



# CALIFORNIA INSURANCE CE

## *How to Earn Credit for This Course*



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## *Answer Sheet*

Use pen or pencil to darken the correct choice for each question.

**Course: Ethical Selling and Fraud Prevention (3 Credit Hours)**

- |  |  |  |   |
|--|--|--|---|
| 1. <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 4. <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 7. <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 10. <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D |
| 2. <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 5. <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 8. <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 11. <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D |
| 3. <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 6. <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 9. <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 12. <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D |

## *Sign to Verify*

### **Agent/Licensee Declaration**

I attest that I enrolled for the above titled course and reviewed the course material prior to viewing the exam. I have completed the exam independently.

**Print Student Name:** \_\_\_\_\_

**Phone:** \_\_\_\_\_

**Sign Student Name:** \_\_\_\_\_

**Date:** \_\_\_\_ / \_\_\_\_ / \_\_\_\_

**ETHICAL SELLING AND FRAUD PREVENTION**  
**FINAL EXAM**

1. Due in large part to internet technology, it has become increasingly easy for dissatisfied insurance buyers to \_\_\_\_\_.
  - A. win court cases against insurance companies
  - B. file complaints against licensees
  - C. commit insurance fraud
  - D. self-insure for major losses
  
2. The term “lowballing” is often used in situations where insurance salespersons \_\_\_\_\_.
  - A. intentionally misrepresent the cost of an insurance product
  - B. encourage the purchase of unnecessary insurance coverage
  - C. fail to disclose policy exclusions
  - D. refuse to do business in urban communities
  
3. Trade publications can help inactive licensees \_\_\_\_\_.
  - A. increase their renewal business
  - B. establish personal relationships with other professionals
  - C. keep track of important trends in the insurance community
  - D. choose an appropriate continuing education program
  
4. A famous statement known as the “Golden Rule” says that we should \_\_\_\_\_.
  - A. treat others as they treat us
  - B. treat others as we would want to be treated
  - C. aim to achieve the greatest amount of good for the greatest number of people
  - D. seek individual fulfillment as long as it doesn’t harm other people
  
5. As part of the Gramm-Leach-Bliley Act, insurers generally must have written safeguards in place to \_\_\_\_\_.
  - A. prevent unethical insurance discrimination
  - B. ensure agents’ compliance with a state’s licensing requirements
  - C. protect their customers’ non-public personal financial information
  - D. detect money laundering among insurance applicants
  
6. Because your clients are unlikely to do so, you should remain informed by carefully \_\_\_\_\_.
  - A. avoiding discussions about agent compensation
  - B. reading the policies that you sell
  - C. obtaining confidential information about a competitor’s finances
  - D. researching insurance laws and giving legal advice

7. In order to ensure proper compliance, insurance professionals who collect and make premium deposits should carefully review state rules regarding \_\_\_\_\_.
  - A. unfair claims practices
  - B. rate-making procedures
  - C. premium fund trust accounts
  - D. insurance solvency requirements
  
8. In a stranger-originated life insurance transaction, an uninsured senior citizen is actively recruited by someone to purchase life insurance and \_\_\_\_\_.
  - A. exchange it for a more expensive policy
  - B. sell it to investors
  - C. convert the policy to an annuity
  - D. lie about his or her health
  
9. Under the legal theory of insurable interest, someone can only insure someone or something if the person or thing \_\_\_\_\_.
  - A. has value for the purchaser
  - B. consents to the transaction
  - C. is evaluated by a licensed appraiser
  - D. is not covered by other insurance
  
10. Defamation occurs when someone makes a false statement that \_\_\_\_\_.
  - A. tricks a consumer into purchasing a product
  - B. harms the reputation of someone else
  - C. overstates the financial health of an organization
  - D. causes an increase or decrease in another person's insurance rates
  
11. In schemes known as "rent-a-patient," providers offer bribes to people who are willing to \_\_\_\_\_.
  - A. sell back their prescription medications
  - B. allow complete access to their medical history
  - C. have procedures performed outside their insurer's network
  - D. receive needless medical care
  
12. "Twisting" or "churning" occurs when one insurance policy is replaced by another even though there is no clear benefit to the \_\_\_\_\_.
  - A. policyholder
  - B. insurance company
  - C. insurance producer
  - D. underwriter

**END OF EXAM**

Submit your answers for scoring at [BookmarkEducation.com](http://BookmarkEducation.com)

OR

Return the signed answer sheet for scoring by mail or fax.