



# SOFE-CFE<sup>Q&As</sup>

SOFE Certified Financial Examiner

**Pass SOFE SOFE-CFE Exam with 100% Guarantee**

Free Download Real Questions & Answers **PDF** and **VCE** file from:

<https://www.passapply.com/sofe-cfe.html>

100% Passing Guarantee  
100% Money Back Assurance

Following Questions and Answers are all new published by SOFE  
Official Exam Center

-  **Instant Download** After Purchase
-  **100% Money Back** Guarantee
-  **365 Days** Free Update
-  **800,000+** Satisfied Customers





#### QUESTION 1

\_\_\_\_\_ is a device whereby a stockholder authorizes another person or group of persons to act for him at a meeting of stockholders.

- A. Preliminary statement
- B. Triggering event
- C. Change of servicer
- D. Proxy

Correct Answer: D

---

#### QUESTION 2

Ghost employee schemes can be uncovered by having personnel distribute the payroll checks and by requiring positive identification of the payee.

- A. True
- B. False

Correct Answer: A

---

#### QUESTION 3

Which of the following is Correct?

- A. The insurance company transfers to the seller of a call option the opportunity for capital loss-if the stock rises by an amount exceeding the exercise price, plus the cost of the option (premium).
- B. The insurance company transfers to the buyer of a call option the opportunity for capital gain-if the stock rises by an amount exceeding the exercise price, plus the cost of the option (premium).
- C. The insurance company transfers to the seller of a call option the opportunity for capital loss-if the stock decreases by an amount exceeding the exercise price, plus the cost of the option (premium).
- D. The insurance company transfers to the buyer of a floor option the opportunity for option gain-if the stock rises by an amount exceeding the exercise price, plus the cost of the option (premium).

Correct Answer: B

---

#### QUESTION 4

The growth contingent is based upon a relationship between:

- A. net investment and premium volume



- B. commissions and net income volume
- C. loss and adjustment volume
- D. profit and premium volume

Correct Answer: D

---

#### QUESTION 5

Which payments reflect the amount of reinsurance recoverable from reinsurers based upon the amounts paid by the ceding company under reinsured policies?

- A. loss adjustment expense
- B. premium expense
- C. payment assessment expense
- D. All of the above

Correct Answer: A

---

#### QUESTION 6

For the seller in a \_\_\_\_\_ agreement, a liability is recorded for the amount of proceeds of the sale and the sold mortgage-backed securities are not removed from the accounting records.

- A. investment income
- B. dollar reverse repurchase
- C. dollar-resale payment
- D. resale interest income

Correct Answer: B

---

#### QUESTION 7

A mutual company may issue shares of guaranty capital that have a stated par value.

- A. True
- B. False

Correct Answer: A

---

#### QUESTION 8



What is a voluntary unincorporated business created to write insurance for its subscribers: a group of individuals, partnerships, and corporations in which each agrees to insure the other?

- A. surplus stock exchange
- B. escrow requirements funds
- C. treasury stock exchange
- D. reciprocal insurance exchange

Correct Answer: D

---

#### QUESTION 9

Which of the following is NOT the step in determining deferred tax assets and liabilities?

- A. Identification
- B. Measurement
- C. Reduction
- D. Valuation

Correct Answer: D

---

#### QUESTION 10

A retrocession is a transaction whereby a reinsurer, called the retrocedent, cedes to another reinsurer, known as the retrocessionaire.

- A. True
- B. False

Correct Answer: A

---

#### QUESTION 11

What says that companies not authorized or licensed to do business in the domiciliary state of the ceding company?

- A. reinsurers\' treaties
- B. unauthorized reinsurers
- C. unauthorized funds
- D. unrecognized dividends

Correct Answer: B

---



#### QUESTION 12

Sale orders also can be altered by employees who seek to obtain merchandise at their employer's expense.

- A. True
- B. False

Correct Answer: B

---

#### QUESTION 13

What may be determined as a percentage of the subject base premium, a flat rate, or a rate developed by the reinsured's loss experience?

- A. Reinsurance income
- B. Written premiums
- C. Premiums
- D. Loss reserving practices

Correct Answer: C

---

#### QUESTION 14

In the case of an advance or partial payment, the loss reserve should not be adjusted to zero, but in cases of final payment, the loss reserve is adjusted to zero.

- A. True
- B. False

Correct Answer: A

---

#### QUESTION 15

Loss reserves that are not established on a claim number basis are identified as bulk reserves.

- A. True
- B. False

Correct Answer: A