

IRDAI Assistant Manager Interview Questions and Sample Answers

1. IRDAI & Insurance Basics

- Q: What are the key objectives of the IRDAI Act, 1999?

A: The IRDAI Act, 1999 was enacted to regulate, promote, and ensure the orderly growth of the insurance industry in India. Its key objectives include protecting policyholders' interests, ensuring financial soundness of insurers, promoting competition, and enforcing consumer-friendly practices. The Act also empowers IRDAI to issue licenses, regulate premiums, and handle grievances.

- Q: What is the difference between Life, General, and Health Insurance?

A: - Life Insurance provides financial protection in case of death or maturity (e.g., term insurance, endowment).

- General Insurance covers non-life assets like vehicles, homes, etc. (e.g., motor, property insurance).

- Health Insurance covers medical expenses due to illness or hospitalization.

All three are regulated by IRDAI but have different underwriting principles and risk models.

- Q: What is reinsurance and why is it important?

A: Reinsurance is insurance for insurers. It allows insurers to spread risk by transferring part of their liabilities to another insurer (the reinsurer). This ensures solvency, especially during large-scale claims like natural disasters, and stabilizes the market.

2. Finance, Economics & Regulation

- Q: What are solvency margins, and why are they important?

A: A solvency margin is the excess of assets over liabilities that insurers must maintain to ensure they can meet claims. IRDAI mandates a minimum solvency ratio of 150% to safeguard policyholders. It's similar to capital adequacy in banking but tailored for insurance risks.

- Q: How does IRDAI regulate insurers' investments?

A: IRDAI specifies the types of assets and limits for insurer investments through the IRDAI (Investment) Regulations. Insurers must invest a significant portion in government securities and approved securities to ensure safety, liquidity, and policyholder protection.

- Q: How does inflation affect insurance companies?

A: Inflation increases the cost of claims, especially in health and motor insurance. It also affects investment returns and may lead to higher premiums. Insurers need to revise actuarial assumptions to maintain profitability and solvency.

3. Current Affairs Related to Insurance

- Q: What is IRDAI's vision of "Insurance for All by 2047"?

A: This is a strategic goal to ensure every citizen has adequate insurance by 2047. It includes universal access, simplified products, digital inclusion, and stronger regulatory oversight. It aims to increase insurance penetration, especially in rural and underserved regions.

- Q: How has the FDI limit change impacted the insurance industry?

A: The FDI limit in insurance was increased from 49% to 74% in 2021. This has brought more capital into the sector, improved competition, supported innovation, and helped insurers expand into rural markets. However, IRDAI ensures that control remains with Indian management.

- Q: How does the Ayushman Bharat scheme interface with private insurers?

A: Ayushman Bharat allows private insurers to bid for implementing health insurance under PM-JAY. IRDAI monitors such insurers for compliance, pricing, and service delivery. This public-private model ensures large-scale access to health insurance.

4. Role-Specific Situational Questions

- Q: How would you handle a customer grievance about a delayed claim?

A: I would first verify the complaint through the insurer's records and TAT compliance. If a delay is found, I would instruct the insurer to process the claim with interest as per IRDAI's guidelines. Repeated delays could attract penalties under IRDAI (Protection of Policyholders' Interests) Regulations.

- Q: What steps does IRDAI follow before granting a new insurer license?

A: The process includes:

1. Receiving an application with capital and business plan.
2. Verifying promoters' background and financial soundness.
3. Examining compliance with minimum capital (₹100 crore for life/general).
4. Issuing R1 (principle approval), R2 (final approval), then the license.
5. Monitoring post-licensing activities before allowing product launches.

- Q: What KPIs would you use to monitor insurer performance?

A: KPIs include:

- Claims settlement ratio
- Grievance redressal TAT
- Solvency ratio
- Persistency ratio (for life insurers)

- Growth in rural and social sector business

These help ensure compliance, efficiency, and policyholder satisfaction.

5. Personal & Behavioural

- Q: Why do you want to work at IRDAI?

A: I believe in public service and the mission of IRDAI to ensure a fair and transparent insurance ecosystem. Working at IRDAI offers a chance to influence policy, protect consumers, and contribute to financial inclusion, aligning with my long-term goals.

- Q: Which IRDAI department interests you most and why?

A: I'm most interested in the Policyholder Protection and Grievance Redressal department because it directly impacts public trust in insurance. Ensuring timely grievance resolution and regulatory compliance aligns with my interest in consumer rights and ethics.

- Q: How do you stay updated on insurance and regulatory changes?

A: I regularly follow IRDAI's official website, industry reports, RBI bulletins, and newspapers like The Hindu and Mint. I also read journals from IRDAI and Insurance Institute of India, and participate in online forums to stay informed.