

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 "X" on the Certificate of Completion, the completed Answer Sheet and Certificate 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 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: *Suitability Issues - Part I*

Course Certification Number: *C98463*

Course Completion Date: _____ Number of Hours: *6*

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).

Suitability Issues – Part I

(6 credit hours – LOA is Life, Health, Property & Casualty)

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 No.

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

1 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	11 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	21 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	12 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	22 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	13 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	23 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	14 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	24 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
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7 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	17 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
8 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	18 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
9 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	19 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
10 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	20 A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

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 \$39.00 or Check Here for Yellow Card Special

CARD NO. _____ **EXP DATE** _____ **CV2 NO.** _____

CREDIT CARD BILLING ADDRESS _____

SIGNATURE: _____

SUITABILITY ISSUES – PART I

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