# Final Test – Introduction to 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 insurance customers
2. Identify participants within the insurance industry
3. Recall the industry segments
4. Name distribution channels within insurance companies
5. Recognize important executives within insurance companies
6. Identify the challenges facing the insurance industry

## Question Bank for Objective #1

### #1 (1a)

**Which customer often hires life insurance companies for their investment management services? Select all that apply.**

**Human resource departments**

Marketing departments

National governments

**Personal customers**

**Institutional investors**

### #2 (2a)

**Which customers are served by the insurance industry? Select the correct answer.**

Individuals and families

Businesses, including small local businesses to global corporations, and other organizations such as universities and non-profits

Institutional investors, such as pension funds and mutual funds

**All of the above**

### #3 (3a)

**Which industry participant serves insurance companies rather than individuals or businesses? Select the correct answer.**

**Reinsurance companies**  
General insurance companies  
Human Resources departments  
Institutional investors

## Question Bank for Objective #2

### #4 (1b)

**Which type of insurance companies are owned by policyholders, not shareholders? Select the correct answer.**

Reinsurance companies

**Mutual insurance companies**

Stock insurance companies

Multiline insurance companies

### #5 (2b)

**Which industry participant is often described as the insurers for insurance companies? Select the correct answer.**

**Reinsurance**

General insurance

Life insurance

Captive insurance

### #6 (3b)

**Which type of organization is owned by one or more companies or organizations? Select the correct answer.**

**Captive insurance company**

Reinsurance company

Insurance broker

Stock insurance company

### #7 (4b)

**What term is used to describe insurance companies that offer both general insurance and life insurance?** **Select the correct answer.**

**Multiline insurance companies**

Reinsurance companies

Institutional investors

Group insurance providers

## Question Bank for Objective #3

### #8 (1c)

**Which is included in the general insurance segment of the insurance industry? Select the correct answer.**

**Homeowners insurance and liability insurance**

Group insurance and annuities

Investment management and accident insurance

Reinsurance services

### #9 (2c)

**Which is part of the life insurance segment of the industry? Select the correct answer.**

**Annuities, group insurance, and accident and health insurance**

Homeowners insurance and personal auto insurance

Property and casualty insurance for commercial customers

Risk transfer between insurance companies

## Question Bank for Objective #4

### #10 (1d)

**Which insurance distribution channel sells directly to customers without producers serving as intermediaries? Select the correct answer.**

Captive agents

General agents

**Direct sales channels**

Financial institutions

### #11 (2d)

**Which type of insurance distribution channel represents and distributes the products of one or more insurance companies on a contract basis? Select the correct answer.**

Brokers

**General agents**

Captive agents

Bancassurance agents

### #12 (3d)

**Which statement about captive agents is TRUE? Select the correct answer.**

**Captive agents are direct employees of an insurance company and primarily sell that company's products**

Captive agents typically represent multiple insurance companies to give customers more options

Captive agents work independently and are not employed directly by insurance companies

Captive agents have been completely phased out due to high operating costs

### #13 (4d)

**What is the term used to describe the distribution of insurance products through banks? Select the correct answer.**

**Bancassurance**

Finassure

Bankinsurance

Insurtech

## Question Bank for Objective #5

### #14 (1e)

**What is the primary responsibility of the Chief Investment Officer? Select the correct answer.**

**Manage investment portfolio**

Oversee solvency and capital management

Manage investor relations and shareholder reporting

Perform financial analysis of investment opportunities

### #15 (2e)

**Which areas are typically overseen by an insurance company's Chief Operating Officer (COO)? Select the correct answer.**

**Day-to-day operations, including HR, marketing, and technology**

Investment strategy and portfolio management

Legal compliance and regulatory affairs

Board governance and shareholder relations

### #16 (3e)

**Which responsibilities typically fall under an insurance company's Chief Information Officer (CIO)? Select the correct answer.**

**Controlling IT costs and managing IT operations, infrastructure, and cybersecurity**

Managing investment portfolios and financial reporting

Overseeing underwriting policies and claims processing

Leading marketing strategy and customer engagement initiatives

### #17 (4e)

**What are the responsibilities of an insurance company's Chief Compliance Officer (CCO) and the Compliance Department? Select the correct answer.**

Establishing procedures and policies to ensure regulatory compliance

Training employees on regulatory issues and internal procedures

Monitoring ongoing compliance and ensuring IT systems support it

Protecting the company from legal and compliance risk

**All of the above**

## Question Bank for Objective #6

### #18 (1f)

**Which companies are increasingly considered competitors for insurance companies? Select all that apply.**

Retailers

**Reinsurance companies**

**Banks**

**Technology startups**

### #19 (2f)

**What are insurance companies doing to lower their costs? Select the correct answer.**

Investing in legacy core IT systems

**Implementing artificial intelligence**

Reducing investments in agency portals

Reducing investments in analytics

### #20 (3f)

**Which technology is creating disruption in the insurance industry? Select the correct answer.**

**The Internet of Things**

Policy administration systems

Virtual reality

Solution oriented architecture