

100% Money Back
Guarantee

Vendor:SOFE

Exam Code:SOFE-CFE

Exam Name:SOFE Certified Financial Examiner

Version:Demo

QUESTION 1

A reduction in reserves is referred to as _____, while an increase in reserves is referred to as _____.

- A. favorable development, adverse development
- B. unfavorable development, profitable development
- C. risky development, beneficiary development
- D. loss development, advance development

Correct Answer: A

QUESTION 2

The amount of premiums written is generally used as a basis for determining compensation paid to the agent, called:

- A. collection
- B. revenues
- C. commission
- D. earning

Correct Answer: C

QUESTION 3

What is the main goal of a prudent investment strategy?

- A. risk/return considerations
- B. maximization of investable assets
- C. maintaining sufficient liquidity through an asset-liability matching strategy
- D. All of the above

Correct Answer: D

QUESTION 4

In identifying risks that may result in material misstatements due to fraud, auditors should consider:

- A. type of risk

- B. significance of risk
- C. pervasiveness of risk
- D. All of the above

Correct Answer: D

QUESTION 5

The date an insurer or its agent is informed of a claim is known as:

- A. claim date
- B. account date
- C. report date
- D. testimony date

Correct Answer: C

QUESTION 6

Special general ledger controls over such billed amounts that are not yet due (until their effective dates) typically are used for administering the billing function; these special controls may be referred to as:

- A. memoranda
- B. bills
- C. letters
- D. premiums

Correct Answer: A

QUESTION 7

There are two periods of time over which claims are analyzed:

- A. mortgage year and policy year
- B. accident year and policy year
- C. accident year and ceded year
- D. adjusting year and sales year

Correct Answer: B

QUESTION 8

What are corporate obligations considered having a higher default risk and a lower credit rating?

- A. corporate bonds
- B. municipal bonds
- C. junk bonds
- D. taxation bonds

Correct Answer: C

QUESTION 9

Requiring the expense items relating to policy issuance to be expensed as a period cost at the time the policy is written is called:

- A. Statutory accounting
- B. Casualty insurance
- C. Refund premiums
- D. Recognize expense

Correct Answer: A

QUESTION 10

The price of money consists of which elements?

- A. intrinsic value of money
- B. inflation premium
- C. risk premium
- D. All of the above

Correct Answer: D

QUESTION 11

What is carried to the Exhibit of Net Investment Income, and used in calculating net investment income earned for the year?

- A. Revenues

- B. liabilities
- C. Expenses
- D. All of the above

Correct Answer: C

QUESTION 12

Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring are all components of:

- A. State Insurance Statutes
- B. Committee of Sponsoring Organization
- C. Trade Organizations/Associations
- D. Accounting Firms and Business Partners

Correct Answer: B