

Question 1

What is the main reason for the increase in employee benefit costs during the last 15 years?

- A) Cost of funding retirement income
- B) Cost of sick leave and worker absenteeism
- C) Cost of health insurance
- D) None of the above

Answer: <https://biology-forums.com/index.php?topic=644348>

Question 2

Dividends from mutual insurers are a part of the contract, and minimum dividends are guaranteed.

T/F?

Answer: <https://biology-forums.com/index.php?topic=643617>

Question 3

An ethics violation is an example of a strategic risk.

T/F?

Answer: <https://biology-forums.com/index.php?topic=643318>

Question 4

Each of the following describes a condition under which an employee is injured on the job. Under which of these would the employer not have to provide workers' compensation benefits to the injured employee?

- A) Employee falls asleep on the job
- B) Employee is distracted by a fellow employee
- C) Employee was late for work
- D) Employee had several beers before work

Answer: <https://biology-forums.com/index.php?topic=644547>

Question 5

An office building is an example of:

- A) personal property
- B) intangible property
- C) intellectual property
- D) real property

Answer: <https://biology-forums.com/index.php?topic=644652>

Question 6

Risk Pooling is the ability to reduce the risk of a unit by making more accurate predictions about a large pool of units.

T/F?

Answer: <https://biology-forums.com/index.php?topic=643377>

Question 7

Participants in the American insurance market include all of the following except:

- A) insurance buyers
- B) insurance companies
- C) insurance regulators
- D) the FDIC

Answer: <https://biology-forums.com/index.php?topic=643721>

Question 8

Aviation insurers have some difficulty complying with the law of large numbers.

T/F?

Answer: <https://biology-forums.com/index.php?topic=644684>

Question 9

Enterprise Risk Management is typically described as having the following characteristics, except:

- A) a top-down corporate focus
- B) a broad scope of loss exposures
- C) a portfolio perspective

D) a loose approach to risk identification, assessment, and treatment

Answer: <https://biology-forums.com/index.php?topic=643220>

Question 10

When you have an auto accident that is your fault, your PAP's Liability coverage will pay for all of the following except:

- A) bodily injuries of passengers in other cars that you hit in the accident
- B) bodily injuries of non-family members who are passengers in your car at the time of the accident
- C) bodily injuries of your spouse who is a passenger in your car at the time of the accident
- D) None of the above; in other words, ALL of the above are items your PAP's Liability coverage would pay for.

Answer: <https://biology-forums.com/index.php?topic=643949>

Question 11

Which of the following is not a type of property and liability insurance?

- A) Bank deposit insurance
- B) Commercial lines insurance
- C) Business interruption coverage
- D) Wedding insurance

Answer: <https://biology-forums.com/index.php?topic=643516>

Question 12

The Gramm-Leach-Bliley Act (1999) allows banks, security dealers, and insurance companies to combine together to form financial services holding companies.

T/F?

Answer: <https://biology-forums.com/index.php?topic=643625>

Question 13

Why do regulators care whether high-risk drivers have insurance?

- A) Regulators are silly and have nothing better to do.
- B) Otherwise insurance companies would lose too much money.
- C) Excluding high-risk drivers is a violation of the Constitution.
- D) The societal costs associated with the accidents caused by high-risk drivers is at least somewhat reduced by having them pay an insurance premium, even if it is too low for the associated risk.

Answer: <https://biology-forums.com/index.php?topic=643738>

Question 14

What are the requirements for receiving Social Security disability benefits?

Answer: <https://biology-forums.com/index.php?topic=644510>

Question 15

Life insurance provides protection from the peril of death.

T/F?

Answer: <https://biology-forums.com/index.php?topic=643552>

Question 16

Why is there an "ordinance-or-law exclusion" in a typical HO-3 policy?

- A) Because it is too costly to include
- B) Because there is a federal insurance policy that covers this aspect
- C) Because it is better insured under another insurance policy
- D) There is no such exclusion.

Answer: <https://biology-forums.com/index.php?topic=644017>

Question 17

When a hospital performs preadmission testing, in which it determines the most optimal treatment before the patient actually enters the hospital, it is considered to be performing:

- A) utilization review
- B) cost containment
- C) catastrophe prevention
- D) adverse selection

Answer: <https://biology-forums.com/index.php?topic=644284>

Question 18

The contract feature that waives life insurance premiums if the insured becomes permanently disabled is the:

- A) disability assignment rider
- B) premium waiver clause
- C) disability income option rider
- D) waiver of premium rider

Answer: <https://biology-forums.com/index.php?topic=644157>

Question 19

Risk avoidance and loss prevention are the same thing.

T/F?

Answer: <https://biology-forums.com/index.php?topic=643312>

Question 20

Which of the following statements about financial risks is not true?

- A) Many financial risks are attributable to fluctuations in value.
- B) Financial risks arise from events that prevent a firm from conducting its normal scope of operations.
- C) An example of a financial risk is one associated with unfavorable credit rating.
- D) Price risks associated with input costs are a form of financial risk.

Answer: <https://biology-forums.com/index.php?topic=643306>