

01	A	B	C	D	E
02	A	B	C	D	E
03	A	B	C	D	E
04	A	B	C	D	E
05	A	B	C	D	E
06	A	B	C	D	E
07	A	B	C	D	E
08	A	B	C	D	E
09	A	B	C	D	E
10	A	B	C	D	E
11	A	B	C	D	E
12	A	B	C	D	E
13	A	B	C	D	E

14	A	B	C	D	E
15	A	B	C	D	E
16	A	B	C	D	E
17	A	B	C	D	E
18	A	B	C	D	E
19	A	B	C	D	E
20	A	B	C	D	E
21	A	B	C	D	E
22	A	B	C	D	E
23	A	B	C	D	E
24	A	B	C	D	E
25	A	B	C	D	E
26	A	B	C	D	E

27	A	B	C	D	E
28	A	B	C	D	E
29	A	B	C	D	E
30	A	B	C	D	E
31	A	B	C	D	E
32	A	B	C	D	E
33	A	B	C	D	E
34	A	B	C	D	E
35	A	B	C	D	E
36	A	B	C	D	E
37	A	B	C	D	E
38	A	B	C	D	E
39	A	B	C	D	E

PRACTICE QUESTIONS

Certus

TYME9DEX

[HI INS-CE] 4 Hour Annuity Suitability and Best Interest Obligations

EDITION

Demo

QUESTIONS

9

FORMAT

Limited Edition PDF

Before you begin

What this is

9 practice questions for Certus **TYME9DEX**, each with its answer key and an explanation. Answer a question before you read its key — the explanation is worth more once you have committed.

If something looks wrong

Send us three things and we will check it:

- the exam code, **TYME9DEX**
- the question number
- the email address on your order

Write to **support@mometrix.net**. We reply within one business day.

QUESTION 1

SINGLE CHOICE

Under the Best Interest Standard of Care, which of the following obligations is the producer primarily required to satisfy when recommending an annuity?

- ☐ A Ensure the annuity generates the highest possible guaranteed return available in the marketplace
- ☒ B Act without placing the producer's or insurer's financial interest ahead of the consumer's interest
- ☐ C Limit recommendations to fixed deferred annuities only, regardless of consumer profile
- ☐ D Recommend only annuities issued by the producer's appointed carrier

ANSWER B

WHY The Best Interest Standard of Care requires the producer to exercise reasonable diligence, care, and skill, and to act without placing the producer's or insurer's financial interest ahead of the consumer's interest. Maximizing return (A), restricting product type (C), and self-dealing carrier preferences (D) are not the standard's core obligations.

QUESTION 2

SINGLE CHOICE

The Best Interest framework is built upon four core producer obligations. Which of the following lists those four obligations correctly?

- ☒ A Care, Disclosure, Conflict of Interest, Documentation
- ☐ B Suitability, Disclosure, Replacement, Documentation
- ☐ C Care, Disclosure, Replacement, Suitability
- ☐ D Disclosure, Conflict of Interest, Training, Documentation

ANSWER A

WHY The four obligations of the Best Interest standard are Care, Disclosure, Conflict of Interest, and Documentation. Replacement, Suitability, and Training are related concepts but are not the named four obligations in the framework.

QUESTION 3

SINGLE CHOICE

When satisfying the Care Obligation, the producer must have a reasonable basis to believe the recommendation effectively addresses the consumer's financial situation, insurance needs, and financial objectives. Which of the following must the producer also consider?

- ☐ A Only the surrender charge schedule of the recommended annuity
- ☒ B The consumer's financial situation, insurance needs, and financial objectives, including the cost of the product over its expected duration
- ☐ C Solely the producer's commission on the recommended product
- ☐ D The marketing materials provided by the insurer's home office

ANSWER B

WHY The Care Obligation requires the producer to consider the consumer's profile (financial situation, insurance needs, and financial objectives) and the cost of the product over the period the product is expected to be held, among other factors. Surrender charges alone, commission alone, or marketing materials alone do not satisfy Care.

QUESTION 4

SINGLE CHOICE

Under the Disclosure Obligation, which of the following items must the producer disclose to the consumer prior to recommending an annuity?

- ☐ A The producer's complete personal investment portfolio
- ☒ B The producer's role in the transaction, scope of services, and types of products the producer is authorized to sell
- ☐ C The internal underwriting guidelines of the insurer
- ☐ D The producer's prior-year gross household income

ANSWER B

WHY The Disclosure Obligation requires the producer to clearly disclose the producer's role in the transaction, the scope and limits of the services offered, and the types of products the producer is authorized to sell. Personal portfolio (A), internal underwriting (C), and household income (D) are not required disclosures.

QUESTION 5

SINGLE CHOICE

Which of the following best describes how a producer must address an identified material conflict of interest under the Best Interest framework?

- ☐ A Disclose the conflict only if the consumer specifically asks about it
- ☒ B Avoid or reasonably manage and disclose the material conflict of interest in writing
- ☐ C Ignore the conflict if it is common in the industry
- ☐ D Refuse all subsequent transactions with the consumer

ANSWER B

WHY The Conflict of Interest Obligation requires the producer to identify and avoid or reasonably manage and disclose material conflicts of interest. Disclosing only on request (A), ignoring industry-common conflicts (C), or refusing all future transactions (D) do not meet the obligation.

QUESTION 6

SINGLE CHOICE

Under the Documentation Obligation, a producer must make a written record of the recommendation and the basis for it. For how long must this record be retained by the producer?

- ☐ A For at least one year after the recommendation
- ☒ B For at least five years after the recommendation, or longer if required by state law
- ☐ C Only until the policy's free-look period expires
- ☐ D Only until the producer's next license renewal cycle

ANSWER B

WHY The Documentation Obligation requires producers to retain records demonstrating compliance with the Care, Disclosure, and Conflict of Interest obligations for at least five years (or longer if required by applicable state law). One year (A), free-look (C), and renewal cycle (D) are not the required retention periods.

QUESTION 7

SINGLE CHOICE

When collecting consumer profile information to support an annuity recommendation, which of the following is required to be considered?

- ☐ A The consumer's favorite retirement destination
- ☒ B The consumer's age, annual income, financial situation and needs, including debts and other obligations
- ☐ C The consumer's political affiliation
- ☐ D The consumer's opinion of competing insurers

ANSWER B

WHY The producer must collect and consider consumer profile information including age, annual income, financial situation and needs (such as debts and other obligations), financial experience, financial objectives, intended use of the annuity, financial time horizon, existing assets, liquidity needs, risk tolerance, and tax status. Travel preference (A), political affiliation (C), and opinions of competitors (D) are not required profile factors.

QUESTION 8

SINGLE CHOICE

Which characteristic most directly distinguishes a fixed indexed annuity from a traditional fixed annuity?

- ☐ A A fixed indexed annuity never credits any interest to the contract
- ☒ B A fixed indexed annuity credits interest based in part on the performance of an external index, subject to a cap and/or participation rate, while a fixed annuity credits a declared rate
- ☐ C A fixed indexed annuity is always sold as an immediate payout contract
- ☐ D A fixed indexed annuity provides unlimited market upside with no downside

ANSWER B

WHY A fixed indexed annuity credits interest based on the performance of an external index, subject to limits such as caps, participation rates, and spread/margin, while a traditional fixed annuity credits a declared interest rate set by the insurer. Indexed annuities still credit interest (A), can be deferred or immediate (C), and do not provide unlimited upside (D).

QUESTION 9

SINGLE CHOICE

Under the best interest standard of care for annuity recommendations, the obligations apply to a producer at which specific point in the sales process?

- ☐ A Only when the producer physically delivers the contract and collects the first premium
- ☐ B Only at the time the application is signed by the consumer
- ☒ C **When the producer exercises material sales discretion and makes a recommendation of an annuity to a consumer**
- ☐ D Only after the producer has been appointed by the insurer for at least 30 days

ANSWER C

WHY The best interest standard of care obligations are triggered when a producer makes a recommendation of an annuity to a consumer — i.e., when the producer exercises material sales discretion. They are not tied to delivery, application signing, or appointment tenure.