

PRACTICE EXAM 9: 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. Which term is best defined as a lawful financial or familial interest in the insured's continued life?

- A. Insurable interest
- B. Human life value approach
- C. Immediate annuity
- D. Medicare Part D

2. An applicant asks about temporary death-benefit protection for a specified period. Which term should the producer use?

- A. Needs approach
- B. Deferred annuity
- C. Term life insurance
- D. Medigap policy

3. A policy description refers to term coverage with a death benefit that remains constant during the term. Which concept matches that description?

- A. Level term insurance
- B. Key person insurance
- C. Annuitization
- D. Medicaid

4. Which term is best defined as term coverage whose death benefit declines over time?

- A. Buy-sell funding
- B. Decreasing term insurance
- C. Life income settlement
- D. COBRA

5. An applicant asks about term coverage that may be exchanged for permanent coverage without new evidence of insurability. Which term should the producer use?

- A. Grace period
- B. 1035 exchange
- C. HIPAA portability
- D. Convertible term insurance

6. A policy description refers to term coverage that may be continued at the end of a term without evidence of insurability. Which concept matches that description?

- A. Incontestability clause
- B. Modified endowment contract
- C. Renewable term insurance
- D. Affordable Care Act marketplace

7. Which term is best defined as permanent life insurance with fixed premiums and guaranteed cash value?

- A. Reinstatement
- B. Whole life insurance
- C. Defined benefit plan
- D. Open enrollment

8. An applicant asks about a life policy eligible to receive dividends when declared by the insurer. Which term should the producer use?

- A. Participating life policy
- B. Misstatement of age provision
- C. Defined contribution plan
- D. Adverse selection

9. A policy description refers to whole life insurance paid up after a stated premium-paying period. Which concept matches that description?

- A. Entire contract provision
- B. Vesting
- C. Coordination of benefits
- D. Limited-pay whole life

10. Which term is best defined as whole life insurance funded by one large premium payment?

- A. Free-look provision
- B. IRA
- C. Single-premium whole life
- D. Primary insurer

11. An applicant asks about flexible-premium permanent insurance with separately identified mortality, expense, and interest elements. Which term should the producer use?

- A. Universal life insurance
- B. Revocable beneficiary
- C. Rollover
- D. Subrogation

12. A policy description refers to permanent insurance whose cash value is invested in separate-account investment options. Which concept matches that description?

- A. Irrevocable beneficiary
- B. Policy loan
- C. Variable life insurance
- D. Probationary period

13. Which term is best defined as life insurance that credits interest by reference to an external market index subject to contract limits?

- A. Per stirpes distribution
- B. Deductible
- C. Preexisting condition exclusion
- D. Equity-indexed life insurance

14. An applicant asks about a policy that pays when the first insured person dies. Which term should the producer use?

- A. Spendthrift clause
- B. Joint life policy
- C. Coinsurance
- D. Guaranteed renewable policy

15. A policy description refers to a policy that pays after the last of two insured persons dies. Which concept matches that description?

- A. Cash surrender value
- B. Copayment
- C. Noncancelable policy

D. Survivorship life policy

16. Which term is best defined as life coverage issued under a master contract for eligible members of a group?

- A. Extended term option
- B. Stop-loss limit
- C. Group life insurance
- D. Change of occupation provision

17. An applicant asks about life insurance designed to pay a debtor's outstanding loan balance at death. Which term should the producer use?

- A. Reduced paid-up option
- B. Credit life insurance
- C. Calendar-year deductible
- D. Time limit on certain defenses

18. A policy description refers to a needs analysis estimating the economic value of a person's future earnings. Which concept matches that description?

- A. Human life value approach
- B. Automatic premium loan
- C. Basic hospital expense policy
- D. Notice of claim

19. Which term is best defined as a life-insurance analysis based on the survivor's identified financial needs?

- A. Needs approach
- B. Paid-up additions

- C. Major medical policy
- D. Proof of loss

20. An applicant asks about business-owned life insurance protecting a firm from loss caused by a key employee's death. Which term should the producer use?

- A. Accumulation at interest
- B. Comprehensive medical expense policy
- C. Legal actions provision
- D. Key person insurance

21. A policy description refers to life insurance used to provide money for an ownership transfer after an owner's death. Which concept matches that description?

- A. Waiver of premium rider
- B. Buy-sell funding
- C. Hospital indemnity policy
- D. Recurrent disability

22. Which term is best defined as the time after a premium due date during which coverage continues and payment may still be made?

- A. Accidental death rider
- B. Surgical expense policy
- C. Grace period
- D. NYDFS

23. An applicant asks about a provision limiting the insurer's ability to contest a policy after the stated period. Which term should the producer use?

- A. Guaranteed insurability rider

- B. Dental expense policy
- C. Incontestability clause
- D. Life, Accident and Health authority

24. A policy description refers to restoration of a lapsed policy after required conditions are satisfied. Which concept matches that description?

- A. Reinstatement
- B. Accelerated death benefit
- C. Vision care policy
- D. Agent

25. Which term is best defined as a provision adjusting benefits or premiums when the insured's age was stated incorrectly?

- A. Fixed annuity
- B. Misstatement of age provision
- C. Disability income policy
- D. Broker

26. An applicant asks about a provision identifying the policy and attached application as the complete agreement. Which term should the producer use?

- A. Variable annuity
- B. Elimination period
- C. Producer appointment notice
- D. Entire contract provision

27. A policy description refers to a period allowing a policyowner to examine a new policy and return it for a refund. Which concept matches that description?

- A. Immediate annuity
- B. Benefit period
- C. Prelicensing education
- D. Free-look provision

28. Which term is best defined as a beneficiary designation the owner may change without that beneficiary's consent?

- A. Deferred annuity
- B. Revocable beneficiary
- C. Residual disability benefit
- D. Policy summary

29. An applicant asks about a beneficiary designation that generally cannot be changed without the beneficiary's consent. Which term should the producer use?

- A. Annuitization
- B. Presumptive disability
- C. Irrevocable beneficiary
- D. Buyer's guide

30. A policy description refers to a beneficiary distribution in which a deceased beneficiary's share passes to that person's descendants. Which concept matches that description?

- A. Per stirpes distribution
- B. Life income settlement
- C. Own-occupation definition
- D. Replacement

31. Which term is best defined as a settlement provision restricting a beneficiary's ability to transfer or assign future payments?

- A. Spendthrift clause
- B. 1035 exchange
- C. Any-occupation definition
- D. Replacement notice

32. An applicant asks about the amount available to the owner who terminates a cash-value policy. Which term should the producer use?

- A. Modified endowment contract
- B. Long-term care insurance
- C. Suitability
- D. Cash surrender value

33. A policy description refers to a nonforfeiture option using cash value to buy term insurance for the full original face amount. Which concept matches that description?

- A. Defined benefit plan
- B. Activities of daily living
- C. Extended term option
- D. Life insurance illustration

34. Which term is best defined as a nonforfeiture option using cash value to buy a smaller amount of fully paid permanent insurance?

- A. Defined contribution plan
- B. Reduced paid-up option
- C. Home health care
- D. Unfair discrimination

35. An applicant asks about a policy loan made automatically to pay a due premium when sufficient cash value exists. Which term should the producer use?

- A. Automatic premium loan
- B. Vesting
- C. Skilled nursing facility
- D. Misrepresentation

36. A policy description refers to dividends used to purchase small amounts of additional fully paid permanent insurance. Which concept matches that description?

- A. IRA
- B. Hospice care
- C. Paid-up additions
- D. Rebating

37. Which term is best defined as a dividend option that leaves dividends with the insurer to earn interest?

- A. Rollover
- B. HMO
- C. Twisting
- D. Accumulation at interest

38. An applicant asks about a rider that waives future premiums if the insured becomes totally disabled as defined by the contract. Which term should the producer use?

- A. Policy loan
- B. Waiver of premium rider
- C. PPO
- D. Defamation

39. A policy description refers to a rider providing an additional benefit when death results from a covered accident. Which concept matches that description?

- A. Deductible
- B. Point-of-service plan
- C. Accidental death rider
- D. Boycott

40. Which term is best defined as a rider allowing future coverage purchases at stated times without new evidence of insurability?

- A. Coinsurance
- B. Primary care physician
- C. Controlled business
- D. Guaranteed insurability rider

41. An applicant asks about a provision allowing part of a life policy's death benefit to be paid early after a qualifying event. Which term should the producer use?

- A. Copayment
- B. Accelerated death benefit
- C. Capitation
- D. Fiduciary responsibility

42. A policy description refers to an annuity in which the insurer guarantees stated benefits and bears investment risk. Which concept matches that description?

- A. Fixed annuity
- B. Stop-loss limit
- C. Utilization review
- D. Premium receipt

43. Which term is best defined as an annuity whose values vary with separate-account investment performance?

- A. Calendar-year deductible
- B. Preauthorization
- C. Variable annuity
- D. Conditional receipt

44. An applicant asks about an annuity that begins income payments soon after the purchase premium is paid. Which term should the producer use?

- A. Basic hospital expense policy
- B. Medicare Part A
- C. Backdating
- D. Immediate annuity

45. A policy description refers to an annuity designed to accumulate value before income payments begin later. Which concept matches that description?

- A. Major medical policy
- B. Deferred annuity
- C. Medicare Part B
- D. Field underwriting

46. Which term is best defined as the conversion of an annuity's accumulated value into an income-payment stream?

- A. Comprehensive medical expense policy
- B. Medicare Part C
- C. Medical Information Bureau
- D. Annuitization

47. An applicant asks about a settlement option paying income for the payee's lifetime. Which term should the producer use?

- A. Life income settlement
- B. Hospital indemnity policy
- C. Medicare Part D
- D. Consumer report

48. A policy description refers to a tax-deferred exchange of one qualifying insurance or annuity contract for another. Which concept matches that description?

- A. 1035 exchange
- B. Surgical expense policy
- C. Medigap policy
- D. Adverse underwriting decision

49. Which term is best defined as a life policy funded beyond federal premium limits and subject to special distribution tax rules?

- A. Dental expense policy
- B. Modified endowment contract
- C. Medicaid
- D. Privacy notice

50. An applicant asks about a qualified plan promising a specified retirement benefit. Which term should the producer use?

- A. Vision care policy
- B. COBRA
- C. Defined benefit plan
- D. Guaranty association

51. A policy description refers to a qualified plan specifying contributions rather than a guaranteed retirement benefit. Which concept matches that description?

- A. Disability income policy
- B. HIPAA portability
- C. Continuing education
- D. Defined contribution plan

52. Which term is best defined as the point at which an employee gains a nonforfeitable right to accrued plan benefits?

- A. Elimination period
- B. Vesting
- C. Affordable Care Act marketplace
- D. License renewal

53. An applicant asks about an individual retirement arrangement established by a person for retirement savings. Which term should the producer use?

- A. Benefit period
- B. Open enrollment
- C. IRA
- D. License suspension

54. A policy description refers to a transfer of retirement-plan funds that can preserve tax-deferred treatment when completed under applicable rules. Which concept matches that description?

- A. Rollover
- B. Residual disability benefit
- C. Adverse selection
- D. License revocation

55. Which term is best defined as a loan secured by the cash value of a permanent life insurance policy?

- A. Presumptive disability
- B. Coordination of benefits
- C. Policy loan
- D. Cease and desist order

56. An applicant asks about the amount an insured pays before a policy begins paying covered expenses. Which term should the producer use?

- A. Own-occupation definition
- B. Primary insurer
- C. Administrative hearing
- D. Deductible

57. A policy description refers to a sharing arrangement under which the insured pays a stated percentage of covered expenses. Which concept matches that description?

- A. Any-occupation definition
- B. Coinsurance
- C. Subrogation
- D. Insurance fraud

58. Which term is best defined as a fixed dollar amount paid by an insured for a covered service?

- A. Copayment
- B. Long-term care insurance
- C. Probationary period
- D. Disclosure

59. An applicant asks about a policy limit on the insured's out-of-pocket covered expense responsibility. Which term should the producer use?

- A. Activities of daily living
- B. Preexisting condition exclusion
- C. Stop-loss limit
- D. Advertising

60. A policy description refers to a deductible that must be satisfied again in each calendar year. Which concept matches that description?

- A. Home health care
- B. Guaranteed renewable policy
- C. Producer recordkeeping
- D. Calendar-year deductible

61. Which term is best defined as health insurance covering specified hospital services subject to policy limits?

- A. Basic hospital expense policy
- B. Skilled nursing facility
- C. Noncancelable policy
- D. Unauthorized insurer

62. An applicant asks about broad medical-expense coverage usually featuring deductibles and coinsurance. Which term should the producer use?

- A. Hospice care
- B. Major medical policy
- C. Change of occupation provision
- D. Insurable interest

63. A policy description refers to coverage combining hospital, surgical, and medical benefits under one contract. Which concept matches that description?

- A. Comprehensive medical expense policy
- B. HMO
- C. Time limit on certain defenses
- D. Term life insurance

64. Which term is best defined as coverage paying a stated amount per day of hospitalization rather than reimbursing actual expenses?

- A. PPO
- B. Notice of claim
- C. Level term insurance
- D. Hospital indemnity policy

65. An applicant asks about coverage paying benefits for covered surgical procedures according to the policy schedule. Which term should the producer use?

- A. Point-of-service plan
- B. Proof of loss
- C. Surgical expense policy
- D. Decreasing term insurance

66. A policy description refers to coverage designed to help pay covered dental services. Which concept matches that description?

- A. Primary care physician
- B. Dental expense policy
- C. Legal actions provision
- D. Convertible term insurance

67. Which term is best defined as coverage designed to help pay covered eye examinations, lenses, or related services?

- A. Vision care policy
- B. Capitation
- C. Recurrent disability
- D. Renewable term insurance

68. An applicant asks about coverage replacing part of earned income when disability prevents the insured from working. Which term should the producer use?

- A. Utilization review
- B. NYDFS
- C. Disability income policy
- D. Whole life insurance

69. A policy description refers to the waiting period after disability begins before disability-income benefits become payable. Which concept matches that description?

- A. Preauthorization
- B. Life, Accident and Health authority
- C. Participating life policy
- D. Elimination period

70. Which term is best defined as the maximum length of time disability-income benefits may be paid for one disability?

- A. Medicare Part A
- B. Benefit period
- C. Agent
- D. Limited-pay whole life

71. An applicant asks about a disability benefit for partial income loss after the insured returns to work. Which term should the producer use?

- A. Medicare Part B
- B. Broker
- C. Single-premium whole life
- D. Residual disability benefit

72. A policy description refers to a disability classification based on specified severe losses without proving inability to work. Which concept matches that description?

- A. Medicare Part C
- B. Presumptive disability
- C. Producer appointment notice
- D. Universal life insurance

73. Which term is best defined as a disability definition based on inability to perform the duties of the insured's regular occupation?

- A. Medicare Part D
- B. Prelicensing education
- C. Own-occupation definition
- D. Variable life insurance

74. An applicant asks about a disability definition based on inability to perform the duties of any suitable occupation. Which term should the producer use?

- A. Any-occupation definition
- B. Medigap policy
- C. Policy summary
- D. Equity-indexed life insurance

75. A policy description refers to coverage for qualifying care needed because of chronic illness, disability, or cognitive impairment. Which concept matches that description?

- A. Medicaid
- B. Buyer's guide
- C. Joint life policy
- D. Long-term care insurance

76. Which term is best defined as basic self-care tasks used to evaluate long-term care benefit eligibility?

- A. COBRA
- B. Replacement
- C. Activities of daily living
- D. Survivorship life policy

77. An applicant asks about health services provided in the insured's residence by qualified personnel. Which term should the producer use?

- A. HIPAA portability
- B. Home health care
- C. Replacement notice
- D. Group life insurance

78. A policy description refers to a licensed facility providing continuous skilled nursing or rehabilitative care. Which concept matches that description?

- A. Skilled nursing facility
- B. Affordable Care Act marketplace
- C. Suitability
- D. Credit life insurance

79. Which term is best defined as supportive care focused on comfort for terminally ill patients?

- A. Open enrollment
- B. Life insurance illustration
- C. Human life value approach
- D. Hospice care

80. An applicant asks about a managed-care organization emphasizing network services and coordinated care. Which term should the producer use?

- A. HMO
- B. Adverse selection
- C. Unfair discrimination
- D. Needs approach

81. A policy description refers to a health plan offering preferred provider networks with greater flexibility for out-of-network care. Which concept matches that description?

- A. Coordination of benefits
- B. PPO
- C. Misrepresentation
- D. Key person insurance

82. Which term is best defined as a managed-care plan combining features of HMO and PPO coverage?

- A. Primary insurer
- B. Rebating
- C. Point-of-service plan
- D. Buy-sell funding

83. An applicant asks about the provider who coordinates routine care and referrals in many managed-care plans. Which term should the producer use?

- A. Subrogation
- B. Twisting
- C. Grace period
- D. Primary care physician

84. A policy description refers to a payment method in which a provider receives a fixed amount per enrolled person. Which concept matches that description?

- A. Probationary period
- B. Capitation
- C. Defamation
- D. Incontestability clause

85. Which term is best defined as a process evaluating the necessity, setting, or appropriateness of medical services?

- A. Utilization review
- B. Preexisting condition exclusion
- C. Boycott
- D. Reinstatement

86. An applicant asks about advance approval required by a plan before certain covered services are obtained. Which term should the producer use?

- A. Guaranteed renewable policy
- B. Controlled business
- C. Preauthorization
- D. Misstatement of age provision

87. A policy description refers to the Medicare component primarily covering inpatient hospital and related institutional care. Which concept matches that description?

- A. Noncancelable policy
- B. Medicare Part A
- C. Fiduciary responsibility
- D. Entire contract provision

88. Which term is best defined as the Medicare component covering many physician and outpatient services?

- A. Medicare Part B
- B. Change of occupation provision
- C. Premium receipt
- D. Free-look provision

89. An applicant asks about the Medicare option allowing coverage through approved private health plans. Which term should the producer use?

- A. Time limit on certain defenses
- B. Conditional receipt
- C. Medicare Part C
- D. Revocable beneficiary

90. A policy description refers to the Medicare component providing prescription drug coverage through approved plans. Which concept matches that description?

- A. Notice of claim
- B. Backdating
- C. Irrevocable beneficiary
- D. Medicare Part D

91. Which term is best defined as private supplemental insurance designed to help with Medicare cost sharing?

- A. Proof of loss
- B. Medigap policy
- C. Field underwriting
- D. Per stirpes distribution

92. An applicant asks about a joint federal-state program providing medical assistance to eligible low-income individuals. Which term should the producer use?

- A. Legal actions provision
- B. Medical Information Bureau
- C. Spendthrift clause
- D. Medicaid

93. A policy description refers to federal continuation coverage rights following certain loss-of-coverage events under employer plans. Which concept matches that description?

- A. Recurrent disability
- B. Consumer report
- C. COBRA
- D. Cash surrender value

94. Which term is best defined as federal protections that limit certain health-coverage exclusions and protect health information?

- A. HIPAA portability
- B. NYDFS
- C. Adverse underwriting decision
- D. Extended term option

95. An applicant asks about a marketplace through which eligible consumers may compare and enroll in qualified health plans. Which term should the producer use?

- A. Affordable Care Act marketplace
- B. Life, Accident and Health authority
- C. Privacy notice
- D. Reduced paid-up option

96. A policy description refers to a designated period for enrolling in or changing health coverage without a special enrollment event. Which concept matches that description?

- A. Agent
- B. Open enrollment
- C. Guaranty association
- D. Automatic premium loan

97. Which term is best defined as the tendency of people with higher expected losses to seek or keep insurance more often?

- A. Broker
- B. Continuing education
- C. Paid-up additions
- D. Adverse selection

98. An applicant asks about rules used to determine how multiple health plans share payment responsibility. Which term should the producer use?

- A. Producer appointment notice
- B. License renewal
- C. Coordination of benefits
- D. Accumulation at interest

99. A policy description refers to the plan that pays first under coordination-of-benefits rules. Which concept matches that description?

- A. Prelicensing education
- B. License suspension
- C. Primary insurer
- D. Waiver of premium rider

100. Which term is best defined as an insurer's right to recover from a responsible third party after paying a covered loss?

- A. Policy summary
- B. Subrogation
- C. License revocation
- D. Accidental death rider

101. An applicant asks about an initial enrollment period during which specified conditions may not be covered. Which term should the producer use?

- A. Probationary period
- B. Buyer's guide
- C. Cease and desist order
- D. Guaranteed insurability rider

102. A policy description refers to a policy limitation relating to a condition present before coverage began. Which concept matches that description?

- A. Replacement
- B. Administrative hearing
- C. Accelerated death benefit
- D. Preexisting condition exclusion

103. Which term is best defined as a policy the insurer must renew to a stated age if premiums are paid, subject to permitted class changes?

- A. Guaranteed renewable policy
- B. Replacement notice
- C. Insurance fraud
- D. Fixed annuity

104. An applicant asks about a policy the insurer cannot cancel or raise premiums on individually during the stated period. Which term should the producer use?

- A. Suitability
- B. Disclosure
- C. Noncancelable policy
- D. Variable annuity

105. A policy description refers to a disability-policy provision allowing benefit adjustment when the insured changes to a more hazardous job. Which concept matches that description?

- A. Life insurance illustration
- B. Advertising
- C. Immediate annuity
- D. Change of occupation provision

106. Which term is best defined as a health-policy provision restricting defenses after a stated period except as allowed for fraud?

- A. Unfair discrimination
- B. Time limit on certain defenses
- C. Producer recordkeeping
- D. Deferred annuity

107. An applicant asks about a required policy condition directing the insured to notify the insurer of a claim. Which term should the producer use?

- A. Misrepresentation
- B. Notice of claim
- C. Unauthorized insurer
- D. Annuitization

108. A policy description refers to documentation the claimant supplies to support a claim for benefits. Which concept matches that description?

- A. Proof of loss
- B. Rebating
- C. Insurable interest
- D. Life income settlement

109. Which term is best defined as a policy condition limiting when a claimant may bring suit after proof-of-loss requirements?

- A. Twisting
- B. Term life insurance
- C. 1035 exchange
- D. Legal actions provision

110. An applicant asks about a disability that returns after recovery and may be treated as the same or a new disability under policy terms. Which term should the producer use?

- A. Defamation
- B. Level term insurance
- C. Recurrent disability
- D. Modified endowment contract

111. A policy description refers to the New York State Department of Financial Services, which regulates insurance in New York. Which concept matches that description?

- A. Boycott
- B. Decreasing term insurance
- C. NYDFS
- D. Defined benefit plan

112. Which term is best defined as the New York license authority permitting sale, solicitation, or negotiation of life, annuity, and accident and health insurance?

- A. Controlled business
- B. Life, Accident and Health authority
- C. Convertible term insurance
- D. Defined contribution plan

113. An applicant asks about a licensee who represents insurers for which the agent is appointed. Which term should the producer use?

- A. Agent
- B. Fiduciary responsibility
- C. Renewable term insurance
- D. Vesting

114. A policy description refers to a licensee who represents the insured and may place business with an authorized insurer willing to accept it. Which concept matches that description?

- A. Premium receipt
- B. Whole life insurance
- C. IRA
- D. Broker

115. Which term is best defined as the notice an insurer files with the Department after appointing an agent?

- A. Producer appointment notice
- B. Conditional receipt
- C. Participating life policy
- D. Rollover

116. An applicant asks about required approved instruction completed before a candidate qualifies to take a licensing examination unless an exception applies. Which term should the producer use?

- A. Backdating
- B. Limited-pay whole life
- C. Prelicensing education
- D. Policy loan

117. A policy description refers to a document explaining key policy features to help a life-insurance consumer compare coverage. Which concept matches that description?

- A. Field underwriting
- B. Policy summary
- C. Single-premium whole life
- D. Deductible

118. Which term is best defined as consumer-oriented material describing life insurance and assisting in comparison shopping?

- A. Medical Information Bureau
- B. Universal life insurance
- C. Coinsurance
- D. Buyer's guide

119. An applicant asks about a transaction in which new life insurance or annuity coverage causes existing coverage to lapse, surrender, or otherwise change. Which term should the producer use?

- A. Consumer report
- B. Replacement
- C. Variable life insurance
- D. Copayment

120. A policy description refers to a required consumer disclosure used in a transaction involving replacement of life insurance or annuities. Which concept matches that description?

- A. Adverse underwriting decision
- B. Equity-indexed life insurance
- C. Replacement notice
- D. Stop-loss limit

121. Which term is best defined as the requirement that a recommendation be appropriate for the consumer's insurance needs and financial objectives?

- A. Suitability
- B. Privacy notice
- C. Joint life policy
- D. Calendar-year deductible

122. An applicant asks about a presentation showing how policy values or benefits may develop under stated assumptions. Which term should the producer use?

- A. Guaranty association
- B. Survivorship life policy
- C. Basic hospital expense policy
- D. Life insurance illustration

123. A policy description refers to treating similarly situated insureds differently without a permissible actuarial or legal basis. Which concept matches that description?

- A. Continuing education
- B. Group life insurance
- C. Major medical policy
- D. Unfair discrimination

124. Which term is best defined as an untrue or misleading statement about a policy, insurer, or benefit used in insurance sales?

- A. Misrepresentation
- B. License renewal
- C. Credit life insurance
- D. Comprehensive medical expense policy

125. An applicant asks about offering an inducement not specified in the insurance contract to persuade a purchase. Which term should the producer use?

- A. License suspension
- B. Human life value approach
- C. Rebating
- D. Hospital indemnity policy

126. A policy description refers to inducing a policyowner to replace coverage through misleading comparisons or incomplete information. Which concept matches that description?

- A. License revocation
- B. Twisting
- C. Needs approach
- D. Surgical expense policy

127. Which term is best defined as making a false statement that harms an insurer's financial reputation?

- A. Defamation
- B. Cease and desist order
- C. Key person insurance
- D. Dental expense policy

128. An applicant asks about an agreement or action restraining trade or competition through concerted refusal to deal. Which term should the producer use?

- A. Administrative hearing
- B. Boycott
- C. Buy-sell funding
- D. Vision care policy

129. A policy description refers to insurance written on the licensee, family, employer, or business associates rather than the general public. Which concept matches that description?

- A. Insurance fraud
- B. Grace period
- C. Controlled business
- D. Disability income policy

130. Which term is best defined as the duty to handle premiums or other client funds in a trustworthy, accountable manner?

- A. Disclosure
- B. Incontestability clause
- C. Elimination period
- D. Fiduciary responsibility

131. An applicant asks about written evidence that an insurer or authorized representative received a premium payment. Which term should the producer use?

- A. Advertising
- B. Reinstatement
- C. Premium receipt
- D. Benefit period

132. A policy description refers to a receipt that may provide limited temporary coverage subject to stated underwriting conditions. Which concept matches that description?

- A. Producer recordkeeping
- B. Conditional receipt
- C. Misstatement of age provision
- D. Residual disability benefit

133. Which term is best defined as dating a policy earlier than issue when permitted, commonly to preserve a lower insurance age?

- A. Backdating
- B. Unauthorized insurer
- C. Entire contract provision
- D. Presumptive disability

134. An applicant asks about information gathering by the producer during solicitation and application completion. Which term should the producer use?

- A. Insurable interest
- B. Free-look provision
- C. Own-occupation definition
- D. Field underwriting

135. A policy description refers to an industry information source insurers may use in underwriting, subject to applicable rules. Which concept matches that description?

- A. Term life insurance
- B. Medical Information Bureau
- C. Revocable beneficiary
- D. Any-occupation definition

136. Which term is best defined as a report containing information used by an insurer to evaluate an applicant's insurability?

- A. Level term insurance
- B. Irrevocable beneficiary
- C. Consumer report
- D. Long-term care insurance

137. An applicant asks about an unfavorable action based in whole or in part on underwriting information. Which term should the producer use?

- A. Adverse underwriting decision
- B. Decreasing term insurance
- C. Per stirpes distribution
- D. Activities of daily living

138. A policy description refers to notice describing an insurer's information-collection, sharing, and protection practices. Which concept matches that description?

- A. Convertible term insurance
- B. Spendthrift clause
- C. Home health care
- D. Privacy notice

139. Which term is best defined as a statutory safety-net mechanism that may provide limited protection if a member insurer becomes insolvent?

- A. Guaranty association
- B. Renewable term insurance
- C. Cash surrender value
- D. Skilled nursing facility

140. An applicant asks about ongoing approved education required to maintain a New York insurance license. Which term should the producer use?

- A. Whole life insurance
- B. Continuing education
- C. Extended term option
- D. Hospice care

141. A policy description refers to the process of continuing a license in force by meeting renewal requirements. Which concept matches that description?

- A. Participating life policy
- B. Reduced paid-up option
- C. License renewal
- D. HMO

142. Which term is best defined as temporary loss of authority to act under an insurance license?

- A. Limited-pay whole life
- B. Automatic premium loan
- C. PPO
- D. License suspension

143. An applicant asks about termination of authority to act under an insurance license. Which term should the producer use?

- A. License revocation
- B. Single-premium whole life
- C. Paid-up additions
- D. Point-of-service plan

144. A policy description refers to a regulatory order directing a person or entity to stop specified conduct. Which concept matches that description?

- A. Universal life insurance
- B. Accumulation at interest
- C. Primary care physician
- D. Cease and desist order

145. Which term is best defined as a formal proceeding in which a regulator considers alleged violations and evidence?

- A. Variable life insurance
- B. Waiver of premium rider
- C. Administrative hearing
- D. Capitation

146. An applicant asks about a deliberate deception connected with insurance intended to obtain an improper benefit. Which term should the producer use?

- A. Equity-indexed life insurance
- B. Insurance fraud
- C. Accidental death rider
- D. Utilization review

147. A policy description refers to providing material information to a consumer so the consumer can make an informed decision. Which concept matches that description?

- A. Joint life policy
- B. Guaranteed insurability rider
- C. Preauthorization
- D. Disclosure

148. Which term is best defined as a communication intended to create interest in insurance or induce its purchase?

- A. Advertising
- B. Survivorship life policy
- C. Accelerated death benefit
- D. Medicare Part A

149. An applicant asks about maintaining required insurance transaction records so compliance can be demonstrated. Which term should the producer use?

- A. Group life insurance
- B. Producer recordkeeping
- C. Fixed annuity
- D. Medicare Part B

150. A policy description refers to an insurer not licensed or otherwise authorized to transact the relevant insurance business in New York. Which concept matches that description?

- A. Credit life insurance
- B. Variable annuity
- C. Unauthorized insurer
- D. Medicare Part C

Practice Exam 9: Answer Key and Explanations

- 1. A** — 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.
- 2. C** — 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.
- 3. A** — Level term insurance means term coverage with a death benefit that remains constant during the term. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.
- 4. B** — Decreasing term insurance means term coverage whose death benefit declines over time. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors. Read every qualifier carefully before selecting the best answer.
- 5. D** — 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.
- 6. C** — 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.
- 7. 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.
- 8. A** — 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.
- 9. D** — Limited-pay whole life means whole life insurance paid up after a stated premium-paying period. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

10. C — 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.

11. A — 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.

12. C — 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.

13. D — 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.

14. B — 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.

15. D — 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.

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

17. B — 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.

18. 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.

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

20. D — 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.

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

22. C — 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.

23. C — 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.

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

25. 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.

26. D — 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.

27. 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.

28. B — 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.

29. C — Irrevocable beneficiary means a beneficiary designation that generally cannot be changed without the beneficiary's consent. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

30. A — 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.

31. 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.

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

33. C — 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.

34. B — 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.

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

36. 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.

37. D — 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.

38. B — 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.

39. C — 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.

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

41. 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.

42. A — 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.

43. 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.

44. D — 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.

45. B — 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.

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

47. A — 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.

48. 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.

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

50. C — 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.

51. D — 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.

52. 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.

53. 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.

54. A — Rollover means a transfer of retirement-plan funds that can preserve tax-deferred treatment when completed under applicable rules. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

55. 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.

56. 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.

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

58. A — Copayment means a fixed dollar amount paid by an insured for a covered service. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

59. C — 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.

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

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

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

63. A — 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.

64. D — 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.

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

66. B — 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.

67. A — 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.

68. C — 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.

69. D — 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.

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

71. D — 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.

72. B — 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.

73. C — Own-occupation definition means a disability definition based on inability to perform the duties of the insured's regular occupation. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

74. 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.

75. 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.

76. C — Activities of daily living means basic self-care tasks used to evaluate long-term care benefit eligibility. The stem matches that function. Other choices name different policy forms, provisions, or regulations. Compare the trigger and purpose in the stem, not a familiar word in a choice. This separates related terms and prevents errors.

77. B — 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.

78. A — 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.

79. 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.

80. A — 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.

81. B — 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.

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

83. 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.

84. 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.

85. 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.

86. C — 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.

87. B — 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.

88. 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.

89. C — 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.

90. D — 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.

91. B — 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.

92. D — 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.

93. C — 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.

94. 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.

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

96. B — 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.

97. 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.

98. 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.

99. 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.

100. 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.

101. A — 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.

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

103. A — 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.

104. 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.

105. D — 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.

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

107. B — 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.

108. A — 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.

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

110. C — 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.

111. C — 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.

112. B — 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.

113. A — 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.

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

115. A — 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.

116. C — 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.

117. B — Policy summary means a document explaining key policy features to help a life-insurance consumer compare coverage. The stem matches that function. Other choices name different policy

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

118. D — 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.

119. 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.

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

121. A — 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.

122. 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.

123. D — 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.

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

125. C — 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.

126. B — 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.

127. A — 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.

128. B — 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.

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

130. 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.

131. C — 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.

132. 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.

133. 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.

134. 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.

135. 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.

136. C — 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.

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

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

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

140. B — 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.

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

142. D — 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.

143. 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.

144. 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.

145. C — 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.

146. 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.

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

148. A — 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.

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

150. C — 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.