

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

Once you have read the material, please print the ANSWER SHEET, AFFIDAVIT and QUESTIONS that follow this page. IDOI requires that all continuing education test be proctored by and currently licensed Indiana insurance agent. 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 receive credit for this course.

STEP 3

After completing the TEST and STUDENT INFORMATION marked with an "X" on the Affidavit, have the test proctor complete the bottom of the Affidavit. Completed Answer Sheet and Affidavit 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 AFFIDAVIT 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

\$99.00

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.

**INDIANA DEPARTMENT OF INSURANCE
AFFIDAVIT OF PERSONAL RESPONSIBILITY**

Instructions to Course Provider: This document does not replace Certificate of Completion. The original affidavit is to be returned to you with finished examination and must be retained in your files for seven (7) years.

I affirm, under penalties of perjury, that I personally completed the entire text of the self-study course(s) listed below. I also affirm, under penalties of perjury, that I completed the exam without assistance from any source. I understand that it is my responsibility to file or maintain my Certificate of Completion as required by the Indiana Department of Insurance.

X _____
AGENT'S SIGNATURE

X _____
DATE

X _____
AGENT'S LICENSE NUMBER

AFFIDAVIT OF EXAM COMPLETION

I hereby certify, under penalty of perjury, that I am a duly licensed insurance agent in the State of Indiana and that I administered the **closed book final examination** for the course listed below and that it was completed without assistance or outside help of any kind, including the study material.

Name of Student X _____ License Expiration Date X _____

Address X _____ City/State/Zip X _____

Social Security No. X _____ Date of Birth X _____

Name of Course: Ethical Issues - Part II - 4 hrs - 27649

Name of Course Provider: **Commonwealth Schools of Insurance**

Location Exam was taken _____

Date Exam was taken _____

***Printed Name of Exam Witness

Signature of Exam Witness

***License Number of Witness

Business Phone Number of Witness

Witness' Business Mailing Address _____

*****Your test must be proctored by an actively licensed Indiana Insurance Agent.**

Please Note: This form must be completed before your course will be graded and submitted to INDOI.

Ethical Issues – Part II
 (3 credit hours – Approved for Ethics Credit in Indiana)

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 Number

Please send COMPLETED ANSWER SHEET, CERTIFICATE and PAYMENT VIA:

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

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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 \$99.00**

CHECKS AND ALL MAJOR CREDIT CARDS ARE ACCEPTED:
COURSE FEE \$30.00 or Check Here for Yellow Card Special

CARD NO. _____ **EXP DATE** _____

CREDIT CARD BILLING ADDRESS _____

SIGNATURE: _____

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 C. Underwriting requirements
B. Sales 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 C. Unauthorized practice of law
B. Providing of professional referrals D. All of the aforementioned

8. An agency relationship begins when agents are granted authority to operate by _____, _____ or _____ agreement.
A. Intentional, Rational, Sensible C. Expressed , Implied, Apparent
B. Oral, Written, Electronic D. Agent, Insurer, Client

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 C. Fiscal stability
B. Marketing ability 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 C. Model actuarial standards
B. Model marketing programs 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

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 C. Social Security Insurance Act
B. Patriot 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 C. Agent questions
B. Complaints 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 C. Accumulated cash value
B. Nursing home rider 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 C. Valid college degree
B. Valid agent license 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