

PRACTICE EXAM 9: 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. In a licensing-review scenario, identify the term that best completes this statement: which life policy feature lets the owner select how premiums are paid:

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

2. Select the answer that correctly addresses the following insurance concept: the policyowner is the person who generally controls:

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

3. Which option is the best match for this policy situation: an applicant's risk class is most likely based on:

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

4. For exam purposes, choose the term that completes this prompt: a conditional receipt may provide limited coverage when:

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

5. In a licensing-review scenario, identify the term that best completes this statement: temporary insurance coverage issued before a policy is delivered is a:

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

6. Select the answer that correctly addresses the following insurance concept: the amount paid when a life insurance policy matures is the:

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

7. Which option is the best match for this policy situation: a level premium policy has premiums that:

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

8. For exam purposes, choose the term that completes this prompt: increasing term insurance is often used to:

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

9. In a licensing-review scenario, identify the term that best completes this statement: 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. Select the answer that correctly addresses the following insurance concept: family maintenance life insurance is intended to:

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

11. Which option is the best match for this policy situation: 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. For exam purposes, choose the term that completes this prompt: an accelerated death benefit rider allows access to benefits when:

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

13. In a licensing-review scenario, identify the term that best completes this statement: a beneficiary described by name is a:

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

14. Select the answer that correctly addresses the following insurance concept: a beneficiary described as the insured's children is a:

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

15. Which option is the best match for this policy situation: per stirpes distribution generally provides that:

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

16. For exam purposes, choose the term that completes this prompt: the common disaster provision addresses:

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

17. In a licensing-review scenario, identify the term that best completes this statement: a spendthrift clause helps protect proceeds from:

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

18. Select the answer that correctly addresses the following insurance concept: when policy proceeds are paid in installments, the payment choice is a:

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

19. Which option is the best match for this policy situation: the interest option leaves principal with the insurer while:

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

20. For exam purposes, choose the term that completes this prompt: a fixed-period settlement option pays proceeds over:

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

21. In a licensing-review scenario, identify the term that best completes this statement: a fixed-amount settlement option ends when:

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

22. Select the answer that correctly addresses the following insurance concept: the cash option pays life policy proceeds:

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

23. Which option is the best match for this policy situation: an estate is commonly named as beneficiary when proceeds should go to:

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

24. For exam purposes, choose the term that completes this prompt: an insured's age is important to life underwriting because it affects:

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

25. In a licensing-review scenario, identify the term that best completes this statement: an attending physician statement is used by an insurer to obtain:

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

26. Select the answer that correctly addresses the following insurance concept: an inspection report may be used to verify:

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

27. Which option is the best match for this policy situation: field underwriting occurs when a producer:

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

28. For exam purposes, choose the term that completes this prompt: a replacement occurs when a new policy is used to:

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

29. In a licensing-review scenario, identify the term that best completes this statement: suitability analysis is especially important when recommending:

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

30. Select the answer that correctly addresses the following insurance concept: a surrender charge is most likely associated with:

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

31. Which option is the best match for this policy situation: an annuity's contract owner has the right to:

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

32. For exam purposes, choose the term that completes this prompt: the beneficiary of an annuity usually receives value when:

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

33. In a licensing-review scenario, identify the term that best completes this statement: an annuity certain payout guarantees payments for:

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

34. Select the answer that correctly addresses the following insurance concept: a period-certain annuity provides payments for:

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

35. Which option is the best match for this policy situation: an installment refund annuity protects against:

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

36. For exam purposes, choose the term that completes this prompt: a market value adjustment may change surrender value because of:

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

37. In a licensing-review scenario, identify the term that best completes this statement: a deferred annuity is commonly used to:

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

38. Select the answer that correctly addresses the following insurance concept: the accumulation value of a deferred annuity is also called:

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

39. Which option is the best match for this policy situation: an annuity surrender is generally a:

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

40. For exam purposes, choose the term that completes this prompt: an annuity's death benefit is commonly paid when:

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

41. In a licensing-review scenario, identify the term that best completes this statement: the tax-deferred feature of a qualified annuity concerns:

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

42. Select the answer that correctly addresses the following insurance concept: the risk that variable annuity values decline is borne by:

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

43. Which option is the best match for this policy situation: separate account assets for variable contracts are generally:

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

44. For exam purposes, choose the term that completes this prompt: a fixed indexed annuity credits interest based partly on:

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

45. In a licensing-review scenario, identify the term that best completes this statement: the general account supports:

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

46. Select the answer that correctly addresses the following insurance concept: in health insurance, morbidity refers to:

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

47. Which option is the best match for this policy situation: an insured's share of a covered service paid at the visit may be a:

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

48. For exam purposes, choose the term that completes this prompt: a calendar-year deductible resets according to:

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

49. In a licensing-review scenario, identify the term that best completes this statement: 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. Select the answer that correctly addresses the following insurance concept: an aggregate deductible applies to:

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

51. Which option is the best match for this policy situation: coinsurance after a deductible is usually expressed as:

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

52. For exam purposes, choose the term that completes this prompt: usual, customary, and reasonable charges relate to:

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

53. In a licensing-review scenario, identify the term that best completes this statement: a schedule of benefits specifies:

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

54. Select the answer that correctly addresses the following insurance concept: a blanket health policy is written to cover:

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

55. Which option is the best match for this policy situation: an association health plan is generally sponsored by:

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

56. For exam purposes, choose the term that completes this prompt: an HSA is generally paired with:

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

57. In a licensing-review scenario, identify the term that best completes this statement: a health reimbursement arrangement is typically funded by:

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

58. Select the answer that correctly addresses the following insurance concept: 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. Which option is the best match for this policy situation: open enrollment is a period when eligible people may:

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

60. For exam purposes, choose the term that completes this 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. In a licensing-review scenario, identify the term that best completes this statement: an insurer's network consists of:

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

62. Select the answer that correctly addresses the following insurance concept: a referral requirement is most associated with:

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

63. Which option is the best match for this policy situation: prior authorization is a review that occurs:

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

64. For exam purposes, choose the term that completes this prompt: utilization review evaluates:

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

65. In a licensing-review scenario, identify the term that best completes this statement: case management coordinates:

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

66. Select the answer that correctly addresses the following insurance concept: an EPO generally requires enrollees to use:

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

67. Which option is the best match for this policy situation: a point-of-service plan combines features of:

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

68. For exam purposes, choose the term that completes this prompt: the purpose of a provider directory is to identify:

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

69. In a licensing-review scenario, identify the term that best completes this statement: emergency care is generally treatment for:

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

70. Select the answer that correctly addresses the following insurance concept: preventive care focuses on:

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

71. Which option is the best match for this policy situation: an exclusion in a health policy identifies:

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

72. For exam purposes, choose the term that completes this prompt: a limitation in a health policy may restrict:

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

73. In a licensing-review scenario, identify the term that best completes this statement: a probationary period may delay coverage for:

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

74. Select the answer that correctly addresses the following insurance concept: the primary purpose of a deductible is to:

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

75. Which option is the best match for this policy situation: an insured's annual maximum benefit is the:

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

76. For exam purposes, choose the term that completes this prompt: a lifetime maximum benefit is the:

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

77. In a licensing-review scenario, identify the term that best completes this statement: short-term disability coverage is intended for:

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

78. Select the answer that correctly addresses the following insurance concept: long-term disability coverage is intended for:

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

79. Which option is the best match for this policy situation: the disability income replacement ratio refers to:

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

80. For exam purposes, choose the term that completes this prompt: rehabilitation benefits may help an insured:

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

81. In a licensing-review scenario, identify the term that best completes this statement: a cost-of-living rider may adjust disability benefits to:

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

82. Select the answer that correctly addresses the following insurance concept: a future increase option permits:

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

83. Which option is the best match for this policy situation: business overhead expense insurance helps pay:

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

84. For exam purposes, choose the term that completes this prompt: buy-sell funding is a common business use of:

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

85. In a licensing-review scenario, identify the term that best completes this statement: key person insurance is intended to protect a business from:

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

86. Select the answer that correctly addresses the following insurance concept: group disability insurance is often provided through:

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

87. Which option is the best match for this policy situation: an occupational accident is one that:

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

88. For exam purposes, choose the term that completes this prompt: workers compensation benefits commonly include:

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

89. In a licensing-review scenario, identify the term that best completes this statement: a beneficiary change should generally be made according to:

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

90. Select the answer that correctly addresses the following insurance concept: an insurer's claims department primarily:

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

91. Which option is the best match for this policy situation: an explanation of benefits describes:

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

92. For exam purposes, choose the term that completes this prompt: an adverse benefit determination is a:

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

93. In a licensing-review scenario, identify the term that best completes this statement: an appeal gives a claimant an opportunity to:

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

94. Select the answer that correctly addresses the following insurance concept: subrogation helps avoid:

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

95. Which option is the best match for this policy situation: coordination of benefits is most relevant when:

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

96. For exam purposes, choose the term that completes this prompt: the primary plan under coordination of benefits:

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

97. In a licensing-review scenario, identify the term that best completes this statement: a residual benefit in disability insurance may apply when:

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

98. Select the answer that correctly addresses the following insurance concept: an accidental means provision focuses on:

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

99. Which option is the best match for this policy situation: an accidental bodily injury provision focuses on:

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

100. For exam purposes, choose the term that completes this prompt: the loss ratio compares:

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

PRACTICE EXAM 9: ANSWER KEY AND EXPLANATIONS

1. **B** - premium mode is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
2. **C** - ownership rights is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
3. **A** - underwriting factors is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
4. **D** - stated conditions are met is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
5. **C** - binder is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
6. **A** - face amount is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
7. **B** - remain scheduled at the same amount is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
8. **D** - increase protection over time is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
9. **B** - a covered debtor obligation is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
10. **A** - provide income for survivors is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
11. **D** - juvenile life coverage is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
12. **C** - a qualifying condition occurs is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
13. **A** - specific beneficiary is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
14. **B** - class beneficiary is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
15. **C** - a deceased beneficiary's share passes to descendants is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.

- 16. D** - uncertain order of death is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 17. D** - a beneficiary's creditors is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 18. C** - settlement option is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 19. B** - interest is paid to the beneficiary is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 20. A** - a chosen number of years is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 21. D** - principal and interest are exhausted is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 22. C** - in one lump sum is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 23. B** - the insured's legal estate is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 24. C** - mortality risk is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 25. A** - medical information is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 26. D** - nonmedical risk information is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 27. A** - collects application information is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 28. B** - replace existing coverage is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 29. C** - an annuity is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 30. D** - early contract termination is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 31. A** - exercise contract options is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.

- 32. B** - the annuitant dies before payout ends is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 33. B** - a stated period is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 34. D** - at least the stated period is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 35. C** - unpaid value at death is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 36. A** - interest-rate movements is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 37. A** - accumulate funds for later income is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 38. C** - contract value is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 39. D** - withdrawal or termination of contract value is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 40. B** - the annuitant dies before annuitization is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 41. D** - growth before distribution is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 42. C** - the contract owner is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 43. A** - segregated from general account assets is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 44. B** - an external index formula is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 45. B** - fixed insurance obligations is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 46. D** - the incidence of illness or injury is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 47. A** - copayment is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.

- 48. C** - the plan year is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 49. C** - individual family members within family coverage is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 50. D** - combined family expenses is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 51. A** - a percentage share is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 52. B** - provider fee comparisons is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 53. D** - amounts payable for listed services is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 54. A** - a group exposed to a common risk is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 55. B** - an eligible association is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 56. C** - a qualifying high-deductible health plan is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 57. D** - an employer is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 58. B** - pre-tax expense reimbursement subject to plan rules is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 59. A** - elect or change coverage is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 60. C** - a qualifying life event is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 61. A** - contracted health care providers is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 62. D** - primary-care managed care is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 63. C** - before certain services are provided is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.

- 64. B** - the appropriateness of health care services is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 65. D** - care for complex conditions is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 66. C** - network providers except emergencies is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 67. A** - HMO and PPO designs is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 68. B** - network participating providers is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 69. D** - a condition requiring immediate attention is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 70. A** - avoiding or detecting illness early is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 71. C** - losses not covered is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 72. B** - amount or duration of benefits is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 73. D** - certain illnesses at issue is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 74. B** - share initial loss with the insured is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 75. C** - most a plan will pay in a year is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 76. A** - total benefit cap over a lifetime is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 77. C** - temporary disability income needs is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 78. A** - extended disability income needs is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 79. D** - portion of earnings replaced is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.

- 80. B** - return to productive work is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 81. C** - help address inflation is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 82. D** - later benefit increases under stated conditions is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 83. B** - qualifying business operating expenses is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 84. A** - life insurance is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 85. C** - loss of a key employee is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 86. B** - an employer plan is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 87. A** - arises from work duties is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 88. D** - medical and wage-loss benefits is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 89. D** - policy procedures is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 90. A** - processes and evaluates claims is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 91. C** - how a health claim was processed is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 92. B** - denial or reduction of a claim is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 93. A** - request review of a decision is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 94. C** - double recovery for the same loss is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.
- 95. D** - more than one health plan may pay is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.

96. B - pays first under applicable rules is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.

97. D - income is reduced but work continues is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.

98. A - the cause being accidental is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.

99. B - an unintended injury is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.

100. C - claims and expenses to premiums is the best answer. The question asks for the insurance term or function represented. The other choices are related ideas but do not meet the definition. Focus on the role each policy feature, party, benefit, or procedure serves. Confirm any jurisdiction-specific rule against your state examination outline before test day.

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