

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: Suitability Issues Part II - 8 hrs - 45389

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.

Suitability Issues – Part II
(Approved by INDOI for 8 hrs of Continuing Education)

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 \$59.00 or Check Here for Yellow Card Special**

CARD NO. _____ **EXP DATE** _____

CREDIT CARD BILLING ADDRESS _____

SIGNATURE: _____

SUITABILITY ISSUES – PART II

EXAMINATION QUESTIONS

1. Of particular concern to some regulators and the industry are the practices of Weiss Research and Standard & Poor's (S&P) publications of qualified solvency ratings. Both the Weiss "safety" ratings and the S&P "qualified solvency" ratings are based on a strictly _____ of financial data.
 - a. Subjective analysis
 - b. Quantitative analysis
 - c. Insurance analysis
 - d. Actuarial analysis

2. Best views its ratings as an inducement for insurers to operate in a _____ manner and maintain _____ financial health.
 - a. Risky ... Adequate
 - b. Prudent ... Strong
 - c. Friendly ... Average
 - d. None of the above

3. S&P's _____ rating is an assessment of an operating insurance company's financial capacity to meet its policy holder obligations in accordance with their terms.
 - a. Claims paying ability
 - b. Insurance
 - c. Application
 - d. Underwriters

4. Moody's _____ ratings reflect its opinion as to an insurer's ability to discharge senior policy holder obligations and claims.
 - a. Insurance
 - b. Agent
 - c. Financial strength
 - d. Application

5. Insurers are subject to a thorough _____ and _____ evaluation in Fitch's rating process.
 - a. Agent and Underwriter
 - b. Quantitative and Qualitative
 - c. Financial and Insurance
 - d. Application and Underwriter

6. Weiss' safety rating indicates its opinion regarding an insurer's ability to meet its commitments to _____ not only under current economic conditions, but also during a declining economy or in an environment of increased liquidity.
 - a. Agents
 - b. Investors
 - c. Policy holders
 - d. None of the above

7. _____ provides even greater opportunity for different evaluations among the raters.
 - a. Qualitative analysis
 - b. Agent analysis
 - c. Objective analysis
 - d. None of the above.

8. _____ defines acceptable levels of risk that insurance companies may incur with regards to their assets, insurance products, investments and other business operations.
- Insurer opinions
 - Application limits
 - Risk Based Capital
 - None of the above
9. Once a company is placed under supervision, an _____ is issued to restrain the insurer, its officers, agents and others from any disposition of property without court approval.
- Underwriter
 - Injunction
 - Application
 - Contract
10. Many insolvencies attributed to "reinsurance failure" are almost always the result of other causes, with reinsurance only becoming a factor after the ceding insurer has been declared insolvent and when the reinsurer disclaims its coverage alleging _____.
- Non-payment of premium
 - 5th Amendment
 - Lapse
 - Fraud
11. Guaranty associations are created by _____ "to protect policy owners, insureds, beneficiaries, annuitants, payees and assignees against losses, both in terms of paying claims and continuing coverage, which might otherwise occur due to an impairment or insolvency of an insurer."
- Agent associations
 - Federal Insurance Commission
 - NAIC
 - State law
12. State guaranty associations provide coverage is triggered when the company has been declared financially _____ or has been ruled to be _____ by a court of law.
- Sound, Safe
 - Impaired, Insolvent
 - Safe, Sound
 - None of the above
13. _____ is the function of evaluating the subject of insurance, whether a person, property, profession, business, or other entity, and determining whether to insure it.
- Licensing
 - Underwriting
 - Marketing
 - Champery
14. Insurers _____ applications for insurance when they find that the applicant represents a risk that falls outside of the underwriting standards established by the insurance company.
- Approve
 - Accept
 - Reject
 - Issue

15. When an application is received in underwriting, the insurer's underwriting process begins. The application is reviewed to make sure it is complete, and that the application, on its face, meets _____.
- Legal requirements
 - Underwriting standards
 - NAIC requirements
 - None of the above.
16. Under contract law, parties involved in a contract must agree to contract terms as they exist. This legal concept is known as _____.
- Mutual assent
 - Insurance
 - Underwriting
 - Solvency
17. Another key aspect of each application reviewed by an underwriter is the determination if the risk the application represents is a(an) _____.
- Licensed risk
 - Insurable risk
 - Safe risk
 - None of the above
18. Insurance covers losses that can be defined in terms of cause, time, _____ and _____.
- Name and Income
 - Marital status and Beneficiary
 - Health and Opinion
 - Place and Amount
19. _____ may result in an adjustment of premium in the preceding period and for ongoing coverage and are the basis for paying benefits from the policy.
- Underwriting
 - Actual losses
 - Acceptance
 - Issuance
20. _____ are required to give due consideration to past and prospective loss experience, to the type and scope of hazards, to a reasonable profit margin, to dividends and return of premium, to past and prospective expenses and to any special assessments when setting rates.
- Clients
 - Insurers
 - States
 - Agents
21. In a _____, consumers are able to easily compare insurance products and obtain insurance from competing insurers.
- Competitive market
 - Recession
 - Depression
 - None of the above

22. State _____ forms generally include comparative information for the applicant to read regarding the proposed insurance and the policy.
- Licensing
 - Agency
 - Replacement
 - Malpractice
23. If a life insurance policy is a participating policy, the application will include a section regarding the owner's dividend options. A participating life insurance policy participates in the _____ of the insurance company.
- Losses
 - Earned surplus
 - Premiums
 - Claims
24. Disability income insurance applications also include information regarding the _____ of an applicant that is not found in other forms of health insurance.
- Health
 - Religion
 - Marital Status
 - Financial status
25. Items such as the location of the home, the construction materials used, and the age of the home most directly affects the _____ coverage.
- Life
 - Mental
 - Health
 - Property