



**Free Questions for AFE by certscare**

**Shared by Solis on 29-01-2024**

**For More Free Questions and Preparation Resources**

**Check the Links on Last Page**

## Question 1

---

**Question Type:** MultipleChoice

---

Which of the following is NOT the flow of transaction through the claims cycle?

**Options:**

---

- A- Quick-tail lines claim acceptance
- B- Insurance underwritten
- C- Claim settlement
- D- Loss reserve evaluation

**Answer:**

---

B

## Question 2

---

**Question Type:** MultipleChoice

---

Lines of insurance in which claims are settled relatively quickly are called:

**Options:**

---

- A- Quick-tail lines
- B- Single-tail lines
- C- Acceptance-tail lines
- D- Short-tail lines

**Answer:**

---

D

## Question 3

---

**Question Type: MultipleChoice**

---

In processing , many entities keep a single file for each insured event, with separate identification of each claimant.

**Options:**

---

- A- Insurance claim
- B- transaction cycle
- C- Liability claim
- D- Compensation period

**Answer:**

---

C

## Question 4

---

**Question Type: MultipleChoice**

---

Primary coverage involves policies written between an insurer and a customer directly.

**Options:**

---

- A- True

**B-** False

**Answer:**

---

A

## Question 5

---

**Question Type:** MultipleChoice

---

In many states, a claims-made insurance policy is required to:

**Options:**

---

**A-** contain an extended-reporting clause

**B-** provide for purchase, at the policyholder's option

**C-** provide for automatic tail coverage

**D-** All of the above

**Answer:**

---

D

## Question 6

---

**Question Type:** MultipleChoice

---

The subsequent measurement of the deposits is based upon whether the insurance and reinsurance contract:

**Options:**

---

- A-** transfer only significant timing risk
- B-** transfer only significant underwriting risk
- C-** transfer neither significant timing nor underwriting risk
- D-** All of the above

**Answer:**

---

D

## Question 7

---

**Question Type: MultipleChoice**

---

The method used to account for insurance and reinsurance contracts that do not transfer insurance risk is referred to as:

**Options:**

---

- A- Accounted revenue
- B- Premium deficiency
- C- Retained balance
- D- Deposit accounting

**Answer:**

---

D

## Question 8

---

**Question Type: MultipleChoice**

---

A premium deficiency relating to which insurance contracts indicate a probable loss on premiums yet to be earned.

**Options:**

---

A- long duration

B- premium policy

C- short duration

D- None of the above

**Answer:**

---

C



**To Get Premium Files for AFE Visit**

**<https://www.p2pexams.com/products/afe>**

**For More Free Questions Visit**

**<https://www.p2pexams.com/sofe/pdf/afe>**

