

**Annual Report of  
Life Insurance Examinations  
Calendar Year 2007**

## **OVERVIEW**

---

This report was prepared according to the provisions of section 626.2415, Florida Statutes, and will be published annually using data from the current contracted testing vendor.

### **626.2415 Annual report of results of life insurance examinations.--**

(1) No later than May 1 of each year, the department or a person designated by the department shall prepare, publicly announce, and publish a report that summarizes statistical information relating to life insurance agent examinations administered during the preceding calendar year.

The demographic information contained in this report was voluntarily submitted by applicants for the life and variable annuity insurance license. The purpose of this report is to aid the Department in improving the quality and fairness of the insurance examinations.

## **SCOPE OF WORK**

---

This report was developed for the Florida Department of Financial Services. The report summarizes demographic statistical data, voluntarily self reported by the applicants, relating to the life and variable annuity insurance tests administered in 2007 by Pearson VUE. The report also includes summary statistical information relating to each life insurance test form administered from January 1, 2007 to December 31, 2007.

## **METHODS**

---

The data included in this report are for exams administered through December 2007. Five new test forms were published in November 2007 as part of the Department's regular review and update of test forms. A total of 4,789 candidates were administered one of the existing forms and another 1,046 candidates were administered one of the five new forms.

Table 1 includes the following information for all examinees combined and separately by race or ethnicity, gender, race or ethnicity within gender, education level, and native language:

- A. The total number of examinees.
- B. The percentage and number of examinees who passed.
- C. The mean scaled score on the examination.
- D. The standard deviation of scaled scores on the examination.

Table 2 shows the number of candidates who tested, the correct answer rates, and point-biserial correlations for all candidates. It also shows African-American examinees, white examinees, American Indian examinees, Asian examinees, Hispanic examinees, and other examinees for each separate test form.

## CONCLUSIONS

---

There appear to be differences in pass rates for several of the groups reported in Table 1. Candidates who self-identify as African American, Hispanic and Other have a pass rate lower than the average<sup>1</sup>, while the White and Asian groups have pass rates higher than the average<sup>1</sup>. Male candidates have a pass rate higher than the average<sup>1</sup>, while female candidates have a pass rate lower than the average<sup>1</sup>. As education level increases, the percent passing the test also increases through college graduate. All candidate groups who responded to the question on native language (English, Spanish and Other) showed pass rates above the average<sup>1</sup>. Due to the large number of candidates with no response on the education and native language variables, these results should be interpreted with caution. For all of the test forms with adequate samples (more than 200 candidates), the correct answer rate and point-biserial correlations are very similar.

---

<sup>1</sup> Average is the scaled score mean.

**Table 1. All Life and Variable Annuity Examinees**

	Total	Passing Candidates		Scaled Score	
		%	Num.	Mean	SD
All Candidates	5835	37.2%	2171	64.45	12.81
Race or Ethnicity					
African American	1475	28.1%	414	62.15	12.20
White	2071	46.9%	972	67.93	11.75
American Indian	9	88.9%	8	71.89	14.90
Asian	103	42.7%	44	66.02	11.32
Hispanic	1607	32.1%	516	62.88	12.56
Other	326	30.4%	99	61.99	13.26
No Response	244	48.4%	118	61.52	18.80
Gender					
Male	2724	39.6%	1079	65.52	12.48
Female	2835	34.1%	966	63.69	12.43
No Response	276	45.7%	126	61.63	18.01
Race or Ethnicity within Gender					
Male					
African American	712	27.5%	196	62.28	12.37
White	1026	52.4%	538	69.40	11.72
American Indian	3	100.0%	3	77.00	12.12
Asian	54	48.1%	26	67.35	11.61
Hispanic	767	33.8%	259	63.67	11.99
Other	152	35.5%	54	63.36	13.64
No Response	10	30.0%	3	61.10	13.22
Female					
African American	749	28.3%	212	62.01	12.09
White	1044	41.5%	433	66.49	11.60
American Indian	6	83.3%	5	69.33	16.51
Asian	49	36.7%	18	64.55	10.92
Hispanic	814	30.6%	249	62.10	13.02
Other	156	26.3%	41	61.00	12.79
No Response	17	47.1%	8	63.41	16.07
No Response					
African American	14	42.9%	6	63.43	9.60
White	1	100.0%	1	77.00	
Hispanic	26	30.8%	8	63.89	12.97
Other	18	22.2%	4	59.06	13.41
No Response	217	49.3%	107	61.39	19.26
Education Level					
Some High School	78	17.9%	14	57.89	13.08
High School Degree	785	24.6%	193	60.66	12.18
Some College	2090	38.0%	795	64.83	11.75
College Degree	896	53.8%	482	69.54	12.02
Graduate Degree	292	50.3%	147	68.81	12.44
No Response	1694	31.9%	540	62.60	13.66
Native Language					
English	2207	55.2%	1219	69.44	11.17
Spanish	591	44.8%	265	66.42	11.34
Other	153	44.4%	68	66.82	10.55
No Response	2884	21.5%	619	60.10	12.86

**Table 2. Life and Variable Annuity Examination Performance by Form**

Population	Statistic	Test Form				
		Form 1	Form 2	Form 3	Form 4	Form 5
All Candidates	Number of Test Takers	1013	990	1068	1052	666
	Correct Answer Rate <sup>1</sup>	0.66	0.64	0.64	0.65	0.63
	Correlation <sup>2</sup>	0.29	0.27	0.28	0.29	0.27
African American	Number of Test Takers	256	245	271	264	156
	Correct Answer Rate <sup>1</sup>	0.63	0.62	0.61	0.62	0.61
	Correlation <sup>2</sup>	0.28	0.26	0.27	0.27	0.26
White	Number of Test Takers	364	370	367	379	255
	Correct Answer Rate <sup>1</sup>	0.69	0.67	0.68	0.68	0.66
	Correlation <sup>2</sup>	0.27	0.26	0.27	0.29	0.27
American Indian	Number of Test Takers	2	0	4	2	1
	Correct Answer Rate <sup>1</sup>	0.84	n/a <sup>3</sup>	0.76	0.54	0.7
	Correlation <sup>2</sup>	0.65	n/a <sup>3</sup>	0.21	0.65	n/a <sup>3</sup>
Asian	Number of Test Takers	19	17	17	22	10
	Correct Answer Rate <sup>1</sup>	0.70	0.64	0.65	0.65	0.65
	Correlation <sup>2</sup>	0.30	0.25	0.25	0.26	0.16
Hispanic	Number of Test Takers	267	266	304	294	173
	Correct Answer Rate <sup>1</sup>	0.62	0.62	0.62	0.64	0.61
	Correlation <sup>2</sup>	0.30	0.28	0.27	0.29	0.27
Other	Number of Test Takers	48	62	63	54	23
	Correct Answer Rate <sup>1</sup>	0.64	0.60	0.60	0.64	0.62
	Correlation <sup>2</sup>	0.26	0.31	0.31	0.32	0.24
No Response	Number of Test Takers	57	30	42	37	48
	Correct Answer Rate <sup>1</sup>	0.69	0.63	0.67	0.61	0.62
	Correlation <sup>2</sup>	0.35	0.26	0.37	0.34	0.34

Note:

<sup>1</sup> Average percent correct for items on exam

<sup>2</sup> Average point biserial correlation for items on exam

<sup>3</sup> Operation is not possible with zero or one test taker

**Table 2. continued. Life and Variable Annuity Examination Performance by Form**

Population	Statistic	Test Form				
		Form 6	Form 7	Form 8	Form 9	Form 10
All Candidates	Number of Test Takers	256	45	272	219	254
	Correct Answer Rate <sup>1</sup>	0.65	0.58	0.65	0.64	0.66
	Correlation <sup>2</sup>	0.29	0.38	0.31	0.29	0.29
African American	Number of Test Takers	70	12	67	66	68
	Correct Answer Rate <sup>1</sup>	0.63	0.63	0.64	0.62	0.64
	Correlation <sup>2</sup>	0.27	0.18	0.26	0.29	0.27
White	Number of Test Takers	79	14	96	64	83
	Correct Answer Rate <sup>1</sup>	0.69	0.64	0.69	0.68	0.70
	Correlation <sup>2</sup>	0.24	0.24	0.31	0.23	0.24
American Indian	Number of Test Takers	0	0	0	0	0
	Correct Answer Rate <sup>1</sup>	n/a <sup>3</sup>	n/a <sup>3</sup>	n/a <sup>3</sup>	n/a <sup>3</sup>	n/a <sup>3</sup>
	Correlation <sup>2</sup>	n/a <sup>3</sup>	n/a <sup>3</sup>	n/a <sup>3</sup>	n/a <sup>3</sup>	n/a <sup>3</sup>
Asian	Number of Test Takers	6	1	4	5	2
	Correct Answer Rate <sup>1</sup>	0.64	0.67	0.68	0.66	0.76
	Correlation <sup>2</sup>	0.4	n/a <sup>3</sup>	0.23	0.34	0.15
Hispanic	Number of Test Takers	81	10	77	59	76
	Correct Answer Rate <sup>1</sup>	0.63	0.58	0.64	0.64	0.66
	Correlation <sup>2</sup>	0.29	0.36	0.25	0.26	0.27
Other	Number of Test Takers	15	3	21	19	18
	Correct Answer Rate <sup>1</sup>	0.68	0.61	0.62	0.63	0.60
	Correlation <sup>2</sup>	0.25	0.62	0.34	0.28	0.22
No Response	Number of Test Takers	5	5	7	6	7
	Correct Answer Rate <sup>1</sup>	0.31	0.22	0.37	0.53	0.43
	Correlation <sup>2</sup>	0.49	0.41	0.53	0.54	0.54

Note:

<sup>1</sup> Average percent correct for items on exam

<sup>2</sup> Average point biserial correlation for items on exam

<sup>3</sup> Operation is not possible with zero or one test taker