q49. What is 'Surrender Value'?

Ans: Amount payable if a life policy is terminated before maturity.

Q50. What is 'Paid-up Value'?

Ans: Reduced sum assured when premium payment stops after minimum years.

Q51. What is 'Maturity Benefit'?

Ans: Sum payable when policyholder survives till end of the policy term.

Q52. What is 'Death Benefit'?

Ans: Amount paid to nominee on death of life assured.

Q53. What is 'Bonus' in insurance?

Ans: Share of insurer's profits distributed to participating policyholders.

Q54. What is Micro-Insurance?

Ans: Low-premium insurance for low-income groups; sum assured \leq ₹50,000.

Q55. What is Bancassurance?

Ans: Sale of insurance products through bank branches/networks.

Q56. What is an e-Insurance Account (eIA)?

Ans: Electronic account that stores all insurance policies digitally.

Q57. What is the minimum age to open an eIA?

Ans: 18 years.

Q58. What is Insurance Penetration?

Ans: Ratio of total insurance premium to the country's GDP.

Q59. What is Insurance Density?

Ans: Per-capita premium (total premium \div total population).

Q60. What is 'Adverse Selection'?

Ans: Tendency of high-risk individuals to seek insurance more than low-risk ones.

Q61. Define Reinsurance.

Ans: Insurance purchased by insurance companies to reduce their own risk exposure.

Q62. What is 'Ceding Company'?

Ans: The primary insurer who transfers part of risk to a reinsurer.

Q63. What is 'Retention Limit'?

Ans: Maximum portion of risk an insurer retains before re-insuring the rest.

Q64. What is Treaty Reinsurance?

Ans: A standing agreement covering a class of risks between insurer and reinsurer.

Q65. What is Facultative Reinsurance?

Ans: Reinsurance arranged for individual or specific risks on a case-by-case basis.

Q66. What is Quota Share Reinsurance?

Ans: Fixed percentage of every risk shared between insurer and reinsurer.

Q67. What is Excess of Loss Reinsurance?

Ans: Reinsurer pays only when losses exceed a specified threshold.

Q68. What is Retrocession?

Ans: When a reinsurer transfers part of accepted risk to another reinsurer.

Q69. What is Double Insurance?

Ans: Same subject matter insured with more than one insurer for the same risk.

Q70. What is Co-insurance?

Ans: Two or more insurers jointly sharing a single large risk under one policy.

SECTION F: Regulatory Bodies, Schemes & Taxation (Q 71–100)

Q71. What is the Insurance Ombudsman?

Ans: Independent authority for resolving policyholder grievances outside courts.

Q72. What is the maximum compensation an Ombudsman can award (as per 2023 Rules)?

Ans: ₹50 lakh.

Q73. How many Insurance Ombudsman offices are there in India?

Ans: 18 offices.

Q74. What is IGMS?

Ans: Integrated Grievance Management System – IRDAI's online complaint portal.

Q75. What is the IRDAI helpline number?

Ans: 155255 / 1800-425-4732.

Q76. What is Bima Sugam?

Ans: IRDAI's single digital marketplace (UPI of insurance) integrating sales, service, comparison, and claims for all insurers.

Q77. What is Bima Vistaar?

Ans: India's first composite insurance product covering death (₹2L), personal accident (₹2L), property damage (₹2L), and surgical hospitalisation — priced at ₹1,500/year (individual) and ₹2,420/year (family).

Q78. What is Bima Vahak?

Ans: IRDAI's initiative to deploy insurance distribution agents in every Gram Panchayat — a women-centric rural distribution channel.

Q79. What is the IRDAI Vision 2047 target?

Ans: Universal insurance coverage and 10% insurance penetration (of GDP) by 2047 – 'Insurance for All.'

Q80. Which committee recommended setting up IRDAI?

Ans: Malhotra Committee (1994).

Q81. What is the annual premium for PMJJBY?

Ans: ₹436 per year (as of FY 2025-26).

Q82. What is the life cover under PMJJBY?

Ans: ₹2 lakh.

Q83. What is the premium under PMSBY?

Ans: ₹20 per annum.

Q84. What is the coverage under PMSBY?

Ans: ₹2 lakh for death or total disability; ₹1 lakh for partial disability.

Q85. What is the eligibility age for PMJJBY?

Ans: 18–50 years.

Q86. What is the eligibility age for PMSBY?

Ans: 18–70 years.

Q87. What is the maximum benefit under EDLI scheme?

Ans: ₹7 lakh maximum; minimum ₹50,000 for short-service tenure.

Q88. What is PMFBY?

Ans: Pradhan Mantri Fasal Bima Yojana – crop insurance scheme; farmer premium is 2% (Kharif), 1.5% (Rabi), 5% (commercial/horticultural crops).

Q89. Which ministry administers PMFBY?

Ans: Ministry of Agriculture and Farmers Welfare.

Q90. Which company acts as the national reinsurer of India?

Ans: GIC Re (General Insurance Corporation of India Re).

Q91. What is the maximum deduction under Section 80C for life insurance premium?

Ans: ₹1.5 lakh per financial year.

Q92. Under Section 10(10D), when are life-policy maturity proceeds tax-exempt?

Ans: When premium ≤ 10% of sum assured.

Q93. What is Solvency Margin?

Ans: Excess of assets over liabilities that insurers must maintain (minimum 150% of RSM).

Q94. What does D-SII designation mean?

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Ans: Domestic Systemically Important Insurer — critical to financial stability; subject to enhanced IRDAI supervision.

Q95. Which three entities hold D-SII status (FY 2024-25)?

Ans: LIC, GIC Re, and New India Assurance.

Q96. What is the Solatium Fund?

Ans: Fund to compensate victims of hit-and-run motor accidents; managed by General Insurance Council under MoRTH.

Q97. What is 'Bima ASBA'?

Ans: Application Supported by Blocked Amount — premium is blocked in customer's bank account and debited only after policy acceptance. Maximum block: ₹2 lakh. Insurer must decide within 14 days.

Q98. What is the apex insurance training institute in India?

Ans: National Insurance Academy (NIA), Pune.

Q99. What does IIB stand for?

Ans: Insurance Information Bureau of India.

Q100. What is India's insurance penetration as per IRDAI / Economic Survey 2025?

Ans: 3.7% of GDP (FY 2023-24 / FY25) — third consecutive year of decline from the pandemic-era peak of 4.2%.