

# Commonwealth Schools of Insurance

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## 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:

<b>Emailed to:</b>	<b><a href="mailto:info@commonwealthschools.com">info@commonwealthschools.com</a></b>
<b>Faxed to:</b>	<b>502.429.0755</b>
<b>Mailed to:</b>	<b>Commonwealth Schools of Insurance, Inc. P O Box 22414 Louisville, KY 40252-0414</b>

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 I - 3 hrs - 45379

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 I**  
 (3 credit hours – Approved for Ethics Credit in Indiana)

**PLEASE PRINT CLEARLY**

<b>First Name</b>	<b>M.I.</b>	<b>Last Name</b>	<b>DOI No. and NPN No.</b>	
<b>Home Mailing Address</b>		<b>City</b>	<b>State</b>	<b>Zip Code</b>
<b>Business Name</b>				
<b>Business Address</b>		<b>City</b>	<b>State</b>	<b>Zip Code</b>
<b>Home Telephone</b>		<b>Business Telephone</b>	<b>Email Address</b>	
<b>Date of Birth</b>	<b>Month</b>	<b>Year</b>	<b>Fax Number</b>	

**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 \$25.00    or     Check Here for Yellow Card Special**

**CARD NO.** \_\_\_\_\_ **EXP DATE** \_\_\_\_\_

**CREDIT CARD BILLING ADDRESS** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

# ETHICAL ISSUES – PART I

## EXAMINATION QUESTIONS

1. In our society, both individuals and businesses depend on the insurance product to provide essential services and protect them from .
  - A. Financial Disaster
  - B. Termination
  - C. Emotional Disaster
  - D. Tax Liability
2. In his analysis of the insurance industry, Lawrence G. Brandon, CPCU, identified the following as a weakness of the insurance industry:
  - A. Lack of leadership allows insurance organizations to be driven by stockholder expectations rather than long-term goals.
  - B. Slow sales growth during a recession.
  - C. Both A & B
  - D. None of the above
3. Dr. Huebner believed the success of the industry depended on individuals who were both and
  - A. Experienced, Moral
  - B. Knowledgeable, Ethical
  - C. Popular, Influential
  - D. Compassionate, Emotional
4. Common areas where your integrity may be tested include: advertising, product sales, processing errors, and
  - A. Experience
  - B. Disclosure
  - C. Morality
  - D. Personality
5. In exercising reasonable and prudent judgment, you may rely on your experience, knowledge, and education to determine an appropriate course of action. Again, prudent judgment does not imply
  - A. Perfect judgment
  - B. Experience
  - C. Failure
  - D. None of the above

6. Aside from the various security regulations, you may have a conflict of interest when you make recommendations concerning companies in which you have a
- A. Recommendation
  - B. Knowledge
  - C. Opinion
  - D. Financial stake
7. To effectively provide competent advice and financial planning, you must have attained and maintained an adequate level of and .
- A. Commissions, Fees
  - B. Sales, Production
  - C. Knowledge, Skill
  - D. None of the above
8. In dealing with your clients, you should not only be well versed in the subject matter (e.g. retirement planning), but also you should have with the subject.
- A. Experience
  - B. Financial Stake
  - C. Opinions
  - D. Recommendations
9. The duty to remain informed covers several areas: client information, relevant market information, tax information, and
- A. Professional development
  - B. Sales goals
  - C. Commission schedules
  - D. Lapse ratios
10. Fairness requires impartiality, intellectual honesty, and
- A. Compassion
  - B. Disclosure of conflicts of interests
  - C. Personality
  - D. Low compensation
11. In addition to maintaining an open relationship with clients where disclosure is customary, fairness dictates that you act with
- A. Honesty and impartiality
  - B. Humility and compassion
  - C. Respect
  - D. All of the above

12. You may not disclose any nonpublic personal information about a client to a
- A. Nonaffiliated third party
  - B. Insurance underwriter
  - C. Treating physician
  - D. None of the above
13. There are several areas where you should strive to work with other professionals. You should cooperate with professionals regarding \_\_\_\_\_ or \_\_\_\_\_.
- A. Current clients, Previous clients
  - B. Switching policies, Replacing contracts
  - C. Selling away, Churning
  - D. All of the above
14. The resources of most local, state, and federal agencies are limited. As a professional, you have a duty to report instances of
- A. Disintermediation
  - B. Suitable sales
  - C. Due diligence
  - D. Unethical or illegal conduct
15. In addition to providing timely, accurate and thorough service to your clients, diligence also entails your ongoing planning and supervision of .
- A. Agency contracts
  - B. Commission statements
  - C. Client accounts
  - D. Bonuses and awards
16. For purposes of this Code of Ethics , a person recognized and certified by CFP Board to use the marks is called a
- A. CFP Board designee
  - B. CFP approved planner
  - C. CFP PFP
  - D. Actuary
17. A CFP Board designee is obligated to determine what responsibilities he or she has in each including, for example, duties that arise in particular circumstances from a position of trust or confidence that a CFP Board designee may have
- A. Professional relationship
  - B. Line of business
  - C. Account
  - D. None of the above

18. Integrity demands honesty and candor which must not be subordinated to and
- A. Continuing education, Licensing
  - B. Personal gain, Advantage
  - C. Personal opinion, Disadvantage
  - D. Objectivity, Morality
19. One is competent only when he or she has attained and maintained an \_\_\_\_\_ level of knowledge and skill, and applies that knowledge effectively in providing services to clients.
- A. Expert
  - B. Substantial
  - C. Adequate
  - D. Overwhelming
20. A CFP Board designee shall not make a about the size, scope or areas of competence of the CFP Board designee's practice or of any organization with which the CFP Board designee is associated
- A. False or misleading communication
  - B. True and accurate statement
  - C. Substantially correct statement
  - D. All of the above
21. A CFP Board designee shall offer advice only in those areas in which the CFP Board designee has competence. In areas where the CFP Board designee is not professionally competent, the CFP Board designee shall
- A. Suggest a course of action based on the designee's opinion
  - B. Not represent the client any further
  - C. Refuse to assist the client further
  - D. Seek the counsel of qualified individuals and/or refer clients to such parties
22. In rendering professional services, a CFP Board designee shall disclose to the client
- A. Nothing
  - B. Material information relevant to the professional relationship
  - C. Nothing unless specifically asked
  - D. All information whether relevant or not
23. \_\_\_\_\_, the CFP Board designee in a financial planning engagement shall communicate in reasonable detail the requested compensation information related to the financial planning engagement, including compensation derived from implementation.
- A. Upon request by a client or prospective client
  - B. At least quarterly
  - C. Where required by statute
  - D. As a matter of discretion

24. A CFP Board designee shall inform his/her employer, partners or co-owners of \_\_\_\_\_ in connection with his or her services to clients, which are in addition to compensation from the employer, partners or co -owners for such services.

- A. Compensation or other benefit arrangements
- B. Outside hobbies
- C. Social activities
- D. None of the above

25. In the more rare case where a financial planning practitioner lends funds to a client, the CFP Board (BOPR) will presume that the practitioner is

- A. Not acting in the best interest of the client
- B. Acting in the best interest of the client
- C. Likely to be sued
- D. Incompetent