# Final Test – Inside Life 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 life insurance customers
2. Identify different types of life insurance providers
3. Recall life insurance products and services
4. Recognize important executives within life insurance companies
5. Identify the challenges facing the life insurance industry

## Question Bank for Objective #1

### #1 (1a)

**Which term describes the person who receives the death benefits from a life insurance contract in the event of the insured’s death? Select the correct answer.**

Insured

Policyholder

**Beneficiary**

Customer

### #2 (2a)

**In a life insurance policy, which individual is typically considered the primary customer by the insurance provider? Select the correct answer.**

**The policy owner**

The insured

The beneficiary

The financial advisor

### #3 (3a)

**What are some of the key factors life insurance customers typically consider when selecting a policy? Select the correct answer.**

**Protection against financial loss, stability of the insurer, and timely benefit processing**

Guaranteed annual dividends and frequent policy upgrades

The ability to transfer the policy to strangers without penalty

High-risk investment opportunities tied to the policy

## Question Bank for Objective #2

### #4 (1b)

**Which industry providers are active in the life insurance segment of the insurance industry? Select the correct answer.**

Reinsurance companies

General insurance companies

Health insurance companies

**Insurance brokers**

### #5 (2b)

**Who are common providers of life insurance and related products? Select the correct answer.**

**Life insurance companies, self-insurers, and insurance brokers**

Banks, mutual funds, and credit unions

Investment advisors and real estate agencies

Government agencies and credit rating firms

## Question Bank for Objective #3

### #6 (1c)

**Which type of insurance policy provides policy owners with flexible payment and benefits options? Select the correct answer.**

**Universal life**

Whole life

Term life

Variable life

### #7 (2c)

**Which product guarantees regular payments to the policy owner for a fixed period of time (or for the remainder of the customer’s life)? Select the correct answer.**

Investment fund

Universal life

**Annuity**

Whole life

### #8 (3c)

**Which product is most appropriate if an individual wants a low cost form of life insurance? Select the best answer.**

Whole life

Universal life

**Term life**

Variable life

### #9 (4c)

**What allows life insurance companies to accurately predict the number of expected deaths within a group of insured individuals? Select the correct answer.**

**The law of large numbers applied to blocks of similar insureds**

Annual health screenings for each policyholder

Real-time tracking of individual medical records

Government-issued life expectancy data for the general population

### #10 (5c)

**Which feature is unique to whole life insurance and contributes to its long-term value for policy owners? Select the correct answer.**

**Policyholders can borrow against the accumulated cash value**

Coverage ends after a fixed term

Premiums increase as the insured ages

Beneficiaries receive the death benefit only if premiums are unpaid

### #11 (6c)

**What is a key feature of group insurance? Select the correct answer.**

**It is based on a single contract that covers many people**

It covers individuals under separate contracts issued annually

It is always provided by government agencies

It requires each individual to undergo a separate medical exam before coverage begins

### #12 (7c)

**Which type of insurance provides income replacement if an individual cannot work due to illness or injury? Select the correct answer.**

**Disability income insurance**

Critical illness insurance

Long-term care insurance

Group life insurance

## Question Bank for Objective #4

### #13 (1d)

**Which activity is the responsibility of the President of Life and Annuities? Select the correct answer.**

**Marketing accident and health insurance products**

Building a business strategy for life insurance products

Providing customer service for universal life products

Selling of Pension Plans

### #14 (2d)

**Which executive is responsible for analyzing the risks and potential costs associated with specific policies, products, groups of insureds and population segments? Select the correct answer.**

**Chief Actuary**

Chief Investment Officer

President, Life and Annuities

Chief Underwriting Officer

### #15 (3d)

**What is one of the key responsibilities of the EVP of Distribution at a life insurance company? Select the correct answer.**

**Overseeing producer performance and sales growth**

Setting mortality rates for pricing insurance policies

Processing policyholder claims and benefit payments

Approving new insurance regulations for the company

### #16 (4d)

**Which best describes the role of the Chief Underwriting Officer at a life insurance company? Select the correct answer.**

**Overseeing risk evaluation and underwriting policies**

Leading investment and asset management services

Managing producer compensation and licensing

Handling customer inquiries and service complaints

## Question Bank for Objective #5

### #17 (1e)

**Which factors are placing pressure on the long-term profitability and growth of life insurance companies? Select all that apply.**

**Weak demand for life insurance in development markets**

 **CommoditizationIntense competition**

Geographic expansion

Changing approach to capital and investment management

### #18 (2e)

**Which strategies are life insurance companies using to manage costs and improve efficiency? Select all that apply.**

**Modernizing policy administration**

**Outsourcing**

**Implementing artificial intelligence**

Investing in digital disruption

Commoditizing certain products

### #19 (3e)

**What are some of the disruptive advances in technology impacting the life insurance industry today? Select all that apply.**

**Big data**

**Mobile technology**

**Robotic process automation**

Agency portals

Augmented reality

### #20 (4e)

**What are life insurance companies doing to adapt to changes in solvency requirements and improve long-term profitability? Select the correct answer.**

**Allocating more capital to higher-performing business units**

Focusing on short-term market gains and eliminating all risk-adjusted investments

Redesigning products with guaranteed benefits to increase exposure to changing market conditions

Reducing the use of alternative investments such as real estate and hedge funds