

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: Agent Survival Handbook - 7 hrs - 45384

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.

Agent Survival Handbook

(7 credit hours)

PLEASE PRINT CLEARLY

First Name	M.I.	Last Name	DOI# and NPN#
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	

Emailed to: info@commonwealthschools.com
Faxed to: 502.429.0755
Mailed to: Commonwealth Schools of Insurance, Inc.
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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 \$41.00 or Check Here for Yellow Card Special

CARD NO. _____ EXP DATE _____

CREDIT CARD BILLING ADDRESS _____

SIGNATURE: _____

Thank you for choosing CSI for your training requirements.

AGENT SURVIVAL HANDBOOK

EXAMINATION QUESTIONS

- The process of determining agent liability involves the investigation of:
A. Agency law B. Contract law C. Insurance law D. Estate law
- An agent's duty to provide correct coverage:
A. Is not triggered by a client's request for full coverage
B. Is triggered by a client's request for full coverage
C. Is not triggered by a client's request for general coverage
D. Is triggered by a client's request for general coverage
- An agency relationship can be created by:
I. Casual mutual assent II. Contract
A. I only B. II only C. I and II D. Neither I nor II
- Generally, agents represent the _____ and brokers represent the _____.
A. Client insured B. Insured, insurer C. Insurer, insured D. Insured, client
- Typically, when a dispute occurs and a producer's status cannot be easily determined by the court, the court will find:
A. No relationship C. Client relationship
B. Agency relationship D. Independent relationship
- An agent is defined as:
A. A person authorized to transact insurance
B. A person authorized by or on behalf of an insured to transact insurance
C. A person authorized to solicit insurance
D. A person authorized by or on behalf of an insurer to transact insurance
- Dual agency occurs when:
A. An agent represents more than one primary carrier
B. An agent is employed by more than one insurance agency
C. An agent assumes non-agency duties by agreement
D. An agent assumes additional agency duties
- Failing to procure coverage results in _____ of claims for agent malpractice.
A. 60% B. 50% C. 40% D. 30%
- Agents should make it a standard practice to review _____ and to retain _____ on file to answer client questions.
A. Client policies, sales illustrations C. Specimen policies, sales illustrations

B. Client policies, specimen policies

D. Specimen policies, client policies

10. In working with a client, the agent owes the client a duty of:

A. Loyalty

B. Good faith

C. Reliability

D. Competence

11. Plaintiff attorney's usually plead both tort and contract claims against agents. In the case of the tort action, the claims focus on:

A. Professional standards

B. Agent's acts or omissions

C. A and B

D. Neither A nor B

12. In property casualty, many bad faith issues surface under the title of:

A. Claim avoidance

B. Claim preclusion

C. Claim denial

D. Claim settlement

13. Earning professional credentials (designations) may subject an agent to:

A. Less liability exposure

B. A higher standard of knowledge and responsibility

C. Additional licensing restrictions

D. Less statutory oversight

14. A fiduciary is someone who is held in trust or complete confidence. As such, the most obvious fiduciary responsibility for an agent is to:

A. Provide complete disclosure to the client

B. Protect and safeguard client monies

C. Protect client confidences

D. Provide additional assurances to the client

15. ERISA fiduciary status may be established where a plan trustees:

A. Solicit quotes from the agent

B. Relied heavily on the agent's advice in the purchase of insurance

C. Both A & B

D. Neither A nor B

16. When an agency agreement exists between the agent and the insurer, the agent has a _____.

A. Duty of loyalty

B. Duty to exercise reasonable care

C. Duty to follow the insurer's directions

D. Duty not to compete

17. The burden of agent liability involving financially distressed insurance companies is greater today for which of the following reasons:

I. More liquidations are in process

II. Courts want agents to be less responsible for their actions

A. I only

B. II only

C. I and II

D. Neither I nor II

18. Agents often develop special relationships with clients resulting in increased liability exposure. These relationships can be found where the agent:

- A. Remained in regular contact with the client for service purposes
- B. Handled all of the insured's business
- C. Retained accurate and complete files on the client's coverage
- D. None of the above

19. The cornerstone of agent diligence is now referred to as:

- A. Agent reliance
- B. Agent ethics
- C. Agent due care
- D. Agent competence

20. Agent conduct in choosing an insurer centers on the insurer's solvency at the time of _____ and ability to meet its _____.

- A. Claim, contractual obligations
- B. Purchase, claim obligations
- C. Claim, purchase obligations
- D. Purchase, contractual obligations

21. Reinsurance is an effective tool for _____ and _____ in the marketplace.

- A. Spreading risk, expanding capacity
- B. Expanding capacity, spreading risk
- C. Expanding risk, spreading expansion
- D. Spreading expansion, expanding risk

22. The Risk Based Capital Model Act defines:

- A. Acceptable advertising criteria
- B. Acceptable levels of risk
- C. Acceptable agent retention rates
- D. Acceptable premium structure

23. The two basic rules concerning risk management are:

- I. Potential losses have a reasonable relationship to client resources
- II. Benefits must be related to cost

- A. I only
- B. II only
- C. I & II
- D. Neither I nor II

24. The process of risk management requires setting and achieving goals in:

- A. Client insurability
- B. Agent retention
- C. Premium structure
- D. Options to deal with the risk

25. After implementation of an appropriate policy, the agent has a duty to:

- A. Review coverage annually
- B. Evaluate on-going adequacy
- C. Stay current with new coverage options
- D. All of the aforementioned

26. One process for determining an estimate of the amount of life insurance needed is called:

- A. Capital expenses
- B. Capital needs analysis
- C. Life capital analysis
- D. Life needs analysis

27. Health insurance is one of the most _____ segments of risk management and the _____ to predict.

- A. Common, easiest
- B. Valuable, most difficult
- C. Valuable, easiest
- D. Common, most difficult

28. Where the client is withdrawing all or part of an annuity prior to age 59½, the IRS penalty is:

- A. 15%
- B. 25%
- C. 10%
- D. 20%

29. In a partnership, if the partner dies or withdraws, the partnership:

- A. May continue with the remaining partners
- B. Must be terminated or re-organized
- C. Must continue with the remaining partners
- D. None of the above

30. Because of binders, indemnity disputes, and redlining, agent liability under property casualty is:

- A. No more than for a life and health agent
- B. Less than for a life and health agent
- C. Higher than for a life and health agent
- D. The same as for a life and health agent

31. A recent survey of real estate found that almost _____ of homes in the U.S. are underinsured by an average of _____.

- A. 60%, 10%
- B. 10%, 60%
- C. 35%, 70%
- D. 70%, 35%

32. Auto policies are typically divided into different segments covering:

- A. liability, medical, uninsured motorists and damages
- B. medical, uninsured motorists and damages
- C. uninsured motorists and damages
- D. liability and damages

33. Examples of commercial and professional insurance includes:

- I. Commercial property coverage
- II. Homeowners coverage
- III. Automobile coverage
- IV. Workers compensation

- A. II and III
- B. I, II and IV
- C. I and IV
- D. I, II, III and IV

34. For the most part, the responsibility for misleading policy illustrations lies with the _____ and the _____ that produce them.

- A. Agent, home office
- B. Actuary, marketing department
- C. Actuary, agent
- D. Agent, marketing department

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

- A. 3, 5
- B. 1, 7
- C. 2, 4
- D. 1, 5

36. Agent licenses have been revoked or suspended where the licensee:

- A. Actively and in good faith carries on business as permitted by law
- B. Ensures the enforcement of insurance laws
- C. Fully presents all terms and effects of a policy/contract
- D. Fails to perform a duty or act expressly required by statute

37. Concealment, whether intentional or unintentional, is defined as:

- A. Neglecting to communicate what the agent knows to be true
- B. Communicating what the agent knows to be true
- C. Inducing a client to replace a policy
- D. Misrepresenting a material fact

38. The act of twisting or churning is illegal. This illegal act is defined as:

- A. Using force to compel a client to purchase insurance
- B. Selling a client multiple policies for the same risk
- C. Misrepresenting policies for the purpose of inducing a client's action
- D. None of the above

39. If an agent is unwilling to assume responsibility and take the time necessary to provide complete coverage, it would be wise for the agent to:

- A. Refuse to take the client
- B. Disclose that the coverage is for a specific risk
- C. Remain silent
- D. Do nothing

40. When an insurer can be shown to have a practice of issuing policies even though the broker has supplied incomplete information, the broker may be able to establish that the insurer has _____ the broker's actions.

- A. Authorized
- B. Denied
- C. Ratified
- D. Accepted

41. There is no standard errors and omissions policy. However, the majority of policies issued today are on a:

- A. Occurrence-made basis
- B. Claims-made of Occurrence basis
- C. Occurrence basis
- D. Claims-made basis

42. The legal purpose of documenting client transactions is to establish _____.

- A. Procedures
- B. Claims
- C. Evidence
- D. Settlements

43. Because client's often claim an envelope containing correspondence was empty, experts recommend sending correspondence using _____.

- A. UPS
- B. Window envelope
- C. Federal Express
- D. All of the aforementioned

44. An operations manual should cover procedures for dealing with:

- A. Client applications, claims, and policies
- B. Client applications, advertising and policies
- C. Advertising, claims, and policies
- D. Licensing, claims, and policies

45. Advertising is defined as all materials that are designed to create public interest in an insurer, its products, and/or agent. This includes:

- A. Product brochures
- B. Company agent newsletter
- C. Internal company product flyers
- D. All of the aforementioned

46. Advertising should include which of the following:

- I. Product or policy detail, if specific
- II. Identity of insurer
- III. Accurate and truthful statements

- A. I only
- B. II only
- C. III only
- D. I, II and III

47. Rebates may or may not be authorized, depending on state law. A rebate may

be classified as:

- A. A de minimis gift (e.g. travel atlas)
- B. Sharing commissions with a fellow agent
- C. An Offer to pay premiums
- D. An increase in premiums for a fixed period

48. A trigger is a label for an event or events that must occur prior to the insurance carrier being obligated to pay a benefit. As such, _____ policies are generally clear as to whether the trigger has been met.

- A. Disability
- B. Health
- C. Property
- D. Life

49. Where an ambiguity in an insurance policy is not capable of resolution, the courts have generally construed the ambiguity:

- A. In favor of the insurer
- B. In favor of the insured
- C. In favor of the agent
- D. According to state insurance regulations

50. If an insurer is in financial trouble, the insurance commissioner will usually seek to first place the carrier in _____ and if necessary then in _____.

- A. Liquidation, receivership
- B. Receivership, rehabilitation
- C. Rehabilitation, liquidation
- D. Liquidation, rehabilitation