IFSE-Institute

Exam Questions LLQP

Life License Qualification Program (LLQP)

NEW QUESTION 1
- (Topic 1)
Maverick meets with Alyssa, an insurance agent, to review his life insurance needs. After completing the needs analysis, Alyssa suggests that Maverick purchase a $100,000 whole life insurance policy and add a critical illness (CI) benefit rider. Which of the following options is an advantage of adding the CI coverage as a rider instead of purchasing an individual CI policy?

A. It covers more illnesses than an individual policy.
B. Benefits are paid out as soon as the individual is diagnosed with a covered condition.
C. It is less expensive than an individual policy.
D. If he is diagnosed with a debilitating illness that does not endanger his life, he may still receive coverage.

Answer: C

Explanation:
Adding a Critical Illness (CI) rider to a whole life insurance policy is generally less expensive than purchasing a separate individual CI policy because the rider is attached to an existing policy, reducing administrative costs and sometimes providing limited coverage options. While a CI rider may offer a less comprehensive range of covered conditions than a standalone policy, it serves as a cost-effective solution for adding coverage to a primary life insurance policy. Additionally, CI riders often provide a more affordable premium than individual policies, aligning with budget-conscious clients like Maverick.

NEW QUESTION 2
- (Topic 1)
Axel owns a $150,000 whole life insurance policy with an accumulated cash surrender value (CSV) of $20,000. His monthly premiums are $300, due on the fifth day of each month. Axel misses his November 5 premium payment and then dies a few weeks later, on November 20.

A. $0
B. $149,700
C. $150,000
D. $169,700

Answer: C

Explanation:
In whole life insurance policies, there is generally a grace period (usually 30 days) for missed premium payments before the policy lapses. Since Axel died within this grace period (November 20, following a missed premium due November 5), the policy remains active, and the full death benefit is payable to his beneficiary. Therefore, the insurance company would pay out the entire$150,000death benefit. The policy??s accumulated CSV is irrelevant in this context, as it only applies if the policyholder surrenders the policy or if the policy lapses after the grace period.

NEW QUESTION 3
- (Topic 1)
Bea is a married 65-year-old woman applying for a life insurance policy. She meets with Stanley, her insurance agent, to review her insurance needs. Stanley inquires if Bea has started receiving Old Age Security (OAS) and Canada Pension Plan (CPP) benefits. Why is it important for Stanley to know this?

A. These funds are taxable and may increase her need for life insurance.
B. Her life insurance needs may decrease if she is retired.
C. Her spouse may be eligible for survivor benefits upon her death.
D. To calculate her retirement income.

Answer: B

Explanation:
Knowing whether Bea is receiving OAS and CPP benefits helps Stanley assess her life insurance needs, which may decrease upon retirement as there may be less need to replace income. As Bea isno longer dependent on employment income, her insurance needs could reduce if she relies on stable retirement income sources like OAS and CPP. Therefore,Option Breflects why this information is relevant in the context of life insurance planning.

NEW QUESTION 4
- (Topic 1)
Aari and Jonila are a married couple in their late sixties. They both enjoy a comfortable retirement. Both receive regular payments from their pension plans, Old Age Security (OAS) and Canada Pension Plan (CPP). They own a house and a cottage that are both mortgage-free. They also have over $500,000 in savings and investments. They know that if one of them dies, the surviving spouse will be financially comfortable. The couple has two grown children to whom they would like to leave all their assets when they die. The couple informs Herbert, their insurance agent, that they want to make sure when they die that their children have the funds needed to pay the taxes on the assets that they will bequeath them.
Which life insurance policy would be most suited to meet the couple's needs?

A. A permanent joint last-to-die policy on Aari and Jonila.
B. A permanent joint first-to-die policy on Aari and Jonila.
C. A term joint last-to-die policy on Aari and Jonila.
D. A term joint first-to-die policy on Aari and Jonila.

Answer: A

Explanation:
AJoint Last-to-Die policyis designed to pay out upon the death of the second insured, which is beneficial for covering estate taxes. This structure aligns with Aari and Jonila??s goal to provide funds for their children to pay taxes on inherited assets. Permanent coverage ensures the policy remains in force until both spouses have passed away, which supports long-term estate planning needs. First-to-die policies would pay out upon the death of the first insured, which would not align with their objective to have the policy available for estate settlement at the second death.Therefore,Option Ais most suitable.

NEW QUESTION 5

- (Topic 1)
Svetlana is a 45-year-old single mother with two children: Georgi 17; and Ingrid 13. The children's father, Vladimir, has a serious gambling problem and only visits them sporadically. Vladimir's younger brother Sergei, on the other hand, is a dependable and helpful uncle who helps Svetlana regularly with the children. Svetlana meets with Robert, an insurance agent to review her life insurance needs because she wants to make sure that her children are taken care of if she were to die prematurely. Robert suggests that she purchase a $200,000 policy. Who should she name as a beneficiary?

A. Georgi and Ingrid but name Vladimir as a trustee.
B. Georgi and Ingrid but name Sergei as a trustee.
C. Sergei
D. Vladimir

Answer: B

Explanation:
Since Svetlana's children are minors, naming them directly as beneficiaries would require appointing a trustee to manage the funds until they reach the age of majority. Given that Vladimir is unreliable,Sergei—who is dependable and supportive—is the most suitable choice to act as trustee. Naming him as trustee ensures that the funds are managed responsibly for thebenefit of Georgi and Ingrid until they can access them.Therefore,Option Bis the most appropriate choice.

NEW QUESTION 6
- (Topic 1)
Jasper owns TeleVida, a successful production company with over 50 employees. He wants to expand the company by opening an office in another province. Jasper needs to take out a $500,000 20-year loan to make this expansion happen. However, he wants to make sure that if hedies while there??s an outstanding balance on the loan, the balance will be paid in full by the insurance company.

A. 20-year decreasing term life insurance.
B. 20-year term life insurance.
C. Term-100 life insurance policy.
D. Universal life insurance policy.

Answer: A

Explanation:
In this case, Jasper is concerned with covering a specific loan balance that will decrease over time as the loan is repaid. A20-year decreasing term life insurancepolicy is typically used for situations where the coverage amount decreases over the policy term, aligning with the declining balance of a loan. This is often the most cost-effective option, as the coverage amount decreases in line with the outstanding loan balance, ensuring that the insurance will pay off any remaining loan balance if Jasper dies within the 20-year term. Other options, such as a standard term policy with a level benefit (Option B), a Term-100 (Option C), or a Universal Life policy (Option D), provide level or flexible coverage not specifically suited to decreasing liabilities like a loan. Therefore,Option Ais the best choice to meet Jasper??s needs cost-effectively.

NEW QUESTION 7
- (Topic 1)
Maeve is an Ontario resident. Fifteen years ago, she purchased a $250,000 whole life insurance policy and named her husband Guillaume as the primary beneficiary and her 4- year-old son Edwin as the contingent beneficiary. Last week, Tasha, Maeve's insurance agent called her to ask if she has had any life changes that would warrant a meeting to review her insurance coverage. Maeve informs her that over the last year she divorced Guillaume and that she is now living with her new boyfriend Eduardo. Tasha asks to meet Maeve to review her beneficiary designation. Who will receive Maeve's death benefit if she dies today?

A. Guillaume
B. Edwin
C. Eduardo
D. Maeve??s estate

Answer: A

Explanation:
In Ontario, unless a beneficiary designation is changed formally through the policyholder or as part of a court order, the originally designated beneficiary remains entitled to the death benefit. Since Maeve has not updated her beneficiary designation following her divorce, Guillaume remains the primary beneficiary. Divorce does not automatically revoke a beneficiary designation in life insurance policies. Therefore, if Maeve dies today,Guillaumewould receive the death benefit. Edwin, the contingent beneficiary, would only receive the benefit if Guillaume were unable to (e.g., predeceased).

NEW QUESTION 8
- (Topic 1)
Ten years ago, Anastasia purchased a $125,000 10-year term renewable life insurance policy. Her insurance need has not changed, and she is still in good health. She asks her insurance agent Raphael what she should do.

A. Renew her current policy at the same rate.
B. Renew the policy at an increased rate.
C. Renew her policy and restart the incontestability period.
D. Shop around for a better rate.

Answer: B

Explanation:
Term life insurance policies typically allow for renewal at the end of the term, but the premium is recalculated based on the policyholder??s age at renewal. Since Anastasia??s policy is a 10-year term, and she is now renewing it, her premiums will be higher due to her increased age, despite her good health. The policy will renew without medical underwriting, but it will be at an increased rate. Option A is incorrect, as the rate cannot remain the same. Option C, restarting the incontestability period, may happen but is unrelated to the premium question.Option D, shopping for a better rate, is an option but not directly tied to renewal.Therefore,Option Bis correct.

NEW QUESTION 9

- (Topic 1)
Edna is a 62-year-old widow living in Quebec. She meets with Yolanda, her insurance agent. Ednaworked part-time her whole life as a seamstress and has no savings. Her husband Donald had been working as a greeter at the local box store until his death 2 months ago at the age of 67. Since his passing, Edna has been struggling financially. She would like to know which of the following organizations will immediately pay her a benefit?

A. Workers' Compensation.
B. Old Age Security (OAS) allowance for surviving spouse.
C. Canada Pension Plan (CPP) survivor benefits.
D. She will not receive any benefit.

Answer: C

Explanation:
Since Edna was married to Donald, she is eligible to receiveCanada Pension Plan (CPP) survivor benefits, which provide a monthly benefit to surviving spouses. Old Age Security (OAS) survivor allowance may not apply directly here as it is conditional and may not provide immediate benefits like the CPP does in this situation. Workers' Compensation does not apply as it pertains to workplace injuries, and since Donald was not injured on the job, it does not cover Edna??s situation.Therefore,Option Cis correct.

NEW QUESTION 10
- (Topic 1)
Bethenny meets with Harrison, an insurance agent, to review her life insurance needs. Bethenny is a single mother of a 3-year-old daughter named Emma. Bethenny's main concern is that Emma istaken care of financially if Bethenny were to die prematurely. Emma??s father Steve suffers from chronic alcoholism and is homeless. He has not been present in Emma's day-to-day life. After careful analysis, Harrison suggests that Bethenny purchase a $250,000 20-year term insurance policy. Given Bethenny's situation, who should she name as a beneficiary on her policy?

A. Her estate.
B. Emma.
C. A trustee.
D. Steve.

Answer: C

Explanation:
Since Emma is a minor, naming her directly as a beneficiary would complicate access to funds until she reaches the age of majority. Additionally, Steve, given his circumstances, would not be a suitable option. Instead,naming a trusteefor Emma's benefit would ensure that the funds are managed responsibly until she is of legal age to handle the inheritance.
This setup aligns with Bethenny's intention to provide financial security for Emma, allowing a trusted adult to manage the funds in Emma's best interests.

NEW QUESTION 10
- (Topic 1)
Three years ago, Douglas purchased a whole life insurance policy with numerous supplementary benefits and riders. Today, he meets with his doctor who informs him that he has late-stage colon cancer and has only a few months to live. Even with surgery, his chances of survival are low. Douglas calls his insurance agent, Penny, to ask her what he should do to obtain a benefit immediately.

A. Dread disease benefit.
B. Terminal illness benefit.
C. Policy loan.
D. Policy withdrawal.

Answer: B

Explanation:
TheTerminal Illness Benefit(also known as an accelerated death benefit) allows a policyholder diagnosed with a terminal illness to receive a portion of the policy??s death benefit while still alive. This benefit is designed specifically for situations like Douglas's, where he has a limited life expectancy and needs immediate funds. While the Dread Disease Benefit (Option A) coversspecific critical illnesses, it is generally not as expansive as the terminal illness benefit, which directly applies to Douglas's prognosis. Options C and D involve accessing cash values or loans, which are not immediate death benefit payouts.

NEW QUESTION 13
- (Topic 1)
Alana, Meaghan, and Beatrice are equal shareholders of Advanced Tech Inc. They each own 100 shares of the company. Each share is currently worth $5,000. They recently signed a cross-purchase buy-sell agreement that is funded by life insurance. What will happen under this agreement if Alanadies today?

A. Meaghan and Beatrice would each still own 100 shares of the company.
B. There would now be 200 outstanding shares of the company.
C. Each share would now be worth $7,500.
D. Alana??s estate would receive a total of $500,000.

Answer: D

Explanation:
In a cross-purchase buy-sell agreement funded by life insurance, each shareholder purchases a life insurance policy on the lives of the other shareholders. Upon the death of a shareholder, the surviving shareholders use the proceeds from the insurance to buy out the deceased shareholder??sshares at the agreed value.
Since each share is valued at $5,000, Alana's 100 shares would be worth:
100 shares??5,000=500,000100 \text{ shares} \times 5,000 = 500,000100 shares??5,000=500,000
Thus, Meaghan and Beatrice would collectively purchase Alana's shares from her estate, providing her estate with a total of$500,000. Each surviving shareholder will then own an additional 50 shares, resulting in each now holding 150 shares of Advanced Tech Inc. This option aligns with the principles of cross-purchase agreements discussed in the LLQP.

NEW QUESTION 17

- (Topic 2)
Following the death of her sister Sarah last year, Yesha, the liquidator of Sarah's estate, had been in contact with Sarah??s insurance agent Monique on several occasions to claim the death benefit on Sarah??s life insurance policy.
Yesterday, Yesha noticed that Sarah also had a disability insurance policy with a return of premium option which stated that a portion of the premiums can be reimbursed upon her death. Yesha contacted Monique again and asked her for more details about the disability policy and return of premium option but Monique replied that she could not help her as her firm had destroyed Sarah's files shortly after paying out the death benefit.
Did Sarah??s firm act appropriately?

A. Yes, because the death benefit was paid.
B. Yes, because the life insurance company will still have a copy of the contract.
C. No, because the file has to be kept for 5 years.
D. No, because the file has to be kept for 7 years.

Answer: C

Explanation:
In the context of insurance, records related to client policies, including claims and relevant documentation, must generally be retained for a minimum of five years. This requirement ensures that firms maintain adequate records for review or potential claims and can support clients or their representatives in matters related to policy details.
Destroying Sarah's file shortly after paying out the death benefit would violate this five-year record retention requirement, which is part of standard industry practice for insurance providers. The requirement is intended to safeguard client information and provide continuity of service in case further details are needed post-claim.
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NEW QUESTION 18
- (Topic 2)
Cecilia, a licensed life insurance agent, delivers a life insurance policy to her client Tony, a newly landed immigrant. Tony would like to pay the policy using the pre-authorized monthly payment method. However, he does not have a bank account in Canada yet and doubts he could find the time to open one in the next few days. Cecilia offers to open a savings account for him, but Tony is unsure whether she is licensed to do that. What should Cecilia tell Tony to reassure him that she can open a savings account on his behalf?

A. That licensed life insurance agents are authorized to sell bank products.
B. That no license is required to act as a deposit broker.
C. That she can open a savings account for him with no additional license because she delivered the life insurance policy to him beforehand.
D. That she can open a savings account for him with no additional license so long as the initial deposit is less than $100,000.

Answer: B

Explanation:
Comprehensive and Detailed in Depth Explanation with Exact Extract from Documents and Guides:
TheIFSE Ethics and Professional Practice Course (Common Law)clarifies that acting as a deposit broker—facilitating the opening of a bank account—does not require a specific license beyond whatCecilia already holds as an insurance agent, provided it??s incidental to her insurance duties. She??s not selling bank products (A), and prior delivery (C) or deposit size (D) aren??t conditions for this. Assisting Tony with a savings account for premium payments is permissible without additional licensing, making B correct.
References:
IFSE Ethics and Professional Practice Course (Common Law), Module 4: Regulatory Environment, Section on "Scope of Agent Activities."

NEW QUESTION 19
- (Topic 2)
Josh is meeting with William, his financial advisor, to notify him of the death of his spouse, Linda, for whom he is the beneficiary. Josh is asking William what requirements are necessary for proof of claim on their life insurance policy. Which of the following documents/information are required by Josh to ensure that a proper claim is approved by the insurance company?

A. (iv) only: Death Certificate.
B. (i) and (ii): Proof of Age and Place of Death.
C. (i), (iii), and (v): Proof of Age, Claim Form, and Coroner??s Report.
D. (i), (iii), and (iv): Proof of Age, Claim Form, and Death Certificate.

Answer: D

Explanation:
Comprehensive and Detailed in Depth Explanation with Exact Extract from Documents and Guides:
TheIFSE Ethics and Professional Practice Course (Common Law)outlines that to process a life insurance claim, insurers typically require: (1) a completed claim form, (2) proof of death (usually a death certificate), and (3) proof of the insured??s age (e.g., birth certificate) to verify policy terms. Here, Josh needs: (i) Proof of Age to confirm Linda??s identity and policy details; (iii) Claim Form as the formal submission; and (iv) Death Certificate as proof of death. Place of Death (ii) is not a standard requirement unless specified, and a Coroner??s Report (v) is only needed in cases of unusual circumstances (not indicated here). Thus, D—(i), (iii), and (iv)—is correct.
References:
IFSE Ethics and Professional Practice Course (Common Law), Module 2: Insurance Contracts, Section on "Claims Process."

NEW QUESTION 23
- (Topic 2)
Last month, Suzanne purchased a life insurance policy from a local agent. The agent told her that the policy would accrue a cash value that she could draw from in her retirement years and that the premium would never increase. After recently meeting with a close friend, who is a retired insurance advisor, she was dismayed to learn that what was sold to her is in fact a term policy with no cash value. If Suzanne wishes to make a formal complaint against the agent, which authority can assist her in doing so?

A. Assuris.
B. OmbudService for Life and Health Insurance.
C. Canadian Council of Insurance Regulators.
D. Office of the Privacy Commissioner of Canada.

Answer: B

Explanation:
Comprehensive and Detailed in Depth Explanation with Exact Extract from Documents and Guides:
The agent??s misrepresentation violates ethical standards. TheIFSE Ethics and Professional Practice Course (Common Law)identifies the OmbudService for Life and Health Insurance (OLHI) as an independent body that assists consumers with complaints against insurance agents or companies when internal resolution fails. Assuris (A) protects policyholders if an insurer fails, not for agent misconduct. The Canadian Council of Insurance Regulators (C) coordinates policy, not complaints. The Office of the Privacy Commissioner (D) handles privacy issues, not misrepresentation. OLHI is the correct avenue for Suzanne, making B correct.
References:
IFSE Ethics and Professional Practice Course (Common Law), Module 4: Regulatory Environment, Section on "OmbudService for Life and Health Insurance."

NEW QUESTION 26
- (Topic 2)
Danny purchases a $1,000,000 whole life insurance policy. He names his three daughters, Donna-Joe, Stephanie, and Michelle, as revocable beneficiaries with each receiving one- third of the death benefit.
If Michelle predeceases Danny, and Danny did not have a chance to modify his beneficiary designation, how will Danny??s death benefit be paid out?

A. Donna-Joe and Stephanie will each receive $500,000.
B. Donna-Joe and Stephanie will each receive $333,333 and Michelle's estate will receive $333,333.
C. Donna-Joe and Stephanie will each receive $333,333 and Danny's estate will receive $333,333.
D. Danny??s estate will receive the entire $1,000,000 death benefit.

Answer: A

Explanation:
When a beneficiary predeceases the policyholder and no alternate or contingent beneficiary has been named, the portion allocated to the deceased beneficiary is typically redistributed among the surviving beneficiaries. Since Michelle was named as a revocable beneficiary andpredeceased Danny, her one-third share will be divided equally between the remaining two beneficiaries, Donna-Joe and Stephanie.
Thus, Donna-Joe and Stephanie will each receive half of the total death benefit ($500,000 each), as per LLQP guidelines which state that a predeceased beneficiary??s share is typically redistributed among surviving beneficiaries unless otherwise specified.
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NEW QUESTION 30
- (Topic 2)
Ontario residents, Juan and Maria, are a married couple approaching retirement. They have askedtheir representative Carlow to review the details of Maria??s defined benefit plan (DBPP).
Which of the following statements about Maria??s pension is CORRECT?

A. Maria would be entitled to an increased benefit if Juan waived his survivor benefit.
B. Juan would be entitled to receive at least 50% of Maria??s pension upon Maria's death.
C. With Juan's consent, Maria can choose to reduce the survivor benefit to 25% of her normal pension amount.
D. Juan will be entitled to the survivor benefit even if they are separated at the time of Maria's death.

Answer: B

Explanation:
In Ontario, married members of a defined benefit pension plan (DBPP) are typically required to provide at least a 50% survivor benefit to their spouse upon their death unless the spouse waives this right. LLQP materials covering pension plans indicate that this spousal protection is standardfor defined benefit plans, and Maria's pension would provide at least 50% to Juan as the surviving spouse.
Options like reducing the survivor benefit below 50% are generally not permitted under Ontario pension law, and a waiver must be in place for any changes.

NEW QUESTION 31
- (Topic 2)
Trisha is new to the insurance industry and wants to understand the primary responsibility of the Canadian Insurance Services Regulatory Organizations (CISRO). Which of the followingstatements about CISRO is CORRECT?

A. To administer the regulatory system, applicable to insurance intermediaries.
B. To administer the enforcement of the federal Personal Information Protection and Electronic Documents Act (PIPEDA).
C. To help protect the integrity of the Canadian financial system.
D. To provide clients with assistance to their enquiries and complaints pertaining to Canadian life and health insurance products and services.

Answer: A

Explanation:
The primary responsibility of the Canadian Insurance Services Regulatory Organizations (CISRO) is to establish and maintain a cohesive regulatory framework for insurance intermediaries, ensuring consistent standards across provincial and territorial jurisdictions in Canada. CISRO does not directly interact with consumers or administer PIPEDA; rather, it collaborates with regional regulators to promote regulatory harmony for insurance professionals.
This responsibility helps uphold public trust and ensures that intermediaries comply with legal and professional standards.

NEW QUESTION 36
- (Topic 2)
Miguel applied for a disability insurance policy nearly three months ago. He recently received notice from his agent that his application was approved, with an exclusion applicable to his lower back due to a prior injury. The agent brought the exclusion amendment with the policy at the delivery appointment. Miguel signed and accepted it. He gave the agent a copy of a void cheque to set up direct billing for the premiums, but asked that they wait three days to draw the first premium, to coincide with his payday. The insurer drew the premium three days later, as requested. When did Miguel's policy take effect?

A. The policy has been in effect ever since Miguel's initial application.
B. The policy took effect when Miguel received notice of approval.
C. The policy took effect when Miguel signed the policy and the amendment.

D. The policy took effect when the insurer was able to draw the first premium.

Answer: C

Explanation:
Comprehensive and Detailed in Depth Explanation with Exact Extract from Documents and Guides:
Under Canadian insurance law, a policy typically takes effect when there is a meeting of the minds (offer and acceptance) and the contract is finalized, often marked by the policyholder??s acceptance of the terms and conditions. TheIFSE Ethics and Professional Practice Course (Common Law)notes that for individual insurance policies, coverage begins when the policy is delivered and accepted by the insured, provided the first premium is paid or arranged. In Miguel??s case, he signed and accepted the policy and amendment at the delivery appointment, and the premium payment was arranged (via void cheque) with a mutually agreed delay of three days. The policy does not take effect at application (A) unless specified, nor at notice of approval (B) alone, nor solely when the premium is drawn (D). Acceptance at signing (C) aligns with contract formation principles, making it the correct answer.
References:
IFSE Ethics and Professional Practice Course (Common Law), Module 2: Insurance Contracts, Section on "Effective Date of Coverage."

NEW QUESTION 41
- (Topic 2)
Barry, a life insurance agent, is meeting his client Diane who came to Canada 26 years ago. Diane is turning 60 years old and is considering purchasing a non-registered life annuity to supplement her retirement income. Barry presented the quote to her and it was quickly accepted. During the application process, he recorded Diane??s contact information, used her Social Insurance card to ascertain her identity, and collected a cheque of $120,000 from a joint account. The names written on the cheque were Diane and Geoffrey. Diane explained that this was a joint account with her brother. What should Barry do to comply with FINTRAC??s guidelines regarding ascertaining identity?

A. Complete a third-party form because it involves her brother as well.
B. Report this transaction to FINTRAC because it exceeds $10,000.
C. Use another ID to ascertain her identity, because the Social Insurance card is prohibited.
D. Nothing, because there is no suspicious activity involved.

Answer: A

Explanation:
Comprehensive and Detailed in Depth Explanation with Exact Extract from Documents and Guides:
TheIFSE Ethics and Professional Practice Course (Common Law)references FINTRAC (Financial Transactions and Reports Analysis Centre of Canada) guidelines, requiring agents to identify third parties when funds come from a joint account not solely owned by the client. Diane??s $120,000 cheque from a joint account with Geoffrey triggers the third- party determination rule, necessitating a third-party form (A). Reporting to FINTRAC (B) applies to cash transactions over $10,000, not cheques here. The Social Insurance card is acceptable ID, so C is incorrect. Doing nothing (D) violates FINTRAC compliance. A is correct.
References:
IFSE Ethics and Professional Practice Course (Common Law), Module 4: Regulatory
Environment, Section on "FINTRAC Guidelines – Third-Party Determination."

NEW QUESTION 44
- (Topic 2)
When Tim and Patricia were common-law spouses, they met with an insurance agent, Aelia, to purchase life insurance policies of $100,000 each, naming each other as beneficiaries of their policies. Five years later, Patricia leaves Tim to be with her personal trainer, Thomas. A year later, Patricia and Thomas marry, and Patricia gives birth to their baby, Cedrick. Tragically, just before Cedrick's 12th birthday, Patricia dies in a fiery car crash. She never modified her beneficiary designation.
Shortly after the crash, Thomas calls Aelia to inform her that Patricia has died and that he wants to claim the death benefit on her life insurance policy.
Who will receive the $100,000 death benefit?

A. Tim
B. Thomas
C. Cedrick
D. Patricia's estate

Answer: A

Explanation:
Since Patricia did not modify the beneficiary designation on her life insurance policy after separating from Tim, he remains the named beneficiary. Under LLQP guidelines, the original beneficiary designation stands unless explicitly changed by the policyholder. This means that,despite Patricia??s remarriage and the birth of her child Cedrick, Tim remains the beneficiary and will receive the $100,000 death benefit.
Beneficiary designations on life insurance policies are not automatically altered by life events such as marriage or the birth of a child. Therefore, in the absence of any updates, Tim remains the beneficiary as per Patricia's original designation.

NEW QUESTION 47
- (Topic 2)
Mike and Todd are both agents with Superior Insurance Company. Every Friday, they have lunch together at the local pub. One Friday, Mike forgets his wallet, so Todd pays both bills. Mike has a sales appointment that afternoon, where he will be signing a small term life insurance policy on a child. He decides to simply indicate that Todd is the agent of record so that Todd gets the compensation for the sale—an easy way to pay him back for lunch! What practice is Mike engaging in?

A. Tied selling.
B. Fronting.
C. Churning.
D. Misrepresentation.

Answer: B

Explanation:
Comprehensive and Detailed in Depth Explanation with Exact Extract from Documents and Guides:
TheIFSE Ethics and Professional Practice Course (Common Law)describes "fronting" as an unethical practice where an agent allows another agent to be listed as

the agent of record for a sale they did not perform, often to share commissions improperly. Mike listing Todd as the agent of record for a sale he completed himself is fronting, done here to repay a personal favor. Tied selling (A) involves conditional sales, churning (C) is policy replacement for commissions, and misrepresentation (D) involves false statements to clients, none of which apply. Fronting undermines fair compensation practices, making B correct.
References:
IFSE Ethics and Professional Practice Course (Common Law), Module 1: Ethics and Professionalism, Section on "Unethical Practices – Fronting."

NEW QUESTION 50
- (Topic 2)
Mordecai's life insurance lapsed four years after the policy was issued because he failed to make premium payments. The insurer reinstated the policy several months later when he made the required payments and provided the medical and financial information the insurer required. Twelve months later, Mordecai commits suicide and his beneficiaries ask Larry, his insurance agent, whether the claim will be paid. What should Larry tell the beneficiaries?

A. The claim will be paid, because the incontestability clause ended two years after the policy was issued.
B. The claim will be paid, because paying the death benefit would be consistent with public order and community standards.
C. The claim will be rejected, because the suicide exclusion begins with the date the insurer reinstates the policy.
D. The claim will be rejected, because Mordecai's poor mental health was, in all likelihood, a preexisting condition.

Answer: C

Explanation:
Comprehensive and Detailed in Depth Explanation with Exact Extract from Documents and Guides:
TheIFSE Ethics and Professional Practice Course (Common Law)explains that life insurance policies typically include a suicide clause, which denies the death benefit if the insured commits suicide within a specified period—usually two years—from the policy??s issue date or reinstatement date. When a policy lapses and is reinstated, the suicide exclusion period restarts from the reinstatement date, not the original issue date. In this case, Mordecai??s policy lapsed after four years, was reinstated, and he committed suicide 12 months (less than two years) later. The incontestability clause (which prevents insurers from denying claims based on misstatements after two years) does not override the suicide exclusion, making A incorrect. Public order (B) is irrelevant, and there??s no evidence of a preexisting condition (D) affecting the suicide clause. Thus, Larry should inform the beneficiaries that the claim will be rejected due to the suicide exclusion restarting upon reinstatement, making C correct.
References:
IFSE Ethics and Professional Practice Course (Common Law), Module 2: Insurance Contracts, Section on "Suicide Clause" and "Reinstatement."

NEW QUESTION 54
- (Topic 2)
Edward and Shirley initiated a whole life insurance application for their daughter Christine when she was 15 years of age. As Christine was a student with limited income at the time, the agent set Edward and Shirley jointly as owning and paying the premiums of this policy. Edward was designated beneficiary. Who is the policyholder?

A. Christine, as she is the life insured.
B. Edward, as he is the designated beneficiary.
C. Edward and Shirley, as they are paying the premiums.
D. Edward and Shirley, as they are designated owners of the policy.

Answer: D

Explanation:
Comprehensive and Detailed in Depth Explanation with Exact Extract from Documents and Guides:
In insurance terminology, the policyholder (or policy owner) is the person or entity that owns the insurance contract and has the legal rights to make decisions about it, such as changing beneficiaries or cancelling the policy. TheIFSE Ethics and Professional Practice Course (Common Law)clearly distinguishes between the life insured (the person whose life is covered), the beneficiary (who receives the death benefit), and the policy owner. In this case, Edward and Shirley are explicitly designated as the joint owners of the policy, not merely premium payers. Christine, as the insured, has no ownership rights unless specified, and Edward??s status as beneficiary does not confer ownership. Paying premiums does not automatically make someone the policyholder unless they are also the designated owner. Therefore, option D is correct.
References:
IFSE Ethics and Professional Practice Course (Common Law), Module 2: Insurance Contracts, Section on "Policy Ownership and Roles."

NEW QUESTION 57
- (Topic 2)
Mercedes is a single mother to her 5-year-old son Arthur. Arthur's father Richard is not in his son's life because he is a recovering drug dealer who spent the last 4 years in and out of prison. Mercedes has full custody of Arthur and cannot count on help from her family because they live in another province.
Wanting to ensure his well-being, in the event of her death, Mercedes purchases a $100,000 life insurance policy and names Arthur the sole beneficiary of the policy. If she died without a will who would receive the death benefit?

A. Arthur
B. Richard
C. Director of youth protection
D. Mercedes's estate

Answer: A

Explanation:
Since Arthur is the named beneficiary on Mercedes' life insurance policy, the death benefit will be payable to him directly. Under LLQP provisions, life insurance proceeds designated to a minor beneficiary are generally paid into a trust or managed by a legal guardian until the minor reaches the age of majority.
In this case, because Mercedes died intestate (without a will), Arthur would still receive the
proceeds of the life insurance policy as the sole named beneficiary. However, since he is a minor, the Director of Youth Protection or a legal guardian may be appointed to manage the funds until Arthur becomes of age.

NEW QUESTION 59
- (Topic 2)
Ten years ago, Albert purchased a life insurance policy and designated his brother Stephen as the sole beneficiary. Albert is single and Stephen is his only family.

Albert is a frequent traveler and enjoys doing exotic sports in South Africa. During his trip in South Africa in July 2019, there was a heavy earthquake in the region and a lot of the buildings fell apart. It was reported that Albert could be drinking in one of the restaurants when the disaster happened. His body was not located at that time. The South African government declared the incident as a national disaster. After the incident, Stephen got a letter from the life insurance company indicating Albert??s life insurance was in grace period and a payment was required or it will lapse on August 15, 2019. Two weeks have passedsince the mail arrived and the grace period is over. The policy is now lapsed because Stephen was occupied with Albert??s disappearance. On October 1, 2019, Albert??s body is finally located in one of the building ashes. The coroner??s report indicated he died when the building collapsed. What should Stephen do to handle the life insurance matter?

A. Stephen should make a death claim because Albert died on the day when the earthquake occurred.
B. Stephen would not be able to make a claim because the policy already lapsed.
C. Stephen would not be able to make a claim because the coroner??s report came out after the policy lapsed.
D. Stephen could bring the policy back in force by telling the insurance company what happened and start paying the premium again.

Answer: A

Explanation:
Comprehensive and Detailed in Depth Explanation with Exact Extract from Documents and Guides:
TheIFSE Ethics and Professional Practice Course (Common Law)states that a life insurance policy??s coverage remains in effect during the grace period (typically 30 days) if the insured dies before it lapses. Albert died in July 2019 during the earthquake, within the grace period (ending August 15, 2019). The delay in finding his body or issuing the coroner??s report doesn??t negate the claim, as death occurred while the policy was active. Lapse after death (B, C) doesn??t apply, and reinstatement (D) is unnecessary since the
claim is valid based on the death date. Stephen should file a claim, making A correct. References:
IFSE Ethics and Professional Practice Course (Common Law), Module 2: Insurance Contracts, Section on "Grace Period and Claims."

NEW QUESTION 60
- (Topic 2)
Last year, Ezekiel purchased a $100,000 life insurance policy and named his wife Jolene as an irrevocable beneficiary of the policy. Last week, Ezekiel returned home early from a business trip and decided to surprise his wife instead of calling ahead. He arrived at midnight and not wanting to wake her, entered the house from the back door and left the lights off. Not expecting the intruder to be her husband, Jolene stabbed him in the heart with a kitchen knife. She quickly realized her mistake and called 911. Unfortunately, Ezekiel died in the hospital from his wounds. The police deemed Ezekiel's death as accidental, and no charges were filed. Will the insurer pay the death benefit?

A. Yes, because Ezekiel??s death was accidental, Jolene did not intend to kill him.
B. Yes, because Jolene is the designated irrevocable beneficiary.
C. No, because he died within the first 2 years of purchasing the policy.
D. No, because Jolene caused his death.

Answer: A

Explanation:
In situations where an accidental death occurs and the beneficiary is involved, the intent behind the act is critical in determining whether the death benefit will be paid. Since Jolene??s actions were not intentional and Ezekiel??s death was ruled accidental by the police, she did not willfully cause his death. According to LLQP guidelines, a death benefit is typically payable when the insured??s death is accidental and not due to intentional harm by the beneficiary.
Therefore, as Jolene acted without intent to harm Ezekiel, the insurer will likely pay the death benefit despite her being the cause of his accidental death.

NEW QUESTION 64
- (Topic 2)
Last week, at a dinner party, Dario, an insurance agent, met Andrew, a successful businessperson with a net worth of over $10 million. Dario spent the evening following Andrew around, telling him how he could help him manage his finances. The day after the meeting, Dario sent a fruit basket to Andrew's office. Every day since, Dario has been calling and urging Andrew to meet with him and take advantage of his services and insurance products.
Which duties and obligations did Dario break?

A. Duties and obligations towards the public
B. Duties and obligations towards clients
C. Duties and obligations towards other representatives, firms, independent partnerships, insurers and financial institutions
D. Duties and obligations towards the profession

Answer: A

Explanation:
Dario violated his duties and obligations towards the public by engaging in aggressive and unsolicited solicitation tactics. According to LLQP ethical guidelines, insurance agents must conduct themselves in a manner that upholds the integrity and reputation of the profession. This includes respecting the public??s privacy and avoiding high-pressure sales tactics.
The behavior described, where Dario persistently contacts Andrew and sends unsolicited gifts, can be seen as harassment, which is inconsistent with the standards expected of insurance representatives when interacting with the public. LLQP guidelines emphasize the importance of professionalism, transparency, and respect towards potential clients.

NEW QUESTION 66
- (Topic 2)
Callum is an agent with Neverland Insurance. It was recently discovered that he had been using a tied selling technique to double his sales with each client. Which one of the following organizations will take action against Callum??s conduct?

A. The Canadian Insurance Services Regulatory Organizations.
B. The provincial/territorial regulatory authority of the jurisdiction where Callum operates.
C. The Canadian Council of Insurance Regulators.
D. The Office of the Superintendent of Financial Institutions.

Answer: B

Explanation:

Comprehensive and Detailed in Depth Explanation with Exact Extract from Documents and Guides:
Tied selling—requiring clients to buy one product to get another—is unethical and prohibited under insurance regulations. TheIFSE Ethics and Professional Practice Course (Common Law)states that provincial/territorial regulatory authorities (e.g., Financial Services Commission of Ontario) oversee agent conduct and enforce compliance within their jurisdiction. Callum??s actions fall under their purview. The Canadian Insurance Services Regulatory Organizations (A) is not a specific body, the Canadian Council of Insurance Regulators (C) coordinates but doesn??t enforce, and the Office of the Superintendent of Financial Institutions (D) regulates federal financial institutions, not individual agents. Thus, B is correct.
References:
IFSE Ethics and Professional Practice Course (Common Law), Module 4: Regulatory Environment, Section on "Provincial/Territorial Regulators."

NEW QUESTION 70
- (Topic 2)
Mark and Jesse had a joint life insurance policy which they purchased on the advice of their insurance agent, recognizing that if one of them died, the other would need an insurance benefit to pay off their mortgage and for final expenses. Coverage is $450,000. Last week their car went off the road in a snowstorm. Both were declared dead at the scene. The two had named their adult nephew, Louis, as contingent beneficiary. What is the amount of the benefit the insurer will pay Louis?

A. $225,000.
B. $450,000.
C. $675,000.
D. $900,000.

Answer: B

Explanation:
Comprehensive and Detailed in Depth Explanation with Exact Extract from Documents and Guides:
A joint life insurance policy can be either "first-to-die" or "last-to-die." TheIFSE Ethics and Professional Practice Course (Common Law)explains that a first-to-die policy pays the death benefit upon the death of the first insured, typically to the surviving insured, while a last-to-die policy pays upon the death of the second insured, often to a contingent beneficiary. Here, the policy??s purpose (to benefit the survivor for mortgage and expenses) suggests a first-to-die structure. However, Mark and Jesse died simultaneously in the crash. In such cases, the policy pays the full benefit to the contingent beneficiary (Louis) as if one death triggered the payout. The coverage is $450,000, not split (A), multiplied (C), or doubled (D). Thus, Louis receives $450,000, making B correct.
References:
IFSE Ethics and Professional Practice Course (Common Law), Module 2: Insurance Contracts, Section on "Joint Life Policies and Simultaneous Death."

NEW QUESTION 74
- (Topic 2)
Chloe is a newly licensed financial security adviser. She is diligently learning about the profession and wants to do her job properly. She wonders when she is required to renew her certificate.
Which of the following answers is CORRECT?

A. Within 45 days following its expiry date.
B. Within 15 days following its expiry date.
C. Before it expires.
D. If and when her personal situation changes.

Answer: C

Explanation:
A financial security adviser must renew their certification before it expires to continue practicing legally. According to LLQP regulations, it is crucial for advisers to maintain a valid certificate to ensure compliance with regulatory standards and avoid lapses in their ability to provide services. Failing to renew on time could result in a suspension of the adviser??s ability to operate until the certificate is renewed.
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NEW QUESTION 75
- (Topic 2)
David, a respected career life insurance agent in his city, has a lot of older clients because he has been selling insurance for 35 years. One such senior, Craig Wilson, is 79 years old with a $150,000 universal life policy that he purchased in his 40s. Craig has several medical issues and may not live too much longer. Craig wants to create a bucket list in his final days but he has no savings to do the things he wants. So he contacts David to see if there is someone who can give him $50,000 now in exchange for the $150,000 insurance payout at his death. David knows a wealthy businessman who would purchase this policy as Craig wishes.
What practice is David engaging in?

A. This is referred to as "churning."
B. This is referred to as "anti-selection."
C. This is referred to as "trafficking."
D. This is referred to as "tied selling."

Answer: C

Explanation:
Comprehensive and Detailed in Depth Explanation with Exact Extract from Documents and Guides:
TheIFSE Ethics and Professional Practice Course (Common Law)defines "trafficking" (or "policy trafficking") as the unethical practice of arranging the sale or transfer of an insurance policy to a third party, typically for less than its face value, often involving vulnerable clients like seniors. Here, David is facilitating Craig selling his $150,000 policy for $50,000 to abusinessman, which fits this definition. Churning (A) involves replacing policies to earn commissions, anti-selection (B) refers to adverse risk selection by clients, and tied selling (D) links product purchases. Trafficking violates ethical standards and insurable interest principles, making C correct.
References:
IFSE Ethics and Professional Practice Course (Common Law), Module 1: Ethics and Professionalism, Section on "Unethical Practices – Trafficking."

NEW QUESTION 78
- (Topic 2)

Ariana is a Vancouver restauranteur who owns a $250,000 universal life (UL) insurance policy with a cash surrender value that has grown considerably over the years. Unfortunately, her restaurant has fallen on hard times and in an effort to turn the business around, she takes out a string of business loans that she personally guaranteed. To protect her life insurance from creditors, she changes the beneficiary designation from her estate, naming her husband as a revocable beneficiary. Despite her efforts, the restaurant??s profits do not improve, and she is forced to close her business and file for bankruptcy. Can her creditors seize her cash surrender value?

A. Yes, because she changed her beneficiary designation to hinder creditors.
B. Yes, because she has money accumulated in her cash surrender value.
C. No, because her husband is a protected class beneficiary.
D. No, because the creditors can only go after the restaurant's assets.

Answer: C

Explanation:
In most Canadian provinces, if a policyholder names a spouse as the beneficiary of a life insurance policy, the cash surrender value of the policy is generally protected from creditors, as long as the spouse qualifies as a ??protected class?? beneficiary. By designating her husband as a beneficiary, Ariana's policy benefits and cash surrender value are typically shielded from her personal creditors, even in the event of bankruptcy.
However, if she had named her estate as the beneficiary, the cash surrender value could have been subject to claims by creditors during her bankruptcy.

NEW QUESTION 82
- (Topic 2)
Levi is a newly licensed financial security advisor in Quebec City, meeting with Mason, the compliance officer at Yes Insurance Inc. Mason stresses the importance of being professional and complying with the code of ethics. Levi asks who enacted the code of ethics.
Which of the following is Mason's CORRECT response?

A. Autorit?? des march??s financiers (AMF).
B. Chambre de la s??curit?? financi??re (CSF).
C. Canadian Insurance Services Regulatory Organizations (CISRO).
D. Canadian Council of Insurance Regulators (CCIR).

Answer: B

Explanation:
In Quebec, theChambre de la s??curit?? financi??re(CSF) is responsible for enacting and enforcing the Code of Ethics for financial security advisors. The CSF ensures that professionals, like financial security advisors, adhere to ethical standards and provide clients with competent and honest services.
The Autorit?? des march??s financiers (AMF) oversees the financial market in Quebec, but the CSF specifically regulates the ethical conduct of financial advisors, including those selling life insurance and financial security products.

NEW QUESTION 86
- (Topic 2)
Samir applied for a life insurance policy 18 months ago. At the time of the application, he was employed as an accountant. Samir quit his accounting job 6 months ago to become a professional scuba diver.
Which of the following statements about Samir??s life insurance policy is CORRECT?

A. Samir must inform his insurer about his change of occupation within 6 months of the change.
B. Samir is not required to declare his change in occupation because the policy is less than 2 years old.
C. Regardless of whether Samir informs his insurer of his change in occupation, if he dies while scuba diving, he would not be covered.
D. Samir has no obligation to notify the insurer of his change of occupation regardless of how old the policy is.

Answer: D

Explanation:
In life insurance policies, once the policy is issued, the insured does not need to notify the insurer of any changes in occupation. The premiums and coverage are based on the occupation and risk profile at the time of application, and life insurance contracts do not generally require updates on occupational changes unless explicitly stated.
Therefore, regardless of Samir??s current job as a scuba diver, his life insurance policy remains in force without the need for notification to the insurer. This is different from disability insurance, which may consider occupation changes to reassess risk and benefits.
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NEW QUESTION 90
- (Topic 2)
Josh is a successful insurance agent with Smart Insurance Inc. who mentors new agents and gives them tips on how to increase their client base. He tells Clarence, a new agent, that he should send an email to close friends and family members to explain the services that he now offers. Clarence is worried about sending unsolicited promotional emails because Firash, the compliance manager, had told him that the practice is not allowed. What legislation was Firash correctly referencing?

A. The Personal Information Protection and Electronic Documents Act (PIPEDA).
B. The Privacy Act.
C. Canada??s Anti-Spam Legislation (CASL).
D. The Criminal Code.

Answer: C

Explanation:
Canada??s Anti-Spam Legislation (CASL) regulates the sending of commercial electronic messages (CEMs) without the recipient??s consent. CASL requires explicit consent before sending unsolicited promotional emails, even to friends and family, if the messages are for commercial purposes. Clarence??s concern about compliance with CASL is valid, as sending unsolicited emails could result in penalties for violating this legislation.
PIPEDA and the Privacy Act relate to privacy and personal information protection but do not specifically address unsolicited electronic communications.

NEW QUESTION 93
- (Topic 2)
Kalei owns a $250,000 life insurance policy with an accumulated cash surrender value of $75,000. She meets with her insurance agent Pamela to inform her that she quit her job last week. She wants to start an online business and needs $40,000 to fund the inventory and coverher living expenses for a few months. She heard that it was possible to obtain a loan using her policy at a 5% interest rate. Which of the following statements about collateral assignment is CORRECT?

A. Upon Kalei's death, the insurance company will only reimburse the bank the entire $40,000 that she borrowed.
B. Kalei is prohibited from doing anything with her policy that could affect the value of the security.
C. Kalei must name the bank as an irrevocable beneficiary of the policy until the debt is paid off.
D. The bank is the new policyholder and beneficiary of the policy.

Answer: B

Explanation:
When a life insurance policy is used as collateral for a loan, the policyholder retains ownership but must avoid actions that could reduce the value of the policy as collateral, such as reducing the cash value or cancelling the policy. This restriction ensures that the lender??s security interest in the policy remains protected until the debt is repaid.
In collateral assignments, the policyholder does not transfer ownership to the lender, nor is there a requirement to designate the lender as an irrevocable beneficiary. The assignment simply grants the lender a right to claim the policy proceeds to cover the loan amount if the policyholder defaults or passes away.

NEW QUESTION 94
- (Topic 2)
Andre, an insurance agent, meets with his client Jasper to discuss his $150,000 whole life insurance policy. Jasper is deeply indebted and needs at least $40,000 to cover his debt. Andre tells him about a company he knows that will be willing to give him $75,000 if he assigns his policy to them. Did Andre act appropriately?

A. No, because Jasper is not allowed to assign his policy to an arms-length entity.
B. No, because trafficking in insurance is discouraged by the insurance industry.
C. Yes, because he is helping his client pay off his debt.
D. Yes, as long as this practice is not illegal in his province of residence.

Answer: B

Explanation:
The practice of trafficking in insurance involves selling or assigning a life insurance policy to a third party, often at a discounted rate, which is typically discouraged within the insurance industry due to ethical concerns and potential misuse. The LLQP materials warn against such practices as they can be perceived as exploiting insurance contracts for profit, rather than for their intended purpose of providing financial security. Therefore, Andre acted inappropriately by suggesting this arrangement without considering the ethical implications.

NEW QUESTION 99
- (Topic 2)
Brian gives his lawyer Dave $200,000 that will be used as a down payment to purchase a condo. Brian received these funds from his mother??s life insurance death benefit. The money is deposited into Dave??s trust account. Unbeknownst to Brian, Dave is going through financialhardship. If Dave files for bankruptcy while Brian's funds are still in his trust account, can the bankruptcy trustee seize the funds?

A. Yes, because the account is in Dave??s name.
B. Yes, because life insurance benefits, once paid out, are seizable.
C. No, because the money does not belong to Dave.
D. No, because trust accounts are protected from seizure by creditors.

Answer: C

Explanation:
Funds placed in a lawyer??s trust account are legally considered to be held in trust for the client, meaning they remain the property of the client, not the lawyer. In the case of Dave??s bankruptcy, his creditors cannot claim Brian's money, as it is not an asset of Dave's estate but is held specifically for Brian??s use. LLQP guidelines recognize the principle that assets held in trust are protected from the trustee??s personal creditors.
Hence, Brian??s funds in Dave??s trust account would not be seizable by Dave??s bankruptcy trustee.

NEW QUESTION 104
- (Topic 2)
It??s Friday afternoon and Olivier, an insurance agent, has just received the paper copy of his client??s insurance contract. Olivier is about to leave on a three-day weekend, and he's already late for his camping reservation. He wonders if he should delay his departure to deliver the document, or if it can wait until he gets back on Tuesday. How long does Olivier have to deliver the contract?

A. Within 10 days of receiving it.
B. Within 15 days of receiving it.
C. Within 30 days of receiving it.
D. Within a reasonable time.

Answer: D

Explanation:
Life insurance agents are generally required to deliver the insurance contract to the client within a ??reasonable time?? to ensure that the client is promptly informed of the policy??s terms andconditions. This standard is set to prevent undue delays that might affect the client's rights and their free look period. While no specific timeframe is always mandated, it is commonly understood within the LLQP guidelines that timely delivery is essential for compliance. Therefore, Olivier can reasonably wait until after his weekend to deliver the contract on Tuesday, as this would still fall within a reasonable time.

NEW QUESTION 105
- (Topic 3)
Jonas recently graduated with his engineering degree and is joining the Alberta Engineering Association. He is informed that the association offers a group plan to

all members. Jonas wants to join the plan but wishes to know who will pay the premiums for the coverage.
Which of the following answers is CORRECT?

A. The members must pay 100% of the premiums.
B. The Association will pay 100% of the premiums.
C. The premiums are split between the members and the association.
D. Initially, the members must pay 100% of the premiums but after 3 years in the plan, the premiums are split with the association.

Answer: A

Explanation:
Typically, when associations like the Alberta Engineering Association offer group insurance plans, these plans arevoluntary, and members are generally responsible for paying the full premium. This arrangement is common in association group plans, where membership is optional, and individuals must choose to opt in and pay their share. The LLQP materials outline that association-sponsored group plans often work this way unless otherwise specified, as there is no indication that the association shares in the premium costs.

NEW QUESTION 108
- (Topic 3)
Vladimir is a new insurance agent with Family-Assure Inc. He and his supervisor Petros are reviewing the information collected during Vladimir's first meeting with Vanessa, a restaurant owner looking to add to her existing disability insurance (DI) coverage. Petros notices an overlap among sources, although the existing coverage appears adequate. Petros reminds Vladimir to explain to Vanessa how she would be impacted if she were to claim disability benefits.
What should Vladimir tell Vanessa?

A. Her DI benefits may be scaled back accordingly.
B. It is more prudent to leave current coverage in place regardless of the overlap.
C. Overlapping among sources may result in longer waiting periods.
D. The insurer may refuse payment due to the appearance of fraud.

Answer: A

Explanation:
Disability insurance benefits can be subject tointegrationoroffset provisions, especially if multiple sources of DI coverage exist. These provisions prevent the insured from receiving a total disability benefit amount that exceeds a certain percentage of pre-disability income. Vladimir should inform Vanessa that her benefits might be adjusted to avoid over-insurance and to align with her income levels. This aligns with the LLQP materials, which emphasize that overlapping coverage sources may lead to reductions in benefits from one source to maintain proportionality with earned income.

NEW QUESTION 109
- (Topic 3)
Paul is a self-employed props person in the film industry. A year ago, he purchased disability insurance with an accidental death and dismemberment (AD&D) rider. During a film shoot, the wood floor of the film set catches fire due to his negligence and he loses sight in one eye. Hisdoctor prescribes complete rest for five months. How will the insurer compensate Paul under the circumstances?

A. Paul will receive a lump-sum benefit because of the loss of sight in one eye and monthly benefits for the duration of his disability.
B. Paul will receive monthly benefits due to the loss of sight in one eye because he is automatically considered disabled under his policy.
C. Paul will only receive a lump-sum benefit for the loss of his eye; he is not disabled as he only needs rest.
D. Paul will receive no benefits because the accident was caused by his negligence and an exclusion applies.

Answer: A

Explanation:
Comprehensive and Detailed Explanation:
AD&D pays a lump sum for loss of sight in one eye (a scheduled loss), and disability insurance pays monthly benefits if Paul can??t work (five months?? rest) (Chapter 2:Insurance to Protect Income). Negligence isn??t a standard exclusion unless specified.
Option A: Correct; both benefits apply.
Option B: Incorrect; monthly benefits aren??t automatic. Option C: Incorrect; rest qualifies as disability.
Option D: Incorrect; negligence isn??t an exclusion.
Reference: LLQP Accident and Sickness Insurance Manual, Chapter 2:Insurance to Protect Income.

NEW QUESTION 113
- (Topic 3)
Joshua took out key person disability insurance for his computer engineer, Younes. Monthly benefits after a 60-day waiting period amount to $5,000 a month for 12 months with a replacement expense benefit rider of $2,500 a month. Following a ski accident, Younes remainedin a coma. It took Joshua six months to find a replacement with the same knowledge and skills as Younes. How much did Joshua receive from the insurer?

A. $75,000
B. $65,000
C. $60,000
D. $50,000

Answer: B

Explanation:
Comprehensive and Detailed Explanation:
Key person insurance pays $5,000/month for 12 months max (total $60,000) after a 60-day wait. Replacement expense rider pays $2,500/month during replacement (6 months = $15,000). Total: $5,000 ?? 10 months (post-wait) = $50,000 + $15,000 = $65,000 (Chapter 5:Insurance to Protect Businesses).
Option A: Incorrect; overestimates. Option B: Correct; $65,000.
Option C-D: Incorrect; underestimates.
Reference: LLQP Accident and Sickness Insurance Manual, Chapter 5:Insurance to Protect Businesses.

NEW QUESTION 118
- (Topic 3)
Renato??s new employer has just informed him that he is now eligible to join the company??s group insurance plan. He could thus benefit from life, disability, and prescription drug coverage. Renato promptly fills out the paperwork to apply for the plan??s basic coverage. Wondering if the process will involve medical underwriting at any point, he asks an agent from the group insurance provider. What should the agent tell him?

A. Medical underwriting is required both upon application and when filing a claim.
B. Medical underwriting is required upon application, but not when filing a claim.
C. Medical underwriting is required (retroactively) when filing a claim, but not upon application.
D. No medical underwriting is required, neither upon application nor when filing a claim.

Answer: D

Explanation:
Comprehensive and Detailed Explanation:
Group plans typically waive medical underwriting for basic coverage upon enrollment (Chapter 8:Group Plan Specifics).
Option A: Incorrect; not standard.
Option B: Incorrect; not required at application. Option C: Incorrect; no retroactive underwriting.
Option D: Correct; no underwriting for basic group coverage.
Reference: LLQP Accident and Sickness Insurance Manual, Chapter 8:Group Plan Specifics.

NEW QUESTION 119
- (Topic 3)
Rene, age 39, is a framing carpenter at a company that builds doors and windows. He has group disability insurance equivalent to 60% of his annual salary, which is $70,000. His monthly living expenses are $3,500. Since he has no pension plan at work, Rene has enrolled in an individual RRSP through payroll deductions ($1,000 per month). His RRSP savings currently amount to $45,000. In addition, Rene has $10,000 in a non-registered savings account. What should Rene??s life insurance agent advise him?

A. Rene is already sufficiently protected through his group disability insurance.
B. Rene is already sufficiently protected through his group disability insurance and his RRSP.
C. Rene should, in addition, buy $1,000 per month of individual disability insurance, given his RRSP commitment.
D. Rene should, in addition, buy individual disability insurance covering 40% of his salary for unexpected expenses.

Answer: D

Explanation:
Comprehensive and Detailed Explanation:
Rene??s salary is $70,000/year, and his group disability insurance provides 60% of this, or $42,000/year ($70,000 ?? 0.60), equating to $3,500/month ($42,000 ?? 12). His monthly expenses are $3,500, so this just covers his needs if disabled. However, the LLQP stresses considering unexpected expenses (e.g., medical costs, inflation) beyond basic living expenses (Chapter 2:Insurance to Protect Income).
RRSP contribution: $1,000/month, savings: $45,000 (registered) + $10,000 (non- registered).
40% of salary = $70,000 ?? 0.40 = $28,000/year or $2,333/month.
Option A: Incorrect; $3,500/month matches expenses but leaves no buffer for unforeseen costs.
Option B: Incorrect; RRSPs are for retirement, not disability liquidity, and don??t enhanceimmediate protection.
Option C: $1,000/month additional coverage is arbitrary and insufficient for 40% of salary; it doesn??t align with needs analysis.
Option D: Correct; 40% of salary ($2,333/month) on top of $3,500 provides $5,833/month, offering a safety net for unexpected expenses, consistent with LLQP??s holistic protection approach (Chapter 6:Client Profile).
Reference: LLQP Accident and Sickness Insurance Manual, Chapter 2:Insurance to
Protect Income, Chapter 6:Client Profile.

NEW QUESTION 121
- (Topic 3)
Larry, an insurance agent, meets with Ethan, a freelance photographer, to review his insurance needs. Larry tells Ethan that he wants to collect all pertinent financial information to prepare a net worth statement for Ethan.
Why does Larry want to prepare Ethan??s net worth statement?

A. To have enough information to identify where Ethan spends his money.
B. To determine Ethan's various sources of income.
C. To determine how much Ethan can spend on accident and sickness insurance premiums.
D. To determine if Ethan has enough resources to cover medical expenses if he had a medical emergency.

Answer: D

Explanation:
Anet worth statementassesses an individual??s total financial assets and liabilities, providing insight into their overall financial health. For Ethan, as a freelance photographer, understanding his net worth is essential to determine whether he has sufficient resources to manage unexpected expenses, such as medical costs from a potential emergency. This assessment helps Larry gauge Ethan's ability to withstand financial shocks, which is crucial when planning for accident and sickness insurance coverage. While cash flow statements provide details on income and expenses, net worth statements are specifically used to evaluate financial resources available for emergencies.

NEW QUESTION 123
- (Topic 3)
Vincent, aged 55, plans to retire 10 years from now after a 40-year career with the federal government. He will then receive a federal pension and will benefit from a retiree health plan. His wife Catherine is 15 years younger than him. Vincent also has an RRSP that he intends on using in part to fund his travel plans in retirement, and in part to leave a lump sum to Catherine for her living expenses after he dies. Vincent has planned his budget carefully and feels confident that he has thought of everything. What may Vincent??s insurance agent suggest he consider to safeguard his retirement?

A. Critical illness insurance to pay for unexpected medications.
B. Long-term care insurance to prevent depleting his RRSP due to a serious illness.
C. Extended health insurance to pay for an unexpected hospital stay.

D. Disability insurance to replace his income for injuries lasting longer than 90 days.

Answer: B

Explanation:
Comprehensive and Detailed Explanation:
Vincent??s pension and health plan cover income and basic health needs. LTC insurance protects his RRSP from depletion due to care costs, ensuring funds for travel and Catherine??s inheritance (Chapter 4:Insurance to Protect Savings).
Option A: Unnecessary; retiree health likely covers medications. Option B: Correct; LTC preserves savings.
Option C: Redundant; retiree plan covers hospital stays. Option D: Irrelevant; he??s retiring, not working.
Reference: LLQP Accident and Sickness Insurance Manual, Chapter 4:Insurance to Protect Savings.

NEW QUESTION 127
- (Topic 3)
Luc is married and the father of two teenagers. His annual salary is $60,000. His wife Marie works part-time with an annual salary of $24,000. The family??s monthly expenses are $3,500. Luc and Marie are not members of any group benefit plan. What is the minimum monthly amount of disability insurance coverage that Luc needs to cover his risk of disability?

A. $1,500
B. $3,500
C. $5,000

Answer: B

Explanation:
Comprehensive and Detailed Explanation:
Luc earns $60,000/year ($5,000/month), Marie earns $24,000/year ($2,000/month), totaling $7,000/month. Expenses are $3,500/month. If Luc is disabled, Marie??s $2,000 leaves a $1,500 shortfall. However, Luc needs $3,500/month to fully replace expenses, assuming Marie??s income isn??t relied upon (Chapter 2:Insurance to Protect Income).
Option A: Insufficient; $1,500 + $2,000 = $3,500 but assumes Marie??s income. Option B: Correct; $3,500 ensures full coverage.
Option C: Excessive; over-insures.
Reference: LLQP Accident and Sickness Insurance Manual, Chapter 2:Insurance to Protect Income.

NEW QUESTION 131
- (Topic 3)
Dora meets with the following clients, each of whom fills out a disability insurance application:
• Scott, a ski instructor who skydives every weekend in the summer,
• Lamar, a librarian who drives to work daily and spends his free time collecting stamps and watching nature shows,
• Timothy, an administrative assistant who walks 30 minutes each way to and from work, and
• Yashar, an accountant who participates in 5 online chess competitions a week and studies chess in his spare time.
All else being equal, which of Dora??s clients will qualify for the most favorable insurance premium?

A. Scott
B. Lamar
C. Timothy
D. Yashar

Answer: B

Explanation:
Insurance premiums are typically based on risk factors such as occupation and lifestyle. Among the clients listed,Lamar, the librarian, has the lowest-risk lifestyle and occupation. Librarians are generally considered low-risk occupations for disability insurance, and his hobbies (collecting stamps and watching nature shows) carry no added risk factors. Scott??s high-risk activities (skiing and skydiving) would likely lead to higher premiums, while Lamar??s low-risk profile qualifies him for the most favorable premium, according to LLQP underwriting principles.

NEW QUESTION 134
- (Topic 3)
Arthur is a 79-year-old long-term care (LTC) policyholder whose daughter, Sheila, visits daily to help him get dressed and prepare meals. Sheila wants him to enter a nursing home because heisunable to dress himself. Though he cannot prepare his own meals, he can still feed himself, and once undressed, he can wash himself, seated in the bathtub.
Is Arthur eligible to receive LTC benefits?

A. Yes, Arthur is eligible because he cannot dress himself or prepare his own meals.
B. Yes, Arthur is eligible because he is unable to dress himself and he must sit in the bathtub to wash himself.
C. No, Arthur is not eligible because even though he cannot prepare his own meals, he is able to feed himself.
D. No, because except for dressing himself, Arthur can perform all the other activities of daily living.

Answer: D

Explanation:
Arthur??s eligibility for Long-Term Care (LTC) benefits depends on his inability to perform a specified number ofActivities of Daily Living (ADLs), which generally include bathing, dressing, feeding, toileting, transferring, and continence. In most LTC policies, to qualify for benefits, the policyholder typically needs to be unable to perform at least two of these ADLs. In Arthur's case, while he requires help with dressing and meal preparation, he can perform other ADLs such as feeding himself and bathing (with some assistance). This indicates that he can perform enough ADLs to make him ineligible under the typical LTC requirements. Therefore, option D is correct, as his inability to dress alone does not meet the usual threshold required for benefit eligibility under most LTC policies.

NEW QUESTION 139
- (Topic 3)

Alex, aged 35, has worked for many years as a salesman in a small used car dealership. He earns $70,000 a year. He has no group insurance at work and no individual insurance. Single and without children, his priority is to save enough money to retire at age 60. He makes regular contributions to his RRSPs, in which he has accumulated $400,000. He owns a condo valued at $250,000 on which he has an uninsured mortgage of $150,000. What financial risk is Alex most exposed to?

A. Inflation.
B. Loss of income.
C. Longevity.
D. Drop in standard of living.

Answer: B

Explanation:
Comprehensive and Detailed Explanation:
Alex??s $70,000 income supports his RRSP contributions and $150,000 mortgage. With no disability insurance, a loss of income due to disability is his greatest risk (Chapter 2:Insurance to Protect Income).
Option A: Inflation affects savings value but isn??t immediate.
Option B: Correct; no income protection threatens his mortgage and savings plan. Option C: Longevity is a retirement risk, not current.
Option D: Standard of living drops if income is lost, but loss of income is the root risk. Reference: LLQP Accident and Sickness Insurance Manual, Chapter 2:Insurance to Protect Income.

NEW QUESTION 144
- (Topic 3)
Vintage Style Inc. is a clothing company with 20 employees participating in its group retirement and group insurance plan. Premiums for the group insurance plan are calculated on previous claims. If the benefits paid are lower than anticipated, the premiums may decrease at renewal. However, if the benefits paid are higher than anticipated, the premiums payable may be subject to an increase.
Which of the following funding formulas does Vintage use in its group insurance plan?

A. Non-refund accounting.
B. Refund accounting.
C. Administrative services only.
D. Claims experience.

Answer: B

Explanation:
The description of Vintage Style Inc.??s group insurance plan indicates that therefund accountingmethod is used. In refund accounting, premiums are adjusted based on the actual claims experience. If claims are lower than expected, the insurer may issue a refund or reduce future premiums. Conversely, if claims exceed expectations, premiums may increase at renewal. This funding formula is commonly used in group plans to align premium costs with the actual risk and claims experience of the group, which is consistent with the plan characteristics mentioned in the LLQP material.

NEW QUESTION 145
- (Topic 3)
The one-year anniversary of Sally??s disability policy is quickly approaching. She recently received a letter in the mail from the insurer outlining the requirements to increase her monthly benefit via the future purchase option she added when she initially got the policy. What is required of Sally to increase her monthly benefit?

A. Medical underwriting.
B. Financial underwriting.
C. Paramedical exam.
D. Inspection report.

Answer: B

Explanation:
Comprehensive and Detailed Explanation:
Future purchase options require financial underwriting (proof of income increase), not medical, to adjust benefits (Chapter 7:Insurance Recommendation, Contract, and Service Needs).
Option A: Incorrect; waived with rider. Option B: Correct; income-based. Option C-D: Incorrect; not required.
Reference: LLQP Accident and Sickness Insurance Manual, Chapter 7:Insurance Recommendation, Contract, and Service Needs.

NEW QUESTION 150
- (Topic 3)
Patricia is a laboratory technician who normally earns $4,000 a month. A few months ago, she injured her leg rollerblading and was unable to work for four months. Since she owns a disability insurance policy with a residual benefit option, she received $2,400 a month from the insurer. Now that she is recovered, her doctor has cleared her to slowly return to work. Since she cannot work her regular full-time hours, her pay has decreased to $3,000 a month.
How much will she receive from her residual benefit when she returns to work?

A. $0
B. $600
C. $1,000
D. $2,400

Answer: B

Explanation:
A residual benefit in a disability insurance policy provides partial benefits if the insured returns to work in a reduced capacity and suffers a loss of income. Patricia??s income has decreased from $4,000 to $3,000, representing a 25% reduction in income ($1,000 loss out of $4,000). Since her policy provides a residual benefit, she will receive 25% of her original monthly benefit, which is25% of $2,400, amounting to $600. This is calculated to supplement her reduced earnings, aligning with the guidelines on residual benefits provided by LLQP.

NEW QUESTION 151
- (Topic 3)
Wesley is a self-employed plumber. He meets with a licensed life insurance agent to explore his options regarding disability insurance. Wesley??s earnings have been stable over the past few years.His business generates gross income of $120,000 annually and write-off expenses of $30,000. Wesley??s average income tax rate is 30%. What income amount should be used to calculate the maximum disability benefits Wesley is entitled to?

A. $120,000
B. $90,000
C. $84,000
D. $63,000

Answer: D

Explanation:
Comprehensive and Detailed Explanation:
Disability insurance benefits are calculated based onnet incomeafter business expenses and taxes, as per the LLQP guidelines, to reflect the income actually available for living expenses (Chapter 2:Insurance to Protect Income).
Gross income: $120,000 Business expenses: $30,000
Net income before tax: $120,000 - $30,000 = $90,000 Tax rate: 30%
Tax payable: $90,000 ?? 0.30 = $27,000
Net income after tax: $90,000 - $27,000 = $63,000
The maximum disability benefit is typically based on this after-tax net income, often insurable up to 60-75% depending on the policy. $63,000 is the correct base amount for calculation, aligning with standard underwriting practices.
Option A ($120,000): Incorrect; uses gross income, not net.
Option B ($90,000): Incorrect; uses pre-tax net income, ignoring tax impact. Option C ($84,000): Incorrect; no clear basis for this figure.
Option D ($63,000): Correct; reflects net income after expenses and taxes. Reference: LLQP Accident and Sickness Insurance Manual, Chapter 2:Insurance to Protect Income.

NEW QUESTION 155
- (Topic 3)
Juniper, 69, suffered a stroke a few weeks ago which left her partially paralyzed and has severely reduced her mobility. Since the stroke, she is unable to leave her home. She benefits from regular visits from nurses, massage therapists, and housekeepers. Juniper wants to claim the services on her long-term care (LTC) insurance policy and would like to know how the claim will be processed and paid.
Which of the following answers is CORRECT?

A. The insurer will pay the nurse and the massage therapist directly and Juniper will have to pay the housekeeper out of pocket.
B. Juniper will have to pay for all of the services first and then submit the receipts for all qualifying expenses to her insurer for reimbursement under the home care clause of her LTC policy.
C. The insurer will pay for all of the services directly.
D. Juniper will have to pay for all the services, but she could only claim for reimbursement of the costs of the nursing care, under the home care clause of her LTC policy.

Answer: B

Explanation:
Long-term care (LTC) insurance policies with home care benefits typically require the insured to cover the costs upfront and then submit receipts for reimbursement. Juniper, having regular services from nurses, massage therapists, and housekeepers, would need to pay for these services initially and then file a claim for reimbursement of qualifying expenses, as per the terms of her LTC policy. Generally, such policies cover medically necessary services like nursing care, and possibly massage therapy, but may not include housekeeping as a reimbursable expense. This approach ensures that only eligible services as defined by the policy are reimbursed.

NEW QUESTION 160
- (Topic 3)
Nikolai owns a guaranteed renewable individual disability policy that he purchased last year. The policy pays a monthly benefit of $3,000 and includes a 4-month waiting period and a 5-year benefit period. Today, he is diagnosed with prostate cancer and learns he must undergo 6 months of radiation.
When should he contact the insurance company to inform them of his diagnosis?

A. As soon as he receives his diagnosis.
B. Within 30 days of receiving his diagnosis.
C. As soon as his waiting period is over.
D. As soon as his treatment finishes.

Answer: A

Explanation:
Nikolai should inform his insureras soon as he receives his diagnosis. Prompt notification is crucial as it ensures that his claim process can begin, including the assessment of eligibility, documentation, and verification. Additionally, reporting the diagnosis early helps the insurermonitor his waiting period of four months and plan for benefit payments starting at the end of this period. LLQP materials recommend early communication with the insurer to avoid delays in claim processing.

NEW QUESTION 165
- (Topic 3)
Denise, aged 52, is a nurse in a facility for seniors who can no longer live independently. She earns $45,000 a year, with a marginal tax rate of 38%. She has very little savings and is aware that, if she became unable to live independently herself, she could not afford the $4,500 a month it costs to live in a facility such as the one she works at. However, Denise recently learned that she could purchase affordable long-term care insurance. Taking the underwriting requirements into account, how much coverage should she take out?

A. $4,500 per month.
B. $2,325 per month.
C. $2,250 per month.
D. $1,395 per month.

Answer: A

Explanation:
Comprehensive and Detailed Explanation:
Long-term care (LTC) insurance covers costs like assisted living facilities. Denise??s need is $4,500/month, and underwriting ensures coverage matches this expense (Chapter 4:Insurance to Protect Savings).
Net income: $45,000 ?? (1 - 0.38) = $27,900/year or $2,325/month. Option A: Correct; $4,500 matches her stated need.
Option B: Insufficient; $2,325 is her net income, not care cost. Option C: Arbitrary; doesn??t meet $4,500.
Option D: Insufficient; far below need.
Reference: LLQP Accident and Sickness Insurance Manual, Chapter 4:Insurance to Protect Savings.

NEW QUESTION 168
- (Topic 3)
On June 5, Karl completed an application for critical illness coverage and paid an annual premiumof $1,250. On June 25, the underwriter approved the policy under standard conditions and sent it to the agent, who received it on July 7. The agent contacted the client on August 8 and the date for delivery was set at August 10. On August 12, Karl learns that he will lose his job at the end of the month. As such, he decides to cancel the policy, returning it to the insurer on August 15. What is the rule governing Karl??s right to have his premium refunded?

A. He is entitled to a refund, because the policy was returned within 10 days of delivery.
B. He is not entitled to a refund, because the policy was approved more than 30 days ago.
C. He is entitled to a refund, because the representative delivered the policy more than 10 days after its issuance.
D. He is not entitled to a refund, because the application was signed more than 30 days ago.

Answer: A

Explanation:
Comprehensive and Detailed Explanation:
The 10-day ??free look?? period starts upon delivery (August 10); Karl returned it August 15 (within 5 days), entitling him to a refund (Chapter 7:Insurance Recommendation, Contract, and Service Needs).
Option A: Correct; within 10 days.
Option B-D: Incorrect; refund tied to delivery, not approval or application. Reference: LLQP Accident and Sickness Insurance Manual, Chapter 7:Insurance Recommendation, Contract, and Service Needs.

NEW QUESTION 169
- (Topic 3)
Juliette owns a medium-sized business with approximately 100 employees. Three years ago, she set up a small group benefits plan. Her employees, however, are unhappy with the coverages offered under the plan. Moreover, for tax purposes, the group plan shares the cost of disability premiums with the employees—an expense they do not welcome. What should Juliette??s agent tell her?

A. She should instead opt for an EHT, which affords more flexibility with no tax implications for her employees.
B. She should instead opt for a PHSP, which provides more flexible and tax-free disability benefits.
C. Her existing group plan is the best solution, because a group of that size would not be able to take advantage of other ??grouped?? alternatives.
D. The existing group plan is the most cost-effective and tax-free way to provide these benefits.

Answer: B

Explanation:
Comprehensive and Detailed Explanation:
A Private Health Services Plan (PHSP) offers flexible, tax-free benefits (employer-paid premiums are deductible, benefits non-taxable), addressing employee dissatisfaction and tax concerns (Chapter 8:Group Plan Specifics).
Option A: Incorrect; EHT (Employer Health Tax) isn??t insurance. Option B: Correct; PHSP fits needs.
Option C-D: Incorrect; group plan isn??t optimal or tax-free for employees. Reference: LLQP Accident and Sickness Insurance Manual, Chapter 8:Group Plan Specifics.

NEW QUESTION 173
- (Topic 3)
Brian is a machinist. For the past seven years, he??s worked for a company that offers a group benefits plan. Under that plan, the premiums for long-term disability coverage are entirely paid by the employees. Last year, an injury forced Brian to stop working for eight months. After a four-month waiting period, during which he collected Employment Insurance (EI) benefits, Brian received long-term disability (LTD) benefits from the group plan??s insurer. Brian is now preparing his income tax return and wonders about the tax implications of the different benefits he received while on disability. What statement accurately describes the tax treatment of Brian??s EI and LTD benefits?

A. Both the EI benefits and LTD benefits are taxable income.
B. The EI benefits are taxable income, the LTD benefits are tax-free.
C. The EI benefits are tax-free, the LTD benefits are taxable income.
D. Both the EI benefits and LTD benefits are tax-free.

Answer: B

Explanation:
Comprehensive and Detailed Explanation:
EI benefits are taxable as income under Canadian law. LTD benefits are tax-free if the employee pays 100% of the premiums, as in Brian??s case (Chapter 8:Group Plan Specifics).
Option A: Incorrect; LTD is tax-free here. Option B: Correct; EI taxable, LTD tax-free. Option C: Incorrect; EI is taxable.
Option D: Incorrect; EI is taxable.
Reference: LLQP Accident and Sickness Insurance Manual, Chapter 8:Group Plan Specifics.

NEW QUESTION 178
- (Topic 3)

Marc, age 35, is a self-employed electrician. His annual income is approximately $60,000. His spouse Veronique works part-time and earns an annual income of $15,000. Marc and Veronique are parents of two young children. Their monthly financial obligations with regard to rent, car, clothing, and food amount to $3,000.
What accident and sickness insurance protection do Marc and Veronique primarily need?

A. Disability coverage of $3,000 per month for Marc.
B. Disability coverage of $3,000 per month for Veronique.
C. Disability coverage of $4,000 per month for Marc.
D. Long-term care insurance of $3,000 per month for Marc.

Answer: A

Explanation:
Comprehensive and Detailed Explanation:
Marc earns $60,000/year ($5,000/month), and Veronique earns $15,000/year ($1,250/month), totaling $6,250/month. Their expenses are $3,000/month. As the primary earner, Marc??s disability poses the greatest risk (Chapter 6:Client Profile).
If Marc is disabled: Veronique??s $1,250 + $0 = $1,250, short $1,750 of $3,000. If Veronique is disabled: Marc??s $5,000 covers $3,000.
$3,000/month for Marc (60% of his income) plus Veronique??s $1,250 totals $4,250, exceeding $3,000.
Option A: Correct; $3,000/month for Marc ensures expenses are met.
Option B: Incorrect; Veronique??s income is supplementary, not primary. Option C: Excessive; $4,000/month over-insures Marc.
Option D: Incorrect; LTC is for care costs, not income replacement.
Reference: LLQP Accident and Sickness Insurance Manual, Chapter 2:Insurance to Protect Income, Chapter 6:Client Profile.

NEW QUESTION 182
- (Topic 3)
Jordan, a group insurance agent, meets with Nancy, a commercial berry grower in Saskatoon, to renew her company's group insurance plan. When the plan was established four years ago, Nancy had 20 employees. She now has over 50 employees, many of whom are unhappy with the plan. Jordan wants to rectify this situation to everyone??s satisfaction but is not sure how to begin.
Which of the following options indicates the first step that Jordan should take?

A. Ensure that the plan is a non-contributory plan.
B. Switch the plan to another insurer.
C. Identify satisfaction levels with support and turnaround time with claims.
D. Cancel the company's group insurance plan.

Answer: C

Explanation:
When Jordan discovers that many of Nancy's employees are dissatisfied with the current group insurance plan, his first step should be toassess the employees' specific concerns. This includes understanding issues such as satisfaction with customer support and the claims turnaround time. Gathering feedback on these aspects will help Jordan identify the main areas of dissatisfaction and explore targeted solutions to improve the plan. The LLQP materials emphasize the importance of aligning group insurance plans with the needs and satisfaction of the participants, making this an essential step before considering any major changes such as switching insurers or altering the plan's structure.

NEW QUESTION 183
- (Topic 3)
Marvyn meets with his client, Edlyn, a 67-year-old retired widow who wants to purchase long-term care insurance. Edlyn receives monthly benefits from the Canada Pension Plan (CPP), Old Age Security (OAS), and a registered life annuity. She lives in a mortgage-free condo that she would like to bequeath to her son upon her death.
Given this information, which of the following is Edlyn looking to protect by purchasing long- term care insurance?

A. Protection of loss of income.
B. Protection of assets.
C. Protection of savings.
D. Protection of retirement income.

Answer: B

Explanation:
Edlyn??s primary concern is to preserve her condo asset, which she intends to leave to her son. Long-term care (LTC) insurance can help protect her financial assets by covering the costs associated with long-term care, thus reducing the risk of needing to liquidate assets like her condo to pay for care. The LLQP materials note that LTC insurance is often used to protect assets against the high costs of extended care, particularly for individuals who want to ensure their assets can be transferred to heirs. Therefore, the correct answer is B, as Edlyn is seeking to safeguard her assets from potential erosion due to LTC expenses.

NEW QUESTION 184
- (Topic 3)
Pierre-Marc, aged 32, is a dentist with a rich clientele. His income is substantial. Five years ago, he purchased an ??any occupation?? disability insurance policy. Today he meets with Joseph, his life insurance agent, to determine whether this type of coverage is still adequate. What should Joseph tell him?

A. This type of coverage is adequate because it is more flexibl
B. Pierre-Marc will be entitled to disability benefits even if he can work in another profession and chooses to do so.
C. This type of coverage is adequat
D. Pierre-Marc will be entitled to disability benefits even if he can work in another profession, provided he chooses not to do so.
E. This type of coverage is no longer adequat
F. Pierre-Marc should purchase an accidental death and dismemberment rider, which would allow him to collect a lump-sum benefit if he injures his hands.
G. This type of coverage is no longer adequat
H. Pierre-Marc should purchase ??own occupation?? coverage, which would allow him to collect benefits even if he can work in another profession and chooses to do so.

Answer: D

Explanation:
Comprehensive and Detailed Explanation:
??Any occupation?? disability insurance pays benefits only if the insured cannot work inanyjob for which they are reasonably suited by education, training, or experience. For a dentist like Pierre-Marc, whose substantial income relies on specialized skills, this is restrictive. ??Own occupation?? coverage pays if he cannot perform his specific job (dentistry), even if he can work elsewhere (Chapter 2:Insurance to Protect Income).
Option A: Incorrect; ??any occupation?? is less flexible, not more, and doesn??t pay if he can work elsewhere, regardless of choice.
Option B: Incorrect; benefits stop if he can work elsewhere, whether he chooses to or not. Option C: Incorrect; an AD&D rider addresses specific losses, not income replacement adequacy.
Option D: Correct; ??own occupation?? suits his high-income, specialized profession, ensuring benefits if he can??t practice dentistry, even if he takes another job.
Reference: LLQP Accident and Sickness Insurance Manual, Chapter 2:Insurance to Protect Income.

NEW QUESTION 189
- (Topic 3)
Xavier meets and fills out an application form with Jose, an insurance representative, because he would like to purchase a critical illness insurance policy. When Jose asks Xavier about his alcohol consumption, Xavier admits he regularly drinks 10 beers a day.
What is the next step in the application process?

A. The insurance company will automatically refuse the application.
B. The insurance company will accept the application with an exclusion for alcohol consumption.
C. Jose should refuse the request.
D. Xavier will have to fill out a questionnaire detailing his alcohol consumption.

Answer: D

Explanation:
In the insurance application process, when an applicant discloses significant health-related information, such as high alcohol consumption, the insurer typically requires additional information. In Xavier??s case, he would need to fill out analcohol consumption questionnairetoprovide more detail about his drinking habits. This step helps the insurer assess the risk and decide on policy terms, which may include higher premiums, exclusions, or even denial depending on the details provided. It aligns with the LLQP guidelines, which specify that full disclosure and accurate risk assessment are essential steps in underwriting.

NEW QUESTION 194
- (Topic 3)
Eloise has critical illness coverage through her group insurance plan at work. She is 54 years old, in excellent health, and is planning to retire soon. She meets with Sonia, her insurance agent, to plan her retirement and to make sure she will still be covered in the event of critical illness. To make sure she is not a burden on her family, Eloise would also like to receive monthly benefits in the event she is placed in an assisted living facility. What should Sonia tell her?

A. That the critical illness coverage under her group plan is the least expensive and that the insurer will have to give her the option of converting it into individual insurance when she retires.
B. That the critical illness coverage under her group plan will end when she retires and that she should consider purchasing individual coverage.
C. That her critical illness coverage will end when she retires and that she should consider purchasing individual critical illness and long-term care insurance.
D. That when she retires, she should purchase individual disability insurance, which would give herthe coverage required in the event of critical illness.

Answer: C

Explanation:
Comprehensive and Detailed Explanation:
Group critical illness (CI) coverage typically ends upon retirement unless a conversion option is explicitly offered, which is rare (Chapter 8:Group Plan Specifics). Eloise needs CI for lump-sum protection and long-term care (LTC) insurance for monthly benefits in an assisted living facility (Chapter 4:Insurance to Protect Savings).
Option A: Incorrect; group CI rarely converts to individual CI, and it doesn??t address LTC needs.
Option B: Partially correct but incomplete; it misses LTC for assisted living.
Option C: Correct; CI ends at retirement, requiring individual CI, and LTC insurance meets her assisted living goal.
Option D: Incorrect; disability insurance replaces income, not CI or LTC benefits. Reference: LLQP Accident and Sickness Insurance Manual, Chapter 4:Insurance to Protect Savings, Chapter 8:Group Plan Specifics.

NEW QUESTION 197
- (Topic 3)
Bachir owns a successful video game business and has 10 employees. The time has come to plan business succession and the eventual sale of the business. Bachir??s nephew Kharim, who shows a real interest in the business, is identified as his successor. Bachir would like to protect his sales price until such time as the business is sold to Kharim, who does not have the funds yet and will need a few years to amass the required amount. Bachir and Kharim consult insurance agent Bianca for advice. What should Bianca propose?

A. Disability buyout coverage in the event of Kharim??s disability.
B. Business loan protection.
C. Key person coverage.
D. Disability buyout coverage in the event of Bachir??s disability.

Answer: D

Explanation:
Comprehensive and Detailed Explanation:
Disability buyout insurance funds a buy-sell agreement if the owner (Bachir) becomes disabled, ensuring Kharim can purchase the business at the agreed price (Chapter 5:Insurance to Protect Businesses).
Option A: Incorrect; Kharim??s disability doesn??t affect Bachir??s sale. Option B: Incorrect; no loan is mentioned.
Option C: Incorrect; key person protects business operations, not succession. Option D: Correct; protects Bachir??s sale value if he??s disabled.
Reference: LLQP Accident and Sickness Insurance Manual, Chapter 5:Insurance to
Protect Businesses.

NEW QUESTION 201
- (Topic 3)
Kerry is 52 years old and he is purchasing additional coverage on his individual disability income insurance policy using a future purchase option. His income has increased about 35% since he took out the policy four years ago. What is Kerry guaranteed to receive as a result of the rider?

A. An automatic 35% increase in benefit.
B. An increased benefit according to the policy when medical insurability is proven.
C. An increased benefit according to the policy when Kerry provides proof of income.
D. An increased benefit based on Kerry??s income at the time of disability.

Answer: C

Explanation:
Comprehensive and Detailed Explanation:
A future purchase option allows benefit increases without medical underwriting, contingent on financial underwriting (proof of income increase) (Chapter 7:Insurance Recommendation, Contract, and Service Needs).
Option A: Incorrect; not automatic, requires proof. Option B: Incorrect; no medical proof needed. Option C: Correct; tied to income proof.
Option D: Incorrect; set at purchase, not disability.
Reference: LLQP Accident and Sickness Insurance Manual, Chapter 7:Insurance Recommendation, Contract, and Service Needs.

NEW QUESTION 203
- (Topic 3)
Kiril is the sole proprietor of a small gym with five employees. His sales manager, Antoine, is a former Olympic athlete, responsible for generating close to 50% of all revenues for the gym. Thanks to Antoine's popular social media presence, the gym is profitable and growing rapidly. However, Kiril has concerns about the future profitability of his gym should Antoine become ill or injured since the other employees are not local celebrities and would not be able to replace Antoine??s contribution to the business.
Which of the following types of insurance policy would protect the gym if Antoine were unable to work?

A. Business loan protection disability insurance on Antoine.
B. Disability buyout insurance.
C. Key person disability insurance on Antoine.
D. Disability business overhead expense insurance on Antoine.

Answer: C

Explanation:
Key person disability insuranceprovides financial protection to a business against the loss of a crucial employee due to disability. Antoine is a critical figure for Kiril??s gym, generating a significant portion of revenue and attracting clientele due to his public profile. This policy would compensate the gym for lost income and potentially cover additional costs incurred while attempting to replace Antoine's unique contributions. The LLQP materials discuss key person insurance as essential for protecting a business against the financial impact of losing a high-value employee, making this option the most suitable for Kiril's needs.

NEW QUESTION 207
- (Topic 3)
Li Jun, 50, applies for a $250,000 critical illness (CI) insurance policy with his insurance agent Ming. On the application, Li Jun states that he must take pills daily to manage his hypertension. Aside from this, his health is good. Given his age and hypertension issue, he is worried that the insurer may refuse his application.
What does Ming CORRECTLY advise him?

A. The policy will likely be denied.
B. The policy will likely be issued with an exclusion.
C. The policy will likely be issued with a premium rating.
D. The policy will likely be issued with a lower benefit.

Answer: C

Explanation:
Since Li Jun manages hypertension, a common condition that increases the risk profile, insurers frequently apply apremium rating, meaning higher premiums, due to the elevated health risk. Exclusions are less typical for well-managed chronic conditions, and refusal is unlikely for a single, manageable health issue. Given his overall good health otherwise, the insurer is likely to issue the policy with an increased premium to account for the added risk, as per the LLQP guidelines on underwriting for critical illness insurance.

NEW QUESTION 210
- (Topic 3)
Cory is a recent college graduate who has just been hired by a marketing firm in an entry- level position. His employer group benefits only cover a short-term disability to a maximum of 119 days. He meets with an insurance agent to talk about disability coverage. To fully cover his salary, he would require a $3,000 monthly benefit. In reviewing options, he thinks that his ideal coverage of a 30-day waiting period and a ??to age 65?? benefit period comes at a cost that exceeds his budget. What recommendation should the insurance agent make to Cory regarding coverage?

A. Extend the waiting period to reduce the monthly premium.
B. Shorten the benefit period to reduce the monthly premium.
C. Reduce the monthly benefit to reduce the monthly premium.
D. Wait until his income has increased and he can afford the premium.

Answer: A

Explanation:
Comprehensive and Detailed Explanation:
Extending the waiting period (e.g., to 120 days) aligns with his 119-day STD coverage, reducing premiums while maintaining $3,000/month to age 65 (Chapter 7:Insurance Recommendation, Contract, and Service Needs).
Option A: Correct; cost-effective. Option B: Incorrect; weakens coverage. Option C: Incorrect; reduces protection. Option D: Incorrect; delays coverage.
Reference: LLQP Accident and Sickness Insurance Manual, Chapter 7:Insurance

Recommendation, Contract, and Service Needs.

NEW QUESTION 212
- (Topic 3)
Kevin owns a construction business and wants to take out accident and sickness insurance to protect his income in the event of disability. On his application form, he indicated that he had competed in motocross races over the past five years. What requirements does Kevin need to comply with before the insurer can issue the policy?

A. Kevin only needs to answer the medical questions.
B. Kevin only needs to specify how often he engages in the sporting activity.
C. Kevin needs to complete a special questionnaire, as well as specify how often he engages or intends to engage in the sporting activity in the future.
D. Kevin needs to complete a special questionnaire as well as specify how often he engages or intends to engage in the sporting activity in the future; thus, an exclusion rider may be required by the insurer.

Answer: D

Explanation:
Comprehensive and Detailed Explanation:
Motocross is high-risk, requiring a detailed questionnaire and frequency disclosure. Insurers may impose an exclusion rider (Chapter 7:Insurance Recommendation, Contract, and Service Needs).
Option A: Incorrect; misses activity risk. Option B: Incomplete; lacks detail.
Option C: Incomplete; misses exclusion possibility. Option D: Correct; full process with potential rider.
Reference: LLQP Accident and Sickness Insurance Manual, Chapter 7:Insurance
Recommendation, Contract, and Service Needs.

NEW QUESTION 216
- (Topic 3)
Constantin is a 47-year-old marketing manager earning an annual salary of $175,000, who, together with his husband, recently purchased a house. A few years ago, Constantin was terminated from his previous position, and it took him two years to find similar employment in his field. The prolonged lack of income caused him to accumulate substantial debt. Today, after several years of sensible budgeting, the only debt remaining is his mortgage. He purchased disability and life insurance on the mortgage at the bank.
Given this information, what is Constantin's greatest financial risk?

A. Loss of income.
B. Lower standard of living.
C. Unexpected expenses.
D. Debt.

Answer: A

Explanation:
Constantin's primary financial risk remains theloss of income, as his substantial mortgage and recent history of debt accumulation due to a prolonged period of unemployment suggest a potential vulnerability if he were to lose his income again. Despite his current stable income, any future job loss would significantly impact his ability to meet his financial obligations, including mortgage payments, which could lead to another round of financial strain. The LLQP materials highlight that maintaining a stable income is crucial, particularly for individuals with high financial responsibilities, such as a mortgage. Although other risks like unexpected expenses, debt, and a lower standard of living are relevant, the direct consequence of losing his income would exacerbate these risks, making income loss the most critical concern.

NEW QUESTION 219
- (Topic 3)
Samira, a 42-year-old single mother of four, owns an individual disability insurance (DI) policy. Last week, she was hospitalized because of complications from diabetes. She hired an emergency nanny to care for her children until she was healthy enough to resume her normal activities. To her relief, Samira's DI policy contains a special rider that would cover up to $250 per day for these types of expenses.
What is the name of the rider contained in Samira's policy?

A. Residual disability benefits.
B. Hospital indemnity rider.
C. Cost-of-living adjustment.
D. Childcare rider.

Answer: D

Explanation:
Samira??s individual disability insurance (DI) policy includes achildcare rider, which provides a daily benefit to cover the costs of hiring help to care for her children while she is unable to perform her usual duties due to illness or injury. This rider is particularly useful for policyholders with dependents, as it addresses the financial burden of childcare in cases where the policyholder's disability prevents them from fulfilling their caregiving responsibilities. None of the other options, such as residual disability benefits or hospital indemnity, specifically cover childcare expenses; therefore, the correct answer is the childcare rider.

NEW QUESTION 223
- (Topic 3)
Marsha and Alexis are equal partners in an advertising firm. They meet with Jose, an insurance agent, and Horacio, their lawyer, because they would like to protect themselves if one of them becomes disabled and unable to work for an extended period of time. At the end of their meeting, they agree to purchase $500,000 disability insurance policies on each other by each of them paying premiums.
What type of agreement do Marsha and Alexis have?

A. Cross-purchase agreement
B. Key person insurance
C. Entity purchase agreement
D. Business loan protection disability insurance

Answer: A

Explanation:
In across-purchase agreement, business partners purchase disability or life insurance policies on each other. If one partner becomes disabled, the other partner uses the proceeds from the insurance to buy out the disabled partner??s share in the business. Marsha and Alexis have agreed to purchase disability insurance policies on each other, with each paying the premium on the policy for their partner. This structure aligns with the cross-purchase format, where each partner independently holds the policy on the other, as described in LLQP materials on business continuation planning. The other options, such as an entity purchase agreement, involve the business purchasing the policy, which is not the case here.

NEW QUESTION 225
- (Topic 4)
Ontario residents, Juan and Maria, are a married couple approaching retirement. They have asked their representative, Carlow, to review the details of Maria??s defined benefit plan (DBPP).
Which of the following statements about Maria's pension is CORRECT?

A. Maria would be entitled to an increased benefit if Juan waived his survivor benefit.
B. Juan would be entitled to receive at least 50% of Maria??s pension upon Maria's death.
C. With Juan's consent, Maria can choose to reduce the survivor benefit to 25% of her normal pension amount.
D. Juan will be entitled to the survivor benefit even if they are separated at the time of Maria's death.

Answer: B

Explanation:
In Ontario, the pension legislation stipulates that a spouse is entitled to receive a minimum of 50% of the member??s pension benefits as a survivor benefit if the member dies. This applies to defined benefit pension plans (DBPP), which provide a predetermined benefit upon retirement.Therefore, as the spouse of Maria, Juan would be entitled to receive at least half of Maria??s pension upon her death, as specified by Ontario pension regulations. This survivor benefit is a guaranteed right and requires consent from both spouses for any reduction or waiver. Options C and D are incorrect as Ontario law mandates a minimum 50% survivor benefit without provision for reduction to 25%, and Juan's entitlement is tied to their marital status and statutory rights, which may not apply if they are separated or divorced at the time of Maria's death. Option A is incorrect because Ontario legislation does not provide for an increased benefit by waiving the survivor benefit.

NEW QUESTION 227
- (Topic 4)
Melissa, a La Tranquillit?? representative, is meeting with a client who tells her about something that happened to one of her friends. While she was taking part in an outdoor weekend at Mont-Tremblant Park, a forest fire broke out and one of the participants was never found. The client isabout to take out life insurance with Melissa. She asks Melissa what would happen to her insurance capital in such a situation. What can Melissa tell the client?

A. The insurer would pay the insurance face amount within 30 days of the claim
B. The contract premiums would be reimbursed to the beneficiary because the contract would be null and void
C. It would be impossible to pay the insurance face amount if the victim??s body is not found
D. The beneficiary could receive the insurance face amount after a certain number of years and after receiving the judgment for the declaration of death

Answer: D

Explanation:
Comprehensive and Detailed In-Depth Explanation: In life insurance, a death benefit requires proof of death, typically a death certificate. Under Quebec law (Civil Code, Article 92), if a person disappears and death cannot be immediately confirmed (e.g., no body found), a court can issue a declaratory judgment of death after a waiting period—usually 7 years, or sooner with evidence of peril (e.g., forest fire). The LLQP notes that insurers delay payment until this legal determination, as premature payment risks fraud. Option D correctly states that the beneficiary could receive the face amount after this process. Option A (30-day payment) assumes immediate proof, which isn??t available here. Option B (premium refund) is incorrect, as the contract remains valid, not void. Option C (impossible payment) overstates the issue—payment is possible post-judgment. The Ethics manual mandates advisors to clarify claim processes, especially in uncertain scenarios.
References: Civil Code of Quebec, Article 92; LLQP Module on Claims; Ethics and
Professional Practice (Civil Law) Manual, Section on Death Benefits.
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NEW QUESTION 228
- (Topic 4)
Benjamin is a financial security advisor working for the Larson Group. He is following a mandatory compliance training session given by Andrew, the compliance manager. Andrew explains the importance of following the Chambre de la s??curit?? financi??re code of ethics, and Benjamin would like to know to whom the code of ethics applies.
What is Andrew's CORRECT response?

A. Financial planners and financial security advisors.
B. Financial security advisors and their administrative assistants.
C. Claims adjusters and group insurance plan advisors.
D. Damage insurance agents and accident and sickness insurance representatives.

Answer: A

Explanation:
The Chambre de la s??curit?? financi??re code of ethics applies specifically to financial security advisors and financial planners in Quebec. This code outlines the professional conduct required of those working within the financial services industry who advise clients on security products. Administrative assistants, claims adjusters, and damage insurance agents do not fall under the purview of the CSF code of ethics as they are regulated under different professional codes or by different oversight organizations.
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NEW QUESTION 229
- (Topic 4)

Last week, at a dinner party, Dario, an insurance agent, met Andrew, a successful businessperson with a net worth of over $10 million. Dario spent the evening following Andrew around, telling him how he could help him manage his finances. The day after the meeting, Dario sent a fruit basket to Andrew's office. Every day since, Dario has been calling and urging Andrew to meet with him and take advantage of his services and insurance products.
Which duties and obligations did Dario break?

A. Duties and obligations towards the public
B. Duties and obligations towards clients
C. Duties and obligations towards other representatives, firms, independent partnerships, insurers, and financial institutions
D. Duties and obligations towards the profession

Answer: A

Explanation:
Dario??s conduct at the dinner party and afterward constitutes a breach of his duties and obligations towards the public. Insurance professionals are expected to maintain high standards of professionalism and respect the privacy and comfort of individuals they interact with. By persistently following Andrew and subsequently pressuring him with daily calls and unsolicited gifts, Dario failed to demonstrate respect for personal boundaries. This behavior could be seen as unprofessional and could harm the public??s trust in the industry. According to LLQP guidelines and ethical standards, agents must avoid aggressive solicitation and respect the autonomy and privacy of the public.
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NEW QUESTION 234
- (Topic 4)
Insurance of persons advisor Somalia is careful to comply with the standards and regulations when she meets with potential clients. Under no circumstances would she want them to feel aggrieved or not respected. She makes sure to know their rights. Which legislation does Somalia not have to worry about?

A. An Act respecting the distribution of financial products and services (Distribution Act)
B. An Act respecting the protection of personal information in the private sector (APPIPS)
C. The Quebec Charter of Human Rights and Freedoms
D. The Insurers Act and the Regulation under the Act respecting insurance

Answer: D

Explanation:
Comprehensive and Detailed In-Depth Explanation: Somalia, as an insurance of persons advisor in Quebec, must adhere to multiple legislative frameworks governing her professional conduct and client interactions. The Distribution Act (option A) regulates her licensing, duties, and client dealings as a financial professional (Sections 1–12), making it directly applicable. The APPIPS (option B) governs how she handles clients?? personal information, a critical aspect of her role (Sections 1–10), so she must comply. The Quebec Charter of Human Rights and Freedoms (option C) protects clients?? rights to dignity and respect, influencing her ethical obligations (Sections 1–4). However, The Insurers Act and its Regulation (option D) primarily govern insurance companies?? operations, solvency, and product offerings, not the day-to-day conduct of individual advisors like Somalia (Sections 1–20). While indirectly relevant through her insurer affiliations, it does not impose direct obligations on her client-facing duties. The Ethics and Professional Practice manual stresses advisors?? responsibility to prioritize client-focused legislation, supporting option D as the least applicable.
References: Distribution Act, Sections 1–12; APPIPS, Sections 1–10; Quebec Charter,
Sections 1–4; Insurers Act, Sections 1–20; Ethics and Professional Practice (Civil Law) Manual, Section on Legislative Compliance.
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NEW QUESTION 238
- (Topic 4)
Vasu, an insurance agent, meets with Francine, his new client. Francine wants to purchase a disability insurance policy. Vasu helps her complete the application form. In the process, he collects all the required medical and lifestyle information on his client and wonders what he must do with the information he collected.
Which of the following options is CORRECT?

A. Vasu must send a copy of the medical and lifestyle-related information to the insurer, his supervisor, and his client, and must keep a copy in his file.
B. Vasu must send a copy of the medical and lifestyle-related information to the insurer, his supervisor, and keep a copy in his file.
C. Vasu must send a copy of the medical and lifestyle-related information to the insurer and keep a copy in his file.
D. Vasu must send a copy of the medical and lifestyle-related information to the insurer only, and he cannot keep a copy in his file.

Answer: C

Explanation:
As per LLQP guidelines and privacy regulations in Canada, an insurance agent like Vasu is required to submit all medical and lifestyle-related information to the insurer as part of the application process. Additionally, the agent is permitted to retain a copy of this information in his client file for record-keeping and future reference purposes. It is essential for compliance and potential follow-ups related to policy servicing or claims. Privacy laws do not permit Vasu to share this information with unauthorized parties, such as his supervisor or the client, beyond what is required for processing the application, unless consent has been explicitly provided.
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NEW QUESTION 241
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