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### QUESTION 1

For purposes of establishing an appropriate financial statement reserve, the most important factors to consider are:

- A. the historical adequacy
- B. consistency in the reserving approach
- C. availability of statistical analysis of reserves
- D. All of the above

Correct Answer: D

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### QUESTION 2

Spreading of risks among insurance entities is called:

- A. Reinsurance
- B. Syndication
- C. Consortium act
- D. Risk Diffusion

Correct Answer: A

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### QUESTION 3

In \_\_\_\_\_, an adjustment is based on experience of an individual risk during the term of the policy and is generally subject to maximum and minimum premium limits specified in the policy.

- A. Business recordkeeping
- B. Retrospective premium adjustments
- C. Premium transaction flow
- D. Adjusting premiums

Correct Answer: B

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### QUESTION 4

Short-duration contracts provide insurance protection for fixed period and can cancel the contract at the end of any contract period.

- A. True



B. False

Correct Answer: A

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#### QUESTION 5

What features a reserve that accumulates at company declared credited interest rates, which are periodically reset?

- A. Credited life insurance
- B. Periodic life insurance
- C. Premium life insurance
- D. Universal life insurance

Correct Answer: D

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