

PRACTICE EXAM 11: 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. A client scenario involves temporary loss of authority to act under an insurance license. Which insurance term provides the best match?

- A. Subrogation
- B. License suspension
- C. License renewal
- D. Advertising

2. Which term should a producer use to explain a policy limitation relating to a condition present before coverage began?

- A. Medigap policy
- B. Calendar-year deductible
- C. Preexisting condition exclusion
- D. Backdating

3. A coverage feature is described as a licensed facility providing continuous skilled nursing or rehabilitative care. Which choice identifies it correctly?

- A. Group life insurance
- B. Accelerated death benefit
- C. Skilled nursing facility

D. Rebating

4. A client scenario involves termination of authority to act under an insurance license. Which insurance term provides the best match?

- A. License revocation
- B. Rollover
- C. Primary care physician
- D. Preauthorization

5. Which term should a producer use to explain a document explaining key policy features to help a life-insurance consumer compare coverage?

- A. Guaranty association
- B. PPO
- C. Dental expense policy
- D. Policy summary

6. A coverage feature is described as a rider providing an additional benefit when death results from a covered accident. Which choice identifies it correctly?

- A. Utilization review
- B. Accidental death rider
- C. Continuing education
- D. Agent

7. A client scenario involves the requirement that a recommendation be appropriate for the consumer's insurance needs and financial objectives. Which insurance term provides the best match?

- A. Hospice care
- B. Whole life insurance

- C. Reinstatement
- D. Suitability

8. Which term should a producer use to explain a policy limit on the insured's out-of-pocket covered expense responsibility?

- A. Adverse underwriting decision
- B. Stop-loss limit
- C. Comprehensive medical expense policy
- D. Guaranteed insurability rider

9. A coverage feature is described as a disability-policy provision allowing benefit adjustment when the insured changes to a more hazardous job. Which choice identifies it correctly?

- A. Change of occupation provision
- B. Presumptive disability
- C. Modified endowment contract
- D. Legal actions provision

10. A client scenario involves an annuity whose values vary with separate-account investment performance. Which insurance term provides the best match?

- A. Defined contribution plan
- B. Term life insurance
- C. Variable annuity
- D. Entire contract provision

11. Which term should a producer use to explain a payment method in which a provider receives a fixed amount per enrolled person?

- A. Life insurance illustration

- B. Capitation
- C. Major medical policy
- D. IRA

12. A coverage feature is described as an annuity in which the insurer guarantees stated benefits and bears investment risk. Which choice identifies it correctly?

- A. Open enrollment
- B. Coinsurance
- C. Fixed annuity
- D. Key person insurance

13. A client scenario involves term coverage whose death benefit declines over time. Which insurance term provides the best match?

- A. Universal life insurance
- B. Single-premium whole life
- C. Variable life insurance
- D. Decreasing term insurance

14. Which term should a producer use to explain a qualified plan promising a specified retirement benefit?

- A. Defined benefit plan
- B. Deferred annuity
- C. Unauthorized insurer
- D. COBRA

15. A coverage feature is described as an annuity that begins income payments soon after the purchase premium is paid. Which choice identifies it correctly?

- A. Survivorship life policy
- B. Immediate annuity
- C. Noncancelable policy
- D. Producer appointment notice

16. A client scenario involves a beneficiary designation the owner may change without that beneficiary's consent. Which insurance term provides the best match?

- A. Vesting
- B. Point-of-service plan
- C. Revocable beneficiary
- D. Hospital indemnity policy

17. Which term should a producer use to explain coverage for qualifying care needed because of chronic illness, disability, or cognitive impairment?

- A. Controlled business
- B. 1035 exchange
- C. Credit life insurance
- D. Long-term care insurance

18. A coverage feature is described as an insurer's right to recover from a responsible third party after paying a covered loss. Which choice identifies it correctly?

- A. Free-look provision
- B. Subrogation
- C. Medical Information Bureau
- D. Primary insurer

19. A client scenario involves private supplemental insurance designed to help with Medicare cost sharing. Which insurance term provides the best match?

- A. Medigap policy
- B. Replacement
- C. Residual disability benefit
- D. Defamation

20. Which term should a producer use to explain life coverage issued under a master contract for eligible members of a group?

- A. Group life insurance
- B. Waiver of premium rider
- C. Cash surrender value
- D. Extended term option

21. A coverage feature is described as a transfer of retirement-plan funds that can preserve tax-deferred treatment when completed under applicable rules. Which choice identifies it correctly?

- A. Accumulation at interest
- B. Medicare Part C
- C. Per stirpes distribution
- D. Rollover

22. A client scenario involves a statutory safety-net mechanism that may provide limited protection if a member insurer becomes insolvent. Which insurance term provides the best match?

- A. Consumer report
- B. Cease and desist order
- C. Guaranty association
- D. Copayment

23. Which term should a producer use to explain a process evaluating the necessity, setting, or appropriateness of medical services?

- A. Utilization review
- B. Level term insurance
- C. Privacy notice
- D. Reduced paid-up option

24. A coverage feature is described as supportive care focused on comfort for terminally ill patients. Which choice identifies it correctly?

- A. Joint life policy
- B. Adverse selection
- C. Equity-indexed life insurance
- D. Hospice care

25. A client scenario involves an unfavorable action based in whole or in part on underwriting information. Which insurance term provides the best match?

- A. Producer recordkeeping
- B. Adverse underwriting decision
- C. Disclosure
- D. Affordable Care Act marketplace

26. Which term should a producer use to explain a disability classification based on specified severe losses without proving inability to work?

- A. Deductible
- B. Recurrent disability
- C. Presumptive disability
- D. Medicaid

27. A coverage feature is described as a qualified plan specifying contributions rather than a guaranteed retirement benefit. Which choice identifies it correctly?

- A. Defined contribution plan
- B. License renewal
- C. Limited-pay whole life
- D. Grace period

28. A client scenario involves a presentation showing how policy values or benefits may develop under stated assumptions. Which insurance term provides the best match?

- A. Calendar-year deductible
- B. Premium receipt
- C. Benefit period
- D. Life insurance illustration

29. Which term should a producer use to explain a designated period for enrolling in or changing health coverage without a special enrollment event?

- A. Accelerated death benefit
- B. Any-occupation definition
- C. Open enrollment
- D. Disability income policy

30. A coverage feature is described as flexible-premium permanent insurance with separately identified mortality, expense, and interest elements. Which choice identifies it correctly?

- A. Primary care physician
- B. Universal life insurance
- C. Boycott
- D. Automatic premium loan

31. A client scenario involves an annuity designed to accumulate value before income payments begin later. Which insurance term provides the best match?

- A. PPO
- B. Home health care
- C. Medicare Part B
- D. Deferred annuity

32. Which term should a producer use to explain a policy that pays after the last of two insured persons dies?

- A. Continuing education
- B. HMO
- C. Survivorship life policy
- D. Insurable interest

33. A coverage feature is described as the point at which an employee gains a nonforfeitable right to accrued plan benefits. Which choice identifies it correctly?

- A. Whole life insurance
- B. Vesting
- C. Own-occupation definition
- D. Elimination period

34. A client scenario involves insurance written on the licensee, family, employer, or business associates rather than the general public. Which insurance term provides the best match?

- A. Controlled business
- B. Comprehensive medical expense policy
- C. Life, Accident and Health authority
- D. Conditional receipt

35. Which term should a producer use to explain a period allowing a policyowner to examine a new policy and return it for a refund?

- A. Modified endowment contract
- B. Buyer's guide
- C. Time limit on certain defenses
- D. Free-look provision

36. A coverage feature is described as a transaction in which new life insurance or annuity coverage causes existing coverage to lapse, surrender, or otherwise change. Which choice identifies it correctly?

- A. Term life insurance
- B. Replacement
- C. Paid-up additions
- D. Twisting

37. A client scenario involves a rider that waives future premiums if the insured becomes totally disabled as defined by the contract. Which insurance term provides the best match?

- A. Major medical policy
- B. Misstatement of age provision
- C. Waiver of premium rider
- D. Proof of loss

38. Which term should a producer use to explain a dividend option that leaves dividends with the insurer to earn interest?

- A. Accumulation at interest
- B. Coinsurance
- C. Renewable term insurance
- D. Basic hospital expense policy

39. A coverage feature is described as a report containing information used by an insurer to evaluate an applicant's insurability. Which choice identifies it correctly?

- A. Single-premium whole life
- B. Consumer report
- C. Probationary period
- D. Convertible term insurance

40. A client scenario involves term coverage with a death benefit that remains constant during the term. Which insurance term provides the best match?

- A. Unauthorized insurer
- B. Medicare Part A
- C. Level term insurance
- D. Unfair discrimination

41. Which term should a producer use to explain a policy that pays when the first insured person dies?

- A. Noncancelable policy
- B. Needs approach
- C. Field underwriting
- D. Joint life policy

42. A coverage feature is described as maintaining required insurance transaction records so compliance can be demonstrated. Which choice identifies it correctly?

- A. Producer recordkeeping
- B. Point-of-service plan
- C. Misrepresentation
- D. NYDFS

43. A client scenario involves the amount an insured pays before a policy begins paying covered expenses. Which insurance term provides the best match?

- A. 1035 exchange
- B. Human life value approach
- C. Buy-sell funding
- D. Deductible

44. Which term should a producer use to explain the process of continuing a license in force by meeting renewal requirements?

- A. License renewal
- B. Medical Information Bureau
- C. Life income settlement
- D. Policy loan

45. A coverage feature is described as a deductible that must be satisfied again in each calendar year. Which choice identifies it correctly?

- A. Residual disability benefit
- B. Prelicensing education
- C. Calendar-year deductible
- D. Medicare Part D

46. A client scenario involves a provision allowing part of a life policy's death benefit to be paid early after a qualifying event. Which insurance term provides the best match?

- A. Cash surrender value
- B. Accelerated death benefit
- C. Incontestability clause
- D. Irrevocable beneficiary

47. Which term should a producer use to explain the provider who coordinates routine care and referrals in many managed-care plans?

- A. Medicare Part C
- B. Advertising
- C. Coordination of benefits
- D. Primary care physician

48. A coverage feature is described as a health plan offering preferred provider networks with greater flexibility for out-of-network care. Which choice identifies it correctly?

- A. Cease and desist order
- B. Backdating
- C. PPO
- D. Activities of daily living

49. A client scenario involves ongoing approved education required to maintain a New York insurance license. Which insurance term provides the best match?

- A. Continuing education
- B. Privacy notice
- C. Rebating
- D. Replacement notice

50. Which term should a producer use to explain permanent life insurance with fixed premiums and guaranteed cash value?

- A. Adverse selection
- B. Whole life insurance
- C. Preauthorization
- D. Spendthrift clause

51. A coverage feature is described as coverage combining hospital, surgical, and medical benefits under one contract. Which choice identifies it correctly?

- A. Disclosure
- B. Dental expense policy
- C. Insurance fraud
- D. Comprehensive medical expense policy

52. A client scenario involves a life policy funded beyond federal premium limits and subject to special distribution tax rules. Which insurance term provides the best match?

- A. Modified endowment contract
- B. Recurrent disability
- C. Agent
- D. Vision care policy

53. Which term should a producer use to explain temporary death-benefit protection for a specified period?

- A. Limited-pay whole life
- B. Term life insurance
- C. Reinstatement
- D. Fiduciary responsibility

54. A coverage feature is described as broad medical-expense coverage usually featuring deductibles and coinsurance. Which choice identifies it correctly?

- A. Premium receipt
- B. Guaranteed insurability rider
- C. Major medical policy
- D. Administrative hearing

55. A client scenario involves a sharing arrangement under which the insured pays a stated percentage of covered expenses. Which insurance term provides the best match?

- A. Coinsurance
- B. Any-occupation definition
- C. Legal actions provision
- D. Guaranteed renewable policy

56. Which term should a producer use to explain whole life insurance funded by one large premium payment?

- A. Boycott
- B. Entire contract provision
- C. Broker
- D. Single-premium whole life

57. A coverage feature is described as an insurer not licensed or otherwise authorized to transact the relevant insurance business in New York. Which choice identifies it correctly?

- A. Home health care
- B. Unauthorized insurer
- C. IRA
- D. Annuitization

58. A client scenario involves a policy the insurer cannot cancel or raise premiums on individually during the stated period. Which insurance term provides the best match?

- A. HMO
- B. Key person insurance
- C. Noncancelable policy
- D. Notice of claim

59. Which term should a producer use to explain a managed-care plan combining features of HMO and PPO coverage?

- A. Own-occupation definition
- B. Variable life insurance
- C. Participating life policy
- D. Point-of-service plan

60. A coverage feature is described as a tax-deferred exchange of one qualifying insurance or annuity contract for another. Which choice identifies it correctly?

- A. 1035 exchange
- B. Life, Accident and Health authority
- C. COBRA
- D. Surgical expense policy

61. A client scenario involves an industry information source insurers may use in underwriting, subject to applicable rules. Which insurance term provides the best match?

- A. Buyer's guide
- B. Medical Information Bureau
- C. Producer appointment notice
- D. HIPAA portability

62. Which term should a producer use to explain a disability benefit for partial income loss after the insured returns to work?

- A. Paid-up additions
- B. Hospital indemnity policy
- C. Residual disability benefit
- D. License suspension

63. A coverage feature is described as the amount available to the owner who terminates a cash-value policy. Which choice identifies it correctly?

- A. Misstatement of age provision
- B. Credit life insurance
- C. Cash surrender value
- D. Preexisting condition exclusion

64. A client scenario involves the Medicare option allowing coverage through approved private health plans. Which insurance term provides the best match?

- A. Renewable term insurance
- B. Medicare Part C
- C. Primary insurer
- D. Skilled nursing facility

65. Which term should a producer use to explain a regulatory order directing a person or entity to stop specified conduct?

- A. Probationary period
- B. Defamation
- C. License revocation
- D. Cease and desist order

66. A coverage feature is described as notice describing an insurer's information-collection, sharing, and protection practices. Which choice identifies it correctly?

- A. Privacy notice
- B. Medicare Part A
- C. Extended term option
- D. Policy summary

67. A client scenario involves the tendency of people with higher expected losses to seek or keep insurance more often. Which insurance term provides the best match?

- A. Needs approach
- B. Per stirpes distribution
- C. Accidental death rider
- D. Adverse selection

68. Which term should a producer use to explain providing material information to a consumer so the consumer can make an informed decision?

- A. Misrepresentation
- B. Copayment
- C. Disclosure
- D. Suitability

69. A coverage feature is described as a disability that returns after recovery and may be treated as the same or a new disability under policy terms. Which choice identifies it correctly?

- A. Human life value approach
- B. Recurrent disability
- C. Reduced paid-up option
- D. Stop-loss limit

70. A client scenario involves whole life insurance paid up after a stated premium-paying period. Which insurance term provides the best match?

- A. Limited-pay whole life
- B. Life income settlement
- C. Equity-indexed life insurance
- D. Change of occupation provision

71. Which term should a producer use to explain written evidence that an insurer or authorized representative received a premium payment?

- A. Prelicensing education
- B. Premium receipt
- C. Affordable Care Act marketplace
- D. Variable annuity

72. A coverage feature is described as a disability definition based on inability to perform the duties of any suitable occupation. Which choice identifies it correctly?

- A. Any-occupation definition
- B. Incontestability clause
- C. Medicaid
- D. Capitation

73. A client scenario involves an agreement or action restraining trade or competition through concerted refusal to deal. Which insurance term provides the best match?

- A. Advertising
- B. Grace period
- C. Fixed annuity
- D. Boycott

74. Which term should a producer use to explain health services provided in the insured's residence by qualified personnel?

- A. Backdating
- B. Benefit period
- C. Home health care
- D. Decreasing term insurance

75. A coverage feature is described as a managed-care organization emphasizing network services and coordinated care. Which choice identifies it correctly?

- A. Rebating
- B. Disability income policy
- C. HMO
- D. Defined benefit plan

76. A client scenario involves a disability definition based on inability to perform the duties of the insured's regular occupation. Which insurance term provides the best match?

- A. Preauthorization
- B. Automatic premium loan
- C. Immediate annuity
- D. Own-occupation definition

77. Which term should a producer use to explain the New York license authority permitting sale, solicitation, or negotiation of life, annuity, and accident and health insurance?

- A. Life, Accident and Health authority
- B. Dental expense policy
- C. Medicare Part B
- D. Revocable beneficiary

78. A coverage feature is described as consumer-oriented material describing life insurance and assisting in comparison shopping. Which choice identifies it correctly?

- A. Agent
- B. Buyer's guide
- C. Insurable interest
- D. Long-term care insurance

79. A client scenario involves dividends used to purchase small amounts of additional fully paid permanent insurance. Which insurance term provides the best match?

- A. Reinstatement
- B. Elimination period
- C. Paid-up additions
- D. Subrogation

80. Which term should a producer use to explain a provision adjusting benefits or premiums when the insured's age was stated incorrectly?

- A. Guaranteed insurability rider
- B. Misstatement of age provision
- C. Conditional receipt
- D. Medigap policy

81. A coverage feature is described as term coverage that may be continued at the end of a term without evidence of insurability. Which choice identifies it correctly?

- A. Renewable term insurance
- B. Legal actions provision
- C. Time limit on certain defenses
- D. Group life insurance

82. A client scenario involves an initial enrollment period during which specified conditions may not be covered. Which insurance term provides the best match?

- A. Entire contract provision
- B. Twisting
- C. Rollover
- D. Probationary period

83. Which term should a producer use to explain the Medicare component primarily covering inpatient hospital and related institutional care?

- A. IRA
- B. Proof of loss
- C. Guaranty association
- D. Medicare Part A

84. A coverage feature is described as a life-insurance analysis based on the survivor's identified financial needs. Which choice identifies it correctly?

- A. Key person insurance
- B. Basic hospital expense policy
- C. Needs approach
- D. Utilization review

85. A client scenario involves an untrue or misleading statement about a policy, insurer, or benefit used in insurance sales. Which insurance term provides the best match?

- A. Variable life insurance
- B. Misrepresentation
- C. Convertible term insurance
- D. Hospice care

86. Which term should a producer use to explain a needs analysis estimating the economic value of a person's future earnings?

- A. Human life value approach
- B. COBRA
- C. Unfair discrimination
- D. Adverse underwriting decision

87. A coverage feature is described as a settlement option paying income for the payee's lifetime. Which choice identifies it correctly?

- A. Producer appointment notice
- B. Field underwriting
- C. Life income settlement
- D. Presumptive disability

88. A client scenario involves required approved instruction completed before a candidate qualifies to take a licensing examination unless an exception applies. Which insurance term provides the best match?

- A. Hospital indemnity policy
- B. NYDFS
- C. Defined contribution plan
- D. Prelicensing education

89. Which term should a producer use to explain a provision limiting the insurer's ability to contest a policy after the stated period?

- A. Incontestability clause
- B. Credit life insurance
- C. Buy-sell funding
- D. Life insurance illustration

90. A coverage feature is described as a communication intended to create interest in insurance or induce its purchase. Which choice identifies it correctly?

- A. Primary insurer
- B. Advertising
- C. Policy loan
- D. Open enrollment

91. A client scenario involves dating a policy earlier than issue when permitted, commonly to preserve a lower insurance age. Which insurance term provides the best match?

- A. Backdating
- B. Defamation
- C. Medicare Part D
- D. Universal life insurance

92. Which term should a producer use to explain offering an inducement not specified in the insurance contract to persuade a purchase?

- A. Extended term option
- B. Rebating
- C. Irrevocable beneficiary
- D. Deferred annuity

93. A coverage feature is described as advance approval required by a plan before certain covered services are obtained. Which choice identifies it correctly?

- A. Per stirpes distribution
- B. Coordination of benefits
- C. Survivorship life policy
- D. Preauthorization

94. A client scenario involves coverage designed to help pay covered dental services. Which insurance term provides the best match?

- A. Copayment
- B. Activities of daily living
- C. Dental expense policy
- D. Vesting

95. Which term should a producer use to explain a licensee who represents insurers for which the agent is appointed?

- A. Reduced paid-up option
- B. Agent
- C. Replacement notice
- D. Controlled business

96. A coverage feature is described as restoration of a lapsed policy after required conditions are satisfied. Which choice identifies it correctly?

- A. Equity-indexed life insurance
- B. Spendthrift clause
- C. Free-look provision
- D. Reinstatement

97. A client scenario involves a rider allowing future coverage purchases at stated times without new evidence of insurability. Which insurance term provides the best match?

- A. Guaranteed insurability rider
- B. Affordable Care Act marketplace
- C. Insurance fraud
- D. Replacement

98. Which term should a producer use to explain a policy condition limiting when a claimant may bring suit after proof-of-loss requirements?

- A. Medicaid
- B. Vision care policy
- C. Legal actions provision
- D. Waiver of premium rider

99. A coverage feature is described as a provision identifying the policy and attached application as the complete agreement. Which choice identifies it correctly?

- A. Grace period
- B. Entire contract provision
- C. Fiduciary responsibility
- D. Accumulation at interest

100. A client scenario involves an individual retirement arrangement established by a person for retirement savings. Which insurance term provides the best match?

- A. Benefit period
- B. Administrative hearing
- C. IRA
- D. Consumer report

101. Which term should a producer use to explain business-owned life insurance protecting a firm from loss caused by a key employee's death?

- A. Key person insurance
- B. Disability income policy
- C. Guaranteed renewable policy
- D. Level term insurance

102. A coverage feature is described as permanent insurance whose cash value is invested in separate-account investment options. Which choice identifies it correctly?

- A. Automatic premium loan
- B. Broker
- C. Joint life policy
- D. Variable life insurance

103. A client scenario involves federal continuation coverage rights following certain loss-of-coverage events under employer plans. Which insurance term provides the best match?

- A. Medicare Part B
- B. Annuitization
- C. Producer recordkeeping
- D. COBRA

104. Which term should a producer use to explain the notice an insurer files with the Department after appointing an agent?

- A. Insurable interest
- B. Notice of claim
- C. Producer appointment notice
- D. Deductible

105. A coverage feature is described as coverage paying a stated amount per day of hospitalization rather than reimbursing actual expenses. Which choice identifies it correctly?

- A. Elimination period
- B. Hospital indemnity policy
- C. Participating life policy
- D. License renewal

106. A client scenario involves life insurance designed to pay a debtor's outstanding loan balance at death. Which insurance term provides the best match?

- A. Credit life insurance
- B. Conditional receipt
- C. Surgical expense policy
- D. Calendar-year deductible

107. Which term should a producer use to explain the plan that pays first under coordination-of-benefits rules?

- A. Time limit on certain defenses
- B. HIPAA portability
- C. Primary insurer
- D. Accelerated death benefit

108. A coverage feature is described as making a false statement that harms an insurer's financial reputation. Which choice identifies it correctly?

- A. Twisting
- B. Defamation
- C. License suspension
- D. Primary care physician

109. A client scenario involves a nonforfeiture option using cash value to buy term insurance for the full original face amount. Which insurance term provides the best match?

- A. Extended term option
- B. Proof of loss
- C. Preexisting condition exclusion
- D. PPO

110. Which term should a producer use to explain a beneficiary distribution in which a deceased beneficiary's share passes to that person's descendants?

- A. Basic hospital expense policy
- B. Skilled nursing facility
- C. Continuing education
- D. Per stirpes distribution

111. A coverage feature is described as a fixed dollar amount paid by an insured for a covered service. Which choice identifies it correctly?

- A. Convertible term insurance
- B. License revocation
- C. Copayment
- D. Whole life insurance

112. A client scenario involves a nonforfeiture option using cash value to buy a smaller amount of fully paid permanent insurance. Which insurance term provides the best match?

- A. Reduced paid-up option
- B. Unfair discrimination
- C. Policy summary
- D. Comprehensive medical expense policy

113. Which term should a producer use to explain life insurance that credits interest by reference to an external market index subject to contract limits?

- A. Field underwriting
- B. Equity-indexed life insurance
- C. Accidental death rider
- D. Modified endowment contract

114. A coverage feature is described as a marketplace through which eligible consumers may compare and enroll in qualified health plans. Which choice identifies it correctly?

- A. NYDFS
- B. Suitability
- C. Term life insurance
- D. Affordable Care Act marketplace

115. A client scenario involves a joint federal-state program providing medical assistance to eligible low-income individuals. Which insurance term provides the best match?

- A. Buy-sell funding
- B. Medicaid
- C. Stop-loss limit
- D. Major medical policy

116. Which term should a producer use to explain the time after a premium due date during which coverage continues and payment may still be made?

- A. Policy loan
- B. Change of occupation provision
- C. Coinsurance
- D. Grace period

117. A coverage feature is described as the maximum length of time disability-income benefits may be paid for one disability. Which choice identifies it correctly?

- A. Medicare Part D
- B. Variable annuity
- C. Benefit period
- D. Single-premium whole life

118. A client scenario involves coverage replacing part of earned income when disability prevents the insured from working. Which insurance term provides the best match?

- A. Disability income policy
- B. Irrevocable beneficiary
- C. Capitation
- D. Unauthorized insurer

119. Which term should a producer use to explain a policy loan made automatically to pay a due premium when sufficient cash value exists?

- A. Coordination of benefits
- B. Fixed annuity
- C. Noncancelable policy
- D. Automatic premium loan

120. A coverage feature is described as the Medicare component covering many physician and outpatient services. Which choice identifies it correctly?

- A. Medicare Part B
- B. Activities of daily living
- C. Decreasing term insurance
- D. Point-of-service plan

121. A client scenario involves a lawful financial or familial interest in the insured's continued life. Which insurance term provides the best match?

- A. Replacement notice
- B. Insurable interest
- C. Defined benefit plan
- D. 1035 exchange

122. Which term should a producer use to explain the waiting period after disability begins before disability-income benefits become payable?

- A. Spendthrift clause
- B. Immediate annuity
- C. Elimination period
- D. Medical Information Bureau

123. A coverage feature is described as a receipt that may provide limited temporary coverage subject to stated underwriting conditions. Which choice identifies it correctly?

- A. Insurance fraud
- B. Conditional receipt
- C. Revocable beneficiary
- D. Residual disability benefit

124. A client scenario involves a health-policy provision restricting defenses after a stated period except as allowed for fraud. Which insurance term provides the best match?

- A. Vision care policy
- B. Long-term care insurance
- C. Cash surrender value
- D. Time limit on certain defenses

125. Which term should a producer use to explain inducing a policyowner to replace coverage through misleading comparisons or incomplete information?

- A. Twisting
- B. Fiduciary responsibility
- C. Subrogation
- D. Medicare Part C

126. A coverage feature is described as documentation the claimant supplies to support a claim for benefits. Which choice identifies it correctly?

- A. Administrative hearing
- B. Medigap policy
- C. Proof of loss
- D. Cease and desist order

127. A client scenario involves health insurance covering specified hospital services subject to policy limits. Which insurance term provides the best match?

- A. Guaranteed renewable policy
- B. Basic hospital expense policy
- C. Group life insurance
- D. Privacy notice

128. Which term should a producer use to explain term coverage that may be exchanged for permanent coverage without new evidence of insurability?

- A. Broker
- B. Rollover
- C. Convertible term insurance
- D. Adverse selection

129. A coverage feature is described as treating similarly situated insureds differently without a permissible actuarial or legal basis. Which choice identifies it correctly?

- A. Unfair discrimination
- B. Annuitization
- C. Guaranty association
- D. Disclosure

130. A client scenario involves information gathering by the producer during solicitation and application completion. Which insurance term provides the best match?

- A. Notice of claim
- B. Utilization review
- C. Recurrent disability
- D. Field underwriting

131. Which term should a producer use to explain the New York State Department of Financial Services, which regulates insurance in New York?

- A. NYDFS
- B. Participating life policy
- C. Hospice care
- D. Limited-pay whole life

132. A coverage feature is described as life insurance used to provide money for an ownership transfer after an owner's death. Which choice identifies it correctly?

- A. Surgical expense policy
- B. Adverse underwriting decision
- C. Premium receipt
- D. Buy-sell funding

133. A client scenario involves a loan secured by the cash value of a permanent life insurance policy. Which insurance term provides the best match?

- A. HIPAA portability
- B. Presumptive disability
- C. Policy loan
- D. Any-occupation definition

134. Which term should a producer use to explain the Medicare component providing prescription drug coverage through approved plans?

- A. License suspension
- B. Medicare Part D
- C. Defined contribution plan
- D. Boycott

135. A coverage feature is described as a beneficiary designation that generally cannot be changed without the beneficiary's consent. Which choice identifies it correctly?

- A. Irrevocable beneficiary
- B. Preexisting condition exclusion
- C. Life insurance illustration
- D. Home health care

136. A client scenario involves rules used to determine how multiple health plans share payment responsibility. Which insurance term provides the best match?

- A. Skilled nursing facility
- B. Open enrollment
- C. Coordination of benefits
- D. HMO

137. Which term should a producer use to explain basic self-care tasks used to evaluate long-term care benefit eligibility?

- A. License revocation
- B. Activities of daily living
- C. Universal life insurance
- D. Own-occupation definition

138. A coverage feature is described as a required consumer disclosure used in a transaction involving replacement of life insurance or annuities. Which choice identifies it correctly?

- A. Policy summary
- B. Deferred annuity
- C. Life, Accident and Health authority
- D. Replacement notice

139. A client scenario involves a settlement provision restricting a beneficiary's ability to transfer or assign future payments. Which insurance term provides the best match?

- A. Spendthrift clause
- B. Accidental death rider
- C. Survivorship life policy
- D. Buyer's guide

140. Which term should a producer use to explain a deliberate deception connected with insurance intended to obtain an improper benefit?

- A. Suitability
- B. Insurance fraud
- C. Vesting
- D. Paid-up additions

141. A coverage feature is described as coverage designed to help pay covered eye examinations, lenses, or related services. Which choice identifies it correctly?

- A. Stop-loss limit
- B. Controlled business
- C. Vision care policy
- D. Misstatement of age provision

142. A client scenario involves the duty to handle premiums or other client funds in a trustworthy, accountable manner. Which insurance term provides the best match?

- A. Change of occupation provision
- B. Free-look provision
- C. Renewable term insurance
- D. Fiduciary responsibility

143. Which term should a producer use to explain a formal proceeding in which a regulator considers alleged violations and evidence?

- A. Variable annuity
- B. Administrative hearing
- C. Replacement
- D. Probationary period

144. A coverage feature is described as a policy the insurer must renew to a stated age if premiums are paid, subject to permitted class changes. Which choice identifies it correctly?

- A. Capitation
- B. Waiver of premium rider
- C. Medicare Part A
- D. Guaranteed renewable policy

145. A client scenario involves a licensee who represents the insured and may place business with an authorized insurer willing to accept it. Which insurance term provides the best match?

- A. Fixed annuity
- B. Accumulation at interest
- C. Broker
- D. Needs approach

146. Which term should a producer use to explain the conversion of an annuity's accumulated value into an income-payment stream?

- A. Annuitization
- B. Decreasing term insurance
- C. Consumer report
- D. Misrepresentation

147. A coverage feature is described as a required policy condition directing the insured to notify the insurer of a claim. Which choice identifies it correctly?

- A. Defined benefit plan
- B. Level term insurance
- C. Human life value approach
- D. Notice of claim

148. A client scenario involves a life policy eligible to receive dividends when declared by the insurer. Which insurance term provides the best match?

- A. Immediate annuity
- B. Joint life policy
- C. Participating life policy
- D. Life income settlement

149. Which term should a producer use to explain coverage paying benefits for covered surgical procedures according to the policy schedule?

- A. Revocable beneficiary
- B. Surgical expense policy
- C. Producer recordkeeping
- D. Prelicensing education

150. A coverage feature is described as federal protections that limit certain health-coverage exclusions and protect health information. Which choice identifies it correctly?

- A. HIPAA portability
- B. Long-term care insurance
- C. Deductible
- D. Incontestability clause

Practice Exam 11: Answer Key and Explanations

- 1. 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.
- 2. C** — 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.
- 3. C** — 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.
- 4. 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.
- 5. D** — 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.
- 6. B** — 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.
- 7. D** — 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.
- 8. B** — 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.
- 9. 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.

10. C — 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.

11. B — 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.

12. C — 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.

13. D — 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.

14. A — 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.

15. B — 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.

16. 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.

17. D — 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.

18. B — 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.

19. 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.

20. A — 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.

21. D — 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.

22. C — 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.

23. A — 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.

24. 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.

25. B — 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.

26. C — 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.

27. A — 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.

28. D — 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.

29. C — 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.

30. 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.

31. 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.

32. C — 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.

33. B — 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.

34. A — 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.

35. D — 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.

36. B — 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.

37. C — 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.

38. A — 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.

39. B — 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.

40. C — 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.

41. 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.

42. A — 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.

43. D — 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.

44. A — 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.

45. C — 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.

46. 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.

47. D — 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.

48. C — 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.

49. A — 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.

50. B — 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.

51. D — 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.

52. A — 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.

53. B — 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.

54. C — 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.

55. A — 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.

56. 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.

57. 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.

58. C — 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.

59. D — 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.

60. A — 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.

61. B — 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.

62. C — 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.

63. C — 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.

64. B — 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.

65. D — 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.

66. A — 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.

67. D — 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.

68. C — 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.

69. 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.

70. A — 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.

71. B — 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.

72. A — 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.

73. 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.

74. 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.

75. 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.

76. D — 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.

77. A — 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.

78. B — 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.

79. C — 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.

80. B — 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.

81. A — 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.

82. 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.

83. D — 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.

84. C — 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.

85. B — 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.

86. A — 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.

87. 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.

88. D — 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.

89. A — 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.

90. B — 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.

91. A — 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.

92. 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.

93. 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.

94. C — 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.

95. 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.

96. D — 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.

97. A — 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.

98. C — 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.

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. C — 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.

101. A — 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.

102. D — 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.

103. D — 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.

104. C — 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.

105. B — 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.

106. A — 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.

107. C — 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.

108. B — 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.

109. A — 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.

110. D — 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.

111. C — 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.

112. A — 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.

113. 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.

114. D — 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.

115. B — 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.

116. 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.

117. C — 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.

118. 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.

119. D — 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.

120. A — 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.

121. 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.

122. 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.

123. B — 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.

124. D — 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.

125. A — 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.

126. C — 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.

127. B — 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.

128. C — 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.

129. A — 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.

130. D — 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.

131. A — 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.

132. D — 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.

133. 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.

134. 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.

135. A — 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.

136. 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.

137. B — 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.

138. D — 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.

139. A — 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.

140. B — 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.

141. C — 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.

142. D — 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.

143. B — 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.

144. D — 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.

145. C — 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.

146. A — 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.

147. D — 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.

148. C — 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.

149. B — 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.

150. A — 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.