



**Free Questions for AFE by dumpshq**

**Shared by Yang on 15-04-2024**

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## Question 1

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**Question Type:** MultipleChoice

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Home office record-maintenance methods may include:

### Options:

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- A- duplication of branch records
- B- maintenance of detailed entries for analytical purposes
- C- use of planning procedures from main office for both premiums and cash
- D- All of the above

### Answer:

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A

## Question 2

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**Question Type:** MultipleChoice

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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.

**Options:**

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

**Answer:**

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B

## Question 3

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**Question Type:** MultipleChoice

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Changes in existing policies that may result in additional premiums or return premiums, such as increases or decreases in coverage limits, in:

**Options:**

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- A- Endorsement
- B- Audit premiums
- C- Change plan
- D- Policyholder dividends

**Answer:**

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A

## Question 4

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**Question Type: MultipleChoice**

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Who is responsible for accounting for customer remittance advices and the agent's current account?

**Options:**

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- A- Accounts department

- B- Customer release policy
- C- Payment policy
- D- Premium collection department

**Answer:**

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D

## Question 5

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**Question Type: MultipleChoice**

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The agents submits to the insurance entity a statement of all policies issued or due during the current month , and the net amount of the statement is subsequently to be paid in accordance with the agency agreement, is a account current of:

**Options:**

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- A- Insurance billing
- B- Direct billing
- C- Rendering basis

D- Billing basis

**Answer:**

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C

## Question 6

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**Question Type: MultipleChoice**

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In which account current, for individual policies, the agent collects the premiums directly from the insureds, subtracts his or her commissions and remits the net premiums due to entity?

**Options:**

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A- Billing basis

B- Paying commission basis

C- Item basis

D- Business costs

**Answer:**

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C

## Question 7

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**Question Type:** MultipleChoice

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If claims have been reported to the insurer after the contract period, it may several months for the insurer to investigate and establish a case reserve for reported claims.

**Options:**

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A- True

B- False

**Answer:**

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B

## Question 8

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**Question Type: MultipleChoice**

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In which policies the contract provides for insurance coverage for a fixed period of duration and enables the insurer to not renew the contract or adjust the provisions of the contract at the end of the contract period?

**Options:**

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- A- Short duration
- B- Policy duration
- C- Contract duration
- D- None of the above

**Answer:**

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A

## Question 9

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**Question Type: MultipleChoice**

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Insurance policies may be classified in which of the following categories?



**Options:**

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A- By policy planning

B- By type of risks coverage

C- By kind of insurance underwritten

D- All of the above

**Answer:**

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C

## Question 10

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**Question Type:** MultipleChoice

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The two basic methods for billing premiums are:

**Options:**

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**A-** policy and direct billing

**B-** agency and direct billing

**C-** collecting and indirect billing

**D-** business and direct billing

**Answer:**

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B

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