Commonwealth Schools of Insurance

P.O. Box 22414, Louisville, KY 40252-0414 ● 502.425.5987 ● FAX 502.429.0755
E-mail: info@commonwealthschools.com

INSTRUCTIONS TO COMPLETE THE CONTINUING EDUCATION COURSE

Thank you for choosing the Commonwealth Schools of Insurance to fulfill your continuing education requirements.

Please follow the instructions below to complete the course:

STEP 1

Please print out the ANSWER SHEET, CERTIFICATE and QUESTIONS that follow this page. After printing the ANSWER SHEET, please fill out the requested information clearly and completely.

STEP 2

TEST QUESTIONS must be answered on the page that follows. You must score 70% or better to received credit for this course.

STEP 3

After completing the TEST and STUDENT INFORMATION marked with a *"X"* on the Certificate of Completion, the *completed Answer Sheet, Certificate and Payment Information may be emailed, faxed or mailed to*:

Emailed to:	info@commonwealthschools.com
Faxed to:	502.429.0755
Mailed to:	Commonwealth Schools of Insurance, Inc. P O Box 22414 Louisville, KY 40252-0414

Please note that your ANSWER SHEET and CERTIFICATE will not be processed without payment. Payment arrangements are listed on the ANSWER SHEET.

YELLOW CARD SPECIAL

Simply complete and return all 24 hours of CE at the same time.
Regardless of the prices listed, your total charge will be

$110.00

NOTICE

The material contained herein may not be duplicated without the express written permission of Commonwealth Schools of Insurance.
The material contained in this course cannot be used as an original source of authority on legal matters. Any references made to laws and regulations in this material have been edited and summarized for clarity; and changes in these laws and regulations may have occurred since this course was published. The reader should always consult legal counsel as appropriate.

Form: **CE-301** (7/2010)

Commonwealth of Kentucky
Department of Insurance - Agent Licensing Division
P. O. Box 517 - Frankfort, Ky. 40602
502-564-6004 http://insurance.ky.gov

APPROVED CONTINUING EDUCATION COURSE

CERTIFICATE OF COMPLETION

STUDENT NAME: X_____

CONTINUING EDUCATION COURSE IDENTIFICATION

Course Title: ***Ethical Issues – Part II***

Course Certification Number: ***C98462***

Course Completion Date: _____ Number of Hours: **3**

Instructor Name: *PLEASE LEAVE BLANK*
(Required if certification is for a classroom course)

Provider Name: ***Commonwealth Schools of Insurance, Inc.***
Provider Certification Number: ***S12128/PROV0085***

PROVIDER CERTIFICATION:
I hereby certify that this course was conducted as approved by the Commonwealth of Kentucky Department of Insurance. I further certify that the person whose name appears above did personally complete this course on the date indicated. Also, I acknowledge that fraudulent certification of this document will result in immediate withdrawal of approval of the provider, plus penalties, and simultaneous withdrawal of approval of all of the provider's courses (KRS 304.9-295 and 806 KAR 9:220).

Name: ***James F Davis***
Authorized Provider Representative
Signature: _____ Date: _____

STUDENT CERTIFICATION:
I hereby certify that I personally completed the course listed above in the manner required to satisfy Kentucky's continuing education laws and regulations. Also, I acknowledge that fraudulent certification of completion of this course will result in cancellation of my agent, adjuster, and/or life settlement broker licenses (KRS 304.9-295 and 806 KAR 9:220).

Name: X_____ DOI# or NPN: X_____

Signature: X_____ Date: X_____

The provider is required by law to give the student who successfully completes any continuing education course the original of this form upon completion of the course and to retain a copy in the provider's records for at least five years.
For a classroom course, the provider is required by law to submit the Continuing Education Course Attendance Roster (Form CE-300) to the Department of Insurance within thirty days through eServices electronic submission. Students must verify that credit has been recorded for this class by visiting our website at: http://insurance.ky.gov. If credit does not appear, please verify with the provider that the Roster has been submitted. If the Roster has been submitted and you do not receive credit, please forward this original document to the Department directly, and keep a copy for your file.
For all correspondence credits, the provider must submit the Course Completion to the Department through eServices, or the student must mail this original form to DOI and verify credit on our website, as required by KRS 304.9-295(10)(11).

Ethical Issues – Part II

(3 credit hours – Approved in Kentucky for Ethics Credit)

PLEASE PRINT CLEARLY

First Name **M.I.** **Last Name** **DOI No. and NPN No.**

Home Mailing Address **City** **State** **Zip Code**

Business Name

Business Address **City** **State** **Zip Code**

Home Telephone **Business Telephone** **Email Address**

Date of Birth **Month** **Year** **Fax No.**

Completed forms and payment maybe: Emailed to: info@commonwealthschools.com
Faxed to: 502.429.0755
Mailed to: Commonwealth Schools of Insurance, Inc.
P O Box 22414
Louisville, KY 40252-0414

1	A B C D ☐☐☐☐	11	A B C D ☐☐☐☐	21	A B C D ☐☐☐☐
2	A B C D ☐☐☐☐	12	A B C D ☐☐☐☐	22	A B C D ☐☐☐☐
3	A B C D ☐☐☐☐	13	A B C D ☐☐☐☐	23	A B C D ☐☐☐☐
4	A B C D ☐☐☐☐	14	A B C D ☐☐☐☐	24	A B C D ☐☐☐☐
5	A B C D ☐☐☐☐	15	A B C D ☐☐☐☐	25	A B C D ☐☐☐☐
6	A B C D ☐☐☐☐	16	A B C D ☐☐☐☐		
7	A B C D ☐☐☐☐	17	A B C D ☐☐☐☐		
8	A B C D ☐☐☐☐	18	A B C D ☐☐☐☐		
9	A B C D ☐☐☐☐	19	A B C D ☐☐☐☐		
10	A B C D ☐☐☐☐	20	A B C D ☐☐☐☐		

YELLOW CARD SPECIAL

Simply complete and return all 24 hours of CE at the same time.
Regardless of the prices listed, your total charge will be $110.00

CHECKS AND ALL MAJOR CREDIT CARDS ARE ACCEPTED:

COURSE FEE $25.00 or ☐Check Here for Yellow Card Special

CARD NO. _____ ***EXP DATE*** _____ **CV2 NO.** _____

CREDIT CARD BILLING ADDRESS _____

_____

SIGNATURE: _____

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ETHICAL ISSUES – PART II

EXAMINATION QUESTIONS

1. Insurance agents automatically have a fiduciary responsibility to the insurer they represent by the nature of their _____.

A. License B. Contractual relationship C. Experience D. None of the aforementioned

2. Legally a personal relationship is created when a _____ consults an insurance agent, provides that agent with specific information about his unique circumstances and relies on the agent to obtain appropriate coverage tailored to these circumstances.

A. Insurer B. Prospective insured C. Associate D. Employee

3. _____ examples include insurance deductibles, co-insurance, self-insurance or simply ignoring the risk and absorbing the full cost if it occurs.

A. Transferring risk B. Retaining risk C. Insuring risk D. None of the aforementioned

4. Agent education should focus on at least three areas: New products from the company or companies represented, Legislation and regulations affecting insurance, and _____.

A. Tax considerations B. Commission structure C. Agent renewals D. Target marketing

5. A _____ is a written acknowledgment that the coverage offered under the policy is in effect During the time it takes for the company to issue the policy.

A. Letter B. Application C. Policy D. Binder

6. A conditional receipt, used in life and health insurance, is similar to a binder in that it provides coverage once the initial premium is paid, and before the policy is issued. It is different from a binder in that coverage is provided during this period only if the applicant meets _____ the for the particular coverage

A. Marketing requirements
B. Sales requirements
C. Underwriting requirements
D. Commission requirements

7. Because of the nature of estate or business planning, agents must be particularly careful not to cross the line from proper and appropriate advice to clients and engaging in the _____.

A. Offering of uncompensated insurance advice
B. Providing of professional referrals
C. Unauthorized practice of law
D. All of the aforementioned

8. An agency relationship begins when agents are granted authority to operate by _____, _____ or _____ agreement.

A. Intentional, Rational, Sensible
B. Oral, Written, Electronic
C. Expressed , Implied, Apparent
D. Agent, Insurer, Client

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9. Theoretically, brokers are agents of _____.

A. Insurers B. Insurance buyers C. No one D. Agencies

10. An _____ is legally defined as "a person authorized by and on behalf of an insurer, to transact insurance".

A. Broker B. Agent C. Insurer D. Attorney

11. The purpose of determining whether the insurance producer was acting as a broker or as the insurer's agent when an insurance contract was placed helps establish the theories of _____ that the client may plead and what defenses the agent or his insurer may raise.

A. Liability B. Investment C. Insurability D. Indemnity

12. There are 3 ways to form an agency: _____, _____and _____.

A. Appointment, Estoppel, Ratification
B. Application, Underwriting, Approval
C. Appointment, Sale, Issue
D. Application, Appointment, Approval

13. _____ means adhering strictly to the lines of authority the principal has given the agent, and acting with absolute integrity in carrying out the principal's business.

A. Credibility B. Loyalty C. Viability D. Velcrocity

14. An insurer's _____ rests upon its ability to accurately calculate the monetary amount of the risks it assumes through the policies it issues and to charge rates which balance that sum, all within the rating regulatory framework governing the industry.

A. Underwriting ability
B. Marketing ability
C. Fiscal stability
D. Competitive ability

15. The NAIC uses _____ which are presented to each state legislature; such models help insure the uniformity among state laws that work to the benefit of an industry which crosses state lines.

A. Model applications
B. Model marketing programs
C. Model actuarial standards
D. Model laws

16. States require that any insurance _____ to be sold in that state be submitted for review and approval before it is offered to consumers.

A. Coverage B. Policy C. Claim D. Agent

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17. The _____, passed by Congress in 1945, left insurance regulation to the states with Congress regulating the industry, only if the states failed to do an adequate job.

A. Gramm Rudman Act
B. Patriot Act
C. Social Security Insurance Act
D. McCarran-Ferguson Act

18 The rule: "No agent shall make any written or oral statement which is false, maliciously critical of, or derogatory to, any person engaged in the business of insurance and which is calculated to injure any such person." refers to:

A. Slander B. Defamation C. Libel D. None of the aforementioned

19. The rule: "No person shall issue or deliver, or permit agents, officers or employees to issue or deliver, capital stock, benefit certificates or shares in any corporation, securities, and special or advisory board contracts, or any contract promising returns and profits, as an inducement to insurance." refers to:

A. Prohibited inducements B. Defamation C. Twisting D. Replacement

20. Insurers by law must keep a record of all the _____ they have received since the last examination by the commissioner, or during the previous three years, whichever date covers the most recent period of time.

A. Employment applications
B. Complaints
C. Agent questions
D. Sales proposals

21. When an annuity, an accident and sickness policy, or a life insurance policy, will have an _____, the person soliciting or affecting the sales of such policy shall furnish disclosure information as required by the Commission's rules and regulations.

A. Surrender charge
B. Nursing home rider
C. Accumulated cash value
D. Redemption fee

22. It is estimated that _____ agents face an errors and omissions claim each year.

A. 1 in 10 B. 1 in 7 C. 1 in 3 D. 1 in 5

23. A person or employee shall not act in the capacity of an agent without holding a _____.
.

A. Valid appointment
B. Valid agent license
C. Valid college degree
D. Valid professional designation (i.e. CLU)

24. Concealment is neglecting to communicate what the agent knows or ought to know to be true. Concealment can be intentional or unintentional. In either case the injured party is entitled _____ to the contract or policy.

A. Replace B. Rewrite C. Rescind D. Redeem

25. If you feel you have a potential errors and omissions claim, you should first review your policy for the _____ that you need to meet.

A. Deductible B. Reporting requirements C. Standard of care D. Sales quota

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