



# Online Ethics Course Exam Questions

## Instructions

1. Complete the exam questions found on the following pages.
2. Date and sign the last page of the exam.
3. Submit your completed exam to IBAS for marking.  
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4. Your exam results will be forwarded to you with confirmation of credit hours earned. Please retain for your permanent records.

**PLEASE NOTE** - you must purchase and complete the online course in order for your exam to be valid.

# Online Ethics Course – Exam Questions

1. If a broker acts in an unethical fashion he may suffer the following consequences:
  - a. Lose his license as a broker.
  - b. Be fined for conduct unbecoming a broker.
  - c. Be paid less commission by the insurance company.
  
2. A broker owes the following duty to his clients:
  - a. Offers best coverage at the best commission.
  - b. Offers the best coverage with the best premium.
  - c. Offers the best coverage regardless of commission.
  
3. A broker faced with a client demanding a specific coverage should:
  - a. Provide the coverage as requested.
  - b. Review the best options and let the client choose.
  - c. Provide the cheapest quote with similar coverage to the client's request.
  
4. A broker, offered a generous bonus from an insurance company if certain premium levels are reached, should:
  - a. Encourage all his staff to push the products of that insurance company.
  - b. Encourage his staff to recommend the insurance company to all clients.
  - c. Encourage his staff to understand the products offered by the insurance company and recommend where it is in the best interest of the client.
  
5. A broker who is approached by an important client of the brokerage to bend the rules and back date a policy for coverage should:
  - a. Refer the matter to his manager or boss.
  - b. Provide the backdate as a favor to the client.
  - c. Tell the client it would be a breach of duty and decline to take the matter further.
  
6. The definition of ethics is:
  - a. Rules of conduct or system of moral principles.
  - b. Driven by your religious beliefs.
  - c. Are governed by law.
  
7. Insurance requires a higher standard of good ethical conduct because:
  - a. Insured's and Insurance companies are both obligated to operate in good faith.
  - b. Insured's, Insurance companies, and brokers are all required to operate in good faith.
  - c. Contract law doesn't address the need for disclosure.

8. The public has a duty to be honest and ethical when providing information to the insurance company. Failure to do so is called misrepresentation and results in:
  - a. Coverage being void from inception.
  - b. Additional penalties on claims.
  - c. Higher premiums.
  
9. Your family background will have a significant impact on:
  - a. Your ability to make good ethical decisions.
  - b. Has no impact on your decision making.
  - c. Affects your thinking but allows you free decision making.
  
10. In organizations, success is impacted more by:
  - a. Skills rather than values and ethics.
  - b. Ethics and values rather than skills.
  - c. Your ability to build a relationship with the boss.
  
11. Changing ethical outlook and values to a higher level requires:
  - a. Leadership at the highest level in the organization.
  - b. Can be made by anyone with a passion to change.
  - c. Can happen only when mandated by law.
  
12. An example of a bad ethical decision that set a Canadian standard for punitive damages in the insurance industry is:
  - a. The Pilot vs. Whiton house fire in Ontario. When the Pilot Insurance Co. had to pay a million dollars in punitive damages to the insured.
  - b. The famous case of the mouse in the ginger beer.
  
13. It is the duty of leadership to clearly articulate the corporate vision, mission and values:
  - a. Because it is a fiduciary duty.
  - b. Corporate duty.
  - c. Both of the above.
  
14. How do leaders assist their produces in doing the right thing for both the client and the insurance company?
  - a. Training and supervision.
  - b. Nothing it is the produces individual responsibility.
  - c. Just meet the minimum requirement of continuing education.
  
15. One way leadership can keep an eye on their produces to ensure clients are receiving appropriate recommendations on coverage is:
  - a. Conduct regular audits on files to ensure coverage's are offered to clients.

- b. Hold regular meetings to review coverage and strategies to assist producers in explaining coverage to clients.
  - c. Both of the above.
16. To meet the guidelines of privacy legislation:
- a. Companies must constantly remind all staff the importance of treating all conversations with clients as confidential.
  - b. Paper files and electronic files must be kept away from all clients eyes.
  - c. Both of the above.
17. Producers who are just starting in the insurance business compensation should be:
- a. Commission income is ok until he can prove himself; if he doesn't make enough money then he doesn't belong in the business.
  - b. Salaries that can guarantee a basic living to ensure the producer doesn't need to make the next sale to pay his bills.
  - c. Compensation can be a combination, but the minimum salary needs to cover living expenses.
18. Insurance companies often offer extra compensation to drive sales. Brokers need to:
- a. Always find the best compensation from insurance companies to ensure profitability.
  - b. Focus on the needs of the client and not worry about the compensation.
  - c. Recommend the coverage from a company offering the extra compensation and other companies and let the client make the choice.
19. When Broker Owners take advantage of sales competitions and extra commission to simply make more money it can have the following affect on staff:
- a. No impact staff doesn't care.
  - b. A negative impact on morale as staff feels the owner is only interested in lining their own pockets.
  - c. May be a positive thing if the money is shared with staff.
20. When you have a conflict of interest situation with a client it is important that you:
- a. Clearly explain the importance of misrepresentation and material change.
  - b. You act in utmost good faith for your client.
  - c. Both of the above.

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Name of Participant

Signature of Participant

Date