



Where smart architects
manage risk®

Term Life Insurance

DO THIS TEST AND EARN LUs

The AIA Trust is happy to provide AIA members with the opportunity to earn two AIA CES Learning Units. This test covers facts about the various types of term life insurance that the AIA Trust offers. Answers can be found on the AIA Trust website. You don't have to ace the test to get credit; the primary objective of the test is to learn what you don't know about term life insurance!

After you complete the test, scan, and email it to AIATrust@aia.org along with your name and AIA member number. After we receive your test we will add the Learning Unit to your online transcript and will email the answer sheet with the correct responses to you.

T F	1. One method to determine how much life insurance an individual needs considers the individual's anticipated future after tax earnings less the value of maintenance costs such as food and clothing and adds a reasonable inflation factor.
T F	2. Typically individuals should obtain between fifteen times to twenty times their annual net incomes in life insurance coverage.
T F	3. Insurance regulations require that life insurance benefits always be paid to the named beneficiary regardless of the cause of the insured's death.
T F	4. Under the American's with Disability Act, when disabled, an insured does not have to pay life insurance premiums and coverage will remain in force until he/she returns to work.
T F	5. Many life insurance policies provide a living death benefit for terminally ill insureds to receive a portion of the plans death benefits to help ease their current financial condition.

T F	6. Term life insurance rates are typically based on the age of the insured and may vary by factors such as tobacco use and health status.
T F	7. Federal and State laws require that term life insurance premium rates be identical for men and women with the same age and health status.
T F	8. Most term life insurance benefits remain in full force regardless of age as long as the insured is actively at work.
T F	9. Beneficiaries of term life insurance must always be the insureds spouse or children.
T F	10. Most term life insurance plans include a Conversion Privilege that allows an insured to convert their term life insurance coverage in the event coverage is reduced or terminated.
T F	11. Group term life insurance is term insurance covering a group of people, usually employees of a company, members of a union or members of an association.
T F	12. Group term life insurance is typically the least expensive life insurance coverage due to sharing administrative costs with the group as a whole.
T F	13. Group term life insurance for associations typically do not require any health questions on the application form.
T F	14. Once you are accepted for coverage the premium rates you pay do not change until you die or cancel the coverage.
T F	15. Death due to suicide is always excluded under group term life insurance.
T F	16. Ten and twenty year level term life insurance allow participants to lock in a benefit and a rate for the selected ten or twenty year period.

T F	17. Once enrolled in the 10 or 20-year plan you are required by state insurance laws to continue paying premiums for the selected period.
T F	18. The validity of any amount of life insurance in force for two years during an insured's lifetime will not be contested except for insurance eligibility provisions and nonpayment of premiums.
T F	19. Once the ten or twenty year period expires a participant can automatically continue for another ten or twenty-year period without further evidence of insurability.
T F	20. Rates for ten and Twenty-year term life insurance are often based on ones use of tobacco or nicotine products.
T F	21. Firm term life insurance is generally purchased as a multiple of the employees' salary.
T F	22. Firm term life insurance must be fully paid by the employer and may not require employees to contribute.
T F	23. In most cases, your firm can deduct the cost of this coverage as a business expense for tax purposes.
T F	24. The employee has no tax liability for the employer paid premiums regardless of the amount of coverage provided.
T F	25. The rates for firm life insurance are based on the geographical location of the firm and are not based on the age or tobacco use of the employees.
T F	26. Insurance for a proposed insured employee not actively at work on the date insurance would otherwise have taken effect, generally takes effect on the day the proposed insured employee is actively at work.