

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 I - 6 hrs - 45387

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 I
(Approved by INDOI for 6 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 \$39.00 or Check Here for Yellow Card Special**

CARD NO. _____ **EXP DATE** _____

CREDIT CARD BILLING ADDRESS _____

SIGNATURE: _____

EXAMINATION

1. For a majority of suitability lawsuits, the basis of liability is _____ and _____.
A. Relationship, Purpose
B. Product, Interest Rate
C. Date, Time
D. Agent, Insurance
2. Reducing risk involves the issues of _____ control with a focus on safety, procedures, pooling, segregation, and diversification
A. Loss
B. Insurance
C. Maximum
D. Central
3. Needs-based analysis has been around since the early days of insurance but it was refined in the late 1960's by _____.
A. Thomas J. Wolff
B. J. Edgar Hoover
C. J. K. Rawling
D. Thomas Moore
4. Needs analysis helps the agent sell the of insurance to the _____ client for the _____.
A. Minimum amount, Maximum commission
B. Maximum amount, Maximum commission
C. Right amount, Right reasons
D. Correct amount, Maximum commission
5. The relationship should be terminated if the prospect is _____, if his or her needs do not meet the agent's minimum requirements, area of knowledge or if insurability does not permit the agent to offer help.
A. Helpful
B. Cooperative
C. Uncooperative
D. Disabled
6. One process for determining an estimate of the amount of life insurance needed is called _____.
A. Insurance needs analysis
B. Capital needs analysis
C. Life needs analysis
D. Estate needs analysis
7. Ongoing monitoring of capital needs is necessary to plan for new client objectives, repositioning of debt, inflation, estate settlement changes and potential _____ that may prohibit coverage in the future.
A. Residence changes
B. Job changes
C. Marital changes
D. Health problems
8. Statistics have surfaced which indicate that the average person is _____ times more likely to suffer a lengthy disability than die.
A. 3
B. 4
C. 5
D. 6

9. Health insurance is one of the most _____ segments of risk management and the _____ to predict.
- A. Valuable, Most difficult
B. Valuable, Easiest
C. Inexpensive, Most difficult
D. Inexpensive, Easiest
10. Most long-term care policies and state regulations define a “chronically ill” individual as someone unable to perform at least _____ activities of daily living for a period of at least _____ days and/or someone who requires “substantial supervision” to protect themselves from threats to health and safety due to severe cognitive impairment.
- A. 3, 180
B. 3, 90
C. 2, 180
D. 2, 90
11. Who should invest in annuities? One rule of thumb follows that a client looking for a long term investment with a tax bracket greater than _____ percent might consider annuities.
- A. 15
B. 28
C. 10
D. 36
12. Where the client is withdrawing all or part of an annuity contract prior to age 59½, he should be apprised of the _____ IRS penalty for early withdrawals.
- A. 10%
B. 15%
C. 20%
D. 6%
13. Sales conduct in business analysis involves a determination of the _____ and that _____ may result from the death or disability of a key person in the business, including the possible costs to replace or sell the business, if necessary.
- A. Reduced revenues, Increased expenses
B. Increased revenues, Reduced revenues
C. Reduced commission, Increased insurance
D. Increased commission, Reduced insurance
14. Agents should determine needs or pre-loss arrangements of the surviving family to continue the business, sell it or liquidate it in the event of the owners _____ and _____.
- A. Marriage, Death
B. Marriage, Divorce
C. Death, Disability
D. Divorce, Disability
15. However, a higher standard of due care and agent liability exist in property/casualty because of _____, _____ and _____.
- A. Redlining, Commissions, and Underwriting
B. Commission, Binders, and Redlining
C. Binders, Indemnity disputes and Redlining
D. Underwriting, Mortality, and Commissions
16. In the insurance industry, the process of risk reduction is called _____.
- A. Underwriting
B. Loss control
C. Disintermediation
D. All of the aforementioned

17. A recent survey by a well-known real estate statistics firm found that almost _____ percent of the homes in the U.S. are underinsured by an average of _____ percent.
- A. 70, 35 B. 50, 10 C. 60, 20 D. 70,10
18. The amount of dwelling insurance requested is typically a reflection of the _____.
- A. Payroll and income taxes C. State and federal government
B. Mortgage amount D. Surcharges on highways, tobacco, and liquor
19. Auto policies are typically divided into different segments covering liability: _____, _____ and _____.
- A. Medical, Life, and Health C. Medical, Uninsured motorists and Damages
B. Life, Health, and Damages D. Damages, Medical, and Life
20. There are over _____ Boomers alive today making them one of the _____ consumer groups ever.
- A. 80 million, Largest C. 50 million, Smallest
B. 10 million, Largest D. 30 million, Smallest
21. People are living longer and older citizens will represent more of the mix. In most areas of the world, people over age _____, who equal about 18 percent of the total population, are expected to climb to over _____ percent by 2030.
- A. 60, 30 B. 50, 50 C. 30, 60 D. 100, 10
22. Our common law system favors the _____ of property.
- A. Free alienability C. Zoning
B. Restriction D. Maintenance
23. The general rule is that community property is _____ for debts of either spouse during the course of the marriage.
- A. Insurable B. Not liable C. Separable D. Liable
24. The creditor can look to attach the debtors profits and surplus from the partnership. This is called a _____.
- A. Contract B. Lien C. Insurance policy D. Charging order
25. The process by which medical and nursing home care reduces a person's assets is known as _____.
- A. Long term poverty C. Spend thrift
B. Medicalcalulation D. Spend down