

PENNSYLVANIA LIFE, ACCIDENT AND HEALTH INSURANCE LICENSE STUDY GUIDE - PRACTICE EXAM 11 (150 QUESTIONS)

This standalone practice exam contains 150 multiple-choice questions covering life, accident and health insurance fundamentals and Pennsylvania producer regulation. Select the single best answer for each question. This is a study aid, not an official examination or legal advice; verify current Pennsylvania requirements with the Pennsylvania Insurance Department.

1. What does a policy loan use as collateral?

- A. The beneficiary's interest
- B. Future commissions
- C. The policy's cash value
- D. A separate annuity only

2. What is a living benefit rider intended to address?

- A. Additional property coverage
- B. Access to benefits during qualifying illness
- C. Producer licensing
- D. A change in premium mode

3. What does a waiver of premium rider typically do?

- A. Waives all exclusions
- B. Waives premiums during qualifying disability
- C. Eliminates beneficiary rights
- D. Guarantees cash value growth

4. What does an accidental death rider provide?

- A. A refund of all premiums
- B. A guaranteed policy loan
- C. A health insurance deductible
- D. An additional benefit for covered accidental death

5. Which settlement option pays proceeds in periodic installments?

- A. Fixed period option
- B. Lump-sum option only
- C. Cash value option
- D. Policy loan option

6. What does a spendthrift clause seek to limit?

- A. An insurer's underwriting authority
- B. A producer's appointment
- C. A beneficiary's ability to assign proceeds
- D. A policyowner's premium mode

7. What is an assignment of a life policy?

- A. Transfer of some ownership rights
- B. Cancellation for nonpayment
- C. A required medical exam
- D. A change in insurer domicile

8. What is collateral assignment most often used for?

- A. Naming a new insured
- B. Paying annual dividends
- C. Changing a policy to group coverage
- D. Securing a loan

9. What is a life insurance dividend?

- A. A guaranteed interest payment
- B. A policy loan charge
- C. A return of divisible surplus
- D. A mandatory premium increase

10. What does the paid-up additions dividend option buy?

- A. A new term policy
- B. Small amounts of additional permanent insurance
- C. A refund of premiums only
- D. A producer license

11. What is a modified endowment contract primarily distinguished by?

- A. Its lack of cash value
- B. Premium funding that exceeds tax limits
- C. A required group sponsor
- D. A disability-only benefit

12. What is an annuity designed chiefly to address?

- A. Risk of property damage

- B. Risk of producer misconduct
- C. Risk of outliving income
- D. Risk of beneficiary revocation

13. What is the accumulation phase of a deferred annuity?

- A. Period after death only
- B. The contestable period
- C. The policy loan period
- D. Period before payments begin

14. What is the annuitization phase?

- A. Period when income payments begin
- B. The underwriting interview
- C. The policy delivery period
- D. The grace period

15. What does a fixed annuity generally guarantee?

- A. A stated interest-crediting basis
- B. A separate-account investment return
- C. No surrender charge
- D. A variable death benefit

16. What does a variable annuity use for investment performance?

- A. The insurer general account only
- B. A producer escrow account
- C. A beneficiary trust only
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17. What is immediate annuity income typically based on?

- A. Annual renewable premiums
- B. A single premium followed by prompt payments
- C. A policy loan balance
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- A. Copayment
- B. Coinsurance
- C. Deductible
- D. Elimination period

19. What is coinsurance in major medical coverage?

- A. Shared percentage of covered expense
- B. A fixed visit charge
- C. A benefit waiting period
- D. A policy loan

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- A. A percentage of all costs
- B. A required life premium
- C. A surrender charge
- D. A fixed amount paid for a service

21. What is an out-of-pocket maximum?

- A. Maximum policy face amount
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- A. Only emergency coverage
- B. Network discounts with out-of-network options
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- A. Unrestricted provider choice
- B. Coordinated network care
- C. Life insurance cash value
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- A. Plan combining network coordination and outside options
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- C. A disability income rider
- D. A producer appointment type

25. What is an exclusive provider organization?

- A. A group life conversion privilege

- B. A fixed annuity contract
- C. An indemnity-only plan
- D. Network plan with limited nonnetwork coverage

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- A. Temporary life coverage
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- D. Services for chronic care needs

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- A. Medicaid eligibility only
- B. Workers compensation only
- C. Original Medicare benefits
- D. Life insurance death benefits

35. What is Medicare Part A commonly associated with?

- A. Hospital insurance
- B. Prescription drug coverage
- C. Outpatient physician coverage only
- D. Life insurance

36. What is Medicare Part B commonly associated with?

- A. Life insurance benefits
- B. Property damage coverage
- C. Long-term care insurance only
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- C. A life policy lapse
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- A. The insured's claim filing duty
- B. The producer's authority to sell
- C. The beneficiary's rights
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- A. No deductible under any circumstance
- B. Renewal and fixed premium basis while premiums are paid
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- C. The beneficiary
- D. The sponsoring group

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- A. Right to borrow cash value
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- A. Permanent life insurance
- B. Temporary continuation of group health coverage
- C. Annuity tax deferral
- D. Property insurance cancellation

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- A. Pennsylvania Department of Transportation

- B. Federal Reserve Board
- C. County assessor
- D. Pennsylvania Insurance Department

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- A. Guarantees insurer employment
- B. Creates policy cash value
- C. Authorizes insurance solicitation and sales activities
- D. Replaces policy delivery

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- A. Inducing replacement through misrepresentation
- B. Charging a deductible
- C. Using a policy loan
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- D. Treating similar risks differently without basis

59. What is a replacement transaction?

- A. A policy loan repayment
- B. A health claim appeal
- C. New insurance that may cause existing coverage to lapse or change
- D. A producer renewal

60. What should a producer do with application information?

- A. Alter it to obtain approval
- B. Share it publicly
- C. Ignore discrepancies
- D. Handle it accurately and protect confidentiality

61. What is the producer's role in delivering a policy?

- A. Decide all claims
- B. Provide the policy and required information
- C. Set the insurer's reserves
- D. Adjudicate lawsuits

62. Which life policy provides lifetime protection and builds cash value?

- A. Whole life insurance
- B. Term life insurance
- C. Decreasing term insurance
- D. Credit life insurance

63. Which policy is designed to provide coverage for a stated temporary period?

- A. Whole life insurance
- B. Universal life insurance
- C. Term life insurance
- D. Endowment insurance

64. What premium pattern is characteristic of traditional whole life?

- A. Level premiums

- B. Premiums that rise annually
- C. Premiums paid only at death
- D. Premiums set by the beneficiary

65. What feature permits a universal life policyowner to vary premium payments within limits?

- A. Guaranteed purchase option
- B. Automatic premium loan
- C. Spendthrift clause
- D. Flexible premium feature

66. In life insurance, what is the person whose life is covered called?

- A. Beneficiary
- B. Insured
- C. Producer
- D. Owner only

67. What is the main function of a beneficiary designation?

- A. Names who receives policy proceeds
- B. Sets the insurer tax rate
- C. Determines underwriting class
- D. Replaces the application

68. Which beneficiary can generally be changed by the policyowner without consent?

- A. Irrevocable beneficiary
- B. Primary beneficiary only
- C. Contingent beneficiary only
- D. Revocable beneficiary

69. What is a contingent beneficiary?

- A. The policy issuing insurer
- B. A backup recipient of proceeds
- C. A premium payor
- D. An underwriting source

70. What is insurable interest intended to prevent?

- A. Payment of dividends
- B. Policy loans
- C. Wagering on another person's life
- D. Assignment of ownership

71. What document is the applicant's offer to the insurer?

- A. The policy summary
- B. The beneficiary receipt
- C. The insurance application
- D. The death certificate

72. What does underwriting primarily evaluate?

- A. The beneficiary's investment goals
- B. The producer's commission
- C. The policyowner's voting rights
- D. Risk acceptability and classification

73. Which factor is commonly used to help assess life insurance risk?

- A. Beneficiary age only
- B. Health history
- C. Policy color
- D. Agent office location

74. What is adverse selection?

- A. Higher-risk applicants seeking more coverage
- B. Insurers refusing all applicants
- C. Insureds paying claims early
- D. Producers changing beneficiaries

75. What is a conditional receipt?

- A. A guarantee that the policy is issued
- B. A policy loan agreement
- C. A beneficiary change form
- D. Receipt providing limited conditional coverage

76. What is the purpose of the consideration clause?

- A. States the premium and application exchange
- B. Sets a suicide exclusion
- C. Names the insured's doctor
- D. Creates a policy loan

77. What does the entire contract provision generally include?

- A. Only the declarations page

- B. All producer advertisements
- C. Policy and attached application
- D. Only oral representations

78. What is the incontestability provision designed to do?

- A. Eliminate all policy exclusions
- B. Limit contesting after a stated period
- C. Guarantee dividends
- D. Prevent beneficiary changes

79. What does a grace period protect against?

- A. A beneficiary dispute
- B. A policy loan balance
- C. Immediate lapse after a missed premium
- D. A change of insurer

80. What can an automatic premium loan provision use to pay an overdue premium?

- A. Available cash value
- B. The beneficiary's savings
- C. The producer's commission
- D. The death benefit only

81. What does reinstatement generally require after policy lapse?

- A. A new beneficiary only
- B. Evidence of insurability and overdue amounts
- C. A new policy number
- D. A court order

82. What is the cash surrender value?

- A. The original face amount
- B. The annual premium due
- C. The beneficiary designation
- D. Amount available when a policy is surrendered

83. Which nonforfeiture option purchases a smaller amount of permanent insurance with no further premiums?

- A. Extended term insurance
- B. Cash surrender
- C. Reduced paid-up insurance
- D. Automatic premium loan

84. Which nonforfeiture option uses cash value to continue the original face amount for a limited time?

- A. Reduced paid-up insurance
- B. Extended term insurance
- C. Cash surrender
- D. Waiver of premium

85. A Pennsylvania producer is reviewing this situation with an applicant. What does a policy loan use as collateral?

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- B. Handle it accurately and protect confidentiality
- C. Share it publicly
- D. Ignore discrepancies

145. A Pennsylvania producer is reviewing this situation with an applicant. What is the producer's role in delivering a policy?

- A. Decide all claims
- B. Set the insurer's reserves
- C. Provide the policy and required information
- D. Adjudicate lawsuits

146. A Pennsylvania producer is reviewing this situation with an applicant. Which life policy provides lifetime protection and builds cash value?

- A. Whole life insurance
- B. Term life insurance
- C. Decreasing term insurance
- D. Credit life insurance

147. A Pennsylvania producer is reviewing this situation with an applicant. Which policy is designed to provide coverage for a stated temporary period?

- A. Whole life insurance
- B. Universal life insurance
- C. Term life insurance
- D. Endowment insurance

148. A Pennsylvania producer is reviewing this situation with an applicant. What premium pattern is characteristic of traditional whole life?

- A. Premiums that rise annually
- B. Level premiums
- C. Premiums paid only at death
- D. Premiums set by the beneficiary

149. A Pennsylvania producer is reviewing this situation with an applicant. What feature permits a universal life policyowner to vary premium payments within limits?

- A. Flexible premium feature
- B. Guaranteed purchase option
- C. Automatic premium loan
- D. Spendthrift clause

150. A Pennsylvania producer is reviewing this situation with an applicant. In life insurance, what is the person whose life is covered called?

- A. Beneficiary
- B. Producer
- C. Owner only
- D. Insured

Practice Exam 11: Answer Key and Explanations

1. C — The policy's cash value is correct because Loans under permanent policies are secured by their available cash value. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it.

2. B — Access to benefits during qualifying illness is correct because It can accelerate part of the death benefit when qualifying conditions are met. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

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18. C — Deductible is correct because A deductible is the initial covered expense the insured pays before benefits apply. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains.

19. A — Shared percentage of covered expense is correct because Coinsurance divides covered costs between insurer and insured by a stated percentage. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely.

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26. C — Whether a service meets plan requirements is correct because It is a plan review process used before certain services or medicines are covered. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting.

27. D — Restriction related to conditions existing before coverage is correct because It addresses conditions that existed before the effective date, subject to applicable law and plan rules. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction.

28. A — Part of lost earned income is correct because It pays benefits when qualifying disability prevents the insured from earning income. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely.

29. C — Waiting time before benefits begin is correct because It is the waiting period the insured must satisfy before disability benefits are payable. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

30. B — Partial loss of income is correct because It can pay benefits when the insured returns to work but suffers qualifying reduced earnings. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

31. A — Ability to perform the insured's own occupation is correct because It focuses on the duties of the insured's regular occupation as defined in the policy. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps.

32. B — A related disability returning after recovery is correct because It addresses when a returning related disability is treated as a continuation rather than a new claim. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction.

33. D — Services for chronic care needs is correct because It helps pay for qualifying long-term services when a person cannot perform required activities or has cognitive impairment. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction.

34. C — Original Medicare benefits is correct because It is designed to help pay certain gaps in Original Medicare coverage. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it.

35. A — Hospital insurance is correct because Part A generally covers inpatient hospital and related institutional benefits. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains a familiar.

36. D — Medical insurance services is correct because Part B generally covers physician, outpatient, and other medical services. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains a.

37. C — Prescription drugs is correct because Part D provides prescription drug coverage through approved plans. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains a familiar insurance.

38. B — A needs-based public health program is correct because Medicaid is a public program that provides medical assistance to eligible individuals under program rules. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting.

39. A — Work-related injury or illness is correct because It provides statutory benefits for qualifying occupational injuries and illnesses. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains.

40. D — Covered accidental bodily injury is correct because It pays specified benefits when an accidental injury meets the policy definition. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because.

41. C — A stated amount per covered confinement is correct because It commonly pays a fixed scheduled benefit rather than reimbursing every medical expense. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

42. A — Specified coverage with stated limits is correct because It covers selected services or events and should not be confused with comprehensive major medical coverage. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent.

- 43. B** — Avoid duplicate payment of the same expense is correct because It coordinates multiple health coverages so benefits do not exceed the covered expense. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting.
- 44. C** — Recover from a responsible third party is correct because It allows the insurer to pursue recovery after paying a loss caused by another party. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent.
- 45. D** — The insurer's right to cancel individually is correct because It generally requires renewal for covered individuals while allowing specified class-wide premium changes. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.
- 46. B** — Renewal and fixed premium basis while premiums are paid is correct because It provides strong renewal protection and restricts premium changes as stated in the policy. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction.
- 47. D** — The sponsoring group is correct because The master contract is issued to the employer or other eligible group sponsor. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because.
- 48. A** — Evidence of individual coverage is correct because It summarizes the member's coverage under the group master policy. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains.
- 49. C** — Right to obtain individual coverage after eligibility ends is correct because It lets a departing eligible member convert to individual insurance under stated conditions. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent.
- 50. B** — Temporary continuation of group health coverage is correct because COBRA can allow qualified individuals to continue group health coverage after qualifying events. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.
- 51. D** — Pennsylvania Insurance Department is correct because The Pennsylvania Insurance Department administers insurance producer licensing and insurance regulation in the Commonwealth. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the

controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely.

52. B — An insurer appointment is correct because An appointment is the insurer's authorization for a producer to act on its behalf where required. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

53. C — Authorizes insurance solicitation and sales activities is correct because A license authorizes specified insurance activities only within the lines and authority granted. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

54. A — Inducing replacement through misrepresentation is correct because Twisting is an unfair practice involving misleading inducement to replace existing insurance. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because.

55. B — Offering an unapproved inducement to buy insurance is correct because Rebating involves offering value not stated in the policy as an inducement to purchase. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent.

56. C — A false or misleading statement about coverage is correct because It is an inaccurate or deceptive statement that could mislead an applicant or policyowner. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent.

57. A — False statement harming an insurer or person is correct because Defamation involves false, malicious statements that damage another's reputation in insurance business. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

58. D — Treating similar risks differently without basis is correct because Unfair discrimination occurs when comparable risks receive unequal treatment without a lawful underwriting basis. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting.

59. C — New insurance that may cause existing coverage to lapse or change is correct because Replacement rules address transactions where new coverage induces surrender, lapse, or reduction of existing coverage. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the.

60. D — Handle it accurately and protect confidentiality is correct because Accurate, confidential handling supports underwriting integrity and protects the applicant. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because.

61. B — Provide the policy and required information is correct because Delivery provides the contract and required notices to the policyowner, subject to insurer procedures. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting.

62. A — Whole life insurance is correct because It combines permanent protection with scheduled premiums and cash-value accumulation. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains a.

63. C — Term life insurance is correct because It provides a death benefit for a defined term and normally has no cash value. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer.

64. A — Level premiums is correct because Traditional whole life uses scheduled level premiums for the policy duration. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains a.

65. D — Flexible premium feature is correct because Universal life is designed with flexible premiums, subject to policy values and charges. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because.

66. B — Insured is correct because The insured is the person whose death triggers payment under a life policy. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains.

67. A — Names who receives policy proceeds is correct because It directs the insurer to the person or entity entitled to death proceeds. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer.

68. D — Revocable beneficiary is correct because A revocable beneficiary has no vested interest while the owner is alive. The other choices describe different insurance concepts or fail to fit the stated facts.

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69. B — A backup recipient of proceeds is correct because A contingent beneficiary receives proceeds if the primary beneficiary cannot. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it.

70. C — Wagering on another person's life is correct because It requires a legitimate interest in the continued life of the insured. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely.

71. C — The insurance application is correct because The application supplies information used to request coverage and begin underwriting. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains.

72. D — Risk acceptability and classification is correct because Underwriting evaluates the applicant's risk and decides the terms of coverage. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it.

73. B — Health history is correct because Health history can affect mortality risk and underwriting classification. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains a familiar insurance.

74. A — Higher-risk applicants seeking more coverage is correct because It occurs when people with greater expected loss are more likely to buy insurance. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

75. D — Receipt providing limited conditional coverage is correct because It may provide temporary coverage if stated conditions, including insurability, are met. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely.

76. A — States the premium and application exchange is correct because It identifies the policyowner's premium and application as consideration for the insurer promise. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

77. C — Policy and attached application is correct because It identifies the documents that form the complete insurance contract. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains.

78. B — Limit contesting after a stated period is correct because It restricts the insurer's ability to contest validity after the policy has been in force. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent.

79. C — Immediate lapse after a missed premium is correct because It allows a limited time to pay an overdue premium while coverage continues. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

80. A — Available cash value is correct because It uses policy cash value as a loan to prevent an unintended lapse. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because.

81. B — Evidence of insurability and overdue amounts is correct because Reinstatement commonly requires satisfactory evidence of insurability and payment of required amounts. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer.

82. D — Amount available when a policy is surrendered is correct because It is the nonforfeiture value paid when a permanent policy is surrendered. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

83. C — Reduced paid-up insurance is correct because It converts cash value into a reduced paid-up permanent death benefit. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains.

84. B — Extended term insurance is correct because It converts the value to term coverage for the original amount. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains.

85. A — The policy's cash value is correct because Loans under permanent policies are secured by their available cash value. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it.

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101. D — A single premium followed by prompt payments is correct because An immediate annuity normally begins income shortly after a lump-sum purchase. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer.

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109. C — Network plan with limited nonnetwork coverage is correct because An EPO generally requires network use except for emergencies or stated exceptions. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer.

110. D — Whether a service meets plan requirements is correct because It is a plan review process used before certain services or medicines are covered. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting.

111. D — Restriction related to conditions existing before coverage is correct because It addresses conditions that existed before the effective date, subject to applicable law and plan rules. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction.

112. C — Part of lost earned income is correct because It pays benefits when qualifying disability prevents the insured from earning income. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely.

113. A — Waiting time before benefits begin is correct because It is the waiting period the insured must satisfy before disability benefits are payable. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

114. B — Partial loss of income is correct because It can pay benefits when the insured returns to work but suffers qualifying reduced earnings. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

115. A — Ability to perform the insured's own occupation is correct because It focuses on the duties of the insured's regular occupation as defined in the policy. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps.

116. C — A related disability returning after recovery is correct because It addresses when a returning related disability is treated as a continuation rather than a new claim. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction.

117. D — Services for chronic care needs is correct because It helps pay for qualifying long-term services when a person cannot perform required activities or has cognitive impairment. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction.

118. B — Original Medicare benefits is correct because It is designed to help pay certain gaps in Original Medicare coverage. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it.

119. D — Hospital insurance is correct because Part A generally covers inpatient hospital and related institutional benefits. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains a familiar.

120. B — Medical insurance services is correct because Part B generally covers physician, outpatient, and other medical services. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains a.

121. C — Prescription drugs is correct because Part D provides prescription drug coverage through approved plans. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains a familiar insurance.

122. A — A needs-based public health program is correct because Medicaid is a public program that provides medical assistance to eligible individuals under program rules. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting.

123. D — Work-related injury or illness is correct because It provides statutory benefits for qualifying occupational injuries and illnesses. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains.

124. A — Covered accidental bodily injury is correct because It pays specified benefits when an accidental injury meets the policy definition. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because.

125. C — A stated amount per covered confinement is correct because It commonly pays a fixed scheduled benefit rather than reimbursing every medical expense. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

126. B — Specified coverage with stated limits is correct because It covers selected services or events and should not be confused with comprehensive major medical coverage. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent.

127. C — Avoid duplicate payment of the same expense is correct because It coordinates multiple health coverages so benefits do not exceed the covered expense. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting.

128. D — Recover from a responsible third party is correct because It allows the insurer to pursue recovery after paying a loss caused by another party. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent.

129. B — The insurer's right to cancel individually is correct because It generally requires renewal for covered individuals while allowing specified class-wide premium changes. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

130. A — Renewal and fixed premium basis while premiums are paid is correct because It provides strong renewal protection and restricts premium changes as stated in the policy. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction.

131. B — The sponsoring group is correct because The master contract is issued to the employer or other eligible group sponsor. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because.

132. D — Evidence of individual coverage is correct because It summarizes the member's coverage under the group master policy. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains.

133. C — Right to obtain individual coverage after eligibility ends is correct because It lets a departing eligible member convert to individual insurance under stated conditions. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent.

134. A — Temporary continuation of group health coverage is correct because COBRA can allow qualified individuals to continue group health coverage after qualifying events. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

135. D — Pennsylvania Insurance Department is correct because The Pennsylvania Insurance Department administers insurance producer licensing and insurance regulation in the Commonwealth. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely.

136. B — An insurer appointment is correct because An appointment is the insurer's authorization for a producer to act on its behalf where required. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

137. C — Authorizes insurance solicitation and sales activities is correct because A license authorizes specified insurance activities only within the lines and authority granted. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

138. A — Inducing replacement through misrepresentation is correct because Twisting is an unfair practice involving misleading inducement to replace existing insurance. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because.

139. A — Offering an unapproved inducement to buy insurance is correct because Rebating involves offering value not stated in the policy as an inducement to purchase. The other choices describe different

insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent.

140. B — A false or misleading statement about coverage is correct because It is an inaccurate or deceptive statement that could mislead an applicant or policyowner. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent.

141. C — False statement harming an insurer or person is correct because Defamation involves false, malicious statements that damage another's reputation in insurance business. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an.

142. D — Treating similar risks differently without basis is correct because Unfair discrimination occurs when comparable risks receive unequal treatment without a lawful underwriting basis. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting.

143. D — New insurance that may cause existing coverage to lapse or change is correct because Replacement rules address transactions where new coverage induces surrender, lapse, or reduction of existing coverage. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the.

144. B — Handle it accurately and protect confidentiality is correct because Accurate, confidential handling supports underwriting integrity and protects the applicant. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because.

145. C — Provide the policy and required information is correct because Delivery provides the contract and required notices to the policyowner, subject to insurer procedures. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting.

146. A — Whole life insurance is correct because It combines permanent protection with scheduled premiums and cash-value accumulation. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains a.

147. C — Term life insurance is correct because It provides a death benefit for a defined term and normally has no cash value. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer.

148. B — Level premiums is correct because Traditional whole life uses scheduled level premiums for the policy duration. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains a.

149. A — Flexible premium feature is correct because Universal life is designed with flexible premiums, subject to policy values and charges. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because.

150. D — Insured is correct because The insured is the person whose death triggers payment under a life policy. The other choices describe different insurance concepts or fail to fit the stated facts. Identify the controlling definition, policy feature, or producer duty before comparing the alternatives. This distinction helps prevent selecting an answer merely because it contains.