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# CALIFORNIA INSURANCE CE

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## *Answer Sheet*

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

**Course: Major Issues in Insurance (10 Credit Hours)**

- |                    |                     |                     |                     |                     |                     |                     |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 1. (A) (B) (C) (D) | 6. (A) (B) (C) (D)  | 11. (A) (B) (C) (D) | 16. (A) (B) (C) (D) | 21. (A) (B) (C) (D) | 26. (A) (B) (C) (D) | 31. (A) (B) (C) (D) |
| 2. (A) (B) (C) (D) | 7. (A) (B) (C) (D)  | 12. (A) (B) (C) (D) | 17. (A) (B) (C) (D) | 22. (A) (B) (C) (D) | 27. (A) (B) (C) (D) | 32. (A) (B) (C) (D) |
| 3. (A) (B) (C) (D) | 8. (A) (B) (C) (D)  | 13. (A) (B) (C) (D) | 18. (A) (B) (C) (D) | 23. (A) (B) (C) (D) | 28. (A) (B) (C) (D) | 33. (A) (B) (C) (D) |
| 4. (A) (B) (C) (D) | 9. (A) (B) (C) (D)  | 14. (A) (B) (C) (D) | 19. (A) (B) (C) (D) | 24. (A) (B) (C) (D) | 29. (A) (B) (C) (D) | 34. (A) (B) (C) (D) |
| 5. (A) (B) (C) (D) | 10. (A) (B) (C) (D) | 15. (A) (B) (C) (D) | 20. (A) (B) (C) (D) | 25. (A) (B) (C) (D) | 30. (A) (B) (C) (D) | 35. (A) (B) (C) (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:** \_\_\_\_ / \_\_\_\_ / \_\_\_\_

## MAJOR ISSUES IN INSURANCE

### FINAL EXAM

1. When an insurance company prices its products without any gender-based differences, it is engaging in \_\_\_\_\_.
  - A. unlawful discrimination
  - B. unisex rating
  - C. adverse selection
  - D. post-claims underwriting
  
2. Anti-money laundering enforcement in the United States is overseen by a section of the U.S. Department of the Treasury called the \_\_\_\_\_.
  - A. International Criminal Court
  - B. Office of Management and Budget
  - C. Financial Crimes Enforcement Network
  - D. Federal Insurance Office
  
3. An insurance company's anti-money laundering program must be overseen by a(n) \_\_\_\_\_.
  - A. independent attorney
  - B. compliance officer
  - C. licensed insurance agent
  - D. retired law enforcement official
  
4. In order to guard against the risk of dog-bite insurance claims, some carriers have implemented internal policies that make it more difficult for owners of certain breeds to obtain affordable \_\_\_\_\_.
  - A. life insurance
  - B. disability insurance
  - C. homeowners insurance
  - D. professional liability insurance
  
5. Regardless of their child-bearing capacity, women have traditionally been charged more for \_\_\_\_\_.
  - A. personal auto insurance
  - B. individual health insurance
  - C. group health insurance
  - D. permanent life insurance

6. Alleged redlining has often been a problem in communities where \_\_\_\_\_ has occurred.
  - A. rioting
  - B. political redistricting
  - C. health epidemics
  - D. economic uncertainty
7. Race-related issues in insurance date all the way back to the pre-Civil War era, when insurers viewed slaves as \_\_\_\_\_.
  - A. potential customers
  - B. common beneficiaries
  - C. uninsurable perils
  - D. property
8. Many group health plans reward people who have \_\_\_\_\_.
  - A. healthy lifestyles
  - B. low life expectancies
  - C. no children
  - D. insurance backgrounds
9. The Health Insurance Portability and Accountability Act attacked the problem of "job lock" by making it illegal for a group health plan to discriminate against someone on the basis of \_\_\_\_\_.
  - A. employment status
  - B. gender
  - C. health
  - D. educational background
10. In the "layering" stage of money laundering, launderers and their associates attempt to \_\_\_\_\_.
  - A. withdraw money and spend it on illegal activity
  - B. invest in high-return ventures in order to become rich
  - C. create a financial maze for regulators
  - D. convince financial insiders to commit crimes
11. A key component of an anti-money laundering program is the proper filing of \_\_\_\_\_.
  - A. business associate agreements
  - B. death certificates
  - C. Suspicious Activity Reports
  - D. security breach notifications

12. Insurance products without cash values are generally considered to be poor vehicles for \_\_\_\_\_.
  - A. risk management
  - B. money laundering
  - C. financial planning
  - D. policy exchanges
13. There are many different kinds of permanent life insurance, including whole life, universal life and \_\_\_\_\_.
  - A. term life
  - B. credit life
  - C. variable life
  - D. group life
14. Applicants for health insurance can no longer be denied insurance because of a \_\_\_\_\_.
  - A. history of insurance fraud
  - B. pre-existing health condition
  - C. failure to pay premiums
  - D. service-area limitation
15. In most situations, the only person who can't be denied access to your personal health information is \_\_\_\_\_.
  - A. you
  - B. your doctor
  - C. your child
  - D. your health plan's administrator
16. Insurance companies with anti-money laundering programs must ensure that the people working for them are \_\_\_\_\_.
  - A. properly trained
  - B. anti-terrorism experts
  - C. licensed by FINRA
  - D. filing daily reports with the FBI
17. In an effort to keep the economy moving and ensure that terrorism-risk coverage was available, Congress passed the \_\_\_\_\_.
  - A. Patient Protection and Affordable Care Act
  - B. Terrorism Risk Insurance Act
  - C. Bank Secrecy Act
  - D. Consolidated Budget Reauthorization Act

18. Plans that reward healthier people are allowed if they \_\_\_\_\_.
  - A. are only offered at companies with more than 100 employees
  - B. do not discriminate against smokers
  - C. are offered in addition to another health plan
  - D. give unhealthy people an alternative way of qualifying for the same reward
19. Money laundering has been committed seemingly throughout history and was originally a way for indebted borrowers to \_\_\_\_\_.
  - A. avoid penalties from the Internal Revenue Service
  - B. engage in the sale of illegal drugs
  - C. hide money from their creditors
  - D. commit acts of terror
20. Although HIPAA prohibits discrimination on the basis of health, it doesn't force employers to offer coverage to \_\_\_\_\_.
  - A. smokers
  - B. cancer survivors
  - C. overweight employees
  - D. all of their employees
21. Laws regarding medical privacy existed before HIPAA, but they were mainly enacted \_\_\_\_\_.
  - A. at the federal level
  - B. on a state-by-state basis
  - C. to protect insurers from liability
  - D. with no specific penalties attached to them
22. When covered entities believe a Security Rule safeguard is reasonable and appropriate, they \_\_\_\_\_.
  - A. can give consumers the option of extra protection
  - B. need to implement it
  - C. must file an updated security plan with the federal government
  - D. need to mention the safeguard in their privacy notice
23. According to the Department of Health and Human Services, \_\_\_\_\_ are entities that take health information in a non-standard format and put it in a standard format or vice versa.
  - A. health care providers
  - B. health plans
  - C. health care clearinghouses
  - D. life insurance companies

24. Programs that promote health to group members are known as "\_\_\_\_\_"
  - A. self-insured programs
  - B. health-care operations
  - C. HIPAA-eligible groups
  - D. wellness plans
25. Under the \_\_\_\_\_, protected health information can only be used or disclosed to the extent that the information is needed to complete a task allowed by HIPAA.
  - A. Security Rule
  - B. limited data set standard
  - C. self-insured rule
  - D. minimum necessary standard
26. A common misconception about HIPAA is that \_\_\_\_\_ are covered entities and need to follow the Privacy Rule.
  - A. health care providers
  - B. health plans
  - C. health care clearinghouses
  - D. life insurance companies
27. \_\_\_\_\_ are third parties that are given protected health information in order to provide services to a covered entity.
  - A. Business associates
  - B. Personal representatives
  - C. Plan sponsors
  - D. Fully insured plans
28. Covered entities can use or share protected health information without your authorization if the use or sharing is done to facilitate \_\_\_\_\_.
  - A. treatment, security or health care operations
  - B. fundraising, marketing or health care operations
  - C. treatment, payment or marketing
  - D. treatment, payment or health care operations
29. Health information isn't protected by the Privacy Rule unless it is considered \_\_\_\_\_.
  - A. individually identifiable
  - B. potentially embarrassing
  - C. financially harmful
  - D. mental health information

30. With just a few important exceptions, the only people who need to follow the Privacy Rule and keep your information confidential are "\_\_\_\_\_."
  - A. health plan sponsors
  - B. life insurance companies
  - C. covered entities
  - D. doctors who don't store information electronically
31. Someone is your \_\_\_\_\_ when they have the legal right to make health care decisions for you.
  - A. health care provider
  - B. personal representative
  - C. privacy officer
  - D. plan sponsor
32. An important element of HIPAA known as the "\_\_\_\_\_" only applies to information that is stored electronically.
  - A. Privacy Rule
  - B. Security Rule
  - C. Minimum Necessary Rule
  - D. Pretexting Provisions
33. Whereas the Privacy Rule deals mainly with how protected health information can be used or disclosed, the Security Rule addresses how the information needs to be \_\_\_\_\_.
  - A. pre-identified
  - B. guarded
  - C. sold
  - D. updated
34. Covered entities can't use or disclose your protected health information for \_\_\_\_\_ without consent.
  - A. treatment purposes
  - B. payment purposes
  - C. marketing purposes
  - D. health care operation purposes
35. By 2008, nearly every state had passed laws that protected the public's \_\_\_\_\_.
  - A. genetic information
  - B. right to receive life insurance
  - C. entire investment in variable annuities
  - D. ability to obtain free terrorism-risk insurance

**END OF EXAM**

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

OR

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