

# Commonwealth Schools of Insurance

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P.O. Box 22414, Louisville, KY 40252-0414 • 502.425.5987 • FAX 502.429.0755

E-mail: [info@commonwealthschools.com](mailto: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 receive 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:	<a href="mailto:info@commonwealthschools.com">info@commonwealthschools.com</a>
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:                   **Kentucky Life & Health Laws**                  

Course Certification Number:                   **C44291**                  

Course Completion Date: \_\_\_\_\_ Number of Hours:           **12**          

Instructor Name: \_\_\_\_\_  
*(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).*

# Kentucky Life & Health Laws

*(12 credit hours – LOA is Life & Health)*

**PLEASE PRINT CLEARLY**

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

**Please send COMPLETED ANSWER SHEET, CERTIFICATE and PAYMENT VIA:**

**Emailed to:** [info@commonwealthschools.com](mailto: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 \$110.00**

**CHECKS AND ALL MAJOR CREDIT CARDS ARE ACCEPTED:**

**COURSE FEE \$64.00 or  Check Here for Yellow Card Special**

**CARD NO.** \_\_\_\_\_ **EXP DATE** \_\_\_\_\_ **CV2 NO** \_\_\_\_\_

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

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

## KENTUCKY LIFE & HEALTH INSURANCE LAWS TEST QUESTIONS

1. **Under a health benefit plan, which of the following actions may an insurer properly take on the basis of a genetic test for which symptoms have not manifested?**
  - a. Cancel the policy
  - b. Raise the premiums
  - c. Refuse to renew policy
  - d. None of the aforementioned
2. **An individual health policy providing coverage on an expense-occurred basis must provide that health benefits will be payable for a newly born child of the insured**
  - a. From the moment of birth
  - b. Beginning 30 days after the date of birth
  - c. Upon receiving required additional premium
  - d. Upon receiving evidence of the child's insurability
3. **The "free look" period for an individual health insurance policy, during which the insured may return the policy for a full refund of premiums, is**
  - a. 5 days
  - b. 7 days
  - c. 10 days
  - d. 21 days
4. **Which of the following provisions may properly be contained in a Medicare supplement policy?**
  - a. A provision imposing a probationary period
  - b. A provision duplication of benefits provided by Medicare
  - c. A provision indemnifying against losses from sickness on a different basis than losses from accidents
  - d. None of the above
5. **A Medicare supplement policy must provide "free look" period of**
  - a. 7 days
  - b. 10 days
  - c. 30 days
  - d. 60 days
6. **Which of the following statements is true if the applicant for a Medicare supplement policy is an "eligible person"?**
  - a. Coverage must be made available on a guaranteed issue basis
  - b. The insurer may impose an exclusion for preexisting conditions
  - c. The insurer may charge a higher premium because of the applicant's health status
  - d. All of the above
7. **Which of the following statements about the renewal of Medicare supplements policies is true?**
  - a. An insurer may not cancel a Medicare supplement policy for non-payment premium
  - b. An insurer may cancel a Medicare supplement policy based solely on the insured's health status
  - c. All Medicare supplement policies must be guaranteed renewable
  - d. All of the above
8. **The first year's commission for selling a Medicare supplement policy may not be more than**
  - a. 150% if the commission for servicing the policy in the second year
  - b. 200% if the commission for servicing the policy in the second year
  - c. 300% if the commission for servicing the policy in the second year
  - d. 400% if the commission for servicing the policy in the second year
9. **Which of the following types of renewal provision may be contained in a long-term care policy in Kentucky?**
  - a. Guaranteed renewable
  - b. Noncancelable
  - c. Either of the aforementioned
  - d. None of the aforementioned

- 10. Which of the following exclusions may be contained in a long-term policy in Kentucky?**
- a. Preexisting conditions
  - b. Services covered by Medicare
  - c. Alcoholism or drug addiction
  - d. All of the above
- 11. Insurers issuing long-term care policies must give purchasers the option to purchase an inflation protection feature that increases benefits at an annual interest rate of**
- a. 3%
  - b. 5%
  - c. 7%
  - d. 10%
- 12. A converted policy issued under the conversion privilege of a group policy must provide a lifetime maximum benefit of at least**
- a. \$100,000
  - b. \$500,000
  - c. \$1 million
  - d. \$3 million
- 13. Which of the following statements is true if a health insurer fails to issue a premium rate quote to an individual within 30 days after receiving a properly completed application requesting a quote**
- a. The insurer must issue coverage to that individual and may not impose any preexisting conditions exclusion
  - b. The insurer must issue coverage to that individual but may impose a preexisting conditions exclusion
  - c. The insurer must pay a \$100 penalty to the applicant but is not required to issue coverage
  - d. None of the above
- 14. 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
- 15. 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
- 16. 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
- 17. An agent must notify the Commissioner of a change in the agent's legal name or address within**
- a. 3 days of the change
  - b. 10 days of the change
  - c. 30 days of change
  - d. 60 days of change
- 18. 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
- 19. 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

- 20. 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
- 21. 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 of an agent's partner
  - d. All of the above
- 22. The Kentucky continuing education requirement for each continuing education biennium is**
- a. 6 hours of courses
  - b. 18 hours of courses
  - c. 24 hours of courses
  - d. 30 hours of course
- 23. Temporary licenses are effective for an initial period of**
- a. 180 days
  - b. 90 days
  - c. 60 days
  - d. 30 days
- 24. Residents agents must keep records of all business transactions under their license for at least**
- a. 3 years
  - b. 5 years
  - c. 7 years
  - d. 10 years
- 25. Which of the following actions may the Commissioner take if an applicant provides misleading information in the application for a license?**
- a. Refuse to issue the license
  - b. Suspend the license if it has already been issued
  - c. Impose a civil penalty
  - d. All of the above
- 26. The premium tax imposed on unauthorized insurers is**
- a. 1% of gross premiums charged for insurance in Kentucky
  - b. 2% of gross premiums charged for insurance in Kentucky
  - c. 5% of gross premiums charged for insurance in Kentucky
  - d. 7% of gross premiums charged for insurance in Kentucky
- 27. 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 an HIV infection?
  - c. Have you ever tested negative for an HIV infection?
  - d. None of the above
- 28. How long must insurers maintain advertisements in their files?**
- a. 1 year
  - b. 2 years
  - c. 3 years
  - d. 4 years
- 29. Making a false statement about the financial condition of an insurer is known as**
- a. Intimidation
  - b. Rebating
  - c. Discrimination
  - d. Defamation

- 30. 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 stock
  - c. A prize worth \$50
  - d. None of the aforementioned
- 31. 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
- 32. 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
- 33. 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
- 34. 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
- 35. 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
- 36. A violation of the statutes governing consultants' commission is punishable by a fine of up to**
- a. \$250
  - b. \$500
  - c. \$1,000
  - d. \$5,000
- 37. Which of the following is excluded from coverage by the Kentucky Life and Health Insurance Guaranty Association?**
- a. Any portion of a policy not guaranteed by the insurer
  - b. A claim based on marketing materials
  - c. A claim based on misrepresentations regarding policy benefits
  - d. All of the above
- 38. The maximum amount that the Kentucky Life and Health Insurance Guaranty Association will cover with respect to any one life is**
- a. \$100,000
  - b. \$300,000
  - c. \$500,000
  - d. \$1,000,000
- 39. The initial amount of credit life insurance may not exceed**
- a. The total amount repayable under the contract of indebtedness
  - b. The insured's annual salary
  - c. The total life insurance already in place on the insured's life
  - d. An amount to be determined by the Commissioner of a case-by-case basis

- 40. When a husband and wife are insured jointly under a credit life insurance policy, the premium may not exceed**
- a. 75% of the rate permissible for a single life
  - b. 100% of the rate permissible for a single life
  - c. 150% of the rate permissible for a single life
  - d. 200% of the rate permissible for a single life
- 41. If a fraternal benefit society provides benefits on the lives of children, the age requirement for adult membership may not be less than**
- a. 15
  - b. 18
  - c. 25
  - d. 65
- 42. The required "free look" period for a life insurance policy in Kentucky is**
- a. 3 days
  - b. 10 days
  - c. 21 days
  - d. 30 days
- 43. Which of the following is generally a prerequisite to reinstating a life insurance policy that has not been surrendered for its cash surrender value**
- a. A written application
  - b. Evidence of insurability
  - c. Payment of premiums in arrears, with insurance
  - d. All of the above
- 44. Industrial life insurance is a form of life insurance written under policies having a face amount of**
- a. \$3,000 or less
  - b. \$10,000 or less
  - c. \$100,000 or less
  - d. \$100,000 or more
- 45. If a life insurance policy replaces an existing policy, the insured has the right to surrender the new policy for a full refund of all premiums within**
- a. 30 days after delivery
  - b. 45 days after delivery
  - c. 60 days after delivery
  - d. 90 days after delivery
- 46. A person who wants to convert a group life insurance to an individual policy because of termination of employment must pay the first premium to the insurer within**
- a. 10 days after termination of eligibility under the group policy
  - b. 20 days after termination of eligibility under the group policy
  - c. 31 days after termination of eligibility under the group policy
  - d. 60 days after termination of eligibility under the group policy