CANADA HARMONIZED LIFE LICENCE QUALIFICATION PROGRAM (HLLQP) ETHICS PRACTICE EXAM (SAMPLE)

STUDY GUIDE

SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Table of Contents

Copyright 1
Table of Contents 2
Introduction 3
How to Use This Guide 4
Questions 5
Answers 8
Explanations 10
Next Steps 15

Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

1. Which of the following is NOT a source of Canadian insurance law?

A. The Canadian Constitution

B. Common Law

C. The British Parliament

D. Legislation and Regulation

2. What constitutes ethical handling of replacement opportunities from other advisors?

A. Avoid pressuring the client; ensure full disclosure and objective comparison; respect client's decision

B. Pressure the client to switch

C. Misrepresent alternative options

D. Delete other options

3. Under which law is a contract not formed until there is agreement as to what is being contracted for?

A. Common law

B. Civil code

C. Statute of Frauds

D. Administrative law

4. What is the reinstatement period after cancellation following a 30-day grace period?

A. 2 years

B. 1 year

C. 3 years

D. 5 years

5. Which plan is intended to provide a specified package of benefits to all members of society to ensure financial risk protection, access to health services, and improved health outcomes?

A. Public health initiative

B. Universal health care program

C. National health strategy

D. Universal health care and drug plan

6. Which circumstance triggers the requirement to update or withhold policy delivery due to insurability changes?

A. Significant changes in the client's insurability since the application was signed

B. Minor changes in address

C. Policy premium changes under $50

D. Renewal of the policy

7. What is needed to substantiate an accidental death or dismemberment claim?

A. Police report

B. Death certificate

C. Detailed medical evidence

D. Witness statements

8. What is the ethical handling of client funds or premium payments?

A. They can omit certain details if the client requests it.

B. They should be concise and focus mainly on potential benefits.

C. They should be comprehensive, accurate, and free of misleading emphasis on benefits.

D. They should be written in legalese to avoid misinterpretation.

9. Who facilitates business between agents, their clients, and insurers?

A. Insurance broker

B. Underwriter

C. Managing general agent (MGA)

D. Claims adjuster

10. Which of the following is a breach that could lead to civil action against an agent in torts?

A. Breach of the privacy obligations

B. Breach of contract

C. Negligence

D. Defamation

Answers

1. C
2. A
3. A
4. A
5. D
6. A
7. C
8. C
9. C
10. A

Explanations

1. Which of the following is NOT a source of Canadian insurance law?

A. The Canadian Constitution

B. Common Law

C. The British Parliament

D. Legislation and Regulation

Canadian insurance law comes from rules created and interpreted within Canadian institutions: the Constitution (which sets how federal and provincial powers over insurance are allocated), common law developed by Canadian courts through insurance-related decisions, and legislation and regulation enacted by federal and provincial governments (with regulations providing detailed rules under those statutes). In Quebec, civil law traditions also influence how contracts and obligations are interpreted. The British Parliament is not a source of Canadian insurance law because Canada is a sovereign system with its own legislative bodies and courts; modern Canadian insurance law is made by Canadian lawmakers and interpreted by Canadian courts, not dictated by UK parliamentary Acts (except historical ties that are no longer the basis of current law).

2. What constitutes ethical handling of replacement opportunities from other advisors?

A. Avoid pressuring the client; ensure full disclosure and objective comparison; respect client's decision

B. Pressure the client to switch

C. Misrepresent alternative options

D. Delete other options

Ethical handling of replacement opportunities means putting the client's interests first by being transparent, providing full disclosure, and offering an objective, side by side comparison of alternatives while giving the client room to decide without pressure. When a client is considering replacing a policy or product from another advisor, you should clearly explain the features, costs, benefits, and downsides of both keeping the current arrangement and switching to alternatives, including any financial implications such as surrender charges, tax effects, or changes in coverage. You should disclose any conflicts of interest, such as potential commissions from the new option, and ensure the advice is suitable for the client's goals, risk tolerance, and financial situation. Document the discussion and respect the client's decision, even if they choose not to switch. Pressuring the client, misrepresenting options, or omitting viable alternatives would violate ethical and regulatory standards.

3. Under which law is a contract not formed until there is agreement as to what is being contracted for?

A. Common law

B. Civil code

C. Statute of Frauds

D. Administrative law

In common law contract formation, there must be a definite understanding of the thing being contracted for. The essential terms, especially the subject matter, have to be clear enough that the parties' promises can be identified and enforced. If the parties have not agreed on what exactly is being contracted for, there is no enforceable contract because there's no true meeting of the minds. This focus on certainty of terms is a defining feature of how contracts are formed under common law. The other options don't fit as well. The Statute of Frauds concerns whether certain promises must be in writing to be enforceable, not whether a contract exists in the first place. Civil code systems handle contract formation differently and may approach certainty and consent in other ways, but the specific requirement that the contract isn't formed without agreement on the subject matter is characteristic of common law. Administrative law governs rules and procedures for government agencies, not the basic formation of contracts.

4. What is the reinstatement period after cancellation following a 30-day grace period?

A. 2 years

B. 1 year

C. 3 years

D. 5 years

Two years is the reinstate-after-cancellation window. When renewal is missed and the 30-day grace period ends, the license is cancelled. You then have two years to reinstate by meeting any outstanding renewal requirements and paying the applicable fees. If you don't reinstate within those two years, you must reapply and usually go through the full licensing process again, including any required exams or prerequisites. This timeframe balances giving practitioners a chance to correct the lapse with the need to maintain standards.

5. Which plan is intended to provide a specified package of benefits to all members of society to ensure financial risk protection, access to health services, and improved health outcomes?

A. Public health initiative

B. Universal health care program

C. National health strategy

D. Universal health care and drug plan

This question is about plans that guarantee a defined set of benefits to everyone to shield people from high costs, ensure access to care, and improve health outcomes. The best fit here is a universal health care and drug plan because it explicitly includes both medical services and prescription drug coverage as a defined package of benefits for all members of society. By covering drugs as well as services, it strengthens financial risk protection—people aren't forced to pay large out-of-pocket costs for medications—and it supports access and adherence, which can lead to better health outcomes. A universal health care program focuses on access to medically necessary services, but without the inclusion of a drug component, it may not fully meet the "specified package of benefits" described. A public health initiative or a national health strategy describes goals, policies, or population health actions rather than a guaranteed, comprehensive benefits package for every individual.

6. Which circumstance triggers the requirement to update or withhold policy delivery due to insurability changes?

A. Significant changes in the client's insurability since the application was signed

B. Minor changes in address

C. Policy premium changes under $50

D. Renewal of the policy

Material changes in a client's insurability after the application have a real impact on the policy as issued. When health status or other insurability factors change significantly, the risk the insurer assumed at underwriting has shifted. In those cases, the insurer may require updated health information or re-underwrite the case, and policy delivery can be delayed or the terms updated to reflect the new risk. This ensures the policy accurately represents the current insurability and protects both parties from misrepresentation or mismatched coverage. Administrative updates like a minor address change or a renewal are not about changing risk, and small premium changes don't by themselves indicate a change in insurability. A renewal simply continues the existing contract unless new underwriting is triggered by a new application or a material risk change.

7. What is needed to substantiate an accidental death or dismemberment claim?

A. Police report

B. Death certificate

C. Detailed medical evidence

D. Witness statements

When evaluating eligibility for an accidental death or dismemberment claim, the essential requirement is detailed medical evidence that confirms the injury or death resulted from an accident and describes its severity. This medical documentation provides the clinician's diagnosis, treatment records, imaging, and any autopsy findings that establish causation, timing, and the specific loss or impairment defined by the policy. Police reports, death certificates, and witness statements can support the claim by showing an event occurred or that death happened, but they don't by themselves verify the medical cause, mechanism, or extent of the loss. In practice, insurers rely on comprehensive medical evidence to determine that the event meets the policy's definitions and to quantify the benefit.

8. What is the ethical handling of client funds or premium payments?

A. They can omit certain details if the client requests it.

B. They should be concise and focus mainly on potential benefits.

C. They should be comprehensive, accurate, and free of misleading emphasis on benefits.

D. They should be written in legalese to avoid misinterpretation.

Transparent, accurate disclosure when handling client funds and premium payments is essential. Clients rely on you to provide complete information about what their premiums cover, any costs or fees, and the risks or limitations of a policy, not just the attractive aspects. Presenting information that is comprehensive and fact-based helps the client make an informed decision and protects you from misrepresentation concerns. Emphasizing only benefits or omitting details—even if requested—undermines trust and can lead to poor outcomes for the client. In practice, ensure premiums are applied to the correct contract, keep clear records, and avoid misleading language; this approach aligns with ethical duties to be honest, clear, and thorough.

9. Who facilitates business between agents, their clients, and insurers?

A. Insurance broker

B. Underwriter

C. Managing general agent (MGA)

D. Claims adjuster

The idea being tested is how distribution and authority work in insurance. A managing general agent (MGA) serves as a bridge between insurers and the agents who bring in clients. An MGA operates under contract with one or more insurers and often has delegated underwriting, binding, and policy-issue authority for a defined set of products. This means the MGA can review submissions from agents, issue quotes or bind coverage, and manage policy administration on behalf of the insurer. In practice, agents rely on the MGA to access insurer products, get timely authorizations, and handle much of the administrative side of placing business, while the insurer relies on the MGA to extend market reach and maintain consistent underwriting standards. Clients benefit from a more streamlined process and access to a broader range of products through the agents. The other roles don't fit as the facilitator here: a broker represents the client and places coverage with carriers but doesn't typically have binding authority from insurers; an underwriter works for the insurer to assess risk and decide whether to accept a risk and at what price; a claims adjuster handles claims after a loss.

10. Which of the following is a breach that could lead to civil action against an agent in torts?

A. Breach of the privacy obligations

B. Breach of contract

C. Negligence

D. Defamation

Protecting clients' personal information is a key duty for an agent. When that privacy duty is breached, it can amount to a civil wrong known as an invasion of privacy, which is a recognized tort. If an agent improperly collects, uses, or discloses personal information without proper authorization, the harmed client can pursue civil action for damages or other remedies. Privacy breaches are inherently about rights to personal information and the expectation of confidentiality, so they fit squarely within tort law as a civil wrong. Breach of contract involves a breach of a promise in a contract, which is handled under contract law rather than a tort. Negligence is also a tort, but it centers on failing to meet the standard of care and causing damage, not specifically on violating privacy obligations. Defamation is a separate tort involving false statements harming another's reputation. The privacy breach scenario aligns most directly with a tort claim, making it the best fit.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://canadahllqpethics.examzify.com

We wish you the very best on your exam journey. You've got this!