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How Ready Are You for the Critical Illness Challenge?

Sometime soon, your company may ask you to develop a critical illness insurance product. Are you ready to respond? Test your knowledge by answering the following ten challenge questions in the quiz below:

Q1: *Critical Illness Insurance pays on:*

A: Death due to a specified illness

B: Diagnosis of a specified illness

Q2: *Critical Illness incidence rates for insured lives cannot be determined with confidence because we have insufficient insured experience.*

A: False

B: True

Q3: *SEER Studies reflect cancer rates as a fraction of:*

A: Applicable population segments

B: Applicable population segments with existing sufferers eliminated

Q4: *The American Heart Association obtains its heart attack incidence information from:*

A: The Framingham Study

B: Consulting Physician's reports

C: The Centers for Disease Control

Q5: *Thomas Royle Dawber was a celebrated researcher employed in:*

A: The SEER Studies Program

B: The Framingham Cohort Studies

C: The United Network for Organ Sharing

Q6: *Select period Critical Illness Rates cannot be reliably estimated because Critical Illness is a new product and insufficient select period experience is available*

A: True

B: False

Q7: *Substandard applicants cannot be accepted as Critical Illness Insurance Risks*

A: True

B: False

Q8: *Critical Illness Underwriting is most closely related to underwriting for:*

A: Health Insurance

B: Disability Insurance

C: Life Insurance

Q9: *The Formula*

$$i_X' = i_X \frac{w_x' k_x' q_x'}{w_x k_x q_x}$$

is used by Critical Illness actuaries as:

A: An exposed to risk measure

B: An underwriting calibration tool

C: A tool for calculating costs of Critical Illness riders

Q10: The Formula

$$(aq)_X = i_X + (1 - k_X q_X)$$

is used by Critical Illness actuaries:

A: To calculate rates for life policies with Critical Illness Riders

B: As an underwriting calibration tool

C: To calculate rates for stand-alone Critical Illness Policies

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Check your answers against the answers provided below. Score 1 Grade Point for each correct answer.

Score:　　　　　　　　　　Passing Grade is 8 or better.

Answers:

Q1: B　Q2: A　Q3: A　Q4: A　Q5: B　Q6: B　Q7: B　Q8: C　Q9: B　Q10: A