**Test**

Object: To help you gain the necessary knowledge to allow you to confidently work with people from all situations and walks of life, and more specifically, to work with appointments set from our lead program. This is an open book test. However, make sure you are able to answer these questions from your own knowledge, and do not ask your mentor or Partner for help. We will know through discussion/ closing ratios if you were not honest on this test, which can disqualify you from receiving future leads.

**General market terms section:**

1. What is a stock? A bond?
2. Describe what the S&P 500, Dow, Nasdaq and Russell 2000 are.
3. What is a mutual fund? Indexed fund? ETF?

**Product specific section:**

1. Describe a participation rate, cap, floor, and spread in conjunction with indexed annuities and/or indexed life in layman’s terms?
2. What is an annuity? Is ‘annuity’ a word you should lead with when working with clients? Explain your answer.
3. How do the minimum guaranteed rates work on annuities? Explain best you can.
4. What length surrender penalty options are available on our ‘main’ products?
5. How do income benefits work? Is there a cost for them, and if so, what is typical? Name annuity companies that have an income benefit.

Client scenarios-

Describe as briefly as you can possible solutions for each situation as listed.

1. You have a client who:
2. wants to retire in 10 years:
3. wants to retire in 5 years:
4. is already in retirement:
5. Assume the client wants $2,000/mo. guaranteed income when they hit retirement. He or she:
6. wants to retire in 10 years:
7. wants to retire in 5 years:

C) is already in retirement:

**Tax section**:

Note: We are not tax professionals so any specific tax questions should be referred to a competent professional, as outlined in our company disclosure forms. However, because there are tax ramifications to all investments, you should have a basic knowledge of the tax rules governing the plans you are helping to set up for people. If this is done incorrectly, the results can be severe to both the client and the professional helping them, i.e. you.

In all the questions below they are asking if YOU as an agent of CSF can do X for a client, not if it can be done in general.

1. How are contributions and distributions of an IRA taxed?
2. How are contributions and distributions of a Roth IRA taxed?
3. Can you, as an agent of CSF, help a client roll over a 401k? If so, describe how this is typically done.
4. Can you, as an agent of CSF, help a client in rolling over/transferring an IRA? If so, describe how this is typically done. Can you set up a new IRA for a client? If so, describe how this is typically done as well.
5. Can you, as an agent of CSF, help a client in rolling over/transferring a Roth IRA? If so, describe how this is typically done. Can you set up a new Roth IRA? If so, describe how this is typically done as well.
6. Can you roll over a SEP IRA?
7. Can pensions be rolled over? If so, describe how this would typically be done.
8. What are the tax rules (or in other words how is money taxed) of a non-qualified Indexed annuity (or any annuity)? And a Qualified annuity?
9. Nowadays clients often have the option to contribute to their 401k in two ways- traditionally or as a Roth contribution. If they have contributed both ways inside their plan can you roll it over? If so, describe how this is typically done.