



Free Questions for IIA-CFSA by dumpshq

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Question 1

Question Type: MultipleChoice

Managed care has effectively formed a "go between," _____ by existing as the gatekeeper between payers & providers and patients.

Options:

- A- PPO (Preferred provider organization)
- B- Full-service health insurance
- C- Brokerage or third party arrangement
- D- None of these

Answer:

C

Question 2

Question Type: MultipleChoice

Managed care health techniques are most often practical by organizations and professionals that assume risk for a/an:

Options:

- A- Infinite population
- B- Finite or defined population
- C- None of these
- D- Any one of these

Answer:

B

Question 3

Question Type: MultipleChoice

A _____ is a health insurance plan where medical treatment is fully covered if provided by doctor or a hospital belonging to PPO'S network of health care providers.

Options:

- A- Permanently preferred organization
- B- Preferred provider organization
- C- Health insurance organization
- D- Health insurance from health maintenance organizations

Answer:

B

Question 4

Question Type: MultipleChoice

Endowment policies are similar to _____ policies in that premiums are usually level through the term of policy and the policies build cash values.

Options:

- A- Permanent life insurance

- B- Straight life insurance
- C- Whole life insurance
- D- Universal life insurance

Answer:

A

Question 5

Question Type: MultipleChoice

The benefits of an endowment insurance policy include all of the statements mentioned below EXCEPT:

Options:

- A- Ideal combination of investment and insurance coverage
- B- Attractive return and maximum security
- C- Amount paid out is guaranteed and taxable returns
- D- Both A&B

Answer:

C

Question 6

Question Type: MultipleChoice

The two most common types of commercial insurance companies are:

Options:

- A- Sole proprietor and stock
- B- Equity and debt
- C- Stock and mutual
- D- Partnership and corporation

Answer:

C

Question 7

Question Type: MultipleChoice

A manufacturer wants to protect the company from financial loss resulting from third-party lawsuits. The manufacturer has learned of several recent jury awards over \$7 million for product defects. The manufacturer currently has only \$5 million in this type of coverage. The manufacturer has also learned that several automobile claims have been recently awarded against other company's cars in accidents over \$1 million. The manufacturer has damaged his competition and the manufacturer wants to protect his company further than the current policy allows. What insurance coverage product will the manufacturer likely buy?

Options:

- A- A personal injury protection (PIP) policy to protect others from personal injury
- B- An umbrella policy to place a protective umbrella over existing coverage.
- C- A surplus lines policy to protect against claims in surplus of the policy limits.
- D- A floater policy to float coverage where needed.

Answer:

B

Question 8

Question Type: MultipleChoice

Which of the following are NOT common funding vehicles used by insurers to invest in retirement plan assets as they are accumulated?

Options:

- A- Group deferred annuities.
- B- Deposit administration contracts.
- C- Separate account contracts.
- D- Keogh plans.

Answer:

D

Question 9

Question Type: MultipleChoice

Which two of the following characteristics apply to universal life insurance policies?

1. To provide the insured with a number of investment options.
2. To provide the insured with a minimum guaranteed cash value.
3. To provide a cash value fund that accumulates tax deferred.
4. To provide flexibility of both premium and death benefits.

Options:

A- I and IV

B- II and III

C- III and IV

D- I and III

Answer:

C

Question 10

Question Type: MultipleChoice

Recent activities in the marketplace have caused your company to comply with requests from 50 percent of your policyholders to cancel their policies. The company complies and refunds them amounts due. Your audit of this should ensure these refunds were charged against what account?

Options:

- A- Incurred but not reported (IBNR)
- B- Unearned premium reserve
- C- Goodwill
- D- Allocation for uncollectible accounts

Answer:

B

Question 11

Question Type: MultipleChoice

Which of the following accounts would NOT be found on a life insurance company's statutory financial statements?

Options:

- A- Non admitted assets
- B- Non ledger assets
- C- Deferred acquisition cost
- D- Policy loans

Answer:

C

Question 12

Question Type: MultipleChoice

You are auditing the claim handing of your branch office. You note that one of the claims is for lost revenue due to a windstorm damaging the building. The claim file states that the insured requested coverage for this type of loss. However, the independent agent failed to request the coverage though an oversight. Which action is required to appropriately handle the claim?

Options:

- A-** The claim should be denied since coverage was never present, and the claim should be placed against the agency's errors and omissions policy for reimbursement of the claimant.
- B-** The claim should be accepted and paid up to the policy limits since the insured meant to create coverage for business interruption. Due premiums for the coverage can be charged retrospectively
- C-** The claim should be denied since repaying for business interruption and lost revenues would financially enrich the insured, which is against one of the principle of insurance D. The claim should be paid and the insured indemnified since the insured requested the coverage. Since the produce was acting as an "agent" of the carrier, they commute their liability

Answer:

A

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