

Review Topics for Financial Planning Exam 2

Issues addressed in the Affordable Health Care Act

Purpose of a Major Medical Insurance Coverage

Difference between co-insurance for medical insurance, as opposed to the application of co-insurance for claim settlement on an HO policy

Reasons why a homeowner should develop an inventory of personal property when seeking HO coverage

Differences in medical payments coverage for an HO policy versus PAP [personal auto policy]

Liability coverage in relation to standard of care by a homeowner

Importance of a set of investment guidelines when investing

Difference between investing, as opposed to speculation, when seeking to generate a return on funds

Why it is important to have adequate insurance and liquidity before starting to invest?

Differences between an organized exchange versus one that is over the counter

What is a stock dividend, and how does it work to increase share ownership?

What is a stock split and how does it change the number of shares owned and the price of a stock?

Differences in the types of health insurance programs [Group HMO, PPO, Indemnity]

Types of Coverage provided under OASDHI - Social Security

Calculation of the amount paid by in the insured with a claim, under a managed care coverage with an annual deductible, co-insurance, and policy limit.

Differences in the definition of disability – restrictive versus liberal definition

Factors to consider when selecting a health insurance plan

Basic insurance concepts --- principle of indemnity, subrogation, co-insurance, insurable interest

Purpose of coinsurance in an HO policy

Types of HO policies and how they are used –HO-1, HO-2,HO-3,HO-4, HO-6

What is covered under Section I of the HO policy –e.g. Coverages A,B,C, and D

What is covered under Section II of the HO policy – e.g. Coverages E and F

Interpretation of what is insured under split limit coverage – e.g. 50,000/100,000/25,000

Methods for reducing auto insurance premiums based on the value of the car you are driving

Conditions that must exist in order for you to collect under your uninsured motorist coverage

What is insured under collision coverage in a PAP?

What is insured under an other than collision [non-collision or comprehensive] coverage in a PAP?

What are the characteristics of an investment, as opposed to, a purchase of a consumable item?

What is the type of coverage provided by SIPC insurance on brokerage accounts?

What is a stock short sale and why is it risky?

What the 1933 and 1934 SEC Acts provide in the way of investor protection in terms of annual reports and the requirement of a prospectus for initial public offerings.

Calculation of the expected price change in a stock based on its beta and the overall movement of the stock market

What basic characteristics should be included in a set of investment guidelines?

Calculation of the tax equivalent yield on a municipal bond [figuring the rate on taxable investments that equate to the municipal bond on an after tax basis]

Calculation of the compound rate of return on a stock based on the purchase price, annual dividends, appreciated price several years later.

Where to find information that will allow you to determine who your stock may be viewed in the market in terms of an independent evaluation of prospects for the upcoming year.