

PRACTICE EXAM 21: LIFE & HEALTH INSURANCE LICENSE (100 QUESTIONS)

Choose the single best answer for each question. This general/multi-state practice exam covers common Life & Health insurance principles. State statutes, mandated benefits, and licensing rules may differ.

1. A study candidate is asked to identify the best answer: which life policy feature lets the owner select how premiums are paid:

- A. premium mode
- B. policy loan
- C. beneficiary clause
- D. insuring agreement

2. Choose the insurance term that applies here: the policyowner is the person who generally controls:

- A. reinsurance treaties
- B. claim adjudication
- C. medical treatment
- D. ownership rights

3. In this policy review, which response is correct: an applicant's risk class is most likely based on:

- A. dividend elections
- B. beneficiary preferences
- C. underwriting factors
- D. claim settlement choices

4. Select the option that completes this insurance prompt: a conditional receipt may provide limited coverage when:

- A. a policy has lapsed
- B. stated conditions are met
- C. a beneficiary dies
- D. a loan is taken

5. A study candidate is asked to identify the best answer: temporary insurance coverage issued before a policy is delivered is a:

- A. rider
- B. endorsement
- C. dividend option
- D. binder

6. Choose the insurance term that applies here: the amount paid when a life insurance policy matures is the:

- A. face amount
- B. cash surrender charge
- C. coinsurance share
- D. deductible

7. In this policy review, which response is correct: a level premium policy has premiums that:

- A. are set by beneficiaries
- B. increase with every claim
- C. remain scheduled at the same amount
- D. are paid only at death

8. Select the option that completes this insurance prompt: increasing term insurance is often used to:

- A. fund hospital bills
- B. increase protection over time
- C. replace disability income
- D. build immediate cash value

9. A study candidate is asked to identify the best answer: credit life insurance is designed to help repay:

- A. property damage claims
- B. a covered debtor obligation
- C. annuity deposits
- D. medical provider bills

10. Choose the insurance term that applies here: family maintenance life insurance is intended to:

- A. settle a liability claim
- B. pay a hospital deductible
- C. fund a policy loan
- D. provide income for survivors

11. In this policy review, which response is correct: the payor benefit rider is most commonly associated with:

- A. juvenile life coverage
- B. an individual annuity
- C. business liability coverage
- D. Medicare supplement coverage

12. Select the option that completes this insurance prompt: an accelerated death benefit rider allows access to benefits when:

- A. the policy is first issued
- B. the insured changes jobs
- C. a qualifying condition occurs
- D. the beneficiary is changed

13. A study candidate is asked to identify the best answer: a beneficiary described by name is a:

- A. specific beneficiary
- B. group certificate
- C. class beneficiary
- D. revocable assignment

14. Choose the insurance term that applies here: a beneficiary described as the insured's children is a:

- A. collateral assignee
- B. specific beneficiary
- C. class beneficiary
- D. annuitant

15. In this policy review, which response is correct: per stirpes distribution generally provides that:

- A. all proceeds go to the estate
- B. a deceased beneficiary's share passes to descendants
- C. the insurer keeps proceeds
- D. the owner receives dividends

16. Select the option that completes this insurance prompt: the common disaster provision addresses:

- A. medical underwriting
- B. premium frequency
- C. investment allocation
- D. uncertain order of death

17. A study candidate is asked to identify the best answer: a spendthrift clause helps protect proceeds from:

- A. the insured's occupation
- B. a beneficiary's creditors
- C. the insurer's employees
- D. the producer's license

18. Choose the insurance term that applies here: when policy proceeds are paid in installments, the payment choice is a:

- A. premium mode
- B. nonforfeiture option
- C. settlement option
- D. conversion privilege

19. In this policy review, which response is correct: the interest option leaves principal with the insurer while:

- A. the policy is reinstated
- B. the insured changes
- C. cash value is surrendered
- D. interest is paid to the beneficiary

20. Select the option that completes this insurance prompt: a fixed-period settlement option pays proceeds over:

- A. a chosen number of years
- B. the insured's work life
- C. a grace period
- D. a medical benefit period

21. A study candidate is asked to identify the best answer: a fixed-amount settlement option ends when:

- A. the beneficiary changes
- B. principal and interest are exhausted
- C. premiums are waived
- D. a claim is filed

22. Choose the insurance term that applies here: the cash option pays life policy proceeds:

- A. in one lump sum
- B. only as a policy loan
- C. only as an annuity
- D. only after age 65

23. In this policy review, which response is correct: an estate is commonly named as beneficiary when proceeds should go to:

- A. the reinsurer
- B. the underwriter
- C. the insured's legal estate
- D. the producer

24. Select the option that completes this insurance prompt: an insured's age is important to life underwriting because it affects:

- A. coinsurance percentages
- B. policy ownership
- C. beneficiary rights
- D. mortality risk

25. A study candidate is asked to identify the best answer: an attending physician statement is used by an insurer to obtain:

- A. annuity deposits
- B. beneficiary signatures
- C. medical information
- D. premium payments

26. Choose the insurance term that applies here: an inspection report may be used to verify:

- A. claim payment history
- B. nonmedical risk information
- C. a deductible amount
- D. the death benefit

27. In this policy review, which response is correct: field underwriting occurs when a producer:

- A. pays dividends
- B. sets tax rules
- C. approves claims
- D. collects application information

28. Select the option that completes this insurance prompt: a replacement occurs when a new policy is used to:

- A. replace existing coverage
- B. fund an annuity payout
- C. pay a disability claim
- D. renew an HMO network

29. A study candidate is asked to identify the best answer: suitability analysis is especially important when recommending:

- A. workers compensation
- B. an annuity
- C. a group certificate
- D. a hospital indemnity claim

30. Choose the insurance term that applies here: a surrender charge is most likely associated with:

- A. a grace period
- B. a beneficiary change
- C. early contract termination
- D. a routine doctor visit

31. In this policy review, which response is correct: an annuity's contract owner has the right to:

- A. exercise contract options
- B. receive disability benefits automatically
- C. set state regulations
- D. approve all claims

32. Select the option that completes this insurance prompt: the beneficiary of an annuity usually receives value when:

- A. an agent is appointed
- B. a premium is missed
- C. the owner changes address
- D. the annuitant dies before payout ends

33. A study candidate is asked to identify the best answer: an annuity certain payout guarantees payments for:

- A. the insurer's lifetime
- B. the producer's license term
- C. a grace period only
- D. a stated period

34. Choose the insurance term that applies here: a period-certain annuity provides payments for:

- A. at least the stated period
- B. only after disability
- C. only during underwriting
- D. only while employed

35. In this policy review, which response is correct: an installment refund annuity protects against:

- A. a deductible increase
- B. unpaid value at death
- C. network restrictions
- D. a missed health premium

36. Select the option that completes this insurance prompt: a market value adjustment may change surrender value because of:

- A. claim frequency
- B. medical expenses
- C. interest-rate movements
- D. beneficiary age

37. A study candidate is asked to identify the best answer: a deferred annuity is commonly used to:

- A. replace a group certificate
- B. accumulate funds for later income
- C. pay daily hospital charges
- D. insure a mortgage

38. Choose the insurance term that applies here: the accumulation value of a deferred annuity is also called:

- A. face amount
- B. benefit period
- C. deductible
- D. contract value

39. In this policy review, which response is correct: an annuity surrender is generally a:

- A. provider network choice
- B. beneficiary designation
- C. withdrawal or termination of contract value
- D. life claim payment

40. Select the option that completes this insurance prompt: an annuity's death benefit is commonly paid when:

- A. the annuitant dies before annuitization
- B. a claim is denied
- C. the owner stops work
- D. the premium is late

41. A study candidate is asked to identify the best answer: the tax-deferred feature of a qualified annuity concerns:

- A. growth before distribution
- B. life policy dividends
- C. medical claim reimbursement
- D. producer commissions

42. Choose the insurance term that applies here: the risk that variable annuity values decline is borne by:

- A. the producer
- B. the insurer alone
- C. the beneficiary only
- D. the contract owner

43. In this policy review, which response is correct: separate account assets for variable contracts are generally:

- A. part of claim reserves only
- B. used for policy loans
- C. segregated from general account assets
- D. owned by beneficiaries

44. Select the option that completes this insurance prompt: a fixed indexed annuity credits interest based partly on:

- A. hospital utilization
- B. an external index formula
- C. the insured's age only
- D. policy loan balance

45. A study candidate is asked to identify the best answer: the general account supports:

- A. claims investigations
- B. beneficiary elections
- C. variable separate-account investments
- D. fixed insurance obligations

46. Choose the insurance term that applies here: in health insurance, morbidity refers to:

- A. policy cash value
- B. annuity accumulation
- C. the incidence of illness or injury
- D. the rate of death

47. In this policy review, which response is correct: an insured's share of a covered service paid at the visit may be a:

- A. dividend
- B. copayment
- C. policy loan
- D. face amount

48. Select the option that completes this insurance prompt: a calendar-year deductible resets according to:

- A. the plan year
- B. the insured's birthday
- C. the policy issue date only
- D. each office visit

49. A study candidate is asked to identify the best answer: an embedded family deductible applies to:

- A. only annuity owners
- B. only group employers
- C. individual family members within family coverage
- D. only life beneficiaries

50. Choose the insurance term that applies here: an aggregate deductible applies to:

- A. the death benefit
- B. combined family expenses
- C. policy cash value
- D. a single claim only

51. In this policy review, which response is correct: coinsurance after a deductible is usually expressed as:

- A. a percentage share
- B. a beneficiary class
- C. a grace period
- D. a cash value amount

52. Select the option that completes this insurance prompt: usual, customary, and reasonable charges relate to:

- A. life underwriting
- B. annuity payout choices
- C. policy loans
- D. provider fee comparisons

53. A study candidate is asked to identify the best answer: a schedule of benefits specifies:

- A. life cash values
- B. beneficiary priorities
- C. an annuity index
- D. amounts payable for listed services

54. Choose the insurance term that applies here: a blanket health policy is written to cover:

- A. a group exposed to a common risk
- B. one annuitant
- C. a single policyowner only
- D. only Medicare beneficiaries

55. In this policy review, which response is correct: an association health plan is generally sponsored by:

- A. a funeral home
- B. a reinsurer
- C. an eligible association
- D. a life settlement provider

56. Select the option that completes this insurance prompt: an HSA is generally paired with:

- A. a Medicare supplement policy only
- B. a qualifying high-deductible health plan
- C. an annuity payout
- D. a whole life policy

57. A study candidate is asked to identify the best answer: a health reimbursement arrangement is typically funded by:

- A. a producer
- B. an employer
- C. a beneficiary
- D. a reinsurer

58. Choose the insurance term that applies here: a flexible spending arrangement generally permits:

- A. reinsurance recovery
- B. annuity surrender charges
- C. life cash value borrowing
- D. pre-tax expense reimbursement subject to plan rules

59. In this policy review, which response is correct: open enrollment is a period when eligible people may:

- A. elect or change coverage
- B. required a claim payment
- C. receive life dividends
- D. annuitize a contract

60. Select the option that completes this insurance prompt: special enrollment may follow:

- A. a claim denial only
- B. an annuity index change
- C. a qualifying life event
- D. a policy loan

61. A study candidate is asked to identify the best answer: an insurer's network consists of:

- A. state regulators
- B. life insurance beneficiaries
- C. annuity owners
- D. contracted health care providers

62. Choose the insurance term that applies here: a referral requirement is most associated with:

- A. primary-care managed care
- B. policy loans
- C. fixed annuities
- D. whole life insurance

63. In this policy review, which response is correct: prior authorization is a review that occurs:

- A. at policy surrender
- B. before certain services are provided
- C. when premiums are waived
- D. after every death claim

64. Select the option that completes this insurance prompt: utilization review evaluates:

- A. an annuity index
- B. a life beneficiary
- C. the appropriateness of health care services
- D. a producer appointment

65. A study candidate is asked to identify the best answer: case management coordinates:

- A. annuity deposits
- B. life underwriting
- C. care for complex conditions
- D. policy dividends

66. Choose the insurance term that applies here: an EPO generally requires enrollees to use:

- A. life policy agents
- B. only government providers
- C. any provider worldwide
- D. network providers except emergencies

67. In this policy review, which response is correct: a point-of-service plan combines features of:

- A. whole life and term life
- B. HMO and PPO designs
- C. annuities and loans
- D. Medicaid and Medicare

68. Select the option that completes this insurance prompt: the purpose of a provider directory is to identify:

- A. network participating providers
- B. reinsurance partners
- C. life beneficiaries
- D. annuity indexes

69. A study candidate is asked to identify the best answer: emergency care is generally treatment for:

- A. a condition requiring immediate attention
- B. a policy loan
- C. a planned annual exam
- D. a beneficiary change

70. Choose the insurance term that applies here: preventive care focuses on:

- A. annuitizing cash value
- B. avoiding or detecting illness early
- C. paying death benefits
- D. replacing disability income

71. In this policy review, which response is correct: an exclusion in a health policy identifies:

- A. covered provider networks
- B. premium payment dates
- C. annuity investments
- D. losses not covered

72. Select the option that completes this insurance prompt: a limitation in a health policy may restrict:

- A. producer authority
- B. ownership rights
- C. amount or duration of benefits
- D. beneficiary changes

73. A study candidate is asked to identify the best answer: a probationary period may delay coverage for:

- A. all accidental injuries forever
- B. certain illnesses at issue
- C. policy loans
- D. annuity deposits

74. Choose the insurance term that applies here: the primary purpose of a deductible is to:

- A. accumulate annuity value
- B. increase death benefits
- C. select beneficiaries
- D. share initial loss with the insured

75. In this policy review, which response is correct: an insured's annual maximum benefit is the:

- A. most a plan will pay in a year
- B. annuity contribution limit
- C. life policy face amount
- D. minimum premium due

76. Select the option that completes this insurance prompt: a lifetime maximum benefit is the:

- A. cash value at surrender
- B. amount of coinsurance
- C. total benefit cap over a lifetime
- D. provider network size

77. A study candidate is asked to identify the best answer: short-term disability coverage is intended for:

- A. retirement annuity income
- B. permanent life protection
- C. property repair claims
- D. temporary disability income needs

78. Choose the insurance term that applies here: long-term disability coverage is intended for:

- A. hospital room reimbursement only
- B. policy loan interest
- C. extended disability income needs
- D. accidental death benefits

79. In this policy review, which response is correct: the disability income replacement ratio refers to:

- A. percentage of cash value
- B. portion of earnings replaced
- C. part of a death benefit
- D. network discount amount

80. Select the option that completes this insurance prompt: rehabilitation benefits may help an insured:

- A. return to productive work
- B. annuitize a policy
- C. avoid a deductible
- D. select a beneficiary

81. A study candidate is asked to identify the best answer: a cost-of-living rider may adjust disability benefits to:

- A. reduce cash value
- B. change provider networks
- C. help address inflation
- D. increase deductibles

82. Choose the insurance term that applies here: a future increase option permits:

- A. later benefit increases under stated conditions
- B. automatic policy loans
- C. a beneficiary sale
- D. unlimited claims

83. In this policy review, which response is correct: business overhead expense insurance helps pay:

- A. an employee's death benefit
- B. annuity withdrawals
- C. medical deductibles
- D. qualifying business operating expenses

84. Select the option that completes this insurance prompt: buy-sell funding is a common business use of:

- A. a deductible
- B. life insurance
- C. hospital indemnity
- D. Medicaid coverage

85. A study candidate is asked to identify the best answer: key person insurance is intended to protect a business from:

- A. beneficiary disputes
- B. annuity surrender charges
- C. routine medical copays
- D. loss of a key employee

86. Choose the insurance term that applies here: group disability insurance is often provided through:

- A. a reinsurance treaty
- B. a funeral arrangement
- C. an employer plan
- D. a life settlement

87. In this policy review, which response is correct: an occupational accident is one that:

- A. is excluded by definition
- B. arises from work duties
- C. happens only at home
- D. always causes death

88. Select the option that completes this insurance prompt: workers compensation benefits commonly include:

- A. medical and wage-loss benefits
- B. annuity interest credits
- C. policy dividends
- D. life cash value

89. A study candidate is asked to identify the best answer: a beneficiary change should generally be made according to:

- A. an annuity index
- B. a claim form only
- C. policy procedures
- D. the provider directory

90. Choose the insurance term that applies here: an insurer's claims department primarily:

- A. approves licenses
- B. sets premium tax rates
- C. sells every policy
- D. processes and evaluates claims

91. In this policy review, which response is correct: an explanation of benefits describes:

- A. annuity indexes
- B. how a health claim was processed
- C. life cash values
- D. beneficiary rights only

92. Select the option that completes this insurance prompt: an adverse benefit determination is a:

- A. denial or reduction of a claim
- B. policy dividend
- C. annuity deposit
- D. premium receipt

93. A study candidate is asked to identify the best answer: an appeal gives a claimant an opportunity to:

- A. change a beneficiary
- B. borrow cash value
- C. annuitize a policy
- D. request review of a decision

94. Choose the insurance term that applies here: subrogation helps avoid:

- A. beneficiary designation
- B. double recovery for the same loss
- C. annuity accumulation
- D. life policy surrender

95. In this policy review, which response is correct: coordination of benefits is most relevant when:

- A. more than one health plan may pay
- B. a beneficiary dies
- C. a term policy renews
- D. an annuity is surrendered

96. Select the option that completes this insurance prompt: the primary plan under coordination of benefits:

- A. receives life proceeds
- B. always pays nothing
- C. pays first under applicable rules
- D. issues annuities

97. A study candidate is asked to identify the best answer: a residual benefit in disability insurance may apply when:

- A. a claim is unpaid
- B. income is reduced but work continues
- C. a policy is surrendered
- D. the insured dies

98. Choose the insurance term that applies here: an accidental means provision focuses on:

- A. an annuity index
- B. a premium mode
- C. the cause being accidental
- D. the policyowner's age

99. In this policy review, which response is correct: an accidental bodily injury provision focuses on:

- A. a hospital network
- B. a beneficiary class
- C. cash value growth
- D. an unintended injury

100. Select the option that completes this insurance prompt: the loss ratio compares:

- A. claims and expenses to premiums
- B. age to premium mode
- C. cash value to death benefit
- D. copays to deductibles

PRACTICE EXAM 21: ANSWER KEY AND EXPLANATIONS

1. **A** - premium mode is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
2. **D** - ownership rights is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
3. **C** - underwriting factors is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
4. **B** - stated conditions are met is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
5. **D** - binder is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
6. **A** - face amount is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
7. **C** - remain scheduled at the same amount is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
8. **B** - increase protection over time is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
9. **B** - a covered debtor obligation is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
10. **D** - provide income for survivors is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
11. **A** - juvenile life coverage is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
12. **C** - a qualifying condition occurs is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
13. **A** - specific beneficiary is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
14. **C** - class beneficiary is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
15. **B** - a deceased beneficiary's share passes to descendants is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.

- 16. D** - uncertain order of death is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 17. B** - a beneficiary's creditors is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 18. C** - settlement option is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 19. D** - interest is paid to the beneficiary is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 20. A** - a chosen number of years is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 21. B** - principal and interest are exhausted is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 22. A** - in one lump sum is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 23. C** - the insured's legal estate is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 24. D** - mortality risk is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 25. C** - medical information is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 26. B** - nonmedical risk information is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 27. D** - collects application information is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 28. A** - replace existing coverage is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 29. B** - an annuity is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 30. C** - early contract termination is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 31. A** - exercise contract options is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.

- 32. D** - the annuitant dies before payout ends is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 33. D** - a stated period is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 34. A** - at least the stated period is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 35. B** - unpaid value at death is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 36. C** - interest-rate movements is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 37. B** - accumulate funds for later income is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 38. D** - contract value is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 39. C** - withdrawal or termination of contract value is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 40. A** - the annuitant dies before annuitization is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 41. A** - growth before distribution is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 42. D** - the contract owner is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 43. C** - segregated from general account assets is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 44. B** - an external index formula is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 45. D** - fixed insurance obligations is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 46. C** - the incidence of illness or injury is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 47. B** - copayment is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.

- 48. A** - the plan year is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 49. C** - individual family members within family coverage is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 50. B** - combined family expenses is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 51. A** - a percentage share is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 52. D** - provider fee comparisons is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 53. D** - amounts payable for listed services is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 54. A** - a group exposed to a common risk is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 55. C** - an eligible association is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 56. B** - a qualifying high-deductible health plan is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 57. B** - an employer is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 58. D** - pre-tax expense reimbursement subject to plan rules is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 59. A** - elect or change coverage is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 60. C** - a qualifying life event is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 61. D** - contracted health care providers is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 62. A** - primary-care managed care is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 63. B** - before certain services are provided is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.

- 64. C** - the appropriateness of health care services is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 65. C** - care for complex conditions is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 66. D** - network providers except emergencies is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 67. B** - HMO and PPO designs is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 68. A** - network participating providers is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 69. A** - a condition requiring immediate attention is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 70. B** - avoiding or detecting illness early is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 71. D** - losses not covered is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 72. C** - amount or duration of benefits is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 73. B** - certain illnesses at issue is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 74. D** - share initial loss with the insured is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 75. A** - most a plan will pay in a year is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 76. C** - total benefit cap over a lifetime is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 77. D** - temporary disability income needs is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 78. C** - extended disability income needs is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 79. B** - portion of earnings replaced is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.

- 80. A** - return to productive work is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 81. C** - help address inflation is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 82. A** - later benefit increases under stated conditions is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 83. D** - qualifying business operating expenses is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 84. B** - life insurance is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 85. D** - loss of a key employee is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 86. C** - an employer plan is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 87. B** - arises from work duties is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 88. A** - medical and wage-loss benefits is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 89. C** - policy procedures is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 90. D** - processes and evaluates claims is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 91. B** - how a health claim was processed is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 92. A** - denial or reduction of a claim is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 93. D** - request review of a decision is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 94. B** - double recovery for the same loss is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.
- 95. A** - more than one health plan may pay is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.

96. C - pays first under applicable rules is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.

97. B - income is reduced but work continues is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.

98. C - the cause being accidental is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.

99. D - an unintended injury is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.

100. A - claims and expenses to premiums is correct. It names the policy feature, party, benefit, or process described in the question. The other choices refer to different insurance concepts and do not satisfy the prompt. Study each term in context, then verify any state-specific requirement against the outline for the licensing exam you will actually take.

Educational practice material. Verify jurisdiction-specific requirements with your state insurance department.