

PRACTICE EXAM 10: NEW YORK LIFE AND HEALTH INSURANCE LICENSE (150 QUESTIONS)

This 150-question practice simulation is designed for the New York Life, Accident and Health Agent/Broker examination. Allow 2.5 hours and use a 70% target score. It is an original study aid, not an official NYDFS or PSI examination. Choose the single best answer for every question.

1. During a policy review, a producer describes coverage designed to help pay covered dental services. Which term best matches the description?

- A. Dental expense policy
- B. Hospice care
- C. Automatic premium loan
- D. Disability income policy

2. An applicant hears that a policy involves an annuity designed to accumulate value before income payments begin later. What should the producer call this feature or concept?

- A. Buyer's guide
- B. Reduced paid-up option
- C. Spendthrift clause
- D. Deferred annuity

3. Which insurance term applies when a contract or arrangement involves life insurance that credits interest by reference to an external market index subject to contract limits?

- A. Defined contribution plan
- B. Equity-indexed life insurance
- C. Guaranteed insurability rider

D. Accidental death rider

4. During a policy review, a producer describes private supplemental insurance designed to help with Medicare cost sharing. Which term best matches the description?

A. Medigap policy

B. Boycott

C. Residual disability benefit

D. Guaranteed renewable policy

5. An applicant hears that a policy involves a deductible that must be satisfied again in each calendar year. What should the producer call this feature or concept?

A. License suspension

B. Conditional receipt

C. Subrogation

D. Calendar-year deductible

6. Which insurance term applies when a contract or arrangement involves making a false statement that harms an insurer's financial reputation?

A. Convertible term insurance

B. Utilization review

C. Defamation

D. Medicare Part B

7. During a policy review, a producer describes the provider who coordinates routine care and referrals in many managed-care plans. Which term best matches the description?

A. Life insurance illustration

B. Primary care physician

- C. Insurable interest
- D. Noncancelable policy

8. An applicant hears that a policy involves a communication intended to create interest in insurance or induce its purchase. What should the producer call this feature or concept?

- A. Annuitization
- B. Extended term option
- C. Advertising
- D. Proof of loss

9. Which insurance term applies when a contract or arrangement involves a designated period for enrolling in or changing health coverage without a special enrollment event?

- A. Open enrollment
- B. Controlled business
- C. Comprehensive medical expense policy
- D. Per stirpes distribution

10. During a policy review, a producer describes the New York State Department of Financial Services, which regulates insurance in New York. Which term best matches the description?

- A. Continuing education
- B. Life income settlement
- C. Entire contract provision
- D. NYDFS

11. An applicant hears that a policy involves a report containing information used by an insurer to evaluate an applicant's insurability. What should the producer call this feature or concept?

- A. Consumer report

- B. Adverse selection
- C. Guaranty association
- D. License revocation

12. Which insurance term applies when a contract or arrangement involves health services provided in the insured's residence by qualified personnel?

- A. Vesting
- B. Agent
- C. Home health care
- D. Administrative hearing

13. During a policy review, a producer describes a life policy eligible to receive dividends when declared by the insurer. Which term best matches the description?

- A. Medicare Part A
- B. Change of occupation provision
- C. Long-term care insurance
- D. Participating life policy

14. An applicant hears that a policy involves flexible-premium permanent insurance with separately identified mortality, expense, and interest elements. What should the producer call this feature or concept?

- A. Rollover
- B. Universal life insurance
- C. Preexisting condition exclusion
- D. Own-occupation definition

15. Which insurance term applies when a contract or arrangement involves federal continuation coverage rights following certain loss-of-coverage events under employer plans?

- A. Buy-sell funding
- B. COBRA
- C. Activities of daily living
- D. Broker

16. During a policy review, a producer describes restoration of a lapsed policy after required conditions are satisfied. Which term best matches the description?

- A. Reinstatement
- B. Primary insurer
- C. Rebating
- D. Skilled nursing facility

17. An applicant hears that a policy involves the process of continuing a license in force by meeting renewal requirements. What should the producer call this feature or concept?

- A. Credit life insurance
- B. Twisting
- C. License renewal
- D. Whole life insurance

18. Which insurance term applies when a contract or arrangement involves supportive care focused on comfort for terminally ill patients?

- A. Presumptive disability
- B. Stop-loss limit
- C. Benefit period
- D. Hospice care

19. During a policy review, a producer describes consumer-oriented material describing life insurance and assisting in comparison shopping. Which term best matches the description?

- A. Buyer's guide
- B. Producer recordkeeping
- C. Point-of-service plan
- D. Limited-pay whole life

20. An applicant hears that a policy involves a qualified plan specifying contributions rather than a guaranteed retirement benefit. What should the producer call this feature or concept?

- A. Policy loan
- B. Unauthorized insurer
- C. Defined contribution plan
- D. Replacement

21. Which insurance term applies when a contract or arrangement involves an agreement or action restraining trade or competition through concerted refusal to deal?

- A. Preauthorization
- B. Backdating
- C. Suitability
- D. Boycott

22. During a policy review, a producer describes temporary loss of authority to act under an insurance license. Which term best matches the description?

- A. Group life insurance
- B. License suspension
- C. Cash surrender value
- D. PPO

23. An applicant hears that a policy involves term coverage that may be exchanged for permanent coverage without new evidence of insurability. What should the producer call this feature or concept?

- A. Copayment
- B. Convertible term insurance
- C. Medicare Part C
- D. Recurrent disability

24. Which insurance term applies when a contract or arrangement involves a presentation showing how policy values or benefits may develop under stated assumptions?

- A. Life insurance illustration
- B. Term life insurance
- C. Cease and desist order
- D. Level term insurance

25. During a policy review, a producer describes the conversion of an annuity's accumulated value into an income-payment stream. Which term best matches the description?

- A. Accelerated death benefit
- B. Survivorship life policy
- C. Coordination of benefits
- D. Annuitization

26. An applicant hears that a policy involves insurance written on the licensee, family, employer, or business associates rather than the general public. What should the producer call this feature or concept?

- A. Replacement notice
- B. Vision care policy
- C. Controlled business
- D. Medicare Part D

27. Which insurance term applies when a contract or arrangement involves ongoing approved education required to maintain a New York insurance license?

- A. Automatic premium loan
- B. Defined benefit plan
- C. Joint life policy
- D. Continuing education

28. During a policy review, a producer describes the tendency of people with higher expected losses to seek or keep insurance more often. Which term best matches the description?

- A. Reduced paid-up option
- B. Adverse selection
- C. HMO
- D. Deductible

29. An applicant hears that a policy involves the point at which an employee gains a nonforfeitable right to accrued plan benefits. What should the producer call this feature or concept?

- A. Vesting
- B. Guaranteed insurability rider
- C. Prelicensing education
- D. Misstatement of age provision

30. Which insurance term applies when a contract or arrangement involves the Medicare component primarily covering inpatient hospital and related institutional care?

- A. Residual disability benefit
- B. Legal actions provision
- C. Medicare Part A
- D. Privacy notice

31. During a policy review, a producer describes a transfer of retirement-plan funds that can preserve tax-deferred treatment when completed under applicable rules. Which term best matches the description?

- A. Rollover
- B. Conditional receipt
- C. Paid-up additions
- D. HIPAA portability

32. An applicant hears that a policy involves life insurance used to provide money for an ownership transfer after an owner's death. What should the producer call this feature or concept?

- A. Utilization review
- B. Buy-sell funding
- C. Coinsurance
- D. Producer appointment notice

33. Which insurance term applies when a contract or arrangement involves the plan that pays first under coordination-of-benefits rules?

- A. Insurable interest
- B. Irrevocable beneficiary
- C. Notice of claim
- D. Primary insurer

34. During a policy review, a producer describes life insurance designed to pay a debtor's outstanding loan balance at death. Which term best matches the description?

- A. Extended term option
- B. Single-premium whole life
- C. Credit life insurance
- D. Field underwriting

35. An applicant hears that a policy involves a disability classification based on specified severe losses without proving inability to work. What should the producer call this feature or concept?

- A. Presumptive disability
- B. Comprehensive medical expense policy
- C. Misrepresentation
- D. Incontestability clause

36. Which insurance term applies when a contract or arrangement involves maintaining required insurance transaction records so compliance can be demonstrated?

- A. Life income settlement
- B. Producer recordkeeping
- C. 1035 exchange
- D. Policy summary

37. During a policy review, a producer describes a loan secured by the cash value of a permanent life insurance policy. Which term best matches the description?

- A. Guaranty association
- B. Renewable term insurance
- C. Policy loan
- D. Surgical expense policy

38. An applicant hears that a policy involves advance approval required by a plan before certain covered services are obtained. What should the producer call this feature or concept?

- A. Agent
- B. Modified endowment contract
- C. Needs approach
- D. Preauthorization

39. Which insurance term applies when a contract or arrangement involves life coverage issued under a master contract for eligible members of a group?

- A. Change of occupation provision
- B. Basic hospital expense policy
- C. Group life insurance
- D. Medical Information Bureau

40. During a policy review, a producer describes a fixed dollar amount paid by an insured for a covered service. Which term best matches the description?

- A. Copayment
- B. Preexisting condition exclusion
- C. Major medical policy
- D. Any-occupation definition

41. An applicant hears that a policy involves temporary death-benefit protection for a specified period. What should the producer call this feature or concept?

- A. Activities of daily living
- B. Variable life insurance
- C. Decreasing term insurance
- D. Term life insurance

42. Which insurance term applies when a contract or arrangement involves a provision allowing part of a life policy's death benefit to be paid early after a qualifying event?

- A. Rebating
- B. Accelerated death benefit
- C. Capitation
- D. Key person insurance

43. During a policy review, a producer describes a required consumer disclosure used in a transaction involving replacement of life insurance or annuities. Which term best matches the description?

- A. Twisting
- B. Fixed annuity
- C. Replacement notice
- D. Affordable Care Act marketplace

44. An applicant hears that a policy involves a policy loan made automatically to pay a due premium when sufficient cash value exists. What should the producer call this feature or concept?

- A. Automatic premium loan
- B. Stop-loss limit
- C. Human life value approach
- D. Unfair discrimination

45. Which insurance term applies when a contract or arrangement involves a nonforfeiture option using cash value to buy a smaller amount of fully paid permanent insurance?

- A. Point-of-service plan
- B. Immediate annuity
- C. Probationary period
- D. Reduced paid-up option

46. During a policy review, a producer describes a rider allowing future coverage purchases at stated times without new evidence of insurability. Which term best matches the description?

- A. Unauthorized insurer
- B. Free-look provision
- C. Waiver of premium rider
- D. Guaranteed insurability rider

47. An applicant hears that a policy involves a disability benefit for partial income loss after the insured returns to work. What should the producer call this feature or concept?

- A. Backdating
- B. Residual disability benefit
- C. Disability income policy
- D. Elimination period

48. Which insurance term applies when a contract or arrangement involves a receipt that may provide limited temporary coverage subject to stated underwriting conditions?

- A. Conditional receipt
- B. Cash surrender value
- C. Spendthrift clause
- D. Medicaid

49. During a policy review, a producer describes a process evaluating the necessity, setting, or appropriateness of medical services. Which term best matches the description?

- A. Medicare Part C
- B. Accidental death rider
- C. Utilization review
- D. Fiduciary responsibility

50. An applicant hears that a policy involves a lawful financial or familial interest in the insured's continued life. What should the producer call this feature or concept?

- A. Cease and desist order
- B. Insurable interest
- C. Guaranteed renewable policy
- D. Premium receipt

51. Which insurance term applies when a contract or arrangement involves a nonforfeiture option using cash value to buy term insurance for the full original face amount?

- A. Survivorship life policy
- B. Subrogation
- C. Revocable beneficiary
- D. Extended term option

52. During a policy review, a producer describes coverage combining hospital, surgical, and medical benefits under one contract. Which term best matches the description?

- A. Vision care policy
- B. Comprehensive medical expense policy
- C. Medicare Part B
- D. IRA

53. An applicant hears that a policy involves a settlement option paying income for the payee's lifetime. What should the producer call this feature or concept?

- A. Defined benefit plan
- B. Noncancelable policy
- C. Life income settlement
- D. Insurance fraud

54. Which insurance term applies when a contract or arrangement involves a statutory safety-net mechanism that may provide limited protection if a member insurer becomes insolvent?

- A. Guaranty association
- B. HMO
- C. Proof of loss
- D. Accumulation at interest

55. During a policy review, a producer describes a licensee who represents insurers for which the agent is appointed. Which term best matches the description?

- A. Prelicensing education
- B. Agent
- C. Per stirpes distribution
- D. Variable annuity

56. An applicant hears that a policy involves a disability-policy provision allowing benefit adjustment when the insured changes to a more hazardous job. What should the producer call this feature or concept?

- A. Change of occupation provision
- B. Legal actions provision
- C. Entire contract provision
- D. Disclosure

57. Which insurance term applies when a contract or arrangement involves a policy limitation relating to a condition present before coverage began?

- A. Paid-up additions
- B. License revocation
- C. Life, Accident and Health authority
- D. Preexisting condition exclusion

58. During a policy review, a producer describes basic self-care tasks used to evaluate long-term care benefit eligibility. Which term best matches the description?

- A. Coinsurance
- B. Administrative hearing
- C. Activities of daily living
- D. Time limit on certain defenses

59. An applicant hears that a policy involves offering an inducement not specified in the insurance contract to persuade a purchase. What should the producer call this feature or concept?

- A. Irrevocable beneficiary
- B. Rebating
- C. Long-term care insurance
- D. Grace period

60. Which insurance term applies when a contract or arrangement involves inducing a policyowner to replace coverage through misleading comparisons or incomplete information?

- A. Single-premium whole life
- B. Own-occupation definition
- C. Adverse underwriting decision
- D. Twisting

61. During a policy review, a producer describes a policy limit on the insured's out-of-pocket covered expense responsibility. Which term best matches the description?

- A. Stop-loss limit
- B. Misrepresentation
- C. Broker
- D. Hospital indemnity policy

62. An applicant hears that a policy involves a managed-care plan combining features of HMO and PPO coverage. What should the producer call this feature or concept?

- A. 1035 exchange
- B. Skilled nursing facility
- C. Point-of-service plan
- D. Dental expense policy

63. Which insurance term applies when a contract or arrangement involves an insurer not licensed or otherwise authorized to transact the relevant insurance business in New York?

- A. Renewable term insurance
- B. Unauthorized insurer
- C. Whole life insurance
- D. Deferred annuity

64. During a policy review, a producer describes dating a policy earlier than issue when permitted, commonly to preserve a lower insurance age. Which term best matches the description?

- A. Modified endowment contract
- B. Benefit period
- C. Backdating
- D. Equity-indexed life insurance

65. An applicant hears that a policy involves the amount available to the owner who terminates a cash-value policy. What should the producer call this feature or concept?

- A. Basic hospital expense policy
- B. Limited-pay whole life
- C. Medigap policy
- D. Cash surrender value

66. Which insurance term applies when a contract or arrangement involves the Medicare option allowing coverage through approved private health plans?

- A. Medicare Part C
- B. Major medical policy
- C. Replacement
- D. Calendar-year deductible

67. During a policy review, a producer describes a regulatory order directing a person or entity to stop specified conduct. Which term best matches the description?

- A. Variable life insurance
- B. Suitability
- C. Cease and desist order
- D. Defamation

68. An applicant hears that a policy involves a policy that pays after the last of two insured persons dies. What should the producer call this feature or concept?

- A. Survivorship life policy
- B. Capitation
- C. PPO
- D. Primary care physician

69. Which insurance term applies when a contract or arrangement involves coverage designed to help pay covered eye examinations, lenses, or related services?

- A. Fixed annuity
- B. Vision care policy
- C. Recurrent disability
- D. Advertising

70. During a policy review, a producer describes a qualified plan promising a specified retirement benefit. Which term best matches the description?

- A. Human life value approach
- B. Level term insurance
- C. Open enrollment
- D. Defined benefit plan

71. An applicant hears that a policy involves a managed-care organization emphasizing network services and coordinated care. What should the producer call this feature or concept?

- A. Immediate annuity
- B. Coordination of benefits
- C. HMO
- D. NYDFS

72. Which insurance term applies when a contract or arrangement involves required approved instruction completed before a candidate qualifies to take a licensing examination unless an exception applies?

- A. Prelicensing education
- B. Free-look provision
- C. Medicare Part D
- D. Consumer report

73. During a policy review, a producer describes a policy condition limiting when a claimant may bring suit after proof-of-loss requirements. Which term best matches the description?

- A. Disability income policy
- B. Joint life policy
- C. Home health care
- D. Legal actions provision

74. An applicant hears that a policy involves dividends used to purchase small amounts of additional fully paid permanent insurance. What should the producer call this feature or concept?

- A. Spendthrift clause
- B. Paid-up additions
- C. Deductible
- D. Participating life policy

75. Which insurance term applies when a contract or arrangement involves a sharing arrangement under which the insured pays a stated percentage of covered expenses?

- A. Accidental death rider
- B. Coinsurance
- C. Misstatement of age provision
- D. Universal life insurance

76. During a policy review, a producer describes a beneficiary designation that generally cannot be changed without the beneficiary's consent. Which term best matches the description?

- A. Guaranteed renewable policy
- B. Privacy notice
- C. Irrevocable beneficiary
- D. COBRA

77. An applicant hears that a policy involves whole life insurance funded by one large premium payment. What should the producer call this feature or concept?

- A. Subrogation
- B. HIPAA portability
- C. Reinstatement
- D. Single-premium whole life

78. Which insurance term applies when a contract or arrangement involves an untrue or misleading statement about a policy, insurer, or benefit used in insurance sales?

- A. Misrepresentation
- B. Medicare Part B
- C. Producer appointment notice

D. License renewal

79. During a policy review, a producer describes a tax-deferred exchange of one qualifying insurance or annuity contract for another. Which term best matches the description?

- A. Noncancelable policy
- B. Notice of claim
- C. 1035 exchange
- D. Hospice care

80. An applicant hears that a policy involves term coverage that may be continued at the end of a term without evidence of insurability. What should the producer call this feature or concept?

- A. Proof of loss
- B. Field underwriting
- C. Buyer's guide
- D. Renewable term insurance

81. Which insurance term applies when a contract or arrangement involves a life policy funded beyond federal premium limits and subject to special distribution tax rules?

- A. Per stirpes distribution
- B. Modified endowment contract
- C. Incontestability clause
- D. Defined contribution plan

82. During a policy review, a producer describes health insurance covering specified hospital services subject to policy limits. Which term best matches the description?

- A. Basic hospital expense policy
- B. Entire contract provision

- C. Policy summary
- D. Boycott

83. An applicant hears that a policy involves broad medical-expense coverage usually featuring deductibles and coinsurance. What should the producer call this feature or concept?

- A. License revocation
- B. Major medical policy
- C. Surgical expense policy
- D. License suspension

84. Which insurance term applies when a contract or arrangement involves permanent insurance whose cash value is invested in separate-account investment options?

- A. Variable life insurance
- B. Administrative hearing
- C. Needs approach
- D. Convertible term insurance

85. During a policy review, a producer describes a payment method in which a provider receives a fixed amount per enrolled person. Which term best matches the description?

- A. Long-term care insurance
- B. Medical Information Bureau
- C. Capitation
- D. Life insurance illustration

86. An applicant hears that a policy involves an annuity in which the insurer guarantees stated benefits and bears investment risk. What should the producer call this feature or concept?

- A. Own-occupation definition

- B. Any-occupation definition
- C. Annuitization
- D. Fixed annuity

87. Which insurance term applies when a contract or arrangement involves a needs analysis estimating the economic value of a person's future earnings?

- A. Broker
- B. Decreasing term insurance
- C. Controlled business
- D. Human life value approach

88. During a policy review, a producer describes an annuity that begins income payments soon after the purchase premium is paid. Which term best matches the description?

- A. Skilled nursing facility
- B. Key person insurance
- C. Immediate annuity
- D. Continuing education

89. An applicant hears that a policy involves a period allowing a policyowner to examine a new policy and return it for a refund. What should the producer call this feature or concept?

- A. Whole life insurance
- B. Free-look provision
- C. Affordable Care Act marketplace
- D. Adverse selection

90. Which insurance term applies when a contract or arrangement involves coverage replacing part of earned income when disability prevents the insured from working?

- A. Disability income policy
- B. Benefit period
- C. Unfair discrimination
- D. Vesting

91. During a policy review, a producer describes a settlement provision restricting a beneficiary's ability to transfer or assign future payments. Which term best matches the description?

- A. Limited-pay whole life
- B. Spendthrift clause
- C. Probationary period
- D. Medicare Part A

92. An applicant hears that a policy involves a rider providing an additional benefit when death results from a covered accident. What should the producer call this feature or concept?

- A. Replacement
- B. Waiver of premium rider
- C. Rollover
- D. Accidental death rider

93. Which insurance term applies when a contract or arrangement involves a policy the insurer must renew to a stated age if premiums are paid, subject to permitted class changes?

- A. Suitability
- B. Elimination period
- C. Guaranteed renewable policy
- D. Buy-sell funding

94. During a policy review, a producer describes an insurer's right to recover from a responsible third party after paying a covered loss. Which term best matches the description?

- A. Subrogation
- B. PPO
- C. Medicaid
- D. Primary insurer

95. An applicant hears that a policy involves the Medicare component covering many physician and outpatient services. What should the producer call this feature or concept?

- A. Recurrent disability
- B. Fiduciary responsibility
- C. Medicare Part B
- D. Credit life insurance

96. Which insurance term applies when a contract or arrangement involves a policy the insurer cannot cancel or raise premiums on individually during the stated period?

- A. Noncancelable policy
- B. Level term insurance
- C. Premium receipt
- D. Presumptive disability

97. During a policy review, a producer describes documentation the claimant supplies to support a claim for benefits. Which term best matches the description?

- A. Coordination of benefits
- B. Revocable beneficiary
- C. Producer recordkeeping
- D. Proof of loss

98. An applicant hears that a policy involves a beneficiary distribution in which a deceased beneficiary's share passes to that person's descendants. What should the producer call this feature or concept?

- A. Medicare Part D
- B. Per stirpes distribution
- C. IRA
- D. Policy loan

99. Which insurance term applies when a contract or arrangement involves a provision identifying the policy and attached application as the complete agreement?

- A. Joint life policy
- B. Entire contract provision
- C. Insurance fraud
- D. Preauthorization

100. During a policy review, a producer describes termination of authority to act under an insurance license. Which term best matches the description?

- A. License revocation
- B. Deductible
- C. Accumulation at interest
- D. Group life insurance

101. An applicant hears that a policy involves a formal proceeding in which a regulator considers alleged violations and evidence. What should the producer call this feature or concept?

- A. Misstatement of age provision
- B. Variable annuity
- C. Copayment
- D. Administrative hearing

102. Which insurance term applies when a contract or arrangement involves coverage for qualifying care needed because of chronic illness, disability, or cognitive impairment?

- A. Privacy notice
- B. Disclosure
- C. Long-term care insurance
- D. Term life insurance

103. During a policy review, a producer describes a disability definition based on inability to perform the duties of the insured's regular occupation. Which term best matches the description?

- A. HIPAA portability
- B. Life, Accident and Health authority
- C. Own-occupation definition
- D. Accelerated death benefit

104. An applicant hears that a policy involves a licensee who represents the insured and may place business with an authorized insurer willing to accept it. What should the producer call this feature or concept?

- A. Producer appointment notice
- B. Time limit on certain defenses
- C. Replacement notice
- D. Broker

105. Which insurance term applies when a contract or arrangement involves a licensed facility providing continuous skilled nursing or rehabilitative care?

- A. Notice of claim
- B. Skilled nursing facility
- C. Grace period
- D. Automatic premium loan

106. During a policy review, a producer describes permanent life insurance with fixed premiums and guaranteed cash value. Which term best matches the description?

- A. Whole life insurance
- B. Field underwriting
- C. Adverse underwriting decision
- D. Reduced paid-up option

107. An applicant hears that a policy involves the maximum length of time disability-income benefits may be paid for one disability. What should the producer call this feature or concept?

- A. Incontestability clause
- B. Benefit period
- C. Hospital indemnity policy
- D. Guaranteed insurability rider

108. Which insurance term applies when a contract or arrangement involves whole life insurance paid up after a stated premium-paying period?

- A. Policy summary
- B. Dental expense policy
- C. Residual disability benefit
- D. Limited-pay whole life

109. During a policy review, a producer describes a transaction in which new life insurance or annuity coverage causes existing coverage to lapse, surrender, or otherwise change. Which term best matches the description?

- A. Replacement
- B. Surgical expense policy
- C. Deferred annuity
- D. Conditional receipt

110. An applicant hears that a policy involves the requirement that a recommendation be appropriate for the consumer's insurance needs and financial objectives. What should the producer call this feature or concept?

- A. Needs approach
- B. Equity-indexed life insurance
- C. Suitability
- D. Utilization review

111. Which insurance term applies when a contract or arrangement involves a health plan offering preferred provider networks with greater flexibility for out-of-network care?

- A. Medical Information Bureau
- B. Medigap policy
- C. Insurable interest
- D. PPO

112. During a policy review, a producer describes a disability that returns after recovery and may be treated as the same or a new disability under policy terms. Which term best matches the description?

- A. Any-occupation definition
- B. Recurrent disability
- C. Calendar-year deductible
- D. Extended term option

113. An applicant hears that a policy involves term coverage with a death benefit that remains constant during the term. What should the producer call this feature or concept?

- A. Level term insurance
- B. Decreasing term insurance
- C. Defamation
- D. Comprehensive medical expense policy

114. Which insurance term applies when a contract or arrangement involves rules used to determine how multiple health plans share payment responsibility?

- A. Key person insurance
- B. Primary care physician
- C. Coordination of benefits
- D. Life income settlement

115. During a policy review, a producer describes the Medicare component providing prescription drug coverage through approved plans. Which term best matches the description?

- A. Affordable Care Act marketplace
- B. Medicare Part D
- C. Advertising
- D. Guaranty association

116. An applicant hears that a policy involves a policy that pays when the first insured person dies. What should the producer call this feature or concept?

- A. Unfair discrimination
- B. Open enrollment
- C. Agent
- D. Joint life policy

117. Which insurance term applies when a contract or arrangement involves the amount an insured pays before a policy begins paying covered expenses?

- A. Probationary period
- B. NYDFS
- C. Deductible

D. Change of occupation provision

118. During a policy review, a producer describes a provision adjusting benefits or premiums when the insured's age was stated incorrectly. Which term best matches the description?

- A. Misstatement of age provision
- B. Waiver of premium rider
- C. Consumer report
- D. Preexisting condition exclusion

119. An applicant hears that a policy involves notice describing an insurer's information-collection, sharing, and protection practices. What should the producer call this feature or concept?

- A. Elimination period
- B. Home health care
- C. Activities of daily living
- D. Privacy notice

120. Which insurance term applies when a contract or arrangement involves federal protections that limit certain health-coverage exclusions and protect health information?

- A. Medicaid
- B. Participating life policy
- C. HIPAA portability
- D. Rebating

121. During a policy review, a producer describes the notice an insurer files with the Department after appointing an agent. Which term best matches the description?

- A. Fiduciary responsibility
- B. Producer appointment notice

- C. Universal life insurance
- D. Twisting

122. An applicant hears that a policy involves a required policy condition directing the insured to notify the insurer of a claim. What should the producer call this feature or concept?

- A. Notice of claim
- B. Premium receipt
- C. COBRA
- D. Stop-loss limit

123. Which insurance term applies when a contract or arrangement involves information gathering by the producer during solicitation and application completion?

- A. Field underwriting
- B. Revocable beneficiary
- C. Reinstatement
- D. Point-of-service plan

124. During a policy review, a producer describes a provision limiting the insurer's ability to contest a policy after the stated period. Which term best matches the description?

- A. IRA
- B. License renewal
- C. Unauthorized insurer
- D. Incontestability clause

125. An applicant hears that a policy involves a document explaining key policy features to help a life-insurance consumer compare coverage. What should the producer call this feature or concept?

- A. Insurance fraud

- B. Policy summary
- C. Hospice care
- D. Backdating

126. Which insurance term applies when a contract or arrangement involves coverage paying benefits for covered surgical procedures according to the policy schedule?

- A. Accumulation at interest
- B. Buyer's guide
- C. Surgical expense policy
- D. Cash surrender value

127. During a policy review, a producer describes a life-insurance analysis based on the survivor's identified financial needs. Which term best matches the description?

- A. Needs approach
- B. Variable annuity
- C. Defined contribution plan
- D. Medicare Part C

128. An applicant hears that a policy involves an industry information source insurers may use in underwriting, subject to applicable rules. What should the producer call this feature or concept?

- A. Disclosure
- B. Boycott
- C. Medical Information Bureau
- D. Cease and desist order

129. Which insurance term applies when a contract or arrangement involves a disability definition based on inability to perform the duties of any suitable occupation?

- A. Life, Accident and Health authority
- B. License suspension
- C. Survivorship life policy
- D. Any-occupation definition

130. During a policy review, a producer describes term coverage whose death benefit declines over time. Which term best matches the description?

- A. Time limit on certain defenses
- B. Decreasing term insurance
- C. Convertible term insurance
- D. Vision care policy

131. An applicant hears that a policy involves business-owned life insurance protecting a firm from loss caused by a key employee's death. What should the producer call this feature or concept?

- A. Grace period
- B. Life insurance illustration
- C. Key person insurance
- D. Defined benefit plan

132. Which insurance term applies when a contract or arrangement involves a marketplace through which eligible consumers may compare and enroll in qualified health plans?

- A. Affordable Care Act marketplace
- B. Adverse underwriting decision
- C. Annuitization
- D. HMO

133. During a policy review, a producer describes treating similarly situated insureds differently without a permissible actuarial or legal basis. Which term best matches the description?

- A. Hospital indemnity policy
- B. Unfair discrimination
- C. Controlled business
- D. Prelicensing education

134. An applicant hears that a policy involves an initial enrollment period during which specified conditions may not be covered. What should the producer call this feature or concept?

- A. Dental expense policy
- B. Continuing education
- C. Legal actions provision
- D. Probationary period

135. Which insurance term applies when a contract or arrangement involves a rider that waives future premiums if the insured becomes totally disabled as defined by the contract?

- A. Deferred annuity
- B. Adverse selection
- C. Paid-up additions
- D. Waiver of premium rider

136. During a policy review, a producer describes the waiting period after disability begins before disability-income benefits become payable. Which term best matches the description?

- A. Equity-indexed life insurance
- B. Vesting
- C. Elimination period
- D. Coinsurance

137. An applicant hears that a policy involves a joint federal-state program providing medical assistance to eligible low-income individuals. What should the producer call this feature or concept?

- A. Medicaid
- B. Medigap policy
- C. Medicare Part A
- D. Irrevocable beneficiary

138. Which insurance term applies when a contract or arrangement involves the duty to handle premiums or other client funds in a trustworthy, accountable manner?

- A. Calendar-year deductible
- B. Fiduciary responsibility
- C. Rollover
- D. Single-premium whole life

139. During a policy review, a producer describes written evidence that an insurer or authorized representative received a premium payment. Which term best matches the description?

- A. Premium receipt
- B. Defamation
- C. Buy-sell funding
- D. Misrepresentation

140. An applicant hears that a policy involves a beneficiary designation the owner may change without that beneficiary's consent. What should the producer call this feature or concept?

- A. Primary care physician
- B. Primary insurer
- C. Revocable beneficiary
- D. 1035 exchange

141. Which insurance term applies when a contract or arrangement involves an individual retirement arrangement established by a person for retirement savings?

- A. Advertising
- B. IRA
- C. Credit life insurance
- D. Renewable term insurance

142. During a policy review, a producer describes a deliberate deception connected with insurance intended to obtain an improper benefit. Which term best matches the description?

- A. Open enrollment
- B. Presumptive disability
- C. Modified endowment contract
- D. Insurance fraud

143. An applicant hears that a policy involves a dividend option that leaves dividends with the insurer to earn interest. What should the producer call this feature or concept?

- A. NYDFS
- B. Accumulation at interest
- C. Producer recordkeeping
- D. Basic hospital expense policy

144. Which insurance term applies when a contract or arrangement involves an annuity whose values vary with separate-account investment performance?

- A. Variable annuity
- B. Consumer report
- C. Policy loan
- D. Major medical policy

145. During a policy review, a producer describes providing material information to a consumer so the consumer can make an informed decision. Which term best matches the description?

- A. Home health care
- B. Preauthorization
- C. Variable life insurance
- D. Disclosure

146. An applicant hears that a policy involves the New York license authority permitting sale, solicitation, or negotiation of life, annuity, and accident and health insurance. What should the producer call this feature or concept?

- A. Participating life policy
- B. Group life insurance
- C. Life, Accident and Health authority
- D. Capitation

147. Which insurance term applies when a contract or arrangement involves a health-policy provision restricting defenses after a stated period except as allowed for fraud?

- A. Universal life insurance
- B. Time limit on certain defenses
- C. Copayment
- D. Fixed annuity

148. During a policy review, a producer describes the time after a premium due date during which coverage continues and payment may still be made. Which term best matches the description?

- A. COBRA
- B. Term life insurance
- C. Human life value approach
- D. Grace period

149. An applicant hears that a policy involves an unfavorable action based in whole or in part on underwriting information. What should the producer call this feature or concept?

- A. Adverse underwriting decision
- B. Reinstatement
- C. Accelerated death benefit
- D. Immediate annuity

150. Which insurance term applies when a contract or arrangement involves coverage paying a stated amount per day of hospitalization rather than reimbursing actual expenses?

- A. License renewal
- B. Replacement notice
- C. Hospital indemnity policy
- D. Free-look provision

Practice Exam 10: Answer Key and Explanations

1. A — Dental expense policy means coverage designed to help pay covered dental services. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

2. D — Deferred annuity means an annuity designed to accumulate value before income payments begin later. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

3. B — Equity-indexed life insurance means life insurance that credits interest by reference to an external market index subject to contract limits. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

4. A — Medigap policy means private supplemental insurance designed to help with Medicare cost sharing. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

5. D — Calendar-year deductible means a deductible that must be satisfied again in each calendar year. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

6. C — Defamation means making a false statement that harms an insurer's financial reputation. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

7. B — Primary care physician means the provider who coordinates routine care and referrals in many managed-care plans. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

8. C — Advertising means a communication intended to create interest in insurance or induce its purchase. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

9. A — Open enrollment means a designated period for enrolling in or changing health coverage without a special enrollment event. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

10. D — NYDFS means the New York State Department of Financial Services, which regulates insurance in New York. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

11. A — Consumer report means a report containing information used by an insurer to evaluate an applicant's insurability. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

12. C — Home health care means health services provided in the insured's residence by qualified personnel. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

13. D — Participating life policy means a life policy eligible to receive dividends when declared by the insurer. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

14. B — Universal life insurance means flexible-premium permanent insurance with separately identified mortality, expense, and interest elements. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

15. B — COBRA means federal continuation coverage rights following certain loss-of-coverage events under employer plans. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

16. A — Reinstatement means restoration of a lapsed policy after required conditions are satisfied. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

17. C — License renewal means the process of continuing a license in force by meeting renewal requirements. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

18. D — Hospice care means supportive care focused on comfort for terminally ill patients. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

19. A — Buyer's guide means consumer-oriented material describing life insurance and assisting in comparison shopping. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

20. C — Defined contribution plan means a qualified plan specifying contributions rather than a guaranteed retirement benefit. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

21. D — Boycott means an agreement or action restraining trade or competition through concerted refusal to deal. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

22. B — License suspension means temporary loss of authority to act under an insurance license. The stem matches that function. Other choices name different policy forms, provisions, or regulations.

Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

23. B — Convertible term insurance means term coverage that may be exchanged for permanent coverage without new evidence of insurability. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

24. A — Life insurance illustration means a presentation showing how policy values or benefits may develop under stated assumptions. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

25. D — Annuitization means the conversion of an annuity's accumulated value into an income-payment stream. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

26. C — Controlled business means insurance written on the licensee, family, employer, or business associates rather than the general public. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

27. D — Continuing education means ongoing approved education required to maintain a New York insurance license. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

28. B — Adverse selection means the tendency of people with higher expected losses to seek or keep insurance more often. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

29. A — Vesting means the point at which an employee gains a nonforfeitable right to accrued plan benefits. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

30. C — Medicare Part A means the Medicare component primarily covering inpatient hospital and related institutional care. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

31. A — Rollover means a transfer of retirement-plan funds that can preserve tax-deferred treatment when completed under applicable rules. The stem matches that function. Other choices name different

policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

32. B — Buy-sell funding means life insurance used to provide money for an ownership transfer after an owner's death. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

33. D — Primary insurer means the plan that pays first under coordination-of-benefits rules. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

34. C — Credit life insurance means life insurance designed to pay a debtor's outstanding loan balance at death. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

35. A — Presumptive disability means a disability classification based on specified severe losses without proving inability to work. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

36. B — Producer recordkeeping means maintaining required insurance transaction records so compliance can be demonstrated. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

37. C — Policy loan means a loan secured by the cash value of a permanent life insurance policy. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

38. D — Preauthorization means advance approval required by a plan before certain covered services are obtained. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

39. C — Group life insurance means life coverage issued under a master contract for eligible members of a group. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

40. A — Copayment means a fixed dollar amount paid by an insured for a covered service. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare

the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

41. D — Term life insurance means temporary death-benefit protection for a specified period. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

42. B — Accelerated death benefit means a provision allowing part of a life policy's death benefit to be paid early after a qualifying event. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

43. C — Replacement notice means a required consumer disclosure used in a transaction involving replacement of life insurance or annuities. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

44. A — Automatic premium loan means a policy loan made automatically to pay a due premium when sufficient cash value exists. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

45. D — Reduced paid-up option means a nonforfeiture option using cash value to buy a smaller amount of fully paid permanent insurance. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

46. D — Guaranteed insurability rider means a rider allowing future coverage purchases at stated times without new evidence of insurability. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

47. B — Residual disability benefit means a disability benefit for partial income loss after the insured returns to work. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

48. A — Conditional receipt means a receipt that may provide limited temporary coverage subject to stated underwriting conditions. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

49. C — Utilization review means a process evaluating the necessity, setting, or appropriateness of medical services. The stem matches that function. Other choices name different policy forms,

provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

50. B — Insurable interest means a lawful financial or familial interest in the insured's continued life. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

51. D — Extended term option means a nonforfeiture option using cash value to buy term insurance for the full original face amount. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

52. B — Comprehensive medical expense policy means coverage combining hospital, surgical, and medical benefits under one contract. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

53. C — Life income settlement means a settlement option paying income for the payee's lifetime. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

54. A — Guaranty association means a statutory safety-net mechanism that may provide limited protection if a member insurer becomes insolvent. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

55. B — Agent means a licensee who represents insurers for which the agent is appointed. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

56. A — Change of occupation provision means a disability-policy provision allowing benefit adjustment when the insured changes to a more hazardous job. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

57. D — Preexisting condition exclusion means a policy limitation relating to a condition present before coverage began. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

58. C — Activities of daily living means basic self-care tasks used to evaluate long-term care benefit eligibility. The stem matches that function. Other choices name different policy forms, provisions, or

regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

59. B — Rebating means offering an inducement not specified in the insurance contract to persuade a purchase. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

60. D — Twisting means inducing a policyowner to replace coverage through misleading comparisons or incomplete information. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

61. A — Stop-loss limit means a policy limit on the insured's out-of-pocket covered expense responsibility. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

62. C — Point-of-service plan means a managed-care plan combining features of HMO and PPO coverage. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

63. B — Unauthorized insurer means an insurer not licensed or otherwise authorized to transact the relevant insurance business in New York. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

64. C — Backdating means dating a policy earlier than issue when permitted, commonly to preserve a lower insurance age. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

65. D — Cash surrender value means the amount available to the owner who terminates a cash-value policy. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

66. A — Medicare Part C means the Medicare option allowing coverage through approved private health plans. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

67. C — Cease and desist order means a regulatory order directing a person or entity to stop specified conduct. The stem matches that function. Other choices name different policy forms, provisions, or

regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

68. A — Survivorship life policy means a policy that pays after the last of two insured persons dies. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

69. B — Vision care policy means coverage designed to help pay covered eye examinations, lenses, or related services. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

70. D — Defined benefit plan means a qualified plan promising a specified retirement benefit. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

71. C — HMO means a managed-care organization emphasizing network services and coordinated care. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

72. A — Prelicensing education means required approved instruction completed before a candidate qualifies to take a licensing examination unless an exception applies. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

73. D — Legal actions provision means a policy condition limiting when a claimant may bring suit after proof-of-loss requirements. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

74. B — Paid-up additions means dividends used to purchase small amounts of additional fully paid permanent insurance. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

75. B — Coinsurance means a sharing arrangement under which the insured pays a stated percentage of covered expenses. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

76. C — Irrevocable beneficiary means a beneficiary designation that generally cannot be changed without the beneficiary's consent. The stem matches that function. Other choices name different policy

forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

77. D — Single-premium whole life means whole life insurance funded by one large premium payment. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

78. A — Misrepresentation means an untrue or misleading statement about a policy, insurer, or benefit used in insurance sales. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

79. C — 1035 exchange means a tax-deferred exchange of one qualifying insurance or annuity contract for another. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

80. D — Renewable term insurance means term coverage that may be continued at the end of a term without evidence of insurability. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

81. B — Modified endowment contract means a life policy funded beyond federal premium limits and subject to special distribution tax rules. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

82. A — Basic hospital expense policy means health insurance covering specified hospital services subject to policy limits. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

83. B — Major medical policy means broad medical-expense coverage usually featuring deductibles and coinsurance. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

84. A — Variable life insurance means permanent insurance whose cash value is invested in separate-account investment options. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

85. C — Capitation means a payment method in which a provider receives a fixed amount per enrolled person. The stem matches that function. Other choices name different policy forms, provisions, or

regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

86. D — Fixed annuity means an annuity in which the insurer guarantees stated benefits and bears investment risk. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

87. D — Human life value approach means a needs analysis estimating the economic value of a person's future earnings. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

88. C — Immediate annuity means an annuity that begins income payments soon after the purchase premium is paid. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

89. B — Free-look provision means a period allowing a policyowner to examine a new policy and return it for a refund. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

90. A — Disability income policy means coverage replacing part of earned income when disability prevents the insured from working. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

91. B — Spendthrift clause means a settlement provision restricting a beneficiary's ability to transfer or assign future payments. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

92. D — Accidental death rider means a rider providing an additional benefit when death results from a covered accident. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

93. C — Guaranteed renewable policy means a policy the insurer must renew to a stated age if premiums are paid, subject to permitted class changes. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

94. A — Subrogation means an insurer's right to recover from a responsible third party after paying a covered loss. The stem matches that function. Other choices name different policy forms, provisions, or

regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

95. C — Medicare Part B means the Medicare component covering many physician and outpatient services. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

96. A — Noncancelable policy means a policy the insurer cannot cancel or raise premiums on individually during the stated period. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

97. D — Proof of loss means documentation the claimant supplies to support a claim for benefits. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

98. B — Per stirpes distribution means a beneficiary distribution in which a deceased beneficiary's share passes to that person's descendants. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

99. B — Entire contract provision means a provision identifying the policy and attached application as the complete agreement. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

100. A — License revocation means termination of authority to act under an insurance license. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

101. D — Administrative hearing means a formal proceeding in which a regulator considers alleged violations and evidence. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

102. C — Long-term care insurance means coverage for qualifying care needed because of chronic illness, disability, or cognitive impairment. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

103. C — Own-occupation definition means a disability definition based on inability to perform the duties of the insured's regular occupation. The stem matches that function. Other choices name different

policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

104. D — Broker means a licensee who represents the insured and may place business with an authorized insurer willing to accept it. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

105. B — Skilled nursing facility means a licensed facility providing continuous skilled nursing or rehabilitative care. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

106. A — Whole life insurance means permanent life insurance with fixed premiums and guaranteed cash value. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

107. B — Benefit period means the maximum length of time disability-income benefits may be paid for one disability. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

108. D — Limited-pay whole life means whole life insurance paid up after a stated premium-paying period. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

109. A — Replacement means a transaction in which new life insurance or annuity coverage causes existing coverage to lapse, surrender, or otherwise change. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

110. C — Suitability means the requirement that a recommendation be appropriate for the consumer's insurance needs and financial objectives. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

111. D — PPO means a health plan offering preferred provider networks with greater flexibility for out-of-network care. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

112. B — Recurrent disability means a disability that returns after recovery and may be treated as the same or a new disability under policy terms. The stem matches that function. Other choices name

different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

113. A — Level term insurance means term coverage with a death benefit that remains constant during the term. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

114. C — Coordination of benefits means rules used to determine how multiple health plans share payment responsibility. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

115. B — Medicare Part D means the Medicare component providing prescription drug coverage through approved plans. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

116. D — Joint life policy means a policy that pays when the first insured person dies. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

117. C — Deductible means the amount an insured pays before a policy begins paying covered expenses. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

118. A — Misstatement of age provision means a provision adjusting benefits or premiums when the insured's age was stated incorrectly. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

119. D — Privacy notice means notice describing an insurer's information-collection, sharing, and protection practices. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

120. C — HIPAA portability means federal protections that limit certain health-coverage exclusions and protect health information. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

121. B — Producer appointment notice means the notice an insurer files with the Department after appointing an agent. The stem matches that function. Other choices name different policy forms,

provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

122. A — Notice of claim means a required policy condition directing the insured to notify the insurer of a claim. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

123. A — Field underwriting means information gathering by the producer during solicitation and application completion. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

124. D — Incontestability clause means a provision limiting the insurer's ability to contest a policy after the stated period. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

125. B — Policy summary means a document explaining key policy features to help a life-insurance consumer compare coverage. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

126. C — Surgical expense policy means coverage paying benefits for covered surgical procedures according to the policy schedule. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

127. A — Needs approach means a life-insurance analysis based on the survivor's identified financial needs. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

128. C — Medical Information Bureau means an industry information source insurers may use in underwriting, subject to applicable rules. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

129. D — Any-occupation definition means a disability definition based on inability to perform the duties of any suitable occupation. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

130. B — Decreasing term insurance means term coverage whose death benefit declines over time. The stem matches that function. Other choices name different policy forms, provisions, or regulations.

Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

131. C — Key person insurance means business-owned life insurance protecting a firm from loss caused by a key employee's death. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

132. A — Affordable Care Act marketplace means a marketplace through which eligible consumers may compare and enroll in qualified health plans. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

133. B — Unfair discrimination means treating similarly situated insureds differently without a permissible actuarial or legal basis. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

134. D — Probationary period means an initial enrollment period during which specified conditions may not be covered. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

135. D — Waiver of premium rider means a rider that waives future premiums if the insured becomes totally disabled as defined by the contract. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

136. C — Elimination period means the waiting period after disability begins before disability-income benefits become payable. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

137. A — Medicaid means a joint federal-state program providing medical assistance to eligible low-income individuals. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

138. B — Fiduciary responsibility means the duty to handle premiums or other client funds in a trustworthy, accountable manner. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

139. A — Premium receipt means written evidence that an insurer or authorized representative received a premium payment. The stem matches that function. Other choices name different policy forms,

provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

140. C — Revocable beneficiary means a beneficiary designation the owner may change without that beneficiary's consent. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

141. B — IRA means an individual retirement arrangement established by a person for retirement savings. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

142. D — Insurance fraud means a deliberate deception connected with insurance intended to obtain an improper benefit. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

143. B — Accumulation at interest means a dividend option that leaves dividends with the insurer to earn interest. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

144. A — Variable annuity means an annuity whose values vary with separate-account investment performance. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.

145. D — Disclosure means providing material information to a consumer so the consumer can make an informed decision. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

146. C — Life, Accident and Health authority means the New York license authority permitting sale, solicitation, or negotiation of life, annuity, and accident and health insurance. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

147. B — Time limit on certain defenses means a health-policy provision restricting defenses after a stated period except as allowed for fraud. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

148. D — Grace period means the time after a premium due date during which coverage continues and payment may still be made. The stem matches that function. Other choices name different policy forms,

provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

149. A — Adverse underwriting decision means an unfavorable action based in whole or in part on underwriting information. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

150. C — Hospital indemnity policy means coverage paying a stated amount per day of hospitalization rather than reimbursing actual expenses. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.