LLQP Final Review Sheet

The night before, read only these pages.

Exam rules

Item	Current rule	Checked
Format	Multiple choice, one best answer of four, marked on an answer sheet; 75 minutes per module.	2026–11–15
Questions and scoring	Life, Accident & Sickness, and Segregated Funds & Annuities: 35 questions each, scored out of 30. Ethics (common law): 25 questions, scored out of 20. Each module includes 5 unscored pilot questions.	2026–11–15
Pass mark	60% in each module.	2026–11–15
Reference material	Only the CISRO LLQP exam reference material, in electronic form: a tablet in Metro Vancouver and Prince George, a computer elsewhere. No course material or notes.	2026–11–15
Fees	$80 per module; $210 for all four modules on one day in Metro Vancouver; $80 to rewrite one module; about $80 + GST extra to the test centre in Cranbrook, Kelowna and Victoria.	2026–11–15
Eligibility review	Submit an LLQP Eligibility Verification in the portal first. The fees page says review takes up to 3 business days (the SEPT2025 examinee guide still says 1).	2026–11–15
12–month window	You must hold a licence within 12 months of your first passed module; modules outside the window must be rewritten. Course completion certification is valid for one year.	2026–11–15
Rewrites	No wait after the first three failed attempts; after the fourth, wait one year and retake the course. A January 2025 Council policy PDF still says 24 hours between attempts; the two official documents disagree.	2026–11–15
Results	By 4:30 p.m. PT, three business days after the exam in Metro Vancouver and five elsewhere.	2026–11–15
Curriculum weights	CISRO weights within each module: assessing needs 35%, analysing products 30%, implementing the recommendation 25%, in–force service 10% (Ethics: legal aspects 60%, agent rules 40%). Modules have no weights against each other; each must be passed on its own.	2026–11–15

Last 24 hours checklist

- Bring the ID that matches your registration name exactly.
- Arrive or log in early; late candidates may be refused.
- Pace: 130 questions in 300 minutes; first pass: do not get stuck, flag it and come back.
- Circle NOT / EXCEPT / main / best before reading the options.

- Where the exam answer and the current rule differ, give the exam answer.

One trap and one must-know per chapter

01 Why Life Insurance Is Needed: Risk of Death, Financial Impacts, and Four Risk Management Strategies P2 Hold steady

Trap: Category omission (counting lost salary while overlooking lost caregiving)——The question stem features a stay-at-home spouse caring for young children or disabled relatives, or a single parent raising minor children alone.

Must know: Financial impacts of death fall into six categories: loss of income, loss of caregiver, debt repayment, income tax, estate creation, and business impacts. Needs analysis must examine and sum each category rather than choosing only one.

02 Term Life Insurance P1 Must score

Trap: Confusing renewability with convertibility——The question stem mentions 'at expiry' or 'continue temporary coverage' pointing to renewability; mentions 'permanent coverage', 'whole life', or 'Term 100 before a maximum age' pointing to convertibility.

Must know: A death benefit is paid only if the life insured dies within the specified term; if the term expires without a claim, the contract terminates with no refund or cash value whatsoever.

03 Whole Life and Term-100: Dividends, Cash Value, and Non-Forfeiture Benefits P1 Must score

Trap: Confusing contractual participation rights with dividend amounts——The question stem or options include terms like guaranteed dividend, fixed annual return, or equate the dividend scale interest rate with a deposit rate on an accumulate-at-interest account.

Must know: Whole life insurance builds a policy reserve by collecting more premium than needed in early years, compounding with interest to subsidize surging mortality costs in old age, thereby keeping lifetime premiums level and fixed.

04 Universal Life Insurance: Unbundled Elements, YRT vs. LCOI, Exemption Test, and Common Missteps P1 Must score

Trap: Modal factor premium surcharge assumption trap——The question stem discusses the difference in annualized total premiums between monthly, quarterly, or semi-annual payments and annual payments in universal life (UL), or asks to calculate a modal surcharge.

Must know: When a premium is deposited, provincial premium tax is deducted from the gross premium first, the remainder enters the accumulating fund, monthly or annual cost of insurance (COI) and administration fees are deducted from it, and the remaining balance compounds in the selected investment accounts.

05 Riders and Supplementary Benefits P2 Hold steady

Trap: Treating Riders as Standalone Policies (Category Mismatch)——The question stem mentions base policy lapse, expiry, or full surrender, and asks whether attached riders or supplemental paid-up coverage can be maintained.

Must know: Under exam conventions, additional benefits paid after death are categorized as riders, while living triggers such as advances, separate payouts, or premium waivers are classified as supplementary benefits; however, in practice each contract's specific trigger provisions must be verified.

06 Group Life Insurance P3 Skim

Trap: Inverting tax treatment across insurance lines——The question stem presents an employer group life premium contribution ratio (such as 70% / 30% or 100% employer-paid) and asks about the employee's current-year T4 taxable benefit or the beneficiary's death benefit tax consequences.

Must know: The employer or association acts as the plan sponsor entering into the master contract with the insurer, and members typically receive only a benefit booklet summary; however, under BC Insurance Act s41(5)(b), a group life insured has the statutory right, upon giving reasonable notice, to inspect and obtain a copy of the master policy from the insurer, with the first copy provided free of charge.

07 Taxation of Life Insurance and Tax Planning Strategies P2 Hold steady

Trap: Applying the 50% capital gains inclusion rate to policy gains——The question stem mentions a surrender, policy loan, or policy transfer and asks for the taxable income or tax payable.

Must know: The death benefit principal of an exempt life insurance policy is generally not included in the beneficiary's income, but policy gains arising from a lifetime disposition (proceeds of disposition minus ACB) must be 100% included in taxable income for the year and do not qualify for the 50% capital gains inclusion rate.

08 Business Life Insurance: Key Person, Buy-Sell Agreements, and Corporate-Owned Policies P2 Hold steady

Trap: Assuming identical ownership percentages mean identical mechanisms and tax results——The question stem features two or more shareholders discussing capital gains taxes on a future sale of the business, or asks whether total shares outstanding change and who the purchasing party is.

Must know: The quantifiable impacts of a key person or owner's death on a business primarily include interim costs from loss of skills, liquidity crises caused by lender demands on demand loans, and capital gains taxes triggered by the deemed disposition of capital property at fair market value immediately prior to death under ITA s.70(5).

09 Application and Underwriting

P1 Must score

Trap: Confusing standard rate classification with premium ratings——The question stem lists smoking, occasional social drinking, and frequent high-risk sports, asking which item will cause the policy to be rated or issued with an exclusion clause.

Must know: Acting as the insurer's eyes, the agent is responsible for collecting information, verifying identity, witnessing signatures, and recording personal observations in the agent's comments section, but cannot replace the underwriter in deciding risk classifications or alter health answers on behalf of the applicant.

10 Assessing the Client's Situation: Determining Life Insurance Needs (Income Replacement vs. Capital Needs Approach)

P1 Must score

Trap: Using property market value instead of mortgage balance——The question stem lists both property market value and mortgage balance figures.

Must know: The needs analysis approach is an independent financial analysis document that precedes product recommendations, designed to calculate the family's coverage shortfall if that income were lost, rather than immediately determining which policy to buy.

11 Recommending an Insurance Policy

P1 Must score

Trap: Misplaced objective (treating the most expensive and comprehensive option as the default best)——The question stem emphasizes that the client currently has limited income or tight cash flow, while options feature an expensive full whole life combination.

Must know: Needs with a definite termination horizon favor term insurance, lifelong needs favor permanent insurance, and uncertain needs with limited income favor convertible term insurance to preserve future options.

12 Ongoing Policy Service P2 Hold steady

Trap: The dual 30-day continuous coverage trap——The question stem describes the life insured dying N days after the grace period expires, and family members attempt to pay overdue premiums and demand a claim payment.

Must know: Changes to name, address, premium payment frequency, deleting riders, and changing revocable beneficiaries are administrative changes requiring no medical underwriting; increasing coverage amounts, adding riders, and changing from smoker to non-smoker status generally require evidence of good health or insurability, unless exercised under a guaranteed insurability option or contractual conversion privilege.

13 What Accident and Sickness Insurance Protects: Financial Goals and Four Risk Categories for Individuals, Families, and Businesses P2 Hold steady

Trap: Confusing disability and critical illness claim triggers——The question stem describes a client diagnosed with a severe illness who can still work remotely or part-time, or a client temporarily unable to work due to back pain or a fracture without meeting any covered critical illness definition.

Must know: Individuals and families pursue three primary financial goals—wealth accumulation, retirement income, and daily family needs—which are threatened by four risk categories: mortality, disability, illness, and longevity; premature death from any cause is primarily covered by life insurance, while AD&D in A&S covers only accidental death.

14 Disability Insurance (DI): Income Replacement, Coordination of Group, Individual, and Government Benefits

P1 Must score

Trap: Confusing group and individual own occupation definitions——The question stem mentions both group plan / group LTD and own occupation, and describes a job transfer or engaging in other gainful work.

Must know: Individual own occupation allows working in another occupation with unreduced benefits; regular occupation (and group own occupation) reduces or stops benefits upon returning to work; any occupation ceases benefits if the insured can perform any work commensurate with education, training, or experience; CPP total disability requires the disability to be both severe and prolonged.

15 Critical Illness & Long-Term Care Insurance P1 Must score

Trap: Confusing qualification period with survival period——The question stem presents symptoms discovered shortly after policy issue or reinstatement, or outlines a timeline where the insured dies on day N following diagnosis.

Must know: Critical illness (CI) and long-term care (LTC) insurance protect depleted assets rather than replacing lost earned income; CI typically pays a lump-sum benefit with no restrictions on how the funds are used.

16 Extended Health, Dental, and Travel Insurance P2 Hold steady

Trap: Reversing the calculation order of deductible and co-insurance——The question stem presents the total bill, an annual deductible, and a co-insurance factor simultaneously.

Must know: Provincial healthcare plans primarily cover medically necessary physician and hospital services; routine dental care, routine eye exams for adults aged 19 to 64, paramedical services, and out-of-country balances must be evaluated against public and existing private plans and supplemented through extended health insurance.

17 Business Disability Insurance: BOE, Key Person Disability, and Disability Buyout

P3 Skim

Trap: BOE Eligible Expense Scope Confusion Trap——The question stem mingles the owner's personal salary, commercial loan principal, or new equipment purchases into a list of monthly business expenses.

Must know: An owner's temporary inability to work is covered by business overhead expense (BOE) insurance, the loss of a key employee is covered by key person disability insurance, and a disabled partner's exit requiring share monetization is covered by buy-sell disability buyout insurance; the three products cannot substitute for one another.

18 Client Profile: Income, Assets, Existing Coverage, and Gap Analysis P1 Must score

Trap: Net Versus Gross Income Confusion Trap——The question stem simultaneously mentions gross income, an effective tax rate (e.g., 25%), and employer-paid premiums or taxable CPP-D benefits.

Must know: Profiling must precede product recommendations and recommendations must precede contracts; all income, debts, and existing coverages must be verified using objective documentation such as tax returns, pay stubs, and group benefits booklets.

19 A&S Recommendation, Contract and Service: Statutory Conditions, Claims and Renewability P1 Must score

Trap: Confusing the Three Claim Time Limits Trap——The question stem mentions days elapsed following an accident or disability (e.g., day 45), hospitalization preventing management of affairs, or deadlines for submitting receipts or medical proof.

Must know: Written notice of claim must be given to the insurer within 30 days from the date the claim arose (Condition 5(1)(a)), and written proof of claim must be submitted within 90 days from the date the claim arose (Condition 5(1)(b)); both periods run concurrently from the onset of the claim.

20 Group Benefit Plans: Eligibility, Rating, Co-ordination of Benefits, and ASO P3 Skim

Trap: Treating premium sharing percentage as taxable benefit percentage——The question stem simultaneously provides an employer-employee premium split percentage (e.g., 50%) and the employee's cumulative unapplied contribution amount (e.g., $3,600).

Must know: The master contract is executed between the plan sponsor (the employer) and the insurer; plan members receive only a benefit booklet summary and are not contracting parties, but under BC Insurance Act s. 96 they retain statutory rights to obtain policy copies, while s. 99 governs certificates.

21 Investment and Savings Basics: Compounding, Registered Accounts, and the FHSA Missing from the Exam Manual

P2 Hold steady

Trap: TFSA same-year re-contribution over-contribution trap——The question stem features a client who has already maximized their TFSA contribution room for the year, withdraws funds, and plans to deposit funds back into the TFSA before the end of the same year.

Must know: Compounding reinvests earned interest back into principal to earn additional interest (FV = PV * (1 + r)^n), accelerating exponentially over longer horizons; dividing 72 by the annual return percentage estimates the years required for principal to double (most accurate between 6% and 10%).

22 Segregated Funds: Guarantees, Protection, and How They Really Differ from Mutual Funds P1 Must score

Trap: Confusing maturity guarantee with death benefit guarantee——The question stem displays two slash–separated figures (e.g., 75/100), the annuitant dies before the 10–year term matures, or the scenario asks which guarantee protects an investor who fears losing principal during their lifetime.

Must know: A segregated fund is legally an insurance contract rather than mutual fund units, structured around a policy owner who funds the contract and makes investment decisions, an annuitant whose survival or death anchors the maturity and death guarantees, and a beneficiary who receives death benefits; in registered accounts, the owner and annuitant must be the same person.

23 Annuities: Turning a Lump Sum into Lifetime Income, Annuity Classifications, and Prescribed Taxation P1 Must score

Trap: Equating Deferred Annuities with Periodic Deposits Trap——The question stem emphasizes that a client deposits funds in multiple installments or as a single lump sum, asking candidates to classify the contract as an immediate or deferred annuity.

Must know: A payout annuity is designed to convert principal and interest into a scheduled income stream, whereas an accumulation annuity (insurance GIC) generates no income stream and merely holds deposits to earn interest, allowing conversion to a payout annuity or penalty–free full surrender at maturity.

24 Investor Profile: KYC, Risk Tolerance, Risk Capacity, and Suitability, and Why It Carries 35% of This Module P1 Must score

Trap: Deferring to client subjective preference——The question stem shows a client insisting on high–yield equity funds and claiming comfort with sharp market drops, while simultaneously revealing an inadequate emergency fund, sole breadwinner status, or reliance solely on pensions for living expenses.

Must know: This competency component accounts for 35% of the Segregated Funds module exam syllabus, higher than analyzing products (30%) and implementing recommendations (25%), making it the only component weighted at more than one–third of total marks.

25 Segregated Fund and Annuity Recommendation: From Profile to Product, Application, and Reason–Why Letter P1 Must score

Trap: Agent completion equated to agent decision trap——The question stem features an agent completing a segregated fund application form for a client, where the client has not personally provided certain information or where language and comprehension barriers exist, yet the agent proceeds toward signature.

Must know: Commissions or trailer fees must never influence an advisor's judgment when making recommendations; when comparing fund performance or expenses, funds of the same category must be selected, and any cross–category comparison requires explaining the rationale to the client.

26 Segregated Fund (IVIC) and Annuity Contracts: Clause-by-Clause Guarantees and Administration P2 Hold steady

Trap: The zero-consequence free switch trap——The question stem mentions a non-registered contract, free switch, market value exceeding original deposit, or a switch triggering a reset.

Must know: Segregated fund contract provisions themselves (beneficiary designation, creditor protection, and irrevocable beneficiary changes) are governed by Part 3 of the BC Insurance Act, whereas market conduct regulation such as ending DSC sales is enforced under the Financial Institutions Act (FIA).

27 Group Retirement and Investment Plans: DB vs. DC Responsibilities and Post-CPP Enhancement Planning P3 Skim

Trap: The contributory DPSP trap——The question stem mentions profit sharing alongside employees also contribute or contributory plan.

Must know: The legal plan administrator of a pension plan governed by the PBSA owes a fiduciary duty to act in the best interests of plan members and beneficiaries under the prudent person rule, and cannot be relieved of its supervisory duty by outsourcing day-to-day investment management.

28 Legal Framework Governing Life Insurance: Which Law BC Actually Uses P1 Must score

Trap: Equating provincial insurance regulation with total federal irrelevance trap——The question stem or options state that life insurance is governed solely by provincial legislation, or ask which level of law governs large cash reporting, genetic testing bans, or interprovincial data flows.

Must know: The Constitution overrides federal and provincial statutes; common law governs general contract and agency principles, but statute law (such as provincial insurance acts) prevails over common law within its scope once enacted.

29 Insurance Policy Provisions P1 Must score

Trap: Mistaking a single milestone for the effective date trap——The question stem lists application, approval, delivery, and premium payment dates, or notes that underwriting modified policy terms (ratings, exclusions, reduced face amount) without signed client acceptance.

Must know: The application, policy, attached documents, and subsequent written endorsements together constitute the entire contract (BC Insurance Act ss.41, 42); verbal promises made by an agent are excluded from the contract.

30 Claims and Payment of Proceeds P1 Must score

Trap: Seven-year disappearance threshold and policy lapse trap——The question stem features a disappearance, air crash, or catastrophic accident, or mentions family members considering stopping premium payments during the absence.

Must know: Upon receiving sufficient proof of the occurrence of the insured event, the age of the life insured, the claimant's right to receive payment, and the name and age of the beneficiary, the insurer must pay the insurance money within 30 days (BC Insurance Act s.73).

31 Bodies That Protect the Client P2 Hold steady

Trap: Misallocating Federal and Provincial Jurisdiction (OSFI vs Provincial Bodies)——When the stem mentions individual practice terms like 'licensing', 'agent misconduct', or 'disciplinary action', look for the Insurance Council of BC; when it mentions 'financial soundness of federally registered insurer', look for OSFI; when it mentions 'business authorization in BC', look for BCFSA.

Must know: Under the Insurance Companies Act, OSFI monitors the financial soundness (solvency) of federally registered life insurers, and does not licence, regulate, or discipline insurance agents.

32 Main Responsibilities of Life Insurance Agents P1 Must score

Trap: Confusing Churning with Twisting——Check the insurers of the existing and new policies in the question stem: replacing a policy within the same insurer is churning, while inducing a switch across different insurers with hidden or misleading costs is twisting.

Must know: Principles govern how agents must act in good faith, while rules prescribe prohibited conduct; breaching principles such as integrity, competence, or conflicts of interest likewise leads to serious disciplinary consequences, and penalty severity cannot be presumed based on textbook classification.