

PRACTICE EXAM 5: ARIZONA LIFE AND HEALTH INSURANCE LICENSE (150 QUESTIONS)

This 150-question practice examination covers life insurance, accident and health insurance, general insurance principles, and Arizona producer regulation. It is a study aid, not an official Arizona examination. Select the single best answer for each question. Verify current Arizona laws, rules, and licensing requirements with the Arizona Department of Insurance and Financial Institutions before testing.

1. A client asks for coverage with this feature: Provides protection for a stated period and generally has no cash value. Which product or annuity term should the producer identify?
 - A. Decreasing term insurance
 - B. Survivorship life policy
 - C. Fixed annuity
 - D. Term life insurance
2. A client asks for coverage with this feature: Provides lifetime protection with level premiums and guaranteed cash-value features. Which product or annuity term should the producer identify?
 - A. Survivorship life policy
 - B. Whole life insurance
 - C. Variable annuity
 - D. Group life insurance
3. A client asks for coverage with this feature: Allows flexible premium payments and an adjustable death benefit within policy limits. Which product or annuity term should the producer identify?
 - A. Life income option
 - B. Fixed annuity
 - C. Cash refund annuity option
 - D. Universal life insurance
4. A client asks for coverage with this feature: Places cash values in separate-account investment options and shifts investment risk to the owner. Which product or annuity term should the producer identify?
 - A. Cash refund annuity option
 - B. Variable life insurance
 - C. Modified endowment contract
 - D. Immediate annuity
5. A client asks for coverage with this feature: Combines flexible premiums with separate-account investment choices. Which product or annuity term should the producer identify?
 - A. Whole life insurance
 - B. Accumulation period
 - C. Variable universal life insurance
 - D. Indexed life insurance

- 6.** A client asks for coverage with this feature: Uses a death benefit that declines over the policy period. Which product or annuity term should the producer identify?
- A. Decreasing term insurance
 - B. Deferred annuity
 - C. Installment refund annuity option
 - D. Cash refund annuity option
- 7.** A client asks for coverage with this feature: Lets the owner exchange term coverage for permanent coverage without new evidence of insurability. Which product or annuity term should the producer identify?
- A. Modified endowment contract
 - B. Industrial life insurance
 - C. Variable life insurance
 - D. Convertible term insurance
- 8.** A client asks for coverage with this feature: Lets coverage continue at the end of a term without evidence of insurability. Which product or annuity term should the producer identify?
- A. Renewable term insurance
 - B. Industrial life insurance
 - C. Variable annuity
 - D. Cash refund annuity option
- 9.** A client asks for coverage with this feature: Covers two lives and pays when the first insured dies. Which product or annuity term should the producer identify?
- A. Annuitization period
 - B. Renewable term insurance
 - C. Joint life policy
 - D. Variable life insurance
- 10.** A client asks for coverage with this feature: Covers two lives and pays after the second insured dies. Which product or annuity term should the producer identify?
- A. Term life insurance
 - B. Survivorship life policy
 - C. Fixed annuity
 - D. Joint life policy
- 11.** A client asks for coverage with this feature: Credits a stated or guaranteed interest rate and transfers investment risk to the insurer. Which product or annuity term should the producer identify?
- A. Variable universal life insurance
 - B. Fixed annuity
 - C. Convertible term insurance
 - D. Variable life insurance

- 12.** A client asks for coverage with this feature: Uses separate-account investments, so payment values can vary with investment performance. Which product or annuity term should the producer identify?
- A. Variable annuity
 - B. Accumulation period
 - C. Life income with period certain
 - D. Joint life policy
- 13.** A client asks for coverage with this feature: Begins income payments shortly after a lump-sum premium is paid. Which product or annuity term should the producer identify?
- A. Industrial life insurance
 - B. Whole life insurance
 - C. Immediate annuity
 - D. Deferred annuity
- 14.** A client asks for coverage with this feature: Accumulates value before the income-payment phase begins. Which product or annuity term should the producer identify?
- A. Survivorship life policy
 - B. Renewable term insurance
 - C. Variable annuity
 - D. Deferred annuity
- 15.** A client asks for coverage with this feature: Is the annuity phase during which premiums grow before distributions begin. Which product or annuity term should the producer identify?
- A. Decreasing term insurance
 - B. Cash refund annuity option
 - C. Universal life insurance
 - D. Accumulation period
- 16.** A client asks for coverage with this feature: Is the phase during which an annuity converts accumulated value into income payments. Which product or annuity term should the producer identify?
- A. Annuitization period
 - B. Immediate annuity
 - C. Industrial life insurance
 - D. Group life insurance
- 17.** A client asks for coverage with this feature: Pays income for as long as the annuitant lives. Which product or annuity term should the producer identify?
- A. Installment refund annuity option
 - B. Life income option
 - C. Deferred annuity
 - D. Immediate annuity

18. A client asks for coverage with this feature: Pays for life but guarantees payments for at least a stated period. Which product or annuity term should the producer identify?

- A. Variable annuity
- B. Joint life policy
- C. Life income with period certain
- D. Term life insurance

19. A client asks for coverage with this feature: Pays for life and returns any unpaid premium balance at death. Which product or annuity term should the producer identify?

- A. Decreasing term insurance
- B. Indexed life insurance
- C. Cash refund annuity option
- D. Credit life insurance

20. A client asks for coverage with this feature: Pays for life and continues installments to a beneficiary until the unpaid premium is returned. Which product or annuity term should the producer identify?

- A. Installment refund annuity option
- B. Fixed annuity
- C. Deferred annuity
- D. Modified endowment contract

21. A client asks for coverage with this feature: Credits interest using an external index subject to policy terms, floors, and caps. Which product or annuity term should the producer identify?

- A. Term life insurance
- B. Indexed life insurance
- C. Life income option
- D. Installment refund annuity option

22. A client asks for coverage with this feature: Is a life policy that fails the federal seven-pay test and receives different tax treatment for distributions. Which product or annuity term should the producer identify?

- A. Fixed annuity
- B. Installment refund annuity option
- C. Survivorship life policy
- D. Modified endowment contract

23. A client asks for coverage with this feature: Is designed to pay or reduce a debtor's loan balance if the debtor dies. Which product or annuity term should the producer identify?

- A. Credit life insurance
- B. Indexed life insurance
- C. Universal life insurance
- D. Fixed annuity

24. A client asks for coverage with this feature: Insures a group under a master contract, commonly issued to an employer or association. Which product or annuity term should the producer identify?
- A. Immediate annuity
 - B. Life income with period certain
 - C. Group life insurance
 - D. Life income option
25. A client asks for coverage with this feature: Traditionally provides small face amounts with frequent premium collection. Which product or annuity term should the producer identify?
- A. Cash refund annuity option
 - B. Variable life insurance
 - C. Life income option
 - D. Industrial life insurance
26. A policyowner asks about a contract feature that is the time after a premium due date when coverage remains in force while payment is overdue. Which provision, right, or designation applies?
- A. Extended term insurance
 - B. Grace period
 - C. Spendthrift clause
 - D. Misstatement of age provision
27. A policyowner asks about a contract feature that limits the insurer's ability to contest a policy after it has been in force for the stated period, subject to exceptions. Which provision, right, or designation applies?
- A. Free-look provision
 - B. Cash surrender option
 - C. Policy loan provision
 - D. Incontestability clause
28. A policyowner asks about a contract feature that limits payment when death by suicide occurs during the policy's early specified period. Which provision, right, or designation applies?
- A. Collateral assignment
 - B. Dividend option
 - C. Suicide clause
 - D. Assignment
29. A policyowner asks about a contract feature that restricts a beneficiary's ability to assign or creditors' ability to reach policy proceeds before payment. Which provision, right, or designation applies?
- A. Spendthrift clause
 - B. Per stirpes designation
 - C. Ownership clause
 - D. Misstatement of age provision

30. A policyowner asks about a contract feature that states that the policy and attached application make up the complete agreement. Which provision, right, or designation applies?
- A. Dividend option
 - B. Entire contract provision
 - C. Settlement option
 - D. Misstatement of age provision
31. A policyowner asks about a contract feature that identifies the policyowner's contractual rights, including beneficiary changes when allowed. Which provision, right, or designation applies?
- A. Spendthrift clause
 - B. Accelerated death benefit rider
 - C. Collateral assignment
 - D. Ownership clause
32. A policyowner asks about a contract feature that may be changed by the policyowner without that beneficiary's consent. Which provision, right, or designation applies?
- A. Settlement option
 - B. Cash surrender option
 - C. Revocable beneficiary
 - D. Grace period
33. A policyowner asks about a contract feature that has vested rights, so designated changes generally require that beneficiary's consent. Which provision, right, or designation applies?
- A. Ownership clause
 - B. Irrevocable beneficiary
 - C. Policy loan provision
 - D. Collateral assignment
34. A policyowner asks about a contract feature that transfers some or all policy rights from the owner to another party. Which provision, right, or designation applies?
- A. Assignment
 - B. Grace period
 - C. Collateral assignment
 - D. Spendthrift clause
35. A policyowner asks about a contract feature that transfers limited policy rights to secure a debt while the owner retains remaining rights. Which provision, right, or designation applies?
- A. Waiver of premium rider
 - B. Dividend option
 - C. Collateral assignment
 - D. Suicide clause

36. A policyowner asks about a contract feature that transfers all ownership rights in the policy to an assignee. Which provision, right, or designation applies?
- A. Extended term insurance
 - B. Dividend option
 - C. Revocable beneficiary
 - D. Absolute assignment
37. A policyowner asks about a contract feature that allows a permanent-policy owner to borrow against available cash value. Which provision, right, or designation applies?
- A. Policy loan provision
 - B. Spendthrift clause
 - C. Per stirpes designation
 - D. Cash surrender option
38. A policyowner asks about a contract feature that uses available cash value to pay an overdue premium when the policyowner has elected the option. Which provision, right, or designation applies?
- A. Ownership clause
 - B. Automatic premium loan
 - C. Accelerated death benefit rider
 - D. Spendthrift clause
39. A policyowner asks about a contract feature that ends the policy and pays the available surrender value. Which provision, right, or designation applies?
- A. Incontestability clause
 - B. Waiver of premium rider
 - C. Cash surrender option
 - D. Free-look provision
40. A policyowner asks about a contract feature that uses cash value to buy a smaller amount of permanent insurance with no further premiums. Which provision, right, or designation applies?
- A. Settlement option
 - B. Reduced paid-up insurance
 - C. Assignment
 - D. Incontestability clause
41. A policyowner asks about a contract feature that uses cash value to buy term insurance for the original face amount for a limited period. Which provision, right, or designation applies?
- A. Dividend option
 - B. Absolute assignment
 - C. Grace period
 - D. Extended term insurance

42. A policyowner asks about a contract feature that specifies how a participating-policy owner may receive or apply a policy dividend. Which provision, right, or designation applies?
- A. Dividend option
 - B. Extended term insurance
 - C. Per stirpes designation
 - D. Entire contract provision
43. A policyowner asks about a contract feature that specifies how life insurance proceeds will be distributed to a beneficiary. Which provision, right, or designation applies?
- A. Settlement option
 - B. Suicide clause
 - C. Reduced paid-up insurance
 - D. Grace period
44. A policyowner asks about a contract feature that directs a deceased beneficiary's share to that beneficiary's descendants. Which provision, right, or designation applies?
- A. Extended term insurance
 - B. Dividend option
 - C. Revocable beneficiary
 - D. Per stirpes designation
45. A policyowner asks about a contract feature that divides proceeds equally among surviving members of the named class. Which provision, right, or designation applies?
- A. Misstatement of age provision
 - B. Settlement option
 - C. Per capita designation
 - D. Automatic premium loan
46. A policyowner asks about a contract feature that addresses beneficiary and insured deaths in the same event when the order of death is uncertain. Which provision, right, or designation applies?
- A. Suicide clause
 - B. Common disaster clause
 - C. Waiver of premium rider
 - D. Settlement option
47. A policyowner asks about a contract feature that adjusts benefits to the amount the premium would have purchased at the correct age. Which provision, right, or designation applies?
- A. Reduced paid-up insurance
 - B. Revocable beneficiary
 - C. Spendthrift clause
 - D. Misstatement of age provision

48. A policyowner asks about a contract feature that gives the policyowner time after delivery to review and return the policy for a refund. Which provision, right, or designation applies?
- A. Common disaster clause
 - B. Ownership clause
 - C. Free-look provision
 - D. Entire contract provision
49. A policyowner asks about a contract feature that permits eligible insureds to receive part of the death benefit early upon a qualifying condition. Which provision, right, or designation applies?
- A. Misstatement of age provision
 - B. Accelerated death benefit rider
 - C. Automatic premium loan
 - D. Settlement option
50. A policyowner asks about a contract feature that waives future premiums if the insured becomes totally disabled as defined by the rider. Which provision, right, or designation applies?
- A. Waiver of premium rider
 - B. Absolute assignment
 - C. Entire contract provision
 - D. Per capita designation
51. A consumer needs coverage that provides broad medical-expense coverage, commonly subject to deductibles and coinsurance. Which health insurance product or arrangement is being described?
- A. Medicare supplement policy
 - B. Major medical insurance
 - C. Business overhead expense insurance
 - D. Medicaid
52. A consumer needs coverage that pays a stated amount for covered hospital confinement rather than reimbursing actual expenses. Which health insurance product or arrangement is being described?
- A. Surgical expense policy
 - B. Long-term care insurance
 - C. Hospital indemnity policy
 - D. Flexible spending arrangement
53. A consumer needs coverage that pays benefits tied to covered surgical procedures. Which health insurance product or arrangement is being described?
- A. PPO
 - B. POS plan
 - C. Long-term care insurance
 - D. Surgical expense policy

54. A consumer needs coverage that pays benefits for covered physician services. Which health insurance product or arrangement is being described?
- A. Physician expense policy
 - B. Major medical insurance
 - C. Hospital indemnity policy
 - D. POS plan
55. A consumer needs coverage that provides benefits for covered preventive, basic, and sometimes major dental services. Which health insurance product or arrangement is being described?
- A. Dental insurance
 - B. Major medical insurance
 - C. Long-term care insurance
 - D. Health savings account
56. A consumer needs coverage that provides benefits for covered eye examinations, lenses, frames, or contacts. Which health insurance product or arrangement is being described?
- A. Health savings account
 - B. PPO
 - C. Accidental death and dismemberment coverage
 - D. Vision insurance
57. A consumer needs coverage that covers qualifying assistance or services for chronic illness or functional impairment. Which health insurance product or arrangement is being described?
- A. Accidental death and dismemberment coverage
 - B. Long-term care insurance
 - C. HMO
 - D. PPO
58. A consumer needs coverage that replaces part of earned income when a covered disability prevents work. Which health insurance product or arrangement is being described?
- A. Flexible spending arrangement
 - B. Surgical expense policy
 - C. Disability income insurance
 - D. Coordination of benefits provision
59. A consumer needs coverage that reimburses specified business operating expenses during an owner's disability. Which health insurance product or arrangement is being described?
- A. Physician expense policy
 - B. Vision insurance
 - C. Business overhead expense insurance
 - D. COBRA continuation coverage

- 60.** A consumer needs coverage that funds a buy-sell obligation when an owner becomes disabled. Which health insurance product or arrangement is being described?
- A. Disability buy-sell insurance
 - B. Limited-benefit policy
 - C. Disability income insurance
 - D. Coordination of benefits provision
- 61.** A consumer needs coverage that pays stated benefits for covered accidental death or specified accidental losses. Which health insurance product or arrangement is being described?
- A. High-deductible health plan
 - B. Accidental death and dismemberment coverage
 - C. Limited-benefit policy
 - D. Dental insurance
- 62.** A consumer needs coverage that provides narrowly defined benefits and is not a substitute for comprehensive major medical coverage. Which health insurance product or arrangement is being described?
- A. Disability buy-sell insurance
 - B. EPO
 - C. Physician expense policy
 - D. Limited-benefit policy
- 63.** A consumer needs coverage that uses a network-based delivery system that emphasizes coordinated care and preventive services. Which health insurance product or arrangement is being described?
- A. HMO
 - B. Disability buy-sell insurance
 - C. PPO
 - D. Major medical insurance
- 64.** A consumer needs coverage that provides network discounts while generally allowing out-of-network care at a higher cost. Which health insurance product or arrangement is being described?
- A. Medicaid
 - B. Dental insurance
 - C. PPO
 - D. Major medical insurance
- 65.** A consumer needs coverage that generally covers nonemergency services only when obtained within the plan's network. Which health insurance product or arrangement is being described?
- A. Medicaid
 - B. EPO
 - C. Disability income insurance
 - D. Surgical expense policy

- 66.** A consumer needs coverage that combines managed-care features with a choice between network and out-of-network service options. Which health insurance product or arrangement is being described?
- A. Flexible spending arrangement
 - B. Long-term care insurance
 - C. Medicaid
 - D. POS plan
- 67.** A consumer needs coverage that uses a higher deductible and may be designed for compatibility with a health savings account. Which health insurance product or arrangement is being described?
- A. Disability income insurance
 - B. EPO
 - C. Long-term care insurance
 - D. High-deductible health plan
- 68.** A consumer needs coverage that is a tax-advantaged account used with qualifying high-deductible health coverage for eligible medical expenses. Which health insurance product or arrangement is being described?
- A. Disability income insurance
 - B. Health savings account
 - C. Accidental death and dismemberment coverage
 - D. Flexible spending arrangement
- 69.** A consumer needs coverage that lets an employee set aside pre-tax salary contributions for eligible expenses, subject to plan rules. Which health insurance product or arrangement is being described?
- A. Flexible spending arrangement
 - B. COBRA continuation coverage
 - C. Business overhead expense insurance
 - D. Physician expense policy
- 70.** A consumer needs coverage that is employer-funded and reimburses employees for eligible medical expenses under employer plan terms. Which health insurance product or arrangement is being described?
- A. Flexible spending arrangement
 - B. Physician expense policy
 - C. Health reimbursement arrangement
 - D. Accidental death and dismemberment coverage
- 71.** A consumer needs coverage that is standardized private coverage designed to help pay certain medicare cost-sharing amounts. Which health insurance product or arrangement is being described?
- A. High-deductible health plan
 - B. Medicare supplement policy
 - C. Business overhead expense insurance
 - D. Flexible spending arrangement

72. A consumer needs coverage that provides medicare-covered benefits through a private plan approved by medicare. Which health insurance product or arrangement is being described?

- A. Medicare Advantage plan
- B. Health reimbursement arrangement
- C. Surgical expense policy
- D. Major medical insurance

73. A consumer needs coverage that is a joint federal-state program providing medical assistance to eligible low-income individuals. Which health insurance product or arrangement is being described?

- A. Vision insurance
- B. HMO
- C. Health savings account
- D. Medicaid

74. A consumer needs coverage that allows eligible individuals to continue certain employer group health coverage after qualifying events. Which health insurance product or arrangement is being described?

- A. PPO
- B. POS plan
- C. COBRA continuation coverage
- D. Dental insurance

75. A consumer needs coverage that determines the order in which multiple health plans pay a covered claim. Which health insurance product or arrangement is being described?

- A. Health savings account
- B. High-deductible health plan
- C. COBRA continuation coverage
- D. Coordination of benefits provision

76. When reviewing a health policy, an insured finds a condition that is the amount a covered person generally pays before the plan begins sharing covered expenses. What is this policy provision called?

- A. Deductible
- B. Other-insurance-with-other-insurers provision
- C. Preexisting-condition provision
- D. Unpaid-premium provision

77. When reviewing a health policy, an insured finds a condition that is the percentage of a covered expense shared by the insured after any deductible is met. What is this policy provision called?

- A. Residual disability benefit
- B. Coinsurance
- C. Preexisting-condition provision
- D. Conformity-with-state-statutes provision

- 78.** When reviewing a health policy, an insured finds a condition that is a fixed amount paid by the insured for a covered service under plan terms. What is this policy provision called?
- A. Elimination period
 - B. Coinsurance
 - C. Copayment
 - D. Time-payment-of-claims provision
- 79.** When reviewing a health policy, an insured finds a condition that caps certain covered cost sharing by the insured during a plan period, subject to plan terms. What is this policy provision called?
- A. Residual disability benefit
 - B. Recurrent disability provision
 - C. Out-of-pocket maximum
 - D. Preexisting-condition provision
- 80.** When reviewing a health policy, an insured finds a condition that is the waiting time after disability begins before disability-income benefits become payable. What is this policy provision called?
- A. Elimination period
 - B. Presumptive disability
 - C. Copayment
 - D. Recurrent disability provision
- 81.** When reviewing a health policy, an insured finds a condition that is the maximum length of time benefits may be paid for a covered disability or condition. What is this policy provision called?
- A. Time-payment-of-claims provision
 - B. Legal actions provision
 - C. Misstatement-of-age provision
 - D. Benefit period
- 82.** When reviewing a health policy, an insured finds a condition that defines disability by inability to perform the duties of the insured's own occupation. What is this policy provision called?
- A. Proof of loss provision
 - B. Own-occupation definition
 - C. Recurrent disability provision
 - D. Residual disability benefit
- 83.** When reviewing a health policy, an insured finds a condition that defines disability by inability to perform the duties of any occupation for which the insured is reasonably suited. What is this policy provision called?
- A. Probationary period
 - B. Presumptive disability
 - C. Any-occupation definition
 - D. Residual disability benefit

- 84.** When reviewing a health policy, an insured finds a condition that treats a new disability as a continuation when it returns within the policy's stated period. What is this policy provision called?
- A. Copayment
 - B. Conformity-with-state-statutes provision
 - C. Preexisting-condition provision
 - D. Recurrent disability provision
- 85.** When reviewing a health policy, an insured finds a condition that pays a partial benefit when disability causes a qualifying loss of income rather than total inability to work. What is this policy provision called?
- A. Physical examination and autopsy provision
 - B. Residual disability benefit
 - C. Probationary period
 - D. Own-occupation definition
- 86.** When reviewing a health policy, an insured finds a condition that treats certain severe losses as total disability without requiring proof of income loss. What is this policy provision called?
- A. Presumptive disability
 - B. Any-occupation definition
 - C. Copayment
 - D. Other-insurance-with-other-insurers provision
- 87.** When reviewing a health policy, an insured finds a condition that limits coverage for conditions present before the policy's effective date, subject to applicable law and policy terms. What is this policy provision called?
- A. Legal actions provision
 - B. Preexisting-condition provision
 - C. Other-insurance-with-this-insurer provision
 - D. Elimination period
- 88.** When reviewing a health policy, an insured finds a condition that is an initial period during which losses from specified conditions are not covered. What is this policy provision called?
- A. Probationary period
 - B. Misstatement-of-age provision
 - C. Other-insurance-with-this-insurer provision
 - D. Relation-of-earnings-to-insurance provision
- 89.** When reviewing a health policy, an insured finds a condition that requires the insured to notify the insurer of a covered loss within the policy's stated time. What is this policy provision called?
- A. Benefit period
 - B. Conformity-with-state-statutes provision
 - C. Notice of claim provision
 - D. Residual disability benefit

- 90.** When reviewing a health policy, an insured finds a condition that requires supporting information that substantiates a claim and the amount payable. What is this policy provision called?
- A. Unpaid-premium provision
 - B. Preexisting-condition provision
 - C. Any-occupation definition
 - D. Proof of loss provision
- 91.** When reviewing a health policy, an insured finds a condition that requires the insurer to pay claims promptly after receiving the required proof. What is this policy provision called?
- A. Deductible
 - B. Misstatement-of-age provision
 - C. Legal actions provision
 - D. Time-payment-of-claims provision
- 92.** When reviewing a health policy, an insured finds a condition that sets conditions and time limits for bringing a lawsuit under the policy. What is this policy provision called?
- A. Legal actions provision
 - B. Own-occupation definition
 - C. Unpaid-premium provision
 - D. Time-payment-of-claims provision
- 93.** When reviewing a health policy, an insured finds a condition that allows benefit adjustment when the insured changes to an occupation with a different risk classification. What is this policy provision called?
- A. Other-insurance-with-other-insurers provision
 - B. Change-of-occupation provision
 - C. Presumptive disability
 - D. Any-occupation definition
- 94.** When reviewing a health policy, an insured finds a condition that prevents disability benefits from exceeding the insured's allowable income relationship. What is this policy provision called?
- A. Preexisting-condition provision
 - B. Probationary period
 - C. Relation-of-earnings-to-insurance provision
 - D. Other-insurance-with-this-insurer provision
- 95.** When reviewing a health policy, an insured finds a condition that coordinates multiple policies issued by the same insurer to prevent excessive benefits. What is this policy provision called?
- A. Notice of claim provision
 - B. Out-of-pocket maximum
 - C. Other-insurance-with-other-insurers provision
 - D. Other-insurance-with-this-insurer provision

- 96.** When reviewing a health policy, an insured finds a condition that coordinates coverage when similar benefits are provided by different insurers. What is this policy provision called?
- A. Other-insurance-with-other-insurers provision
 - B. Copayment
 - C. Recurrent disability provision
 - D. Proof of loss provision
- 97.** When reviewing a health policy, an insured finds a condition that allows an insurer to deduct overdue premium from a claim payment when permitted. What is this policy provision called?
- A. Change-of-occupation provision
 - B. Unpaid-premium provision
 - C. Other-insurance-with-this-insurer provision
 - D. Time-payment-of-claims provision
- 98.** When reviewing a health policy, an insured finds a condition that automatically amends policy terms that conflict with applicable state law. What is this policy provision called?
- A. Conformity-with-state-statutes provision
 - B. Change-of-occupation provision
 - C. Benefit period
 - D. Own-occupation definition
- 99.** When reviewing a health policy, an insured finds a condition that permits an insurer to request examination or autopsy as allowed by policy terms and law. What is this policy provision called?
- A. Preexisting-condition provision
 - B. Unpaid-premium provision
 - C. Physical examination and autopsy provision
 - D. Probationary period
- 100.** When reviewing a health policy, an insured finds a condition that adjusts health benefits to reflect the correct age when age was stated incorrectly. What is this policy provision called?
- A. Out-of-pocket maximum
 - B. Misstatement-of-age provision
 - C. Recurrent disability provision
 - D. Probationary period
- 101.** During underwriting, which insurance concept applies when it involves the possibility of loss or no loss, without the possibility of gain.
- A. Warranty
 - B. Field underwriting
 - C. Pure risk
 - D. Unilateral contract

102. During underwriting, which insurance concept applies when it involves a possibility of gain as well as loss.

- A. Moral hazard
- B. Pure risk
- C. Warranty
- D. Speculative risk

103. During underwriting, which insurance concept applies when it is the immediate cause of a loss, such as fire or illness.

- A. Peril
- B. Physical hazard
- C. Morale hazard
- D. Medical information bureau

104. During underwriting, which insurance concept applies when it is a condition that increases the chance or severity of loss.

- A. Replacement
- B. Hazard
- C. Underwriting
- D. Insurable interest

105. During underwriting, which insurance concept applies when it arises from dishonesty or character traits that increase the likelihood of loss.

- A. Insurable interest
- B. Hazard
- C. Underwriting
- D. Moral hazard

106. During underwriting, which insurance concept applies when it arises from carelessness or indifference because insurance exists.

- A. Medical information bureau
- B. Hazard
- C. Morale hazard
- D. Speculative risk

107. During underwriting, which insurance concept applies when it is a tangible condition that increases the likelihood of loss.

- A. Field underwriting
- B. Physical hazard
- C. Warranty
- D. Rebating

108. During underwriting, which insurance concept applies when it is a financial or lawful interest in the continued life or health of the insured.

- A. Insurable interest
- B. Rebating
- C. Warranty
- D. Adverse selection

109. During underwriting, which insurance concept applies when it occurs when people with a greater likelihood of loss seek insurance more often or for more coverage.

- A. Field underwriting
- B. Conditional contract
- C. Subrogation
- D. Adverse selection

110. During underwriting, which insurance concept applies when it is the process of evaluating risk and deciding whether and on what terms to issue coverage.

- A. Morale hazard
- B. Unilateral contract
- C. Underwriting
- D. Subrogation

111. During underwriting, which insurance concept applies when it refers to the producer's initial screening and information gathering during the application process.

- A. Replacement
- B. Medical information bureau
- C. Rebating
- D. Field underwriting

112. During underwriting, which insurance concept applies when it is a report from an applicant's physician used by an insurer in underwriting when authorized.

- A. Attending physician statement
- B. Rebating
- C. Peril
- D. Adverse selection

113. During underwriting, which insurance concept applies when it is an industry reporting organization that may provide coded underwriting information when permitted.

- A. Warranty
- B. Attending physician statement
- C. Medical information bureau
- D. Rebating

114. During underwriting, which insurance concept applies when it provides temporary coverage only if stated conditions are satisfied.

- A. Warranty
- B. Conditional receipt
- C. Adhesion contract
- D. Replacement

115. During underwriting, which insurance concept applies when it is a statement believed true to the best of the applicant's knowledge but not guaranteed as absolute fact.

- A. Moral hazard
- B. Representation
- C. Insurable interest
- D. Hazard

116. During underwriting, which insurance concept applies when it is a statement that must be literally true when made part of an insurance contract.

- A. Warranty
- B. Peril
- C. Adhesion contract
- D. Representation

117. During underwriting, which insurance concept applies when it is an agreement in which values exchanged may be unequal because payment depends on an uncertain event.

- A. Medical information bureau
- B. Indemnity
- C. Representation
- D. Aleatory contract

118. During underwriting, which insurance concept applies when it is a contract drafted by one party, with ambiguities generally construed against that drafter.

- A. Warranty
- B. Aleatory contract
- C. Adhesion contract
- D. Hazard

119. During underwriting, which insurance concept applies when it is a contract in which only one party makes an enforceable promise to perform.

- A. Medical information bureau
- B. Subrogation
- C. Underwriting
- D. Unilateral contract

120. During underwriting, which insurance concept applies when it requires certain conditions to be met before the insurer must perform.

- A. Field underwriting
- B. Conditional contract
- C. Indemnity
- D. Conditional receipt

121. During underwriting, which insurance concept applies when it restores an insured financially after a covered loss without creating a profit.

- A. Indemnity
- B. Aleatory contract
- C. Unilateral contract
- D. Rebating

122. During underwriting, which insurance concept applies when it allows an insurer that pays a loss to pursue the responsible third party to the extent of payment.

- A. Representation
- B. Replacement
- C. Subrogation
- D. Attending physician statement

123. During underwriting, which insurance concept applies when it occurs when a new policy is purchased and an existing policy is lapsed, surrendered, or otherwise reduced.

- A. Physical hazard
- B. Field underwriting
- C. Attending physician statement
- D. Replacement

124. During underwriting, which insurance concept applies when it is an unfair practice that induces a policyholder to replace coverage using misleading comparisons.

- A. Speculative risk
- B. Twisting
- C. Adhesion contract
- D. Physical hazard

125. During underwriting, which insurance concept applies when it is offering an inducement not stated in the policy to persuade a person to buy insurance.

- A. Insurable interest
- B. Indemnity
- C. Rebating
- D. Warranty

126. Under Arizona insurance regulation and producer ethics, which term applies when it is the arizona state agency that regulates insurance and financial institutions.

- A. Arizona Department of Insurance and Financial Institutions
- B. Suitability (insurance regulatory concept)
- C. License revocation (insurance regulatory concept)
- D. Policy delivery (insurance regulatory concept)

127. Under Arizona insurance regulation and producer ethics, which term applies when it is a person licensed to sell, solicit, or negotiate insurance on behalf of an insurer or client as authorized.

- A. Arizona Department of Insurance and Financial Institutions
- B. Policy summary (insurance regulatory concept)
- C. Insurance producer (insurance regulatory concept)
- D. Insurance transaction (insurance regulatory concept)

128. Under Arizona insurance regulation and producer ethics, which term applies when it is an insurer's authorization of a producer to act for that insurer when appointment is required.

- A. Producer appointment (insurance regulatory concept)
- B. Privacy notice (insurance regulatory concept)
- C. Policy delivery (insurance regulatory concept)
- D. License revocation (insurance regulatory concept)

129. Under Arizona insurance regulation and producer ethics, which term applies when it requires a producer to handle premiums or other client funds with the care required for money held in trust.

- A. Unfair claims practice (insurance regulatory concept)
- B. Privacy notice (insurance regulatory concept)
- C. False advertising (insurance regulatory concept)
- D. Fiduciary responsibility (insurance regulatory concept)

130. Under Arizona insurance regulation and producer ethics, which term applies when it is making an untrue, misleading, or incomplete statement about policy terms or benefits.

- A. Producer appointment (insurance regulatory concept)
- B. Misrepresentation (insurance regulatory concept)
- C. Buyer guide (insurance regulatory concept)
- D. Producer license renewal (insurance regulatory concept)

131. Under Arizona insurance regulation and producer ethics, which term applies when it is using advertising that is untrue, deceptive, or misleading about insurance or an insurer.

- A. Policy summary (insurance regulatory concept)
- B. Continuing education (insurance regulatory concept)
- C. Privacy notice (insurance regulatory concept)
- D. False advertising (insurance regulatory concept)

132. Under Arizona insurance regulation and producer ethics, which term applies when it is making false statements that harm the financial reputation of an insurer or producer.

- A. Arizona Department of Insurance and Financial Institutions
- B. False advertising (insurance regulatory concept)
- C. Defamation (insurance regulatory concept)
- D. Controlled business (insurance regulatory concept)

133. Under Arizona insurance regulation and producer ethics, which term applies when it is an unfair trade practice that uses collective pressure or threats to restrain insurance business improperly.

- A. Boycott coercion or intimidation
- B. Controlled business (insurance regulatory concept)
- C. Replacement notice (insurance regulatory concept)
- D. Unfair discrimination (insurance regulatory concept)

134. Under Arizona insurance regulation and producer ethics, which term applies when it is treating insureds of the same class and essentially the same risk differently without a lawful basis.

- A. False advertising (insurance regulatory concept)
- B. Unfair discrimination (insurance regulatory concept)
- C. Fraud (insurance regulatory concept)
- D. Suitability (insurance regulatory concept)

135. Under Arizona insurance regulation and producer ethics, which term applies when it is the periodic process of maintaining an active license by meeting applicable arizona requirements.

- A. Fraud (insurance regulatory concept)
- B. False advertising (insurance regulatory concept)
- C. Producer license renewal (insurance regulatory concept)
- D. Controlled business (insurance regulatory concept)

136. Under Arizona insurance regulation and producer ethics, which term applies when it is required ongoing education intended to maintain producer competence and compliance.

- A. Insurance transaction (insurance regulatory concept)
- B. Continuing education (insurance regulatory concept)
- C. Suitability (insurance regulatory concept)
- D. Unfair discrimination (insurance regulatory concept)

137. Under Arizona insurance regulation and producer ethics, which term applies when it is a temporary loss of authority to act under an insurance license.

- A. Defamation (insurance regulatory concept)
- B. Suitability (insurance regulatory concept)
- C. Producer license renewal (insurance regulatory concept)
- D. License suspension (insurance regulatory concept)

138. Under Arizona insurance regulation and producer ethics, which term applies when it is termination of license authority, generally following a regulatory determination.

- A. License revocation (insurance regulatory concept)
- B. Arizona Department of Insurance and Financial Institutions
- C. Continuing education (insurance regulatory concept)
- D. Unfair claims practice (insurance regulatory concept)

139. Under Arizona insurance regulation and producer ethics, which term applies when it provides a process for contesting certain regulatory actions through notice and an opportunity to be heard.

- A. Buyer guide (insurance regulatory concept)
- B. Continuing education (insurance regulatory concept)
- C. Administrative hearing (insurance regulatory concept)
- D. Arizona Department of Insurance and Financial Institutions

140. Under Arizona insurance regulation and producer ethics, which term applies when it directs a person to stop an identified prohibited or unlawful insurance practice.

- A. Insurance producer (insurance regulatory concept)
- B. Fiduciary responsibility (insurance regulatory concept)
- C. Unfair claims practice (insurance regulatory concept)
- D. Cease and desist order

141. Under Arizona insurance regulation and producer ethics, which term applies when it is an improper pattern or practice in investigating, evaluating, or settling insurance claims.

- A. Producer license renewal (insurance regulatory concept)
- B. Unfair claims practice (insurance regulatory concept)
- C. Policy delivery (insurance regulatory concept)
- D. Policy summary (insurance regulatory concept)

142. Under Arizona insurance regulation and producer ethics, which term applies when it is a disclosure used to help consumers understand that a proposed transaction may replace existing coverage.

- A. Replacement notice (insurance regulatory concept)
- B. Defamation (insurance regulatory concept)
- C. Administrative hearing (insurance regulatory concept)
- D. Policy summary (insurance regulatory concept)

143. Under Arizona insurance regulation and producer ethics, which term applies when it is a concise disclosure describing important policy features, benefits, and limitations.

- A. Insurance transaction (insurance regulatory concept)
- B. Policy summary (insurance regulatory concept)
- C. Replacement notice (insurance regulatory concept)
- D. Privacy notice (insurance regulatory concept)

144. Under Arizona insurance regulation and producer ethics, which term applies when it is consumer-oriented material that explains insurance concepts and assists comparison of coverage.

- A. Buyer guide (insurance regulatory concept)
- B. Suitability (insurance regulatory concept)
- C. False advertising (insurance regulatory concept)
- D. Unfair claims practice (insurance regulatory concept)

145. Under Arizona insurance regulation and producer ethics, which term applies when it requires recommendations to be appropriate for the consumer's needs, objectives, and circumstances when the rule applies.

- A. Continuing education (insurance regulatory concept)
- B. Policy delivery (insurance regulatory concept)
- C. Policy summary (insurance regulatory concept)
- D. Suitability (insurance regulatory concept)

146. Under Arizona insurance regulation and producer ethics, which term applies when it explains an insurer's information-collection, sharing, and protection practices as required by law.

- A. Arizona Department of Insurance and Financial Institutions
- B. Fraud (insurance regulatory concept)
- C. Privacy notice (insurance regulatory concept)
- D. Producer appointment (insurance regulatory concept)

147. Under Arizona insurance regulation and producer ethics, which term applies when it is a knowingly deceptive act intended to obtain an improper insurance-related benefit or cause an improper payment.

- A. Fiduciary responsibility (insurance regulatory concept)
- B. Boycott coercion or intimidation
- C. Fraud (insurance regulatory concept)
- D. Replacement notice (insurance regulatory concept)

148. Under Arizona insurance regulation and producer ethics, which term applies when it is insurance written primarily on the producer, close family, or business interests and may be restricted by law.

- A. Controlled business (insurance regulatory concept)
- B. False advertising (insurance regulatory concept)
- C. Fraud (insurance regulatory concept)
- D. Producer license renewal (insurance regulatory concept)

149. Under Arizona insurance regulation and producer ethics, which term applies when it includes activities such as solicitation, negotiation, sale, advice, application, and policy servicing.

- A. Defamation (insurance regulatory concept)
- B. Insurance transaction (insurance regulatory concept)
- C. Continuing education (insurance regulatory concept)
- D. Cease and desist order

150. Under Arizona insurance regulation and producer ethics, which term applies when it is the act of providing the issued policy to the owner, often accompanied by required disclosures and explanation.

- A. Policy summary (insurance regulatory concept)
- B. Defamation (insurance regulatory concept)
- C. Cease and desist order
- D. Policy delivery (insurance regulatory concept)

PRACTICE EXAM 5: ANSWER KEY AND EXPLANATIONS

- 1. D** - Term life insurance is the best answer because it provides protection for a stated period and generally has no cash value. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.
- 2. B** - Whole life insurance is the best answer because it provides lifetime protection with level premiums and guaranteed cash-value features. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.
- 3. D** - Universal life insurance is the best answer because it allows flexible premium payments and an adjustable death benefit within policy limits. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.
- 4. B** - Variable life insurance is the best answer because it places cash values in separate-account investment options and shifts investment risk to the owner. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.
- 5. C** - Variable universal life insurance is the best answer because it combines flexible premiums with separate-account investment choices. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.
- 6. A** - Decreasing term insurance is the best answer because it uses a death benefit that declines over the policy period. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.
- 7. D** - Convertible term insurance is the best answer because it lets the owner exchange term coverage for permanent coverage without new evidence of insurability. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.
- 8. A** - Renewable term insurance is the best answer because it lets coverage continue at the end of a term without evidence of insurability. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.
- 9. C** - Joint life policy is the best answer because it covers two lives and pays when the first insured dies. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.
- 10. B** - Survivorship life policy is the best answer because it covers two lives and pays after the second insured dies. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.
- 11. B** - Fixed annuity is the best answer because it credits a stated or guaranteed interest rate and transfers investment risk to the insurer. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.
- 12. A** - Variable annuity is the best answer because it uses separate-account investments, so payment values can vary with investment performance. Other choices describe different insurance concepts. Read the qualifying words carefully.

Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

13. C - Immediate annuity is the best answer because it begins income payments shortly after a lump-sum premium is paid. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

14. D - Deferred annuity is the best answer because it accumulates value before the income-payment phase begins. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

15. D - Accumulation period is the best answer because it is the annuity phase during which premiums grow before distributions begin. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

16. A - Annuitization period is the best answer because it is the phase during which an annuity converts accumulated value into income payments. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

17. B - Life income option is the best answer because it pays income for as long as the annuitant lives. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

18. C - Life income with period certain is the best answer because it pays for life but guarantees payments for at least a stated period. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

19. C - Cash refund annuity option is the best answer because it pays for life and returns any unpaid premium balance at death. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

20. A - Installment refund annuity option is the best answer because it pays for life and continues installments to a beneficiary until the unpaid premium is returned. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

21. B - Indexed life insurance is the best answer because it credits interest using an external index subject to policy terms, floors, and caps. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

22. D - Modified endowment contract is the best answer because it is a life policy that fails the federal seven-pay test and receives different tax treatment for distributions. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

23. A - Credit life insurance is the best answer because it is designed to pay or reduce a debtor's loan balance if the debtor dies. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

24. C - Group life insurance is the best answer because it insures a group under a master contract, commonly issued to an employer or association. Other choices describe different insurance concepts. Read the qualifying words carefully.

Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

25. D - Industrial life insurance is the best answer because it traditionally provides small face amounts with frequent premium collection. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

26. B - Grace period is the best answer because it is the time after a premium due date when coverage remains in force while payment is overdue. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

27. D - Incontestability clause is the best answer because it limits the insurer's ability to contest a policy after it has been in force for the stated period, subject to exceptions. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

28. C - Suicide clause is the best answer because it limits payment when death by suicide occurs during the policy's early specified period. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

29. A - Spendthrift clause is the best answer because it restricts a beneficiary's ability to assign or creditors' ability to reach policy proceeds before payment. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

30. B - Entire contract provision is the best answer because it states that the policy and attached application make up the complete agreement. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

31. D - Ownership clause is the best answer because it identifies the policyowner's contractual rights, including beneficiary changes when allowed. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

32. C - Revocable beneficiary is the best answer because it may be changed by the policyowner without that beneficiary's consent. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

33. B - Irrevocable beneficiary is the best answer because it has vested rights, so designated changes generally require that beneficiary's consent. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

34. A - Assignment is the best answer because it transfers some or all policy rights from the owner to another party. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

35. C - Collateral assignment is the best answer because it transfers limited policy rights to secure a debt while the owner retains remaining rights. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

36. D - Absolute assignment is the best answer because it transfers all ownership rights in the policy to an assignee. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

37. A - Policy loan provision is the best answer because it allows a permanent-policy owner to borrow against available cash value. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

38. B - Automatic premium loan is the best answer because it uses available cash value to pay an overdue premium when the policyowner has elected the option. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

39. C - Cash surrender option is the best answer because it ends the policy and pays the available surrender value. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

40. B - Reduced paid-up insurance is the best answer because it uses cash value to buy a smaller amount of permanent insurance with no further premiums. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

41. D - Extended term insurance is the best answer because it uses cash value to buy term insurance for the original face amount for a limited period. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

42. A - Dividend option is the best answer because it specifies how a participating-policy owner may receive or apply a policy dividend. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

43. A - Settlement option is the best answer because it specifies how life insurance proceeds will be distributed to a beneficiary. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

44. D - Per stirpes designation is the best answer because it directs a deceased beneficiary's share to that beneficiary's descendants. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

45. C - Per capita designation is the best answer because it divides proceeds equally among surviving members of the named class. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

46. B - Common disaster clause is the best answer because it addresses beneficiary and insured deaths in the same event when the order of death is uncertain. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

47. D - Misstatement of age provision is the best answer because it adjusts benefits to the amount the premium would have purchased at the correct age. Other choices describe different insurance concepts. Read the qualifying words

carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

48. C - Free-look provision is the best answer because it gives the policyowner time after delivery to review and return the policy for a refund. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

49. B - Accelerated death benefit rider is the best answer because it permits eligible insureds to receive part of the death benefit early upon a qualifying condition. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

50. A - Waiver of premium rider is the best answer because it waives future premiums if the insured becomes totally disabled as defined by the rider. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

51. B - Major medical insurance is the best answer because it provides broad medical-expense coverage, commonly subject to deductibles and coinsurance. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

52. C - Hospital indemnity policy is the best answer because it pays a stated amount for covered hospital confinement rather than reimbursing actual expenses. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

53. D - Surgical expense policy is the best answer because it pays benefits tied to covered surgical procedures. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

54. A - Physician expense policy is the best answer because it pays benefits for covered physician services. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

55. A - Dental insurance is the best answer because it provides benefits for covered preventive, basic, and sometimes major dental services. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

56. D - Vision insurance is the best answer because it provides benefits for covered eye examinations, lenses, frames, or contacts. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

57. B - Long-term care insurance is the best answer because it covers qualifying assistance or services for chronic illness or functional impairment. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

58. C - Disability income insurance is the best answer because it replaces part of earned income when a covered disability prevents work. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

- 59. C** - Business overhead expense insurance is the best answer because it reimburses specified business operating expenses during an owner's disability. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.
- 60. A** - Disability buy-sell insurance is the best answer because it funds a buy-sell obligation when an owner becomes disabled. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.
- 61. B** - Accidental death and dismemberment coverage is the best answer because it pays stated benefits for covered accidental death or specified accidental losses. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.
- 62. D** - Limited-benefit policy is the best answer because it provides narrowly defined benefits and is not a substitute for comprehensive major medical coverage. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.
- 63. A** - HMO is the best answer because it uses a network-based delivery system that emphasizes coordinated care and preventive services. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.
- 64. C** - PPO is the best answer because it provides network discounts while generally allowing out-of-network care at a higher cost. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.
- 65. B** - EPO is the best answer because it generally covers nonemergency services only when obtained within the plan's network. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.
- 66. D** - POS plan is the best answer because it combines managed-care features with a choice between network and out-of-network service options. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.
- 67. D** - High-deductible health plan is the best answer because it uses a higher deductible and may be designed for compatibility with a health savings account. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.
- 68. B** - Health savings account is the best answer because it is a tax-advantaged account used with qualifying high-deductible health coverage for eligible medical expenses. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.
- 69. A** - Flexible spending arrangement is the best answer because it lets an employee set aside pre-tax salary contributions for eligible expenses, subject to plan rules. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

70. C - Health reimbursement arrangement is the best answer because it is employer-funded and reimburses employees for eligible medical expenses under employer plan terms. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

71. B - Medicare supplement policy is the best answer because it is standardized private coverage designed to help pay certain Medicare cost-sharing amounts. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

72. A - Medicare Advantage plan is the best answer because it provides Medicare-covered benefits through a private plan approved by Medicare. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

73. D - Medicaid is the best answer because it is a joint federal-state program providing medical assistance to eligible low-income individuals. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

74. C - COBRA continuation coverage is the best answer because it allows eligible individuals to continue certain employer group health coverage after qualifying events. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

75. D - Coordination of benefits provision is the best answer because it determines the order in which multiple health plans pay a covered claim. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

76. A - Deductible is the best answer because it is the amount a covered person generally pays before the plan begins sharing covered expenses. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

77. B - Coinsurance is the best answer because it is the percentage of a covered expense shared by the insured after any deductible is met. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

78. C - Copayment is the best answer because it is a fixed amount paid by the insured for a covered service under plan terms. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

79. C - Out-of-pocket maximum is the best answer because it caps certain covered cost sharing by the insured during a plan period, subject to plan terms. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

80. A - Elimination period is the best answer because it is the waiting time after disability begins before disability-income benefits become payable. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

81. D - Benefit period is the best answer because it is the maximum length of time benefits may be paid for a covered disability or condition. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

82. B - Own-occupation definition is the best answer because it defines disability by inability to perform the duties of the insured's own occupation. Other choices describe different insurance concepts. Read the qualifying words carefully.

Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

83. C - Any-occupation definition is the best answer because it defines disability by inability to perform the duties of any occupation for which the insured is reasonably suited. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

84. D - Recurrent disability provision is the best answer because it treats a new disability as a continuation when it returns within the policy's stated period. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

85. B - Residual disability benefit is the best answer because it pays a partial benefit when disability causes a qualifying loss of income rather than total inability to work. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

86. A - Presumptive disability is the best answer because it treats certain severe losses as total disability without requiring proof of income loss. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

87. B - Preexisting-condition provision is the best answer because it limits coverage for conditions present before the policy's effective date, subject to applicable law and policy terms. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

88. A - Probationary period is the best answer because it is an initial period during which losses from specified conditions are not covered. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

89. C - Notice of claim provision is the best answer because it requires the insured to notify the insurer of a covered loss within the policy's stated time. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

90. D - Proof of loss provision is the best answer because it requires supporting information that substantiates a claim and the amount payable. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

91. D - Time-payment-of-claims provision is the best answer because it requires the insurer to pay claims promptly after receiving the required proof. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

92. A - Legal actions provision is the best answer because it sets conditions and time limits for bringing a lawsuit under the policy. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

93. B - Change-of-occupation provision is the best answer because it allows benefit adjustment when the insured changes to an occupation with a different risk classification. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

94. C - Relation-of-earnings-to-insurance provision is the best answer because it prevents disability benefits from exceeding the insured's allowable income relationship. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

95. D - Other-insurance-with-this-insurer provision is the best answer because it coordinates multiple policies issued by the same insurer to prevent excessive benefits. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

96. A - Other-insurance-with-other-insurers provision is the best answer because it coordinates coverage when similar benefits are provided by different insurers. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

97. B - Unpaid-premium provision is the best answer because it allows an insurer to deduct overdue premium from a claim payment when permitted. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

98. A - Conformity-with-state-statutes provision is the best answer because it automatically amends policy terms that conflict with applicable state law. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

99. C - Physical examination and autopsy provision is the best answer because it permits an insurer to request examination or autopsy as allowed by policy terms and law. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

100. B - Misstatement-of-age provision is the best answer because it adjusts health benefits to reflect the correct age when age was stated incorrectly. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

101. C - Pure risk is the best answer because it involves the possibility of loss or no loss, without the possibility of gain. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

102. D - Speculative risk is the best answer because it involves a possibility of gain as well as loss. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

103. A - Peril is the best answer because it is the immediate cause of a loss, such as fire or illness. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

104. B - Hazard is the best answer because it is a condition that increases the chance or severity of loss. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

105. D - Moral hazard is the best answer because it arises from dishonesty or character traits that increase the likelihood of loss. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated

function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

106. C - Morale hazard is the best answer because it arises from carelessness or indifference because insurance exists. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

107. B - Physical hazard is the best answer because it is a tangible condition that increases the likelihood of loss. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

108. A - Insurable interest is the best answer because it is a financial or lawful interest in the continued life or health of the insured. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

109. D - Adverse selection is the best answer because it occurs when people with a greater likelihood of loss seek insurance more often or for more coverage. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

110. C - Underwriting is the best answer because it is the process of evaluating risk and deciding whether and on what terms to issue coverage. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

111. D - Field underwriting is the best answer because it refers to the producer's initial screening and information gathering during the application process. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

112. A - Attending physician statement is the best answer because it is a report from an applicant's physician used by an insurer in underwriting when authorized. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

113. C - Medical information bureau is the best answer because it is an industry reporting organization that may provide coded underwriting information when permitted. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

114. B - Conditional receipt is the best answer because it provides temporary coverage only if stated conditions are satisfied. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

115. B - Representation is the best answer because it is a statement believed true to the best of the applicant's knowledge but not guaranteed as absolute fact. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

116. A - Warranty is the best answer because it is a statement that must be literally true when made part of an insurance contract. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

117. D - Aleatory contract is the best answer because it is an agreement in which values exchanged may be unequal because payment depends on an uncertain event. Other choices describe different insurance concepts. Read the

qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

118. C - Adhesion contract is the best answer because it is a contract drafted by one party, with ambiguities generally construed against that drafter. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

119. D - Unilateral contract is the best answer because it is a contract in which only one party makes an enforceable promise to perform. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

120. B - Conditional contract is the best answer because it requires certain conditions to be met before the insurer must perform. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

121. A - Indemnity is the best answer because it restores an insured financially after a covered loss without creating a profit. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

122. C - Subrogation is the best answer because it allows an insurer that pays a loss to pursue the responsible third party to the extent of payment. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

123. D - Replacement is the best answer because it occurs when a new policy is purchased and an existing policy is lapsed, surrendered, or otherwise reduced. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

124. B - Twisting is the best answer because it is an unfair practice that induces a policyholder to replace coverage using misleading comparisons. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

125. C - Rebating is the best answer because it is offering an inducement not stated in the policy to persuade a person to buy insurance. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

126. A - Arizona Department of Insurance and Financial Institutions is the best answer because it is the Arizona state agency that regulates insurance and financial institutions. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

127. C - Insurance producer is the best answer because it is a person licensed to sell, solicit, or negotiate insurance on behalf of an insurer or client as authorized. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

128. A - Producer appointment is the best answer because it is an insurer's authorization of a producer to act for that insurer when appointment is required. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

129. D - Fiduciary responsibility is the best answer because it requires a producer to handle premiums or other client funds with the care required for money held in trust. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a

licensing examination.

130. B - Misrepresentation is the best answer because it is making an untrue, misleading, or incomplete statement about policy terms or benefits. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

131. D - False advertising is the best answer because it is using advertising that is untrue, deceptive, or misleading about insurance or an insurer. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

132. C - Defamation is the best answer because it is making false statements that harm the financial reputation of an insurer or producer. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

133. A - Boycott coercion or intimidation is the best answer because it is an unfair trade practice that uses collective pressure or threats to restrain insurance business improperly. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

134. B - Unfair discrimination is the best answer because it is treating insureds of the same class and essentially the same risk differently without a lawful basis. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

135. C - Producer license renewal is the best answer because it is the periodic process of maintaining an active license by meeting applicable Arizona requirements. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

136. B - Continuing education is the best answer because it is required ongoing education intended to maintain producer competence and compliance. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

137. D - License suspension is the best answer because it is a temporary loss of authority to act under an insurance license. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

138. A - License revocation is the best answer because it is termination of license authority, generally following a regulatory determination. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

139. C - Administrative hearing is the best answer because it provides a process for contesting certain regulatory actions through notice and an opportunity to be heard. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

140. D - Cease and desist order is the best answer because it directs a person to stop an identified prohibited or unlawful insurance practice. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

141. B - Unfair claims practice is the best answer because it is an improper pattern or practice in investigating, evaluating, or settling insurance claims. Other choices describe different insurance concepts. Read the qualifying words

carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

142. A - Replacement notice is the best answer because it is a disclosure used to help consumers understand that a proposed transaction may replace existing coverage. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

143. B - Policy summary is the best answer because it is a concise disclosure describing important policy features, benefits, and limitations. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

144. A - Buyer guide is the best answer because it is consumer-oriented material that explains insurance concepts and assists comparison of coverage. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

145. D - Suitability is the best answer because it requires recommendations to be appropriate for the consumer's needs, objectives, and circumstances when the rule applies. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

146. C - Privacy notice is the best answer because it explains an insurer's information-collection, sharing, and protection practices as required by law. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

147. C - Fraud is the best answer because it is a knowingly deceptive act intended to obtain an improper insurance-related benefit or cause an improper payment. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

148. A - Controlled business is the best answer because it is insurance written primarily on the producer, close family, or business interests and may be restricted by law. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.

149. B - Insurance transaction is the best answer because it includes activities such as solicitation, negotiation, sale, advice, application, and policy servicing. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination. The central point is the definition supplied in the stem.

150. D - Policy delivery is the best answer because it is the act of providing the issued policy to the owner, often accompanied by required disclosures and explanation. Other choices describe different insurance concepts. Read the qualifying words carefully. Match the stated function to the term. This approach separates closely related concepts on a licensing examination.