

PENNSYLVANIA LIFE, ACCIDENT AND HEALTH INSURANCE LICENSE PRACTICE EXAM 9 (150 QUESTIONS)

This original 150-question practice exam reviews life insurance, accident and health insurance, social insurance, annuities, general insurance concepts, and Pennsylvania producer practices. Select the single best answer. It is a study aid, not an official examination; confirm current Pennsylvania requirements with the Pennsylvania Insurance Department.

1. A policyowner asks: in life insurance, what is the primary purpose of an insurable-interest requirement?
 - A. Payment of part of the death benefit during a qualifying terminal illness
 - B. Generally received income-tax free under the policy terms
 - C. A business against loss caused by a key employee's death
 - D. To prevent wagering on another person's life under the policy terms

2. Select the best statement: which policy is designed to provide coverage for a stated term and no cash value?
 - A. Level term life insurance under the policy terms
 - B. For the beneficiary's lifetime under the policy terms
 - C. Reduced paid-up insurance under the policy terms
 - D. Adjust benefits to the amount the premium would have purchased

3. In this insurance scenario, what feature distinguishes whole life insurance from term life insurance?
 - A. When it exceeds the policyowner's cost basis under the policy terms
 - B. Fund a business-interest purchase after an owner's death
 - C. Guaranteed cash value that builds over time under the policy terms
 - D. Waiver of premium rider under the policy terms

4. A producer should recognize that which policy combines permanent coverage with flexible premium payments?
 - A. Universal life insurance under the policy terms
 - B. To limit payment during an initial policy period as stated in the contract
 - C. To prevent wagering on another person's life under the policy terms
 - D. Proceeds are paid in installments for a selected number of years

5. A policyowner asks: a variable life policy places cash values in what type of account?
 - A. Whether the new coverage serves the client's interests and required disclosures
 - B. Payment of part of the death benefit during a qualifying terminal illness
 - C. Generally received income-tax free under the policy terms
 - D. Separate account investment options under the policy terms

- 6.** Select the best statement: what does a convertible term policy allow the owner to do?
- A. Level term life insurance under the policy terms
 - B. Exchange term coverage for permanent coverage without new evidence of insurability
 - C. For the beneficiary's lifetime under the policy terms
 - D. Reduced paid-up insurance under the policy terms
- 7.** In this insurance scenario, what is the usual effect of a renewable term policy provision?
- A. To buy stated amounts of additional coverage at scheduled times
 - B. When it exceeds the policyowner's cost basis under the policy terms
 - C. Coverage can continue at renewal without proof of insurability
 - D. Fund a business-interest purchase after an owner's death
- 8.** A producer should recognize that which rider waives premiums when the insured becomes totally disabled as defined by the policy?
- A. Grace-period provision under the policy terms
 - B. Waiver of premium rider under the policy terms
 - C. To limit payment during an initial policy period as stated in the contract
 - D. To prevent wagering on another person's life under the policy terms
- 9.** A policyowner asks: what does an accelerated death benefit rider generally permit?
- A. Payment of part of the death benefit during a qualifying terminal illness
 - B. Different tax rules for distributions and loans under the policy terms
 - C. Whether the new coverage serves the client's interests and required disclosures
 - D. Waiver of premium rider under the policy terms
- 10.** Select the best statement: a guaranteed insurability rider primarily gives the insured what right?
- A. Protect proceeds from a beneficiary's creditors and impulsive transfer
 - B. Level term life insurance under the policy terms
 - C. For the beneficiary's lifetime under the policy terms
 - D. To buy stated amounts of additional coverage at scheduled times
- 11.** In this insurance scenario, which beneficiary designation can be changed by the policyowner without beneficiary consent?
- A. To classify risk and determine acceptable coverage terms
 - B. Revocable beneficiary designation under the policy terms
 - C. Payment of part of the death benefit during a qualifying terminal illness
 - D. When it exceeds the policyowner's cost basis under the policy terms

- 12.** A producer should recognize that what is a common result when a beneficiary predeceases the insured and no contingent beneficiary exists?
- A. Proceeds are paid under the policy terms or to the insured's estate
 - B. Guaranteed cash value that builds over time under the policy terms
 - C. Grace-period provision under the policy terms
 - D. To limit payment during an initial policy period as stated in the contract
- 13.** A policyowner asks: what does per stirpes distribution mean in a beneficiary designation?
- A. To buy stated amounts of additional coverage at scheduled times
 - B. Different tax rules for distributions and loans under the policy terms
 - C. A deceased beneficiary's share passes to that beneficiary's descendants
 - D. Whether the new coverage serves the client's interests and required disclosures
- 14.** Select the best statement: which settlement option leaves principal with the insurer and pays interest to the beneficiary?
- A. The insurer's ability to void coverage for application misstatements
 - B. Protect proceeds from a beneficiary's creditors and impulsive transfer
 - C. Level term life insurance under the policy terms
 - D. Interest-only option under the policy terms
- 15.** In this insurance scenario, what is the defining feature of a fixed-period settlement option?
- A. Proceeds are paid in installments for a selected number of years
 - B. Available cash value under the policy terms
 - C. To classify risk and determine acceptable coverage terms
 - D. Payment of part of the death benefit during a qualifying terminal illness
- 16.** A producer should recognize that under a life-income settlement option, payments normally continue for how long?
- A. A master contract issued to the sponsoring group
 - B. Guaranteed cash value that builds over time under the policy terms
 - C. Grace-period provision under the policy terms
 - D. For the beneficiary's lifetime under the policy terms
- 17.** A policyowner asks: what policy provision identifies the grace period for a late premium?
- A. To help identify prior underwriting information requiring follow-up
 - B. Grace-period provision under the policy terms
 - C. To buy stated amounts of additional coverage at scheduled times
 - D. Different tax rules for distributions and loans under the policy terms

- 18.** Select the best statement: what does the incontestability clause generally limit after the stated period?
- A. Universal life insurance under the policy terms
 - B. Grace-period provision under the policy terms
 - C. The insurer's ability to void coverage for application misstatements
 - D. Protect proceeds from a beneficiary's creditors and impulsive transfer
- 19.** In this insurance scenario, which provision prevents an insurer from unilaterally changing the policy after issue?
- A. Revocable beneficiary designation under the policy terms
 - B. Available cash value under the policy terms
 - C. To classify risk and determine acceptable coverage terms
 - D. Entire-contract provision under the policy terms
- 20.** A producer should recognize that what does an assignment transfer?
- A. The insurer's ability to void coverage for application misstatements
 - B. A master contract issued to the sponsoring group
 - C. Some or all policy rights from the owner to another party
 - D. Guaranteed cash value that builds over time under the policy terms
- 21.** A policyowner asks: what is a collateral assignment commonly used for?
- A. To secure a loan with policy value or death proceeds
 - B. It reduces the death benefit and may contribute to lapse
 - C. To help identify prior underwriting information requiring follow-up
 - D. To buy stated amounts of additional coverage at scheduled times
- 22.** Select the best statement: what is the typical tax treatment of a life insurance death benefit paid to a named beneficiary?
- A. Convert to an individual policy within the allowed period
 - B. Generally received income-tax free under the policy terms
 - C. Universal life insurance under the policy terms
 - D. Grace-period provision under the policy terms
- 23.** In this insurance scenario, when may a life policy's cash surrender value create taxable income?
- A. When it exceeds the policyowner's cost basis under the policy terms
 - B. To state when temporary coverage may begin if stated conditions are met
 - C. Revocable beneficiary designation under the policy terms
 - D. Available cash value under the policy terms

- 24.** A producer should recognize that what is a modified endowment contract primarily subject to?
- A. Separate account investment options under the policy terms
 - B. The insurer's ability to void coverage for application misstatements
 - C. A master contract issued to the sponsoring group
 - D. Different tax rules for distributions and loans under the policy terms
- 25.** A policyowner asks: what does the policy loan provision allow a permanent-policy owner to borrow against?
- A. Proceeds are paid under the policy terms or to the insured's estate
 - B. It reduces the death benefit and may contribute to lapse
 - C. Available cash value under the policy terms
 - D. To help identify prior underwriting information requiring follow-up
- 26.** Select the best statement: what can occur if an outstanding policy loan plus interest is not repaid?
- A. Entire-contract provision under the policy terms
 - B. It reduces the death benefit and may contribute to lapse
 - C. Convert to an individual policy within the allowed period
 - D. Universal life insurance under the policy terms
- 27.** In this insurance scenario, what does a nonforfeiture option protect when a permanent-policy premium is not paid?
- A. It reduces the death benefit and may contribute to lapse
 - B. To state when temporary coverage may begin if stated conditions are met
 - C. Revocable beneficiary designation under the policy terms
 - D. Some accumulated value or reduced insurance benefit under the policy terms
- 28.** A producer should recognize that which nonforfeiture option uses cash value to purchase the same face amount for a limited time?
- A. Pay a covered debtor's outstanding loan balance at death
 - B. Separate account investment options under the policy terms
 - C. Extended term insurance under the policy terms
 - D. The insurer's ability to void coverage for application misstatements
- 29.** A policyowner asks: which nonforfeiture option provides a smaller amount of permanent coverage with no further premiums?
- A. Obtain a lower insurance age when permitted under the policy terms
 - B. Reduced paid-up insurance under the policy terms
 - C. Proceeds are paid under the policy terms or to the insured's estate
 - D. Available cash value under the policy terms

- 30.** Select the best statement: what is the purpose of the suicide clause in a life policy?
- A. To limit payment during an initial policy period as stated in the contract
 - B. Exchange term coverage for permanent coverage without new evidence of insurability
 - C. Entire-contract provision under the policy terms
 - D. Convert to an individual policy within the allowed period
- 31.** In this insurance scenario, what does a spendthrift clause seek to do?
- A. A deceased beneficiary's share passes to that beneficiary's descendants
 - B. It reduces the death benefit and may contribute to lapse
 - C. Protect proceeds from a beneficiary's creditors and impulsive transfer
 - D. To state when temporary coverage may begin if stated conditions are met
- 32.** A producer should recognize that what is group life insurance commonly characterized by?
- A. Some or all policy rights from the owner to another party
 - B. A master contract issued to the sponsoring group
 - C. Pay a covered debtor's outstanding loan balance at death
 - D. Separate account investment options under the policy terms
- 33.** A policyowner asks: when group coverage ends, what privilege may an insured commonly have?
- A. Convert to an individual policy within the allowed period
 - B. Some accumulated value or reduced insurance benefit under the policy terms
 - C. Obtain a lower insurance age when permitted under the policy terms
 - D. Proceeds are paid under the policy terms or to the insured's estate
- 34.** Select the best statement: what is credit life insurance intended to do?
- A. A business against loss caused by a key employee's death
 - B. Exchange term coverage for permanent coverage without new evidence of insurability
 - C. Entire-contract provision under the policy terms
 - D. Pay a covered debtor's outstanding loan balance at death
- 35.** In this insurance scenario, what is key-person life insurance designed to protect?
- A. A business against loss caused by a key employee's death
 - B. Adjust benefits to the amount the premium would have purchased
 - C. A deceased beneficiary's share passes to that beneficiary's descendants
 - D. It reduces the death benefit and may contribute to lapse

- 36.** A producer should recognize that in a buy-sell arrangement funded by life insurance, proceeds are used mainly to do what?
- A. Coverage can continue at renewal without proof of insurability
 - B. Some or all policy rights from the owner to another party
 - C. Convert to an individual policy within the allowed period
 - D. Fund a business-interest purchase after an owner's death
- 37.** A policyowner asks: what does replacement of life insurance require a producer to consider?
- A. Interest-only option under the policy terms
 - B. Whether the new coverage serves the client's interests and required disclosures
 - C. Some accumulated value or reduced insurance benefit under the policy terms
 - D. Obtain a lower insurance age when permitted under the policy terms
- 38.** Select the best statement: what is underwriting's central purpose in life insurance?
- A. To secure a loan with policy value or death proceeds
 - B. Pay a covered debtor's outstanding loan balance at death
 - C. To classify risk and determine acceptable coverage terms
 - D. Exchange term coverage for permanent coverage without new evidence of insurability
- 39.** In this insurance scenario, what is the Medical Information Bureau primarily used for in underwriting?
- A. Extended term insurance under the policy terms
 - B. To help identify prior underwriting information requiring follow-up
 - C. Adjust benefits to the amount the premium would have purchased
 - D. A deceased beneficiary's share passes to that beneficiary's descendants
- 40.** A producer should recognize that what is the purpose of a conditional receipt?
- A. A business against loss caused by a key employee's death
 - B. Coverage can continue at renewal without proof of insurability
 - C. Some or all policy rights from the owner to another party
 - D. To state when temporary coverage may begin if stated conditions are met
- 41.** A policyowner asks: what is backdating a life policy generally used to accomplish?
- A. To prevent wagering on another person's life under the policy terms
 - B. Interest-only option under the policy terms
 - C. Obtain a lower insurance age when permitted under the policy terms
 - D. Some accumulated value or reduced insurance benefit under the policy terms

- 42.** Select the best statement: what does a misstatement-of-age provision permit an insurer to do?
- A. Adjust benefits to the amount the premium would have purchased
 - B. Waiver of premium rider under the policy terms
 - C. To secure a loan with policy value or death proceeds
 - D. Pay a covered debtor's outstanding loan balance at death
- 43.** In this insurance scenario, what is the principal purpose of medical expense insurance?
- A. To reimburse covered medical expenses subject to policy terms
 - B. Coordinated care through a provider network under the policy terms
 - C. A new waiting period for a related disability returning within the stated time
 - D. Duplicate payment when more than one plan covers the same expense
- 44.** A producer should recognize that which type of policy pays a stated amount per day of hospitalization?
- A. The waiting period before benefits become payable under the policy terms
 - B. The insurer must renew coverage subject to permitted class-wide changes
 - C. Documentation supporting a claim and the amount payable
 - D. Hospital indemnity policy under the policy terms
- 45.** A policyowner asks: what does a major medical policy primarily protect against?
- A. Custodial or skilled care when daily-living assistance is needed
 - B. The insurer's right to recover from a responsible third party
 - C. High-cost covered medical expenses under the policy terms
 - D. A fixed amount paid for a covered service
- 46.** Select the best statement: what is a deductible in health insurance?
- A. Renewal and a fixed premium while required premiums are paid
 - B. The amount the insured pays before covered benefits begin
 - C. When an insured may bring suit under the policy
 - D. Paying eligible expenses through employer-sponsored salary reductions under the policy terms
- 47.** In this insurance scenario, what is coinsurance after a deductible is satisfied?
- A. Restoring a lapsed policy after required conditions are met
 - B. A sharing percentage paid by the insured and insurer
 - C. Network discounts with some out-of-network access under the policy terms
 - D. Inability to perform work for which the insured is reasonably suited

- 48.** A producer should recognize that what is an out-of-pocket maximum intended to limit?
- A. To reimburse covered medical expenses subject to policy terms
 - B. A portion of lost earned income during disability
 - C. A policy providing restricted coverage for listed services or conditions
 - D. The insured's covered cost sharing during a plan period
- 49.** A policyowner asks: what is a copayment?
- A. Coordinated care through a provider network under the policy terms
 - B. A new waiting period for a related disability returning within the stated time
 - C. A fixed amount paid for a covered service
 - D. Duplicate payment when more than one plan covers the same expense
- 50.** Select the best statement: what does a preferred provider organization generally offer?
- A. Network discounts with some out-of-network access under the policy terms
 - B. The waiting period before benefits become payable under the policy terms
 - C. The insurer must renew coverage subject to permitted class-wide changes
 - D. Documentation supporting a claim and the amount payable
- 51.** In this insurance scenario, what is a health maintenance organization most associated with?
- A. Custodial or skilled care when daily-living assistance is needed
 - B. Coordinated care through a provider network under the policy terms
 - C. The insurer's right to recover from a responsible third party
 - D. The insured's covered cost sharing during a plan period
- 52.** A producer should recognize that what role does a primary care provider often have in an HMO?
- A. Renewal and a fixed premium while required premiums are paid
 - B. When an insured may bring suit under the policy
 - C. Paying eligible expenses through employer-sponsored salary reductions under the policy terms
 - D. Coordinates routine care and referrals under plan rules
- 53.** A policyowner asks: what is a point-of-service plan?
- A. A plan combining managed-care features with out-of-network options
 - B. Restoring a lapsed policy after required conditions are met
 - C. A fixed amount paid for a covered service
 - D. Inability to perform work for which the insured is reasonably suited

54. Select the best statement: what is a high-deductible health plan commonly paired with?
- A. To reimburse covered medical expenses subject to policy terms
 - B. A portion of lost earned income during disability
 - C. A health savings account when eligibility requirements are met
 - D. A policy providing restricted coverage for listed services or conditions
55. In this insurance scenario, what is the key tax feature of a health savings account?
- A. Qualified medical distributions may receive favorable tax treatment
 - B. Network discounts with some out-of-network access under the policy terms
 - C. A new waiting period for a related disability returning within the stated time
 - D. Duplicate payment when more than one plan covers the same expense
56. A producer should recognize that what is a flexible spending arrangement generally used for?
- A. The waiting period before benefits become payable under the policy terms
 - B. The insurer must renew coverage subject to permitted class-wide changes
 - C. Documentation supporting a claim and the amount payable
 - D. Paying eligible expenses through employer-sponsored salary reductions under the policy terms
57. A policyowner asks: what is disability income insurance designed to replace?
- A. Custodial or skilled care when daily-living assistance is needed
 - B. A portion of lost earned income during disability
 - C. The insurer's right to recover from a responsible third party
 - D. The insured's covered cost sharing during a plan period
58. Select the best statement: what is the elimination period in a disability income policy?
- A. Renewal and a fixed premium while required premiums are paid
 - B. When an insured may bring suit under the policy
 - C. The waiting period before benefits become payable under the policy terms
 - D. Qualified medical distributions may receive favorable tax treatment
59. In this insurance scenario, what is a benefit period in disability income insurance?
- A. Restoring a lapsed policy after required conditions are met
 - B. A fixed amount paid for a covered service
 - C. Inability to perform work for which the insured is reasonably suited
 - D. The maximum duration for which benefits can be paid

- 60.** A producer should recognize that what is residual disability coverage intended to address?
- A. Partial income loss after a disabled person returns to work
 - B. To reimburse covered medical expenses subject to policy terms
 - C. Paying eligible expenses through employer-sponsored salary reductions under the policy terms
 - D. A policy providing restricted coverage for listed services or conditions
- 61.** A policyowner asks: what is presumptive disability coverage based on?
- A. Network discounts with some out-of-network access under the policy terms
 - B. A new waiting period for a related disability returning within the stated time
 - C. Specified severe losses that qualify without proving income loss
 - D. Duplicate payment when more than one plan covers the same expense
- 62.** Select the best statement: what does own-occupation disability coverage focus on?
- A. A portion of lost earned income during disability
 - B. Inability to perform the duties of the insured's regular occupation
 - C. The insurer must renew coverage subject to permitted class-wide changes
 - D. Documentation supporting a claim and the amount payable
- 63.** In this insurance scenario, what does any-occupation disability coverage generally require?
- A. Inability to perform work for which the insured is reasonably suited
 - B. Custodial or skilled care when daily-living assistance is needed
 - C. The insurer's right to recover from a responsible third party
 - D. The insured's covered cost sharing during a plan period
- 64.** A producer should recognize that what is a recurrent-disability provision intended to prevent?
- A. Renewal and a fixed premium while required premiums are paid
 - B. When an insured may bring suit under the policy
 - C. Qualified medical distributions may receive favorable tax treatment
 - D. A new waiting period for a related disability returning within the stated time
- 65.** A policyowner asks: what is long-term care insurance primarily designed to cover?
- A. Restoring a lapsed policy after required conditions are met
 - B. A fixed amount paid for a covered service
 - C. Custodial or skilled care when daily-living assistance is needed
 - D. Inability to perform the duties of the insured's regular occupation

- 66.** Select the best statement: what are activities of daily living used for in long-term care policies?
- A. To reimburse covered medical expenses subject to policy terms
 - B. To measure functional impairment and benefit eligibility under the policy terms
 - C. Paying eligible expenses through employer-sponsored salary reductions under the policy terms
 - D. A policy providing restricted coverage for listed services or conditions
- 67.** In this insurance scenario, what does a long-term care inflation-protection option address?
- A. Network discounts with some out-of-network access under the policy terms
 - B. The rising cost of future care under the policy terms
 - C. Inability to perform work for which the insured is reasonably suited
 - D. Duplicate payment when more than one plan covers the same expense
- 68.** A producer should recognize that what is a Medicare supplement policy intended to do?
- A. A portion of lost earned income during disability
 - B. The insurer must renew coverage subject to permitted class-wide changes
 - C. Documentation supporting a claim and the amount payable
 - D. Cover certain Medicare cost-sharing gaps under the policy terms
- 69.** A policyowner asks: what is an accidental death and dismemberment policy designed to pay for?
- A. Losses caused by covered accidents under the policy terms
 - B. A new waiting period for a related disability returning within the stated time
 - C. The insurer's right to recover from a responsible third party
 - D. The insured's covered cost sharing during a plan period
- 70.** Select the best statement: what is a limited-benefit policy?
- A. Renewal and a fixed premium while required premiums are paid
 - B. When an insured may bring suit under the policy
 - C. A policy providing restricted coverage for listed services or conditions
 - D. Qualified medical distributions may receive favorable tax treatment
- 71.** In this insurance scenario, what does a guaranteed renewable health policy require?
- A. Restoring a lapsed policy after required conditions are met
 - B. A fixed amount paid for a covered service
 - C. Inability to perform the duties of the insured's regular occupation
 - D. The insurer must renew coverage subject to permitted class-wide changes

72. A producer should recognize that what does noncancelable health coverage generally guarantee?
- A. To reimburse covered medical expenses subject to policy terms
 - B. Renewal and a fixed premium while required premiums are paid
 - C. Paying eligible expenses through employer-sponsored salary reductions under the policy terms
 - D. Losses caused by covered accidents under the policy terms
73. A policyowner asks: what does conditionally renewable health coverage allow an insurer to do?
- A. Decline renewal only for stated reasons in the policy
 - B. Network discounts with some out-of-network access under the policy terms
 - C. Inability to perform work for which the insured is reasonably suited
 - D. Duplicate payment when more than one plan covers the same expense
74. Select the best statement: what is a preauthorization requirement intended to do?
- A. A portion of lost earned income during disability
 - B. A policy providing restricted coverage for listed services or conditions
 - C. Obtain plan approval before certain covered services under the policy terms
 - D. Documentation supporting a claim and the amount payable
75. In this insurance scenario, what is utilization review?
- A. Evaluation of the necessity and appropriateness of health services
 - B. A new waiting period for a related disability returning within the stated time
 - C. The insurer's right to recover from a responsible third party
 - D. The insured's covered cost sharing during a plan period
76. A producer should recognize that what is case management in health care?
- A. The insurer must renew coverage subject to permitted class-wide changes
 - B. When an insured may bring suit under the policy
 - C. Coordination of services for a patient with complex needs
 - D. Qualified medical distributions may receive favorable tax treatment
77. A policyowner asks: what does coordination of benefits seek to prevent?
- A. Restoring a lapsed policy after required conditions are met
 - B. Duplicate payment when more than one plan covers the same expense
 - C. A fixed amount paid for a covered service
 - D. Inability to perform the duties of the insured's regular occupation

- 78.** Select the best statement: what is subrogation in health insurance?
- A. To reimburse covered medical expenses subject to policy terms
 - B. Paying eligible expenses through employer-sponsored salary reductions under the policy terms
 - C. Losses caused by covered accidents under the policy terms
 - D. The insurer's right to recover from a responsible third party
- 79.** In this insurance scenario, what does a reinstatement provision address?
- A. Network discounts with some out-of-network access under the policy terms
 - B. Inability to perform work for which the insured is reasonably suited
 - C. Coordination of services for a patient with complex needs
 - D. Restoring a lapsed policy after required conditions are met
- 80.** A producer should recognize that what is a probationary period in health insurance?
- A. An initial period before coverage begins for specified conditions
 - B. A portion of lost earned income during disability
 - C. A policy providing restricted coverage for listed services or conditions
 - D. Documentation supporting a claim and the amount payable
- 81.** A policyowner asks: what is a free-look provision?
- A. A new waiting period for a related disability returning within the stated time
 - B. Duplicate payment when more than one plan covers the same expense
 - C. A period to examine a policy and return it as allowed
 - D. The insured's covered cost sharing during a plan period
- 82.** Select the best statement: what is a grace period in health insurance?
- A. The insurer must renew coverage subject to permitted class-wide changes
 - B. A stated time to pay an overdue premium before termination
 - C. When an insured may bring suit under the policy
 - D. Qualified medical distributions may receive favorable tax treatment
- 83.** In this insurance scenario, what is a notice-of-claim provision?
- A. The insurer's right to recover from a responsible third party
 - B. A fixed amount paid for a covered service
 - C. Inability to perform the duties of the insured's regular occupation
 - D. A requirement to notify the insurer of a covered loss within the policy timeframe

- 84.** A producer should recognize that what is proof of loss?
- A. To reimburse covered medical expenses subject to policy terms
 - B. Paying eligible expenses through employer-sponsored salary reductions under the policy terms
 - C. Documentation supporting a claim and the amount payable
 - D. Losses caused by covered accidents under the policy terms
- 85.** A policyowner asks: what does a legal-actions provision limit?
- A. Network discounts with some out-of-network access under the policy terms
 - B. When an insured may bring suit under the policy
 - C. Inability to perform work for which the insured is reasonably suited
 - D. Coordination of services for a patient with complex needs
- 86.** Select the best statement: what is Medicare Part A primarily associated with?
- A. Inpatient hospital and related institutional coverage under the policy terms
 - B. Prescription drugs through approved plans under the policy terms
 - C. Tax-free treatment of earnings and principal under the policy terms
 - D. Medical assistance for eligible low-income individuals under the policy terms
- 87.** In this insurance scenario, what is Medicare Part B primarily associated with?
- A. Personal savings for retirement under tax rules under the policy terms
 - B. A contractual charge for certain early withdrawals under the policy terms
 - C. An employer retirement plan meeting applicable tax requirements
 - D. Physician and outpatient medical services under the policy terms
- 88.** A producer should recognize that what is Medicare Part C commonly called?
- A. Medicare Advantage under the policy terms
 - B. The period when value builds before income payments begin
 - C. A worker's insured status and qualifying disability under the policy terms
 - D. The period when accumulated value is converted to income payments
- 89.** A policyowner asks: what is Medicare Part D primarily designed to cover?
- A. Lifetime income with a minimum payment period for a beneficiary
 - B. Prescription drugs through approved plans under the policy terms
 - C. The employee's nonforfeitable right to employer-provided benefits under the policy terms
 - D. Income continuing for a surviving annuitant under the contract terms

- 90.** Select the best statement: what is Medicaid generally designed to provide?
- A. Job-related injuries and occupational illnesses under the policy terms
 - B. Contractual guarantees backed by the insurer's general account
 - C. Medical assistance for eligible low-income individuals under the policy terms
 - D. Temporary continuation of group health coverage at the participant's expense
- 91.** In this insurance scenario, what is Social Security disability insurance based primarily on?
- A. A determinable retirement benefit under the plan formula
 - B. Inpatient hospital and related institutional coverage under the policy terms
 - C. A worker's insured status and qualifying disability under the policy terms
 - D. Contributions to an individual participant account under the policy terms
- 92.** A producer should recognize that what is workers compensation intended to address?
- A. Investment performance in separate-account options affects value under the policy terms
 - B. Standards that protect health information and support coverage portability
 - C. Begin income payments shortly after premium is paid
 - D. Job-related injuries and occupational illnesses under the policy terms
- 93.** A policyowner asks: what does COBRA generally provide after a qualifying event?
- A. Temporary continuation of group health coverage at the participant's expense
 - B. Physician and outpatient medical services under the policy terms
 - C. Employee salary deferrals and possible employer contributions under the policy terms
 - D. Medicare Advantage under the policy terms
- 94.** Select the best statement: what is HIPAA portability most closely associated with?
- A. Obtaining individual health coverage and possible financial assistance
 - B. Standards that protect health information and support coverage portability
 - C. Accumulate value before income payments begin later under the policy terms
 - D. Personal savings for retirement under tax rules under the policy terms
- 95.** In this insurance scenario, what is the Affordable Care Act marketplace primarily used for?
- A. Tax-free treatment of earnings and principal under the policy terms
 - B. Prescription drugs through approved plans under the policy terms
 - C. Obtaining individual health coverage and possible financial assistance
 - D. The period when value builds before income payments begin

- 96.** A producer should recognize that what is an individual retirement arrangement primarily intended to support?
- A. A contractual charge for certain early withdrawals under the policy terms
 - B. An employer retirement plan meeting applicable tax requirements
 - C. Lifetime income with a minimum payment period for a beneficiary
 - D. Personal savings for retirement under tax rules under the policy terms
- 97.** A policyowner asks: what is a qualified plan in retirement planning?
- A. An employer retirement plan meeting applicable tax requirements
 - B. Medical assistance for eligible low-income individuals under the policy terms
 - C. The period when accumulated value is converted to income payments
 - D. A worker's insured status and qualifying disability under the policy terms
- 98.** Select the best statement: what does vesting describe in an employer retirement plan?
- A. An employer retirement plan meeting applicable tax requirements
 - B. Income continuing for a surviving annuitant under the contract terms
 - C. The employee's nonforfeitable right to employer-provided benefits under the policy terms
 - D. A determinable retirement benefit under the plan formula
- 99.** In this insurance scenario, what is a defined-benefit plan designed to promise?
- A. Contractual guarantees backed by the insurer's general account
 - B. A determinable retirement benefit under the plan formula
 - C. Job-related injuries and occupational illnesses under the policy terms
 - D. Investment performance in separate-account options affects value under the policy terms
- 100.** A producer should recognize that what is a defined-contribution plan designed to specify?
- A. Inpatient hospital and related institutional coverage under the policy terms
 - B. Contributions to an individual participant account under the policy terms
 - C. A determinable retirement benefit under the plan formula
 - D. Physician and outpatient medical services under the policy terms
- 101.** A policyowner asks: what is a 401(k) plan commonly funded through?
- A. Employee salary deferrals and possible employer contributions under the policy terms
 - B. Temporary continuation of group health coverage at the participant's expense
 - C. Begin income payments shortly after premium is paid
 - D. Standards that protect health information and support coverage portability

- 102.** Select the best statement: what is a Roth IRA distribution generally known for when qualified?
- A. Contributions to an individual participant account under the policy terms
 - B. Medicare Advantage under the policy terms
 - C. Employee salary deferrals and possible employer contributions under the policy terms
 - D. Tax-free treatment of earnings and principal under the policy terms
- 103.** In this insurance scenario, what is an annuity's accumulation phase?
- A. Accumulate value before income payments begin later under the policy terms
 - B. The period when value builds before income payments begin
 - C. Obtaining individual health coverage and possible financial assistance
 - D. A contractual charge for certain early withdrawals under the policy terms
- 104.** A producer should recognize that what is an annuity's annuitization phase?
- A. Prescription drugs through approved plans under the policy terms
 - B. Tax-free treatment of earnings and principal under the policy terms
 - C. Medical assistance for eligible low-income individuals under the policy terms
 - D. The period when accumulated value is converted to income payments
- 105.** A policyowner asks: what is a fixed annuity characterized by?
- A. Personal savings for retirement under tax rules under the policy terms
 - B. Lifetime income with a minimum payment period for a beneficiary
 - C. Contractual guarantees backed by the insurer's general account
 - D. An employer retirement plan meeting applicable tax requirements
- 106.** Select the best statement: what is a variable annuity characterized by?
- A. Investment performance in separate-account options affects value under the policy terms
 - B. The period when value builds before income payments begin
 - C. A worker's insured status and qualifying disability under the policy terms
 - D. The period when accumulated value is converted to income payments
- 107.** In this insurance scenario, what is an immediate annuity designed to do?
- A. Income continuing for a surviving annuitant under the contract terms
 - B. Begin income payments shortly after premium is paid
 - C. The employee's nonforfeitable right to employer-provided benefits under the policy terms
 - D. Inpatient hospital and related institutional coverage under the policy terms

- 108.** A producer should recognize that what is a deferred annuity designed to do?
- A. Job-related injuries and occupational illnesses under the policy terms
 - B. Contractual guarantees backed by the insurer's general account
 - C. Temporary continuation of group health coverage at the participant's expense
 - D. Accumulate value before income payments begin later under the policy terms
- 109.** A policyowner asks: what is a surrender charge in an annuity?
- A. A contractual charge for certain early withdrawals under the policy terms
 - B. A determinable retirement benefit under the plan formula
 - C. Physician and outpatient medical services under the policy terms
 - D. Contributions to an individual participant account under the policy terms
- 110.** Select the best statement: what is a life annuity with period certain intended to provide?
- A. Investment performance in separate-account options affects value under the policy terms
 - B. Standards that protect health information and support coverage portability
 - C. Lifetime income with a minimum payment period for a beneficiary
 - D. Begin income payments shortly after premium is paid
- 111.** In this insurance scenario, what is a joint-and-survivor annuity intended to provide?
- A. Medicare Advantage under the policy terms
 - B. Income continuing for a surviving annuitant under the contract terms
 - C. Employee salary deferrals and possible employer contributions under the policy terms
 - D. Prescription drugs through approved plans under the policy terms
- 112.** A producer should recognize that what is a representation on an insurance application?
- A. A statement believed true to the applicant's knowledge
 - B. Dishonesty or character traits increasing loss likelihood under the policy terms
 - C. Higher-risk applicants being more likely to seek coverage
 - D. Restore an insured financially without allowing profit from loss
- 113.** A policyowner asks: what is concealment in insurance?
- A. Handling client funds honestly and according to legal duties
 - B. A statement believed true to the applicant's knowledge
 - C. Information that could affect an insurer's decision or terms
 - D. Failure to disclose a material fact under the policy terms

- 114.** Select the best statement: what is a material fact in underwriting?
- A. Restore an insured financially without allowing profit from loss
 - B. The exchange of premium and enforceable promises under the policy terms
 - C. Information that could affect an insurer's decision or terms
 - D. Values exchanged may be unequal depending on a contingent event
- 115.** In this insurance scenario, what is a hazard?
- A. Failure to disclose a material fact under the policy terms
 - B. A condition that increases the chance or severity of loss
 - C. Information that could affect an insurer's decision or terms
 - D. Carelessness resulting from the existence of insurance under the policy terms
- 116.** A producer should recognize that what is morale hazard?
- A. Carelessness resulting from the existence of insurance under the policy terms
 - B. Values exchanged may be unequal depending on a contingent event
 - C. Only the insurer makes an enforceable promise to perform
 - D. The insurer drafts the form and ambiguities are generally construed against it
- 117.** A policyowner asks: what is moral hazard?
- A. A condition that increases the chance or severity of loss
 - B. Carelessness resulting from the existence of insurance under the policy terms
 - C. Dishonesty or character traits increasing loss likelihood under the policy terms
 - D. Higher-risk applicants being more likely to seek coverage
- 118.** Select the best statement: what is adverse selection?
- A. The insurer drafts the form and ambiguities are generally construed against it
 - B. Handling client funds honestly and according to legal duties
 - C. A statement believed true to the applicant's knowledge
 - D. Higher-risk applicants being more likely to seek coverage
- 119.** In this insurance scenario, what is indemnity intended to accomplish?
- A. Restore an insured financially without allowing profit from loss
 - B. Dishonesty or character traits increasing loss likelihood under the policy terms
 - C. Higher-risk applicants being more likely to seek coverage
 - D. The exchange of premium and enforceable promises under the policy terms

- 120.** A producer should recognize that what is consideration in an insurance contract?
- A. A statement believed true to the applicant's knowledge
 - B. Failure to disclose a material fact under the policy terms
 - C. Information that could affect an insurer's decision or terms
 - D. The exchange of premium and enforceable promises under the policy terms
- 121.** A policyowner asks: what does aleatory mean in an insurance contract?
- A. Restore an insured financially without allowing profit from loss
 - B. Values exchanged may be unequal depending on a contingent event
 - C. The exchange of premium and enforceable promises under the policy terms
 - D. Only the insurer makes an enforceable promise to perform
- 122.** Select the best statement: what does unilateral mean in an insurance contract?
- A. Information that could affect an insurer's decision or terms
 - B. A condition that increases the chance or severity of loss
 - C. Only the insurer makes an enforceable promise to perform
 - D. Carelessness resulting from the existence of insurance under the policy terms
- 123.** In this insurance scenario, what does adhesion mean in insurance contracting?
- A. The insurer drafts the form and ambiguities are generally construed against it
 - B. Values exchanged may be unequal depending on a contingent event
 - C. Only the insurer makes an enforceable promise to perform
 - D. Handling client funds honestly and according to legal duties
- 124.** A producer should recognize that what is fiduciary responsibility for premium funds?
- A. Carelessness resulting from the existence of insurance under the policy terms
 - B. Dishonesty or character traits increasing loss likelihood under the policy terms
 - C. Handling client funds honestly and according to legal duties
 - D. Higher-risk applicants being more likely to seek coverage
- 125.** A policyowner asks: in Pennsylvania, which agency administers insurance regulation and producer licensing?
- A. To authorize insurance solicitation, negotiation, or sale for the licensed lines
 - B. It can mislead a consumer about benefits, terms, or limitations
 - C. Explain the insurance options accurately and refer specialized advice appropriately
 - D. Pennsylvania Insurance Department under the policy terms

- 126.** Select the best statement: what is the basic purpose of a Pennsylvania producer license?
- A. Handle them promptly and in accordance with fiduciary duties
 - B. To authorize insurance solicitation, negotiation, or sale for the licensed lines
 - C. To provide suitable information and meet ongoing regulatory obligations
 - D. Protect consumers from deceptive or unfair conduct under the policy terms
- 127.** In this insurance scenario, what is the safest producer response when a prospect asks for an insurance recommendation beyond the producer's authority?
- A. Respond promptly, preserve relevant records, and cooperate with lawful inquiries
 - B. Explain the insurance options accurately and refer specialized advice appropriately
 - C. Using misleading comparisons to induce a policy replacement
 - D. To show the recommendation and disclosures were handled properly
- 128.** A producer should recognize that what is twisting in an insurance sale?
- A. Using misleading comparisons to induce a policy replacement
 - B. Making unsupported guarantees about an insurer's future performance
 - C. Obtain accurate, complete information before submission when possible
 - D. To protect the public and enforce insurance laws
- 129.** A policyowner asks: what is rebating in insurance marketing?
- A. Using misleading comparisons to induce a policy replacement
 - B. Accurately record information and avoid altering answers improperly
 - C. Treating similarly situated insureds differently without a permitted basis
 - D. Offering an unlawful inducement not stated in the policy
- 130.** Select the best statement: what is an unfair discrimination concern in insurance underwriting?
- A. Deliver or arrange delivery and explain material policy features
 - B. Verify the current requirement with the Pennsylvania Insurance Department
 - C. Treating similarly situated insureds differently without a permitted basis
 - D. Use truthful, nonmisleading descriptions of policy benefits and limits
- 131.** In this insurance scenario, what is defamation in an insurance context?
- A. Making a false malicious statement that harms an insurer or producer
 - B. Personal information must be safeguarded and used appropriately
 - C. Treating similarly situated insureds differently without a permitted basis
 - D. The exclusions and limitations material to the buyer's decision

- 132.** A producer should recognize that what is a false financial statement in insurance regulation?
- A. To support accurate service, compliance, and response to lawful inquiries
 - B. Using them as an undisclosed inducement to buy insurance
 - C. Pennsylvania Insurance Department under the policy terms
 - D. A materially untrue statement about an insurer's financial condition
- 133.** A policyowner asks: what is an insurance producer expected to do with client premium funds?
- A. Making a false malicious statement that harms an insurer or producer
 - B. Provide accurate procedural guidance without promising an unauthorized claim outcome
 - C. Handle them promptly and in accordance with fiduciary duties
 - D. A materially untrue statement about an insurer's financial condition
- 134.** Select the best statement: what is the main purpose of Pennsylvania's unfair insurance practices rules?
- A. It can mislead a consumer about benefits, terms, or limitations
 - B. Protect consumers from deceptive or unfair conduct under the policy terms
 - C. To authorize insurance solicitation, negotiation, or sale for the licensed lines
 - D. Respond promptly, preserve relevant records, and cooperate with lawful inquiries
- 135.** In this insurance scenario, what should a producer do if an application answer is incomplete?
- A. Obtain accurate, complete information before submission when possible
 - B. To provide suitable information and meet ongoing regulatory obligations
 - C. Handle them promptly and in accordance with fiduciary duties
 - D. Making unsupported guarantees about an insurer's future performance
- 136.** A producer should recognize that what is a producer's responsibility regarding policy delivery?
- A. Explain the insurance options accurately and refer specialized advice appropriately
 - B. To show the recommendation and disclosures were handled properly
 - C. Deliver or arrange delivery and explain material policy features
 - D. Using misleading comparisons to induce a policy replacement
- 137.** A policyowner asks: what is a producer expected to do when advertising insurance?
- A. Protect consumers from deceptive or unfair conduct under the policy terms
 - B. Use truthful, nonmisleading descriptions of policy benefits and limits
 - C. To protect the public and enforce insurance laws
 - D. Obtain accurate, complete information before submission when possible

- 138.** Select the best statement: what is a Pennsylvania producer prohibited from doing with policy dividends or premiums?
- A. Accurately record information and avoid altering answers improperly
 - B. Offering an unlawful inducement not stated in the policy
 - C. Personal information must be safeguarded and used appropriately
 - D. Using them as an undisclosed inducement to buy insurance
- 139.** In this insurance scenario, why must a producer avoid misrepresenting policy provisions?
- A. It can mislead a consumer about benefits, terms, or limitations
 - B. Verify the current requirement with the Pennsylvania Insurance Department
 - C. Deliver or arrange delivery and explain material policy features
 - D. To support accurate service, compliance, and response to lawful inquiries
- 140.** A producer should recognize that what is the proper handling of a consumer complaint by a producer?
- A. Treating similarly situated insureds differently without a permitted basis
 - B. The exclusions and limitations material to the buyer's decision
 - C. Respond promptly, preserve relevant records, and cooperate with lawful inquiries
 - D. Making a false malicious statement that harms an insurer or producer
- 141.** A policyowner asks: why should a producer document a replacement transaction?
- A. Use truthful, nonmisleading descriptions of policy benefits and limits
 - B. Pennsylvania Insurance Department under the policy terms
 - C. Using them as an undisclosed inducement to buy insurance
 - D. To show the recommendation and disclosures were handled properly
- 142.** Select the best statement: what is a producer's role in completing an insurance application?
- A. Provide accurate procedural guidance without promising an unauthorized claim outcome
 - B. Accurately record information and avoid altering answers improperly
 - C. A materially untrue statement about an insurer's financial condition
 - D. To provide suitable information and meet ongoing regulatory obligations
- 143.** In this insurance scenario, why is policyholder privacy important in Pennsylvania insurance practice?
- A. To authorize insurance solicitation, negotiation, or sale for the licensed lines
 - B. It can mislead a consumer about benefits, terms, or limitations
 - C. Personal information must be safeguarded and used appropriately
 - D. Explain the insurance options accurately and refer specialized advice appropriately

- 144.** A producer should recognize that what should a producer disclose when a policy has significant exclusions?
- A. The exclusions and limitations material to the buyer's decision
 - B. Handle them promptly and in accordance with fiduciary duties
 - C. Making unsupported guarantees about an insurer's future performance
 - D. Protect consumers from deceptive or unfair conduct under the policy terms
- 145.** A policyowner asks: what is the appropriate approach to a claim question from an insured?
- A. Respond promptly, preserve relevant records, and cooperate with lawful inquiries
 - B. Provide accurate procedural guidance without promising an unauthorized claim outcome
 - C. Using misleading comparisons to induce a policy replacement
 - D. To show the recommendation and disclosures were handled properly
- 146.** Select the best statement: why must a Pennsylvania producer maintain competence in licensed lines?
- A. To protect the public and enforce insurance laws
 - B. Obtain accurate, complete information before submission when possible
 - C. Verify the current requirement with the Pennsylvania Insurance Department
 - D. To provide suitable information and meet ongoing regulatory obligations
- 147.** In this insurance scenario, what is a producer expected to avoid when discussing insurer financial strength?
- A. Offering an unlawful inducement not stated in the policy
 - B. Making unsupported guarantees about an insurer's future performance
 - C. Accurately record information and avoid altering answers improperly
 - D. Treating similarly situated insureds differently without a permitted basis
- 148.** A producer should recognize that what is the purpose of licensing discipline by the Pennsylvania Insurance Department?
- A. To protect the public and enforce insurance laws
 - B. Deliver or arrange delivery and explain material policy features
 - C. To support accurate service, compliance, and response to lawful inquiries
 - D. Use truthful, nonmisleading descriptions of policy benefits and limits
- 149.** A policyowner asks: when a question concerns a current Pennsylvania filing or deadline, what is the responsible exam-prep practice?
- A. Personal information must be safeguarded and used appropriately
 - B. Making a false malicious statement that harms an insurer or producer
 - C. The exclusions and limitations material to the buyer's decision
 - D. Verify the current requirement with the Pennsylvania Insurance Department

- 150.** Select the best statement: why should a Pennsylvania producer keep records of material consumer communications?
- A. Pennsylvania Insurance Department under the policy terms
 - B. Using them as an undisclosed inducement to buy insurance
 - C. To support accurate service, compliance, and response to lawful inquiries
 - D. To authorize insurance solicitation, negotiation, or sale for the licensed lines

PENNSYLVANIA PRACTICE EXAM 9: ANSWER KEY AND EXPLANATIONS

1. **D** - To prevent wagering on another person's life is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
2. **A** - Level term life insurance is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
3. **C** - Guaranteed cash value that builds over time is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
4. **A** - Universal life insurance is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully. Apply the contract language carefully.
5. **D** - Separate account investment options is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
6. **B** - Exchange term coverage for permanent coverage without new evidence of insurability is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
7. **C** - Coverage can continue at renewal without proof of insurability is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
8. **B** - Waiver of premium rider is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
9. **A** - Payment of part of the death benefit during a qualifying terminal illness is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
10. **D** - To buy stated amounts of additional coverage at scheduled times is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
11. **B** - Revocable beneficiary designation is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully. Apply the contract language carefully.
12. **A** - Proceeds are paid under the policy terms or to the insured's estate is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
13. **C** - A deceased beneficiary's share passes to that beneficiary's descendants is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
14. **D** - Interest-only option is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully. Apply the contract language carefully.
15. **A** - Proceeds are paid in installments for a selected number of years is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
16. **D** - For the beneficiary's lifetime is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and

do not resolve the specific issue presented. Apply the contract language carefully.

17. B - Grace-period provision is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully. Apply the contract language carefully.

18. C - The insurer's ability to void coverage for application misstatements is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

19. D - Entire-contract provision is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully. Apply the contract language carefully.

20. C - Some or all policy rights from the owner to another party is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

21. A - To secure a loan with policy value or death proceeds is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

22. B - Generally received income-tax free is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

23. A - When it exceeds the policyowner's cost basis is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

24. D - Different tax rules for distributions and loans is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

25. C - Available cash value is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully. Apply the contract language carefully.

26. B - It reduces the death benefit and may contribute to lapse is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

27. D - Some accumulated value or reduced insurance benefit is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

28. C - Extended term insurance is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully. Apply the contract language carefully.

29. B - Reduced paid-up insurance is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully. Apply the contract language carefully.

30. A - To limit payment during an initial policy period as stated in the contract is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

31. C - Protect proceeds from a beneficiary's creditors and impulsive transfer is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

32. B - A master contract issued to the sponsoring group is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other

insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

33. A - Convert to an individual policy within the allowed period is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

34. D - Pay a covered debtor's outstanding loan balance at death is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

35. A - A business against loss caused by a key employee's death is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

36. D - Fund a business-interest purchase after an owner's death is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

37. B - Whether the new coverage serves the client's interests and required disclosures is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

38. C - To classify risk and determine acceptable coverage terms is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

39. B - To help identify prior underwriting information requiring follow-up is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

40. D - To state when temporary coverage may begin if stated conditions are met is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

41. C - Obtain a lower insurance age when permitted is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

42. A - Adjust benefits to the amount the premium would have purchased is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

43. A - To reimburse covered medical expenses subject to policy terms is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

44. D - Hospital indemnity policy is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

45. C - High-cost covered medical expenses is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

46. B - The amount the insured pays before covered benefits begin is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

47. B - A sharing percentage paid by the insured and insurer is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

48. D - The insured's covered cost sharing during a plan period is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe

other insurance ideas and do not resolve the specific issue presented.

49. C - A fixed amount paid for a covered service is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

50. A - Network discounts with some out-of-network access is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

51. B - Coordinated care through a provider network is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

52. D - Coordinates routine care and referrals under plan rules is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

53. A - A plan combining managed-care features with out-of-network options is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

54. C - A health savings account when eligibility requirements are met is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

55. A - Qualified medical distributions may receive favorable tax treatment is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

56. D - Paying eligible expenses through employer-sponsored salary reductions is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

57. B - A portion of lost earned income during disability is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

58. C - The waiting period before benefits become payable is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

59. D - The maximum duration for which benefits can be paid is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

60. A - Partial income loss after a disabled person returns to work is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

61. C - Specified severe losses that qualify without proving income loss is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

62. B - Inability to perform the duties of the insured's regular occupation is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

63. A - Inability to perform work for which the insured is reasonably suited is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

- 64. D** - A new waiting period for a related disability returning within the stated time is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 65. C** - Custodial or skilled care when daily-living assistance is needed is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 66. B** - To measure functional impairment and benefit eligibility is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 67. B** - The rising cost of future care is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 68. D** - Cover certain Medicare cost-sharing gaps is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 69. A** - Losses caused by covered accidents is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 70. C** - A policy providing restricted coverage for listed services or conditions is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 71. D** - The insurer must renew coverage subject to permitted class-wide changes is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 72. B** - Renewal and a fixed premium while required premiums are paid is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 73. A** - Decline renewal only for stated reasons in the policy is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 74. C** - Obtain plan approval before certain covered services is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 75. A** - Evaluation of the necessity and appropriateness of health services is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 76. C** - Coordination of services for a patient with complex needs is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 77. B** - Duplicate payment when more than one plan covers the same expense is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 78. D** - The insurer's right to recover from a responsible third party is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 79. D** - Restoring a lapsed policy after required conditions are met is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

- 80. A** - An initial period before coverage begins for specified conditions is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 81. C** - A period to examine a policy and return it as allowed is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 82. B** - A stated time to pay an overdue premium before termination is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 83. D** - A requirement to notify the insurer of a covered loss within the policy timeframe is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 84. C** - Documentation supporting a claim and the amount payable is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 85. B** - When an insured may bring suit under the policy is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 86. A** - Inpatient hospital and related institutional coverage is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 87. D** - Physician and outpatient medical services is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 88. A** - Medicare Advantage is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 89. B** - Prescription drugs through approved plans is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 90. C** - Medical assistance for eligible low-income individuals is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 91. C** - A worker's insured status and qualifying disability is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 92. D** - Job-related injuries and occupational illnesses is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 93. A** - Temporary continuation of group health coverage at the participant's expense is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 94. B** - Standards that protect health information and support coverage portability is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 95. C** - Obtaining individual health coverage and possible financial assistance is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

- 96. D** - Personal savings for retirement under tax rules is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 97. A** - An employer retirement plan meeting applicable tax requirements is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 98. C** - The employee's nonforfeitable right to employer-provided benefits is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 99. B** - A determinable retirement benefit under the plan formula is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 100. B** - Contributions to an individual participant account is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 101. A** - Employee salary deferrals and possible employer contributions is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 102. D** - Tax-free treatment of earnings and principal is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 103. B** - The period when value builds before income payments begin is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 104. D** - The period when accumulated value is converted to income payments is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 105. C** - Contractual guarantees backed by the insurer's general account is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 106. A** - Investment performance in separate-account options affects value is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 107. B** - Begin income payments shortly after premium is paid is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 108. D** - Accumulate value before income payments begin later is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 109. A** - A contractual charge for certain early withdrawals is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 110. C** - Lifetime income with a minimum payment period for a beneficiary is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 111. B** - Income continuing for a surviving annuitant under the contract terms is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

- 112. A** - A statement believed true to the applicant's knowledge is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 113. D** - Failure to disclose a material fact is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 114. C** - Information that could affect an insurer's decision or terms is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 115. B** - A condition that increases the chance or severity of loss is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 116. A** - Carelessness resulting from the existence of insurance is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 117. C** - Dishonesty or character traits increasing loss likelihood is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 118. D** - Higher-risk applicants being more likely to seek coverage is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 119. A** - Restore an insured financially without allowing profit from loss is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 120. D** - The exchange of premium and enforceable promises is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 121. B** - Values exchanged may be unequal depending on a contingent event is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 122. C** - Only the insurer makes an enforceable promise to perform is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 123. A** - The insurer drafts the form and ambiguities are generally construed against it is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 124. C** - Handling client funds honestly and according to legal duties is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 125. D** - Pennsylvania Insurance Department is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully. Apply the contract language carefully.
- 126. B** - To authorize insurance solicitation, negotiation, or sale for the licensed lines is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 127. B** - Explain the insurance options accurately and refer specialized advice appropriately is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

- 128. A** - Using misleading comparisons to induce a policy replacement is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 129. D** - Offering an unlawful inducement not stated in the policy is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 130. C** - Treating similarly situated insureds differently without a permitted basis is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 131. A** - Making a false malicious statement that harms an insurer or producer is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 132. D** - A materially untrue statement about an insurer's financial condition is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 133. C** - Handle them promptly and in accordance with fiduciary duties is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 134. B** - Protect consumers from deceptive or unfair conduct is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 135. A** - Obtain accurate, complete information before submission when possible is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 136. C** - Deliver or arrange delivery and explain material policy features is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 137. B** - Use truthful, nonmisleading descriptions of policy benefits and limits is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 138. D** - Using them as an undisclosed inducement to buy insurance is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 139. A** - It can mislead a consumer about benefits, terms, or limitations is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 140. C** - Respond promptly, preserve relevant records, and cooperate with lawful inquiries is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 141. D** - To show the recommendation and disclosures were handled properly is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.
- 142. B** - Accurately record information and avoid altering answers improperly is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.
- 143. C** - Personal information must be safeguarded and used appropriately is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining

choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

144. A - The exclusions and limitations material to the buyer's decision is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

145. B - Provide accurate procedural guidance without promising an unauthorized claim outcome is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

146. D - To provide suitable information and meet ongoing regulatory obligations is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

147. B - Making unsupported guarantees about an insurer's future performance is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

148. A - To protect the public and enforce insurance laws is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented. Apply the contract language carefully.

149. D - Verify the current requirement with the Pennsylvania Insurance Department is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.

150. C - To support accurate service, compliance, and response to lawful inquiries is correct because it addresses the controlling insurance concept. Use the facts in the question to identify the applicable policy purpose, benefit, right, or producer duty. The remaining choices describe other insurance ideas and do not resolve the specific issue presented.