# Final Test – Inside General Insurance

*The Final Test is now comprised of a question bank that includes 20 questions (all 20 questions are included below for testing purposes). Each time the Final Test module is entered, only 10 of the 20 questions will be included in the Final Test. The 10 questions pulled into the Final Test are randomized. In addition the question order and the answers to each question are also randomized. Correct answers for all questions are in bold below.*

## Course Objectives

1. Name general insurance customers
2. Identify different types of general insurance providers
3. Recall general insurance products and services
4. Recognize important executives within general insurance companies
5. Identify the challenges facing the general insurance industry

## Question Bank for Objective #1

### #1 (1a)

**What are some attributes that customers value when choosing a general insurance company? Select all that apply.**

**Price**

**Technology**

**Product innovation**

**Financial strength**

Risk management practices

### #2 (2a)

**Which types of insurance are included under general insurance for personal and commercial customers? Select the correct answer.**

**Property insurance, casualty insurance, and liability insurance**

Health insurance, life insurance, and disability insurance

Investment insurance, annuities, and pension plans

Long-term care insurance, auto insurance, and flood insurance

## Question Bank for Objective #2

### #3 (1b)

**Which type of organization assumes risk from direct writers? Select the correct answer.**

**Reinsurance company**

Captive insurance company

Broker

Self-insurer

### #4 (2b)

**Which is NOT a primary provider of general insurance and related services? Select the correct answer.**

**Investment banks**

General insurance companies

Reinsurance companies

Captive insurance companies

Self-insurers

## Question Bank for Objective #3

### #5 (1c)

**Which type of insurance covers individuals and families from personal property losses resulting from perils such as fire, windstorm and vandalism? Select the best answer.**

**Homeowners insurance**

Automobile insurance

Fire and allied insurance

Umbrella insurance

### #6 (2c)

**Which type of insurance uses telematics to help make decisions around premiums? Select the correct answer.**

**Personal auto**

Homeowners

Commercial property

Cyber liability

### #7 (3c)

**Which type of insurance covers financial losses for causing injury or death to another person? Select the correct answer.**

**Liability insurance**

Casualty insurance

Property insurance

Disability insurance

### #8 (4c)

**Which is a characteristic of most general insurance policies? Select the correct answer.**

Policy terms are usually bi-annual

**Economic loss must be measurable**

Risk cannot be transferred to another company

Polices are sold through self-service channels

### #9 (5c)

**Which is a basic characteristic of general insurance policies? Select the correct answer.**

**For a risk to be insurable, it must be measurable and potentially affect large groups with similar exposures**

Policies are usually written for multiple years with fixed premiums

Claims are always settled through repairs without any cash payments

Liability policies do not have any maximum coverage limits

### #10 (6c)

**Which is typically true about general insurance policies? Select the correct answer.**

**Policies are usually written for one year with an annual premium and are renewable at the company's discretion**

They are written for multiple years with the option for lifetime coverage

Claims are settled solely through the replacement of damaged property, with no cash payments

Liability policies typically have unlimited coverage limits

### #11 (7c)

**What does MAT (Marine, Aviation, and Transport) insurance cover? Select the correct answer.**

Damage or loss to a vessel (hull insurance)

Goods being transported (cargo insurance)

Injury or loss of life to individuals traveling on ships and planes (liability insurance)

**All of the above**

### #12 (8c)

**Which are benefits of reinsurance for general insurance companies? Select all that apply.**

**Allows insurance companies to underwrite more policies without increasing their levels of regulatory capital**

Allows insurance companies to assume unlimited risk on all policies

**Helps maintain earnings stability by reducing exposure to losses in any one area of the business**

**Enables insurance companies to enter new markets without assuming high levels of unknown risk**

## Question Bank for Objective #4

### #13 (1d)

**Which activity is the responsibility of the President of Personal Lines? Select the correct answer.**

Marketing self-employment insurance

Managing MAT policies

**Providing customer service for personal auto policies**

Selling general liability insurance

### #14 (2d)

**Which executive is responsible for determining the expected underwriting losses associated with products? Select the correct answer.**

**Chief Actuary**

Chief Underwriting Officer

SVP, Claims Operations

President, Personal Lines

President, Commercial Lines

### #15 (3d)

**What is a key responsibility of the SVP of Claims Operations in an insurance company? Select the correct answer.**

**Managing policyholders and beneficiary interactions related to insurance processing**

Managing the company's investment portfolio

Setting premiums for different types of insurance policies

Designing marketing strategies for new insurance products

### #16 (4d)

**What is a key responsibility of the Chief Underwriting Officer (CUO) in a general insurance company? Select the correct answer.**

**Overseeing all risk evaluation activities, including reviewing and approving policies and procedures**

Developing marketing strategies for new insurance products

Managing customer service operations and claims processing

Setting investment policies for the company's assets

## Question Bank for Objective #5

### #17 (1e)

**Which strategies are general insurance companies using to control costs? Select all that apply.**

**Leveraging economies of sale**

**Modernizing policy administration**

**Implementing artificial intelligence**

Reducing IT and human resources outsourcing

### #18 (2e)

**What is a disruptive advance in technology impacting the general insurance industry today? Select the correct answer.**

Modernization of policy administration systems

**The Internet of Things**

Outsourcing contact center operations

Agency portals

Augmented reality

### #19 (3e)

**What is an important focus area for risk management in the general insurance industry today? Select the correct answer.**

**Managing emerging risks like cyberattacks, pandemics, and climate change**

Reducing insurance premiums for policyholders

Expanding marketing efforts for new insurance products

Increasing the number of insurance policies issued to individual customers

### #20 (4e)

**How are general insurance companies leveraging digital disruption to transform their businesses? Select the correct answer.**

By developing more traditional, paper-based processes to streamline operations

**By investing in new technologies like predictive modeling, machine learning, and real-time risk monitoring**

By reducing customer engagement and focusing solely on automation

By limiting their focus to traditional insurance products and reducing technological investments