

PRACTICE EXAM 8: 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. Which life policy feature lets the owner select how premiums are paid:

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

2. The policyowner is the person who generally controls:

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

3. An applicant's risk class is most likely based on:

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

4. A conditional receipt may provide limited coverage when:

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

5. Temporary insurance coverage issued before a policy is delivered is a:

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

6. The amount paid when a life insurance policy matures is the:

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

7. A level premium policy has premiums that:

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

8. Increasing term insurance is often used to:

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

9. Credit life insurance is designed to help repay:

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

10. Family maintenance life insurance is intended to:

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

11. The payor benefit rider is most commonly associated with:

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

12. An accelerated death benefit rider allows access to benefits when:

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

13. A beneficiary described by name is a:

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

14. A beneficiary described as the insured's children is a:

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

15. Per stirpes distribution generally provides that:

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

16. The common disaster provision addresses:

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

17. A spendthrift clause helps protect proceeds from:

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

18. When policy proceeds are paid in installments, the payment choice is a:

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

19. The interest option leaves principal with the insurer while:

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

20. A fixed-period settlement option pays proceeds over:

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

21. A fixed-amount settlement option ends when:

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

22. The cash option pays life policy proceeds:

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

23. An estate is commonly named as beneficiary when proceeds should go to:

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

24. An insured's age is important to life underwriting because it affects:

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

25. An attending physician statement is used by an insurer to obtain:

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

26. An inspection report may be used to verify:

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

27. Field underwriting occurs when a producer:

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

28. A replacement occurs when a new policy is used to:

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

29. Suitability analysis is especially important when recommending:

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

30. A surrender charge is most likely associated with:

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

31. An annuity's contract owner has the right to:

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

32. The beneficiary of an annuity usually receives value when:

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

33. An annuity certain payout guarantees payments for:

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

34. A period-certain annuity provides payments for:

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

35. An installment refund annuity protects against:

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

36. A market value adjustment may change surrender value because of:

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

37. A deferred annuity is commonly used to:

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

38. The accumulation value of a deferred annuity is also called:

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

39. An annuity surrender is generally a:

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

40. An annuity's death benefit is commonly paid when:

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

41. The tax-deferred feature of a qualified annuity concerns:

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

42. The risk that variable annuity values decline is borne by:

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

43. Separate account assets for variable contracts are generally:

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

44. A fixed indexed annuity credits interest based partly on:

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

45. The general account supports:

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

46. In health insurance, morbidity refers to:

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

47. An insured's share of a covered service paid at the visit may be a:

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

48. A calendar-year deductible resets according to:

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

49. An embedded family deductible applies to:

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

50. An aggregate deductible applies to:

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

51. Coinsurance after a deductible is usually expressed as:

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

52. Usual, customary, and reasonable charges relate to:

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

53. A schedule of benefits specifies:

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

54. A blanket health policy is written to cover:

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

55. An association health plan is generally sponsored by:

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

56. An HSA is generally paired with:

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

57. A health reimbursement arrangement is typically funded by:

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

58. A flexible spending arrangement generally permits:

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

59. Open enrollment is a period when eligible people may:

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

60. Special enrollment may follow:

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

61. An insurer's network consists of:

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

62. A referral requirement is most associated with:

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

63. Prior authorization is a review that occurs:

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

64. Utilization review evaluates:

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

65. Case management coordinates:

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

66. An EPO generally requires enrollees to use:

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

67. A point-of-service plan combines features of:

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

68. The purpose of a provider directory is to identify:

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

69. Emergency care is generally treatment for:

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

70. Preventive care focuses on:

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

71. An exclusion in a health policy identifies:

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

72. A limitation in a health policy may restrict:

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

73. A probationary period may delay coverage for:

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

74. The primary purpose of a deductible is to:

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

75. An insured's annual maximum benefit is the:

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

76. A lifetime maximum benefit is the:

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

77. Short-term disability coverage is intended for:

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

78. Long-term disability coverage is intended for:

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

79. The disability income replacement ratio refers to:

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

80. Rehabilitation benefits may help an insured:

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

81. A cost-of-living rider may adjust disability benefits to:

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

82. A future increase option permits:

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

83. Business overhead expense insurance helps pay:

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

84. Buy-sell funding is a common business use of:

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

85. Key person insurance is intended to protect a business from:

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

86. Group disability insurance is often provided through:

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

87. An occupational accident is one that:

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

88. Workers compensation benefits commonly include:

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

89. A beneficiary change should generally be made according to:

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

90. An insurer's claims department primarily:

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

91. An explanation of benefits describes:

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

92. An adverse benefit determination is a:

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

93. An appeal gives a claimant an opportunity to:

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

94. Subrogation helps avoid:

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

95. Coordination of benefits is most relevant when:

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

96. The primary plan under coordination of benefits:

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

97. 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. An accidental means provision focuses on:

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

99. An accidental bodily injury provision focuses on:

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

100. The loss ratio compares:

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

PRACTICE EXAM 8: ANSWER KEY AND EXPLANATIONS

1. **A** - premium mode is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
2. **D** - ownership rights is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
3. **C** - underwriting factors is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
4. **B** - stated conditions are met is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
5. **D** - binder is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
6. **A** - face amount is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
7. **B** - remain scheduled at the same amount is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
8. **C** - increase protection over time is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
9. **C** - a covered debtor obligation is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
10. **A** - provide income for survivors is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
11. **D** - juvenile life coverage is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
12. **B** - a qualifying condition occurs is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
13. **C** - specific beneficiary is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
14. **A** - class beneficiary is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
15. **B** - a deceased beneficiary's share passes to descendants is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

- 16. D** - uncertain order of death is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 17. A** - a beneficiary's creditors is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 18. C** - settlement option is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 19. D** - interest is paid to the beneficiary is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 20. B** - a chosen number of years is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 21. C** - principal and interest are exhausted is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 22. A** - in one lump sum is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 23. D** - the insured's legal estate is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 24. B** - mortality risk is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 25. A** - medical information is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 26. C** - nonmedical risk information is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 27. B** - collects application information is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 28. D** - replace existing coverage is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 29. C** - an annuity is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 30. A** - early contract termination is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 31. B** - exercise contract options is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this

concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

32. C - the annuitant dies before payout ends is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

33. D - a stated period is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

34. A - at least the stated period is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

35. D - unpaid value at death is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

36. B - interest-rate movements is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

37. C - accumulate funds for later income is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

38. A - contract value is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

39. B - withdrawal or termination of contract value is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

40. D - the annuitant dies before annuitization is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

41. C - growth before distribution is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

42. B - the contract owner is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

43. A - segregated from general account assets is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

44. D - an external index formula is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

45. B - fixed insurance obligations is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

- 46. C** - the incidence of illness or injury is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 47. D** - copayment is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 48. A** - the plan year is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 49. C** - individual family members within family coverage is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 50. B** - combined family expenses is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 51. D** - a percentage share is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 52. C** - provider fee comparisons is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 53. A** - amounts payable for listed services is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 54. B** - a group exposed to a common risk is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 55. C** - an eligible association is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 56. D** - a qualifying high-deductible health plan is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 57. A** - an employer is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 58. B** - pre-tax expense reimbursement subject to plan rules is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 59. D** - elect or change coverage is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 60. C** - a qualifying life event is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this

concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

61. B - contracted health care providers is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

62. A - primary-care managed care is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

63. D - before certain services are provided is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

64. C - the appropriateness of health care services is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

65. A - care for complex conditions is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

66. B - network providers except emergencies is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

67. C - HMO and PPO designs is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

68. D - network participating providers is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

69. A - a condition requiring immediate attention is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

70. C - avoiding or detecting illness early is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

71. D - losses not covered is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

72. B - amount or duration of benefits is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

73. A - certain illnesses at issue is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

74. C - share initial loss with the insured is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

- 75. B** - most a plan will pay in a year is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 76. D** - total benefit cap over a lifetime is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 77. C** - temporary disability income needs is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 78. A** - extended disability income needs is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 79. B** - portion of earnings replaced is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 80. C** - return to productive work is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 81. D** - help address inflation is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 82. A** - later benefit increases under stated conditions is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 83. B** - qualifying business operating expenses is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 84. D** - life insurance is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 85. C** - loss of a key employee is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 86. A** - an employer plan is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 87. D** - arises from work duties is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 88. B** - medical and wage-loss benefits is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 89. C** - policy procedures is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

- 90. A** - processes and evaluates claims is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 91. B** - how a health claim was processed is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 92. D** - denial or reduction of a claim is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 93. C** - request review of a decision is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 94. A** - double recovery for the same loss is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 95. D** - more than one health plan may pay is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 96. C** - pays first under applicable rules is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 97. B** - income is reduced but work continues is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 98. D** - the cause being accidental is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 99. A** - an unintended injury is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.
- 100. B** - claims and expenses to premiums is correct. It matches the insurance concept tested in this item. The alternatives are different policy terms, parties, benefits, or administrative procedures. Use the full definition instead of choosing a familiar word. Review how this concept differs from nearby terms, and confirm state-specific requirements when preparing for your licensing examination.

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