# LLQP ETHICS AND PROFESSIONAL PRACTICE (COMMON LAW) PRACTICE EXAM (SAMPLE)

## STUDY GUIDE



## SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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# 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.

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# 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!

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# Questions

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**1. What rights do common law spouses have regarding possession during separation?**

A. Ownership of shared property

B. Only rights to child support and spousal support

C. Equal division of assets

D. No rights to possession

**2. Who may benefits be payable to in the case of pensions if death occurs before retirement?**

A. The designated beneficiary only

B. The estate of the deceased

C. The spouse, even if not the designated beneficiary

D. Children of the deceased

**3. Why is client education essential in insurance practice?**

A. It allows clients to make uninformed choices

B. It builds trust and allows clients to make informed decisions

C. It reduces the workload on insurance professionals

D. It creates complications in the sales process

**4. What does LTC stand for in the context of insurance and care services?**

A. Long term credit

B. Long term care

C. Long term coverage

D. Long term commitment

**5. What is the purpose of the Proceeds of Crime and Terrorist Financing Act (PCMLTFA)?**

A. To regulate insurance agents

B. To ascertain identity in financial transactions

C. To simplify insurance claims

D. To promote financial literacy

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**6. What is the legal age for conducting contracts in Canada?**

A. 16
B. 18
C. 21
D. 19

**7. How can an insurance advisor demonstrate accountability?**

A. By ignoring client complaints
B. By being transparent in their actions and decisions
C. By delegating responsibilities to others
D. By boasting about sales achievements

**8. What is the purpose of a professional code of ethics?**

A. To increase profits for the organization
B. To outline expectations for conduct and ensure consistency in behavior
C. To provide a basis for marketing strategies
D. To limit the responsibilities of professionals

**9. Which of the following statements describes an irrevocable beneficiary?**

A. Can be changed without the beneficiary's consent
B. Has a claim on the policy proceeds
C. Is always a contingent beneficiary
D. Can receive benefits in case of a policy lapse

**10. Which type of beneficiary cannot be changed without written consent?**

A. Primary beneficiary
B. Contingent beneficiary
C. Irrevocable beneficiary
D. Revocable beneficiary

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# Answers

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

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# Explanations

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## 1. What rights do common law spouses have regarding possession during separation?

A. Ownership of shared property

B. Only rights to child support and spousal support

C. Equal division of assets

D. No rights to possession

*The correct answer emphasizes that common law spouses primarily have rights to child support and spousal support during separation rather than automatic rights to property division or possession. In the context of common law relationships, the legal framework does not equate to marriage in terms of property rights unless there is a cohabitation agreement or specific legal arrangements in place. As a result, during a separation, common law spouses are generally not entitled to an equal division of assets or ownership of shared property just by virtue of their relationship. This means they may seek support from their partner, but possession of property or assets will not be automatically granted unless otherwise established through legal agreements or evidence of partnership that dictates ownership interest.*

## 2. Who may benefits be payable to in the case of pensions if death occurs before retirement?

A. The designated beneficiary only

B. The estate of the deceased

C. The spouse, even if not the designated beneficiary

D. Children of the deceased

*In the context of pensions, if death occurs before retirement, benefits are typically structured to ensure financial support for loved ones. In many jurisdictions, the spouse has rights to pension benefits, regardless of whether they were designated as a beneficiary. This concept stems from laws and regulations designed to protect spouses and ensure they are provided for in the unfortunate event of a partner's death. The distinction here is significant because while designated beneficiaries may receive benefits under specific terms of the pension plan, the law often prioritizes the rights of the spouse. This helps ensure that they are not left without support, especially in situations where they may have been financially dependent on the deceased partner. The other potential recipients, such as the estate or children, may have some claim in certain cases, but the spouse's right to benefits is often treated as paramount for the purposes of pension payouts. This legal framework underlines the importance of recognizing spousal relationships in financial planning, particularly concerning pensions and similar retirement benefits.*

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## 3. Why is client education essential in insurance practice?

A. It allows clients to make uninformed choices

B. It builds trust and allows clients to make informed decisions

C. It reduces the workload on insurance professionals

D. It creates complications in the sales process

*Client education is essential in insurance practice primarily because it builds trust and allows clients to make informed decisions. When clients understand the products and services available to them, they are more equipped to assess their own needs and preferences. This knowledge empowers them to choose insurance solutions that are best suited to their circumstances, leading to greater satisfaction with their decisions. Informed clients are likely to have realistic expectations about coverage, benefits, and potential risks associated with their choices. This not only enhances the client's confidence in their decisions but also strengthens the relationship between the client and the insurance professional. Trust is a critical component of any advisory relationship, and educated clients are more likely to trust their advisors when they see transparency and understand complex insurance concepts. Educating clients also plays a vital role in compliance with regulations and ethical standards, as it promotes a high level of professionalism within the industry. It ensures that clients are not misled or taken advantage of, reflecting the commitment of insurance professionals to uphold their fiduciary duties. While the other choices touch on aspects of client interactions, they do not capture the core importance of education in fostering informed decision-making and building lasting relationships based on trust.*

## 4. What does LTC stand for in the context of insurance and care services?

A. Long term credit

B. Long term care

C. Long term coverage

D. Long term commitment

*In the context of insurance and care services, LTC stands for "Long Term Care." This term specifically refers to a range of services and support designed to meet the medical and non-medical needs of individuals with chronic illnesses or disabilities who are unable to perform basic daily activities for an extended period of time. Long term care can encompass various settings, including nursing homes, assisted living facilities, and in-home care services, making it an essential aspect of healthcare for aging populations or individuals with disabilities. The terminology of long term care is crucial as it emphasizes the focus on the duration and type of care provided, distinguishing it from other forms of care that may only be temporary or acute in nature. Understanding this terminology is vital for professionals in the insurance and healthcare fields, as it impacts policy design, service delivery, and the types of coverage offered to clients. Recognizing the correct definition enhances comprehension of the broader context of care services and the protections available to those in need of ongoing assistance.*

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## 5. What is the purpose of the Proceeds of Crime and Terrorist Financing Act (PCMLTFA)?

A. To regulate insurance agents

B. To ascertain identity in financial transactions

C. To simplify insurance claims

D. To promote financial literacy

*The Proceeds of Crime and Terrorist Financing Act (PCMLTFA) primarily aims to prevent and deter money laundering and the financing of terrorist activities within Canada. A crucial element of this act is the requirement for financial institutions and certain businesses to ascertain the identity of individuals involved in financial transactions. This is essential for ensuring that illicit funds are not being integrated into the financial system and that businesses comply with regulations designed to prevent crime and terrorism. By verifying identities, the act facilitates transparency and accountability in transactions, which helps to safeguard the financial system and maintain public trust. This requirement supports law enforcement agencies in their efforts to trace illegal activities and to ensure that financial resources are not being misused for harmful purposes. The other options do not encapsulate the main purpose of the PCMLTFA. Regulating insurance agents, simplifying insurance claims, and promoting financial literacy do not directly relate to the act's objectives of combating crime and terrorism through the tracking of financial transactions and identities.*

## 6. What is the legal age for conducting contracts in Canada?

A. 16

B. 18

C. 21

D. 19

*In Canada, the legal age for conducting contracts is typically 18 years old. This is the age at which individuals are generally considered to have the legal capacity to enter into binding agreements. At 18, individuals are recognized as adults under the law and can assume responsibility for their contractual obligations without the need for parental consent. While some provinces may allow individuals as young as 16 or 17 to enter into certain contracts, these exceptions do not apply universally across Canada. For instance, minors (those under 18) can engage in contracts for essential items, such as food and shelter, but their capacity to contract for other purposes may be limited. Thus, the contract could be voidable at the minor's discretion until they reach the age of majority or in certain circumstances. Overall, 18 is the most commonly accepted legal age for most types of contracts in Canada, making this answer accurate concerning the general legal framework governing contractual capacity.*

## 7. How can an insurance advisor demonstrate accountability?

A. By ignoring client complaints

B. By being transparent in their actions and decisions

C. By delegating responsibilities to others

D. By boasting about sales achievements

*An insurance advisor can demonstrate accountability by being transparent in their actions and decisions. Transparency involves openly communicating with clients about products, services, fees, and any potential conflicts of interest. This openness helps to build trust and fosters a professional relationship where clients feel informed and empowered to make decisions regarding their insurance needs. Being transparent also means providing clear documentation and thorough explanations about policies and procedures, encouraging clients to ask questions and understand their coverage. This practice aligns with ethical standards in the industry, emphasizing the importance of honesty and integrity in client interactions. It showcases the advisor's commitment to their responsibilities and supports a culture of accountability in their professional practice.*

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## 8. What is the purpose of a professional code of ethics?

A. To increase profits for the organization

B. To outline expectations for conduct and ensure consistency in behavior

C. To provide a basis for marketing strategies

D. To limit the responsibilities of professionals

*A professional code of ethics serves to outline expectations for conduct and ensure consistency in behavior within a profession. It establishes a framework of principles that guide professionals in their decision-making processes, helping them to navigate complex situations with integrity and accountability. By adhering to these ethical standards, professionals are better able to foster trust with clients, colleagues, and the public, reinforcing their commitment to ethical practices and enhancing the overall reputation of the profession. This framework also contributes to creating a culture of ethical awareness, encouraging professionals to act responsibly and consider the implications of their actions on others. As a result, a well-defined code of ethics promotes transparency, fairness, and respect in professional interactions, which ultimately benefits not only those within the profession but also the clients and communities they serve.*

## 9. Which of the following statements describes an irrevocable beneficiary?

A. Can be changed without the beneficiary's consent

B. Has a claim on the policy proceeds

C. Is always a contingent beneficiary

D. Can receive benefits in case of a policy lapse

*The statement that accurately describes an irrevocable beneficiary is that they have a claim on the policy proceeds. An irrevocable beneficiary holds a legal right to the benefits under a life insurance policy, meaning that the policyholder cannot change or remove this beneficiary without their consent. This feature provides the irrevocable beneficiary with a secured interest in the policy, ensuring they will receive the proceeds upon the insured's death, provided that the policy remains active. The other options do not reflect the true nature of an irrevocable beneficiary. For instance, the ability to change a beneficiary without consent applies only to revocable beneficiaries, and the assertion that an irrevocable beneficiary is always a contingent beneficiary is inaccurate because they can be designated as primary beneficiaries. Furthermore, regarding benefits in case of a policy lapse, an irrevocable beneficiary typically does not receive any benefits or rights unless the policy is active and the insured has passed away. Thus, identifying the claim to policy proceeds correctly captures the essence of what an irrevocable beneficiary entails.*

## 10. Which type of beneficiary cannot be changed without written consent?

A. Primary beneficiary

B. Contingent beneficiary

C. Irrevocable beneficiary

D. Revocable beneficiary

*An irrevocable beneficiary is one whose designation cannot be changed without their written consent. This type of beneficiary has a vested interest in the policy and thus has certain rights that protect their interests. Once a beneficiary is designated as irrevocable, the policyholder cannot alter this designation, take out loans against the policy, or make changes to the policy that would affect the irrevocable beneficiary's interest without obtaining their approval. This structure is often used to provide assurance to a beneficiary, such as in estate planning, where a certain party is guaranteed benefits and cannot be easily removed by the policyholder. In contrast, a primary beneficiary can generally be changed at any time by the policyholder without needing the primary beneficiary's consent. Similarly, contingent beneficiaries and revocable beneficiaries can also be changed freely by the policyholder, indicating that they do not have the same level of rights and protections as an irrevocable beneficiary.*

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# 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://llqpethics.examzify.com

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

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