

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

Please print out the ANSWER SHEET, CERTIFICATE and QUESTIONS that follow this page. 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 received credit for this course.

STEP 3

After completing the TEST and STUDENT INFORMATION marked with a **RED X** on the Certificate of Completion, **mail the completed forms to:**

Commonwealth Schools of Insurance, Inc.
P O Box 22414
Louisville, KY 40252-0414

Please note that your ANSWER SHEET and CERTIFICATE 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*

\$110.00

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.

Commonwealth of Kentucky
Department of Insurance - Agent Licensing Division
P. O. Box 517 - Frankfort, Ky. 40602
502-564-6004 <http://insurance.ky.gov>

APPROVED CONTINUING EDUCATION COURSE

CERTIFICATE OF COMPLETION

STUDENT NAME: **X** _____

CONTINUING EDUCATION COURSE IDENTIFICATION

Course Title: **KY Property & Casualty Laws**

Course Certification Number: **C60549**

Course Completion Date: _____ Number of Hours: **9**

Instructor Name: **PLEASE LEAVE BLANK**
(Required if certification is for a classroom course)

Provider Name: **Commonwealth Schools of Insurance, Inc.**

Provider Certification Number: **S12128/PROV0085**

PROVIDER CERTIFICATION:

I hereby certify that this course was conducted as approved by the Commonwealth of Kentucky Department of Insurance. I further certify that the person whose name appears above did personally complete this course on the date indicated. Also, I acknowledge that fraudulent certification of this document will result in immediate withdrawal of approval of the provider, plus penalties, and simultaneous withdrawal of approval of all of the provider's courses (KRS 304.9-295 and 806 KAR 9:220).

Name: **James F Davis**
Authorized Provider Representative

Signature: _____ Date: _____

STUDENT CERTIFICATION:

I hereby certify that I personally completed the course listed above in the manner required to satisfy Kentucky's continuing education laws and regulations. Also, I acknowledge that fraudulent certification of completion of this course will result in cancellation of my agent, adjuster, and/or life settlement broker licenses (KRS 304.9-295 and 806 KAR 9:220).

Name: **X** _____ DOI# or NPN: **X** _____

Signature: **X** _____ Date: **X** _____

The provider is required by law to give the student who successfully completes any continuing education course the original of this form upon completion of the course and to retain a copy in the provider's records for at least five years. For a classroom course, the provider is required by law to submit the Continuing Education Course Attendance Roster (Form CE-300) to the Department of Insurance within thirty days through eServices electronic submission. Students must verify that credit has been recorded for this class by visiting our website at: <http://insurance.ky.gov>. If credit does not appear, please verify with the provider that the Roster has been submitted. If the Roster has been submitted and you do not receive credit, please forward this original document to the Department directly, and keep a copy for your file. For all correspondence credits, the provider must submit the Course Completion to the Department through eServices, or the student must mail this original form to DOI and verify credit on our website, as required by KRS 304.9-295(10)(11).

KY Property & Casualty Laws

(9 credit hours – LOA is Property & Casualty)

PLEASE PRINT CLEARLY

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|-----------------------------|--|------------------|-------------------------------------|--|--|--|--|-------|------|--|--|
| First Name | M.I. | Last Name | Last 4 Digits of SS# or DOI# | | | | | | | | |
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| Business Address | | City | State Zip Code | | | | | | | | |
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**Mail completed forms and payment to: Commonwealth Schools of Insurance
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 \$110.00*

**CHECKS AND ALL MAJOR CREDIT CARDS ARE ACCEPTED:
COURSE FEE 54.00 or Check Here for Yellow Card Special**

CARD NO. _____ **EXP DATE** _____

CREDIT CARD BILLING ADDRESS _____

SIGNATURE: _____

KY Property & Casualty Laws

TEST QUESTIONS

1. Under Kentucky law, an insurer formed under the laws of Michigan is considered to be
 - A. an alien insurer
 - B. a foreign insurer
 - C. a domestic insurer
 - D. a reciprocal insurer

2. An incorporated insurer with its capital divided into shares and owned by its shareholders is
 - A. a stock insurer
 - B. a mutual insurer
 - C. a reciprocal insurer
 - D. an unauthorized insurer

3. The Commissioner of Insurance is
 - A. appointed by the Senate with the consent of the governor
 - B. elected by the people of Kentucky
 - C. appointed by the governor with the consent of the Senate
 - D. appointed by the insurance companies authorized to do business in Kentucky

4. An agent must notify the Commissioner of a change in the agent's legal name or address within
 - A. three days of the change
 - B. ten days of the change
 - C. 30 days of the change
 - D. 60 days of the change

5. An applicant for a resident agent license must be at least
 - A. 16 years old
 - B. 18 years old
 - C. 21 years old
 - D. 25 years old

6. An applicant for a license as an insurance consultant must be at least
- A. 16 years old
 - B. 18 years old
 - C. 21 years old
 - D. 25 years old
7. A temporary license as an apprentice adjuster may be issued for a period of up to
- A. 30 days
 - B. 60 days
 - C. 90 days
 - D. 12 months
8. Which of the following insurance policies would be considered controlled business?
- A. insurance written on an agent's own life
 - B. insurance written on the life of an agent's child
 - C. insurance written on the life an agent's partner
 - D. all of the above
9. To avoid having to take another examination, an agent who allows his or her license to lapse must reinstate the license within
- A. 3 months from the due date of the renewal fee
 - B. 6 months from the due date of the renewal fee
 - C. 12 months from the due date of the renewal fee
 - D. 18 months from the due date of the renewal fee
10. The Kentucky continuing education requirement for each continuing education biennium is
- A. 6 hours of courses
 - B. 19 hours of courses
 - C. 24 hours of courses
 - D. 30 hours of courses
11. Temporary licenses are effective for an initial period of
- A. 180 days
 - B. 90 days
 - C. 60 days
 - D. 30 days

12. Resident agents must keep records of all business transactions under their licenses for at least
- A. three years
 - B. five years
 - C. seven years
 - D. ten years
13. Which of the following actions may the Commissioner take if an applicant provides misleading information in the application for a license?
- A. refuses to issue the license
 - B. suspend the license if it has already been issued
 - C. impose a civil penalty
 - D. all of the above
14. If a person's license has been revoked twice, when may the person be issued a new license?
- A. never
 - B. after the person waits two years and passes another licensing exam
 - C. after the person posts \$100,000 bond
 - D. after the person completes a remedial pre-licensing course and obtains written permission from the Commissioner.
15. Which of the following questions may an insurer properly ask an applicant for insurance?
- A. have you ever tested positive for HIV infection?
 - B. have you ever been tested for HIV infection?
 - C. Have you ever tested negative for HIV infection?
 - D. none of the above
16. How long must insurers maintain advertisements in their files?
- A. one year
 - B. two years
 - C. three years
 - D. four years

17. Making a false statement about the financial condition of an insurer is known as
- A. intimidation
 - B. rebating
 - C. discrimination
 - D. defamation
18. Which of the following could an agent properly offer to a prospect as an inducement to purchasing insurance?
- A. a job
 - B. a share of work
 - C. a prize worth \$5
 - D. none of the above
19. An insurer who receives notice of a life or health insurance claim must provide the necessary claim forms and instructions to the claimant within
- A. 15 days of the notification
 - B. 21 days of the notification
 - C. 30 days of the notification
 - D. 60 days of the notification
20. Upon receipt of proof of loss from a claimant, a life or health insurer must begin any necessary investigation within
- A. 15 days
 - B. 21 days
 - C. 30 days
 - D. 45 days
21. Which of the following statements correctly describes an insurer's obligation to determine whether the applicant for a life insurance policy has an insurable interest?
- A. the insurer must independently verify the existence of an insurable interest in all cases.
 - B. the insurer is entitled to rely on the statements and representations made by the applicant
 - C. the insurer must independently verify the existence of an insurable interest only if the beneficiary is a charitable, educational or religious institution
 - D. none of the above

22. What is the youngest age at which a person can purchase a life insurance policy on the person's own life?
- A. 10 B. 12 C. 15 D. 18
23. A person who commits insurance fraud is guilty of a misdemeanor if the claim, benefit or money involved in the illegal activity is
- A. \$300 or less B. \$500 or less C. \$1,000 or less D. \$5,000 or less
24. A violation of the statutes of governing consultants' commission is punishable by a fine of up to
- A. \$250
B. \$500
C. \$1,000
D. \$5,000
25. Surplus lines insurance may be written
- A. only when the desired coverage cannot be obtained from authorized insurers
B. whenever the desired coverage can be obtained from an unauthorized insurer at a Lower premium rate
C. whenever the desired coverage can be obtained from an unauthorized insurer at more favorable policy terms
D. any licensed general lines agent
26. To be licensed as a surplus lines broker, an applicant must life a bond in the amount of
- A. \$50,000 B. \$100,000 C. \$200,000 D. \$500.00
27. The maximum duration for a binder (unless extended by the Commissioner) is
- A. 30 days B. 60 days C. 90 days D. 180 days
28. The maximum deductible that may be offered under a workers compensation policy is
- A. \$1,000 per compensable occurrence
B. \$10,000 per compensable occurrence
C. \$25,000 per compensable occurrence
D. \$50,000 per compensable occurrence

29. An insurer must offer any payment due on a claim within how many days after receiving proof of loss?
- A. 30 B. 45 C. 60 D. 90
30. Which of the following is a proper basis for an insurer to cancel for a property or casualty insurance policy?
- A. the named insured's marital status
B. the fact that the named insured previously obtained insurance through a residual market mechanism
C. the named insured's age
D. none of the above
31. An insurer who cancels a property or casualty insurance policy for nonpayment of premiums must provide notice to the insured at least how many days before the effective date of cancellation?
- A. 3 B. 5 C. 14 D. 20
32. Under the no fault law, the maximum amount of basic reparation benefits payable for all economic loss resulting from injury to one person in one accident is
- A. \$5,000 B. \$10,000 C. \$25,000 D. \$50,000
33. Under the no fault law, which of the following is NOT included in the terms *non-economic detriment*?
- A. pain and suffering
B. inconvenience
C. punitive damage
D. physical impairment
34. The required liability limits for automobile insurance in Kentucky are
- A. \$12,500/\$25,000 bodily injury and \$75,000 property damage liability
B. \$15,000/\$30,000 bodily injury and \$10,000 property damage liability
C. \$5,000/\$10,000 bodily injury and \$5,000 property damage liability
D. \$25,000 /\$50,000 bodily injury and \$10,000 property damage liability or \$60,000 single limits liability

35. Which of the following is a proper basis for an insurer to decline an application for a personal automobile policy?
- A. The applicant's credit history
 - B. the applicant's age
 - C. another insurer previously declined to insure the applicant
 - D. none of the above
36. An insurer that fails to renew a personal automobile policy must give the insured at least how many days advance notice of the non-renewal?
- A. 30 B. 45 C. 75 D. 90
37. Which of the following statements about uninsured motorist coverage is true?
- A. uninsured motorist coverage may be rejected by the named by the insured
 - B. uninsured motorist coverage must be offered with every automobile liability policy issued in Kentucky
 - C. uninsured motorist coverage must satisfy the coverage limits prescribed for bodily injury or death in the no-fault law
 - D. all of the above
38. An insurer cannot give an insured or prospective insured any mechanical anti-theft device worth more than
- A. \$10 B. \$100 C. \$500 D. \$1,000
39. The maximum liability of the Kentucky Insurance Guaranty Association on a covered claim for the returned of unearned premium is
- A. \$1,000 per policy
 - B. \$10,000 per policy
 - C. \$50,000 per policy
 - D. \$300,000 per policy