

173	Agents On Trial \$45 Web / \$59 Book <i>Discounts Available</i>	20 Hours <i>Satisfies Ethics</i>	Instructions
------------	--	--	---------------------

Fill-in information below if you plan to fax or mail answers. Or, Submit Answers & get Certificates online at CEclass.com—click My Account

Name _____ E-Mail _____

Address: _____ Phone (_____) _____

City _____ State _____ Zip _____

Calif. License # _____ Type: ___ Life ___ Health ___ P&C Renewal Date _____

I certify I have reviewed the course book and completed this exam on my own. I agree to all [course conditions](#) at [www.CEclass.com](#).
If I have not paid yet, I enclose a check or authorize you to charge the credit / debit card below or one you may already have on file.

X _____ Dated _____
Signature (Required)

Visa MC AE Disc Credit Card # Expires \$ _____ Amount

More Exams & Books at CEclass.com

1. Review book.
2. Fill-in answers below.
3. Choose How To Send below.
4. Get results in 10 days by mail or quicker via CEclass.com at My Account.
5. Credits sent to DOI weekly.

How To Send

3 Ways To Send When Finished: 1) ONLINE (quickest): [www.CEclass.com](#) (choose *Submit Answers*) or 2) FAX to (951) 296-3004 or 3) MAIL to Affordable Educators at 41890 Enterprise Circle So #100, Temecula, Ca 92590

Quicker Results

INSTANT GRADING & CERTIFICATE: Grade your test and get an instant Certificate of Completion ONLINE using *Submit Answers* at www.CEclass.com

DOI CREDIT RUSH: CE hours are posted by DOI in approximately 48 hours (NO holidays & weekends). Check below or choose this service online.
___ YES. Charge \$15 to rush ALL my DOI credits.

Mark Your Answers With a Dark Pencil

If You Mail This Sheet, Make a Copy Before Sending

	A	B	C	D	A	B	C	D	A	B	C	D	A	B	C	D	A	B	C	D				
1	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	11	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	21	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	31	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	41	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	12	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	22	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	32	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	42	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	13	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	23	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	33	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	43	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	14	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	24	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	34	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	44	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	15	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	25	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	35	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	45	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	16	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	26	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	36	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	46	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	17	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	27	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	37	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	47	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	18	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	28	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	38	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	48	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	19	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	29	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	39	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	49	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	20	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	30	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	40	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	50	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

FINAL EXAM – Agents on Trial

1. New approaches in litigation tie together the _____ between the agent, insurer and its insured.
 - A. Relationship
 - B. Correspondence
 - C. Compatibility factor
 - D. Tolerance
2. In *Malone v Basey*, the agent was sued when a page from the application failed to _____.
 - A. State a preexisting condition
 - B. Reflect the insured's name
 - C. Go through the fax machine
 - D. Be read by the agent
3. Courts generally support a "punitive damage award" where a misdeed has been _____ by a managing agent.
 - A. Detected
 - B. Ratified
 - C. Reformed
 - D. Investigated
4. If an insurance company wants to insert *conditions or restrictions* which deny coverage until the full premium is received, it must _____.
 - A. Phone ahead
 - B. Give the insured 24-hour notice
 - C. Mail an rider to the insured
 - D. Word them in clear unambiguous language
5. The main issue in the *American Management Group v Samuel Dunlap* case is the fact that the agent _____.
 - A. Lost the insured's application
 - B. Promised to remit premiums and didn't
 - C. Closed his office 2 hours early
 - D. Abused his office staff
6. The right of an insurance agent to commissions on renewal premiums depends upon the _____.
 - A. Contract existing between agent and insurer
 - B. Circumstances of the renewal
 - C. Company attorney
 - D. Agent's recent sales
7. Arbitration clauses have met with _____ on the part of courts.
 - A. Great acceptance
 - B. Relative success
 - C. Substantial hostility
 - D. Minor resistance
8. In *Mate v Wolverine Mutual*, it was determined that an agent had _____ a client demonstrated by years of experience and notes in the agent file. This created an additional duty of care.
 - A. Neglected
 - B. A special relationship with
 - C. Cheated
 - D. Never contacted
9. When agents are sued by their insurer, it is most likely for a violation of _____.
 - A. Trust
 - B. The Law of Agency
 - C. City codes
 - D. Policy misrepresentation
10. A Potentially Responsible Party Letter is usually written by an attorney and tend to imply that you _____.
 - A. Have been cleared in a claim
 - B. Are guilty in a claim
 - C. May have some exposure in a dispute
 - D. Must pay a fine
11. In the *Barhonovich v American* case, the insured did NOT have the right to rely on fraudulent statements made by an insurance agent since they were _____ with the terms of the policy.
 - A. Materially the same
 - B. In direct conflict
 - C. Somewhat in compliance
 - D. Strikingly similar
12. In *Peerless v Young*, it was argued that coverage is only effective from the date of _____.
 - A. Receipt of the request
 - B. First contact
 - C. The initial office meeting
 - D. The first phone conversation

FINAL EXAM – Agents on Trial

13. Ratification generally occurs where the employer or its managing agent is charged with failing to _____ a known pattern of workplace abuse, or failing to investigate or discipline the errant employee once misconduct became known.
- A. Recognize
 - B. Perceive
 - C. Intercede in
 - D. Talk about
14. Insurance abuse is any practice that uses the system in a way that is _____ to either the intended purpose of the system or the law.
- A. Slightly opposed
 - B. Contrary
 - C. Compatible
 - D. Legally opposite
15. To be bound by the "acts of an agent", evidence must show that the principal (insurer) held the agent out to the public as possessing _____ authority and the person dealing with agent know of these facts and acted in good faith.
- A. Actual
 - B. Express
 - C. Minimal
 - D. Sufficient
16. Under the theory of respondeat superior, a principal (insurer) can be liable for agent acts done within the scope of employment even though the principal did not _____ such acts or even forbade them.
- A. Remember
 - B. Recognize
 - C. Authorize
 - D. Participate in
17. The reasonable expectation theory states that if a policy could imply to an average policy holder that coverage is in force, yet that exact language does not exist in the policy, then coverage _____ extend.
- A. Does
 - B. Does not
 - C. May
 - D. Probably doesn't
18. In the Macey v Allstate case conclusion, the court found that agents who _____ the insured that he is covered by their policy, have a special duty to inform him if he has been cancelled.
- A. Imply to
 - B. Never imply to
 - C. Reassure
 - D. Fail to inform
19. The Szelenyi v Morse case proves that not all terms of agency agreement need to be reduced to writing to be _____.
- A. Readable
 - B. Legal
 - C. Enforceable
 - D. Understood
20. In order for a civil conspiracy to take place, the courts say _____ must commit an unlawful act.
- A. All parties involved
 - B. A minimum of three parties
 - C. A single person
 - D. Two people
21. The purpose of a contract integration clause is to preclude either party from later claiming there were _____ in addition to those stated in the written agreement.
- A. Oral representations
 - B. Representations
 - C. Contract terms
 - D. All of the above
22. The Law of Agency is an area of law that determines producer status and binds the agent for his _____.
- A. Time
 - B. Expertise
 - C. Acts of omissions or errors
 - D. Past experience
23. Policy ambiguity rules state: If the policy could imply to a reasonable policy holder that coverage is in force, yet that exact language does not exist, then coverage _____.
- A. Does not exist
 - B. Does extend to the policy holder
 - C. May not exist
 - D. Probably does not exist

FINAL EXAM – Agents on Trial

24. Agent ethics involves honest standards and judgments that _____.
- A. No one expects
 - B. Everyone provides
 - C. Place the client first
 - D. Courts demand
25. Insurers have a "duty to defend" the insured where the policy language gives the insured _____ that the insurer will provide a defense.
- A. A reasonable expectation
 - B. Clear indication
 - C. Absolute confirmation
 - D. A hint
26. In the *McCann v Gulf National* case, the court determined that where the agent takes charge of the application or suggest answers to questions, the insurance company shall not void the policy as long as _____.
- A. The agent was licensed
 - B. The insured was over the age of 25
 - C. Everyone agrees on the answers
 - D. Full disclosures were made by the applicant
27. In the *Cooper v Berkshire Life* case, the agents were sued because they told Cooper they were highly skilled insurance experts and they _____ him to rely on their expertise and prior relationship.
- A. Forced
 - B. Encouraged
 - C. Suggested
 - D. Asked
28. Knowledge of the agent is NOT imputed to the insurer when an agent _____.
- A. Is engaged in fraud
 - B. Has a motive for concealing information
 - C. Doesn't understand the insurer's product
 - D. A & B only
29. Application statements made by an insured are considered to be representations, not warranties. The difference is significant because a representation can be _____, but a warranty is presumed as conclusive.
- A. Made in error
 - B. Defended
 - C. Misunderstood
 - D. Legally binding
30. Knowledge of a general or managing agent constitutes _____ even if the agent fails to pass it along.
- A. Knowledge of the insurer
 - B. Materiality
 - C. Implied knowledge
 - D. Fair warning to the insurer
31. A contract integration clause proclaims to the courts that an agreement or policy _____ any and all previous oral or written communications between the parties.
- A. Is subject to
 - B. Supersedes
 - C. Confirms
 - D. Substantiates
32. "Complete insurance protection" is not required of agents, but you may have a duty to _____.
- A. Make clients comfortable
 - B. Speak only in English
 - C. Explain policy options that are widely available at a reasonable cost
 - D. Understand client needs
33. If an "agent's renewal history" with a client is to automatically and voluntarily renew or remind them to renew a policy, he _____ for the *one and only* time he forgot.
- A. Can assume exposure
 - B. Cannot be liable
 - C. Is probably not liable
 - D. Will never be responsible
34. E-mail communications are binding. You and others in your company should communicate with e-mail as you would in _____.
- A. Normal conversation
 - B. Other written documents
 - C. A public meeting
 - D. A private phone conversation
35. The legal precedent theory bases legal decisions on precedents leading to a constant _____ of the law.
- A. Expansion
 - B. Contraction
 - C. Maintenance
 - D. Accountability

FINAL EXAM – Agents on Trial

36. Application statements you make that are in direct conflict with policy coverage may _____ or set up a situation for a potential claim.
- A. Extend coverage
 - B. Be allowable
 - C. Be illegal
 - D. Be taken the wrong way
37. In *National Inspection v Valley Forge Life*, the court concluded that the agent violated the terms of his producer contract but his insurer was not entitled indemnification because the agent's error was not the _____ the principal's loss.
- A. Focus of
 - B. Proximate cause of
 - C. Issue in
 - D. Important element of
38. The examination of an insurance policy is an obligation of an insured unless _____.
- A. The agent has held himself out to be an expert relied upon by the insured
 - B. A special relationship of trust exists which would excuse the insured
 - C. The insured plans to return it within 30 days
 - D. A & B above
39. Failing to disclose a *known* risk to your insurer, such as a client's pre-existing condition, which induces the insurer to issue coverage on which it suffers a loss may subject you to _____.
- A. Embarrassment
 - B. Loss of status
 - C. A 20% reduction in commissions
 - D. Punitive damages
40. An agent's *standard of care* is that which a reasonably prudent person, engaged in the insurance business would use under _____.
- A. Pressure
 - B. Cover
 - C. Similar circumstance
 - D. The cloak of knowledge
41. The statute of limitations begins to run when the insured (plaintiff) knows, or reasonably should have known, facts that would make a reasonable person aware that _____ exists.
- A. Harm
 - B. Causation (casualty)
 - C. Tortuous (deceptive) conduct
 - D. All of the above
42. Terms of agreement between a principal (insurer) and an agent do not have to be in writing. Rather, terms may be _____ from the facts and circumstances of the relationship.
- A. Generated
 - B. Implied
 - C. Conducted
 - D. Drawn
43. Written agency agreements, according to the courts, are legal, controlling documents that must be _____.
- A. Read by all parties
 - B. Recorded
 - C. Enforced
 - D. Reviewed by an attorney
44. To claim *recovery of commissions*, one must have _____.
- A. A New York attorney
 - B. A good relationship with an insurer
 - C. Reasonable expectation of payment
 - D. Sales in excess of \$100,000 in premium
45. Agents advising clients they are *covered* with knowledge that the intended insurer has not yet agreed to accept such coverage, act as _____ until coverage is accepted.
- A. The Insurance company
 - B. An Intermediary
 - C. A Bridge agent
 - D. De facto brokers
46. The general *rule of agency law* states that if an insurance agent *acts* as the agent of a disclosed principal (insurer), the _____ is liable to the client.
- A. Agent
 - B. Principal (insurer)
 - C. Office manager
 - D. Broker of record

FINAL EXAM – Agents on Trial

47. Failing to procure coverage for a client may subject an agent to liability for loss, damage or the limits of the policy until _____.
- A. 30 days have passed
 - B. 60 days have passed
 - C. 90 days have passed
 - D. Insurance is found
48. Concealment is neglecting to _____ what the agent knows or ought to know to be true.
- A. Put in writing
 - B. Phone in
 - C. E-mail
 - D. Communicate
49. A completed application, under generally accepted law, may be forwarded to the insurer for assessment of the risks, *after which*, the insure may decide to form a contract by _____.
- A. Sending it back
 - B. Giving the agent a nod
 - C. Accepting the applicant's offer
 - D. Handing to the company attorney
50. Twisting or churning is defined as misrepresentation or comparison or insurers or policies for the purpose of inducing a client to _____ an existing policy.
- A. Change
 - B. Surrender
 - C. Lapse / forfeit
 - D. All of the above

--END EXAM--



[Back To Front Page](#)

WHY PRINT THE EXAM & DOWNLOAD BOOKS?

Short Answer: Compared to other web systems, with our method you finish the course quicker, spend less time online, get a copy of the book for reference and have a paper back-up of your answers . . . just in case!

Long Answer: Printing out the exam and saving the book to your computer means you can relax and finish the course offline at your own pace, without spending hours and hours on the internet; you'll have a readily available copy of the book for your library in case you need to refer to it; and, you eliminate the constant switching between an exam screen and a book screen . . . a big hassle that can add hours to completing an online course. We know, we've timed it! Some internet courses suggest using an online split screen to view the exam and book at the same time. Well, it sounds complicated, and unless you have a super, giant screen, the print is going to be tiny and unreadable for most people. Finally, a good reason for printing the exam and marking your answers is you have a paper back-up if your computer or the internet freezes . . . and, we've all been there!

HELP – HOW DOES IT WORK?



Print an exam and download (save) a textbook from our website. When done, shut off your internet connection and finish your course offline at your own pace. See instructions on the first page of your book. Complete your answer sheet by marking answers on the front page with a pen or pencil. Then, come back to www.CEclass.com . . . choose **Submit Answers** . . . quickly click in your answers, pay and get an instant Certificate of Completion on your own printer. Or, you can choose to fax or mail your answer sheet by following the "Choose How To Send" instructions on the front page.

If you need further information, click the green help button to see detailed audio-visual instructions or go to www.CEclass.com and press help or call **Customer Service (800) 498-5100 MF (9AM – 5PM)**

DISCOUNTS — \$5 and \$10 Courses!

THAT'S RIGHT! You can buy online courses as low as \$5 and \$10. It's our multiple course discount program. Your first course is priced at our regular low price . . . Additional courses cost you only \$1.25 per credit hour! That means you can meet your Ethics, Annuity or Anti-Money Laundering required hours for only \$5 each online. Or, take Long Term Care or Annuity Training for only \$10 each.

How do you get the discount? Download as many courses as you like from our website and take as long as you want to finish them. To get the discount, however, you must submit your answers to us all at the same time. When you pay online, our system automatically issues these discounts. If you fax or mail your answer sheets, we will calculate the discount for you every time.

COURSE CONDITIONS

THIS COURSE PROVIDES GENERAL INSURANCE EDUCATION. CONSULT A COMPETENT PROFESSIONAL REGARDING SPECIFIC MATTERS BEFORE ADVISING CLIENTS. We hope you are pleased with the quality and value our CE courses offer. If for any reason you are unsatisfied, return unused books and exams it to us within 30 days for a full refund (less postage). A passing score is 70%. We can only tell you if you passed. If you fail, you will have another chance to pass at no charge. Further re-testing will cost you \$15 per exam. You have one year to complete this course. However, you should finish as soon as possible since courses like these are subject to constant re-evaluation and change by the Department of Insurance. If this course fails to meet the standards and credit hours advertised, whether by state / agency changes or our mistake, we will refund your entire course fees. It is agreed that this amount is liquidated damages. It is agreed that any differences between you and us will be settled through binding arbitration in Riverside County, California. The State has approved credit hours for our courses, however, they ask us to mention that they do not endorse content or the author's opinions.