

PENNSYLVANIA LIFE, ACCIDENT AND HEALTH INSURANCE LICENSE STUDY GUIDE - EXAM 14 (150 QUESTIONS)

This 150-question practice examination reviews life, accident, and health insurance concepts and Pennsylvania producer rules. Select the single best answer for each item. It is an original study aid, not an official Pennsylvania Insurance Department examination. Confirm current Pennsylvania requirements before filing an application.

1. Which life insurance policy has level premiums and permanent protection for the insured's lifetime?
 - A. Term life insurance
 - B. Whole life insurance
 - C. Variable life insurance
 - D. Decreasing term insurance

2. For a licensing-exam scenario, which life insurance policy has level premiums and permanent protection for the insured's lifetime?
 - A. Term life insurance
 - B. Variable life insurance
 - C. Decreasing term insurance
 - D. Whole life insurance

3. Which policy is designed to provide protection for a stated period, such as 20 years?
 - A. Whole life insurance
 - B. Endowment insurance
 - C. Immediate annuity

D. Level term life insurance

4. For a licensing-exam scenario, which policy is designed to provide protection for a stated period, such as 20 years?

- A. Whole life insurance
- B. Endowment insurance
- C. Level term life insurance
- D. Immediate annuity

5. What is the policyowner's interest in a permanent life policy while the insured is alive?

- A. Death benefit
- B. Cash value
- C. Face amount
- D. Settlement option

6. For a licensing-exam scenario, what is the policyowner's interest in a permanent life policy while the insured is alive?

- A. Cash value
- B. Death benefit
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7. What is the amount paid when the insured dies under a life policy?

- A. Cash surrender value
- B. Premium refund
- C. Policy loan value
- D. Death benefit

8. For a licensing-exam scenario, what is the amount paid when the insured dies under a life policy?

- A. Cash surrender value
- B. Death benefit
- C. Premium refund
- D. Policy loan value

9. What clause gives the policyowner time to review a new policy and return it for a refund?

- A. Free-look provision
- B. Grace period
- C. Incontestability clause
- D. Reinstatement provision

10. For a licensing-exam scenario, what clause gives the policyowner time to review a new policy and return it for a refund?

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11. What provision keeps a life policy in force for a limited time after a premium is missed?

- A. Free-look provision
- B. Entire-contract clause
- C. Consideration clause
- D. Grace period

12. For a licensing-exam scenario, what provision keeps a life policy in force for a limited time after a premium is missed?

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13. What provision generally limits an insurer's ability to contest a life policy after it has been in force for the stated time?

- A. Suicide clause
- B. Misstatement-of-age clause
- C. Incontestability clause
- D. Insuring clause

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- B. Incontestability clause
- C. Misstatement-of-age clause
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15. Which beneficiary designation may generally be changed by the policyowner without the beneficiary's consent?

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

16. For a licensing-exam scenario, which beneficiary designation may generally be changed by the policyowner without the beneficiary's consent?

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

17. Who receives policy proceeds if the primary beneficiary dies before the insured and a backup beneficiary is named?

- A. Irrevocable beneficiary
- B. Policyowner
- C. Premium payor
- D. Contingent beneficiary

18. For a licensing-exam scenario, who receives policy proceeds if the primary beneficiary dies before the insured and a backup beneficiary is named?

- A. Contingent beneficiary
- B. Irrevocable beneficiary
- C. Policyowner
- D. Premium payor

19. What is a policy loan secured by in a cash-value life policy?

- A. The beneficiary's income
- B. The policy cash value
- C. The insured's wages
- D. The death benefit only

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21. Which nonforfeiture option uses cash value to buy 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

22. For a licensing-exam scenario, which nonforfeiture option uses cash value to buy a smaller amount of permanent insurance with no further premiums?

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

23. Which nonforfeiture option uses cash value to keep the original face amount for a limited period?

- A. Reduced paid-up insurance
- B. Cash surrender
- C. Extended term insurance
- D. Dividend accumulation

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25. What occurs when a policyowner surrenders a life policy for its available value?

- A. Coverage becomes paid-up
- B. The death benefit increases
- C. The premium is waived
- D. Coverage ends and cash value is paid

26. For a licensing-exam scenario, what occurs when a policyowner surrenders a life policy for its available value?

- A. Coverage ends and cash value is paid
- B. Coverage becomes paid-up
- C. The death benefit increases
- D. The premium is waived

27. What is the purpose of a waiver-of-premium rider?

- A. It waives premiums during qualifying disability
- B. It increases cash value at death
- C. It guarantees dividends
- D. It changes the beneficiary

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29. What rider allows the insured to buy additional coverage later without new evidence of insurability?

- A. Accidental death rider
- B. Guaranteed insurability rider
- C. Payor-benefit rider
- D. Cost-of-living rider

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31. What rider pays an additional amount if death results from a covered accident?

- A. Waiver-of-premium rider
- B. Guaranteed insurability rider
- C. Long-term-care rider
- D. Accidental death rider

32. For a licensing-exam scenario, what rider pays an additional amount if death results from a covered accident?

- A. Waiver-of-premium rider
- B. Accidental death rider
- C. Guaranteed insurability rider
- D. Long-term-care rider

33. What is the usual tax treatment of a life insurance death benefit paid to a named beneficiary?

- A. Generally income-tax free
- B. Always taxed as ordinary income
- C. Taxed as capital gain
- D. Taxed only if paid in installments

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35. Which annuity begins making periodic income payments soon after it is funded?

- A. Deferred annuity
- B. Immediate annuity
- C. Flexible-premium life policy
- D. Modified endowment contract

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37. Which annuity accumulates value during a period before income payments begin?

- A. Immediate annuity
- B. Joint life policy
- C. Deferred annuity
- D. Group annuity certificate

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39. What is the risk borne by the owner of a variable life policy?

- A. Only insurer mortality risk
- B. Investment performance risk
- C. Only interest-rate guarantee risk
- D. No market-related risk

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41. What is the key feature of a fixed annuity?

- A. The owner selects separate-account investments
- B. Benefits fluctuate only with stock prices
- C. It provides only a death benefit
- D. The insurer guarantees stated values or rates

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- C. Benefits fluctuate only with stock prices
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43. What does an annuity owner do during the accumulation phase?

- A. Receives only death proceeds
- B. Builds value before income payments
- C. Terminates the contract
- D. Assigns a beneficiary irrevocably

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45. Which party receives annuity income payments?

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

46. For a licensing-exam scenario, which party receives annuity income payments?

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

47. What is adverse selection in insurance underwriting?

- A. Insurers seek only low-risk applicants
- B. Applicants choose lower deductibles
- C. Producers waive premiums
- D. Higher-risk applicants seek more coverage

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49. What is the purpose of underwriting?

- A. Evaluate risk and set policy terms
- B. Pay every claim immediately
- C. Market only to beneficiaries
- D. Determine a producer's commission

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51. What is a material misrepresentation on an insurance application?

- A. A false statement relevant to underwriting
- B. Any harmless spelling error
- C. A beneficiary designation
- D. A premium mode selection

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53. What is the purpose of an attending physician statement in underwriting?

- A. Set a policy's beneficiary
- B. Provide medical information with authorization
- C. Collect the first premium

D. Determine commission rates

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55. What is replacement in life insurance?

- A. An insurer renews a policy automatically in coverage terms
- B. A beneficiary receives proceeds in coverage terms
- C. A rider is added at issue in coverage terms
- D. A new policy causes an existing policy to lapse or change

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57. What is twisting?

- A. Charging interest on a policy loan
- B. Misrepresenting a policy to induce replacement
- C. Paying a valid claim
- D. Assigning ownership to a trust

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59. What is rebating?

- A. Paying a policy dividend
- B. Charging a policy fee
- C. Collecting a renewal premium
- D. Giving an unapproved inducement to buy insurance

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61. What is an insurance producer's fiduciary duty regarding client premiums?

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- B. Treat premiums as personal funds
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- D. Return all premiums to insurers late

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63. What is disability income insurance designed to replace?

- A. All medical provider charges
- B. The insured's cash value
- C. The policyowner's estate taxes
- D. A portion of lost earned income

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65. What is the elimination period in disability income insurance?

- A. The time a policy remains incontestable
- B. The period for free review
- C. The waiting period before benefits begin
- D. The time after a claim is paid

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67. What does residual disability coverage address?

- A. Only total and permanent disability
- B. A medical deductible
- C. A life insurance surrender
- D. Partial income loss after returning to work

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69. What is the purpose of a business overhead expense policy?

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- B. Fund retirement income
- C. Pay specified business expenses during disability
- D. Pay group medical claims

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71. What does a health insurance deductible require?

- A. The insurer pays every expense first
- B. The insured pays an initial amount of covered expense
- C. The provider waives all charges in coverage terms
- D. The policyowner receives dividends in coverage terms

72. For a licensing-exam scenario, what does a health insurance deductible require?

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73. What is coinsurance in major medical coverage?

- A. A fixed amount per visit only
- B. The policy's death benefit
- C. A percentage share of covered expenses
- D. A return of premium

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75. What is a copayment?

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- B. A percentage of the death benefit
- C. A policy loan interest charge
- D. An annual dividend in coverage terms

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

- A. The maximum policy face amount
- B. A maximum cash-value loan in coverage terms
- C. A guaranteed annuity payment in coverage terms
- D. A limit on a member's covered cost sharing

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79. What is the main purpose of a health maintenance organization?

- A. Sell only indemnity benefits

- B. Pay life insurance death claims
- C. Provide unlimited out-of-network care
- D. Provide coordinated care through a managed network

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81. What distinguishes a preferred provider organization?

- A. It pays no medical benefits
- B. It offers network discounts with some out-of-network access
- C. It requires permanent life insurance
- D. It has no participating providers

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83. What does a point-of-service plan combine?

- A. HMO-style coordination and PPO-style options
- B. Life and property insurance only
- C. Annuity and disability income only
- D. Medicare and Medicaid only

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85. What is an indemnity health plan generally characterized by?

- A. Mandatory use of one primary physician
- B. A life insurance cash value
- C. No need for proof of loss
- D. Freedom to choose providers with reimbursement limits

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87. What is a preauthorization requirement?

- A. A beneficiary change form
- B. Advance plan approval for specified services
- C. A policy loan application
- D. A grace-period notice

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89. What is utilization review?

- A. A method of setting life premiums
- B. A beneficiary settlement option
- C. A cash-value calculation
- D. Review of medical necessity and appropriate use

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91. What is a health insurance exclusion?

- A. A condition or service the policy does not cover
- B. A guaranteed payment provision in coverage terms
- C. A policy dividend in coverage terms
- D. A beneficiary designation in coverage terms

92. For a licensing-exam scenario, what is a health insurance exclusion?

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93. What is an insurance policy rider?

- A. A claim payment check
- B. A premium due notice
- C. An endorsement that modifies the contract
- D. A type of beneficiary

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95. What is a group insurance master policy?

- A. A certificate issued to each employee
- B. A personal individual policy
- C. The contract issued to the group policyholder
- D. A producer appointment form

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97. What does a group insurance certificate provide to an insured employee?

- A. Ownership of the master policy
- B. A separate insurer license
- C. A policy loan right in the employer
- D. Evidence of coverage under the group plan

98. For a licensing-exam scenario, what does a group insurance certificate provide to an insured employee?

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- B. Ownership of the master policy
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99. What is a conversion privilege in group life insurance?

- A. Right to borrow from employer payroll
- B. Right to change insurers monthly in coverage terms
- C. Right to convert to individual coverage without evidence of insurability
- D. Right to receive a policy dividend

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101. What is contributory group insurance?

- A. The employer pays all premiums
- B. Only retirees may enroll
- C. Coverage has no enrollment rules
- D. Employees contribute toward the premium

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103. What is noncontributory group insurance?

- A. The employer pays the full premium
- B. Employees must pay part of premium
- C. No one can enroll
- D. Only beneficiaries contribute

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105. What is Medicare Part A primarily associated with?

- A. Outpatient medical insurance
- B. Prescription drug coverage only
- C. Hospital insurance benefits
- D. Medigap private insurance

106. For a licensing-exam scenario, what is Medicare Part A primarily associated with?

- A. Outpatient medical insurance
- B. Prescription drug coverage only
- C. Medigap private insurance
- D. Hospital insurance benefits

107. What is Medicare Part B primarily associated with?

- A. Only inpatient hospital benefits
- B. Only prescription drugs
- C. Medical insurance benefits
- D. Long-term custodial care

108. For a licensing-exam scenario, what is Medicare Part B primarily associated with?

- A. Only inpatient hospital benefits
- B. Only prescription drugs
- C. Long-term custodial care
- D. Medical insurance benefits

109. What is Medicare Part D designed to help cover?

- A. Life insurance premiums
- B. Prescription drugs
- C. Only hospital room charges

D. Workers compensation claims

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- B. Life insurance premiums
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111. What is Medicaid?

- A. A private life insurer
- B. A retirement annuity
- C. A needs-based public health coverage program
- D. A disability income rider

112. For a licensing-exam scenario, what is Medicaid?

- A. A private life insurer
- B. A needs-based public health coverage program
- C. A retirement annuity
- D. A disability income rider

113. What is workers compensation intended to address?

- A. Only nonwork medical bills
- B. Life insurance cash values
- C. Retirement annuity payouts
- D. Work-related injury or illness benefits

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115. What is a coordination-of-benefits provision designed to do?

- A. Increase all deductibles in coverage terms
- B. Avoid duplicate payment when more than one plan applies
- C. Change a life beneficiary in coverage terms
- D. Determine annuity income in coverage terms

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117. What does a subrogation provision allow an insurer to do?

- A. Change the insured's occupation
- B. Cancel all claims automatically
- C. Seek recovery from a responsible third party
- D. Increase policy cash value

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119. What is an assignment of a life insurance policy?

- A. A change in premium mode only
- B. A medical underwriting report
- C. Transfer of ownership rights or interests
- D. A beneficiary's claim form

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121. What is an absolute assignment?

- A. A transfer of all ownership rights
- B. A temporary beneficiary designation
- C. A disability waiting period
- D. A premium discount

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123. What is a collateral assignment commonly used for?

- A. To change an HMO network
- B. To waive the deductible
- C. To secure a debt with policy rights
- D. To elect an annuity payout

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125. What does the entire-contract provision generally state?

- A. The policy and attached application form the complete contract
- B. Only verbal promises bind the insurer
- C. The producer may change terms orally
- D. The beneficiary owns every rider in coverage terms

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127. What is the consideration in an insurance contract?

- A. The premium and the applicant's statements
- B. Only the policy's death benefit
- C. Only the producer's license
- D. The beneficiary's consent

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129. What is the insuring clause?

- A. The policy loan schedule in coverage terms
- B. A beneficiary designation in coverage terms
- C. The provision stating the insurer's basic promise to pay
- D. A producer appointment in coverage terms

130. For a licensing-exam scenario, what is the insuring clause?

- A. The policy loan schedule in coverage terms
- B. A beneficiary designation in coverage terms
- C. A producer appointment in coverage terms
- D. The provision stating the insurer's basic promise to pay

131. What is the purpose of a suicide clause in life insurance?

- A. Increase the face amount annually in coverage terms
- B. Limit payment during an early stated period for suicide
- C. Allow free beneficiary changes in coverage terms
- D. Create a policy loan in coverage terms

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- C. Create a policy loan in coverage terms
- D. Limit payment during an early stated period for suicide

133. What does a misstatement-of-age provision do?

- A. Automatically void every policy in coverage terms
- B. Change the beneficiary in coverage terms
- C. Adjust benefits or premiums to the correct age
- D. Waive future premiums in coverage terms

134. For a licensing-exam scenario, what does a misstatement-of-age provision do?

- A. Adjust benefits or premiums to the correct age
- B. Automatically void every policy in coverage terms
- C. Change the beneficiary in coverage terms
- D. Waive future premiums in coverage terms

135. What is the purpose of a policy summary?

- A. Replace the insurance contract
- B. Guarantee future dividends
- C. Describe key policy features for the applicant

D. Serve as a medical record

136. For a licensing-exam scenario, what is the purpose of a policy summary?

- A. Replace the insurance contract
- B. Describe key policy features for the applicant
- C. Guarantee future dividends
- D. Serve as a medical record

137. What is a buyer's guide intended to provide?

- A. A claim payment guarantee
- B. A producer license
- C. A medical underwriting decision
- D. General information to help compare life insurance

138. For a licensing-exam scenario, what is a buyer's guide intended to provide?

- A. General information to help compare life insurance
- B. A claim payment guarantee
- C. A producer license
- D. A medical underwriting decision

139. What is a conditional receipt?

- A. A guaranteed policy loan in coverage terms
- B. A final claim settlement in coverage terms
- C. A receipt that may provide temporary coverage if conditions are met
- D. A beneficiary change in coverage terms in coverage terms

140. For a licensing-exam scenario, what is a conditional receipt?

- A. A receipt that may provide temporary coverage if conditions are met
- B. A guaranteed policy loan in coverage terms
- C. A final claim settlement in coverage terms
- D. A beneficiary change in coverage terms in coverage terms

141. What is a binding receipt?

- A. A receipt that ends all coverage
- B. A policy beneficiary form in coverage terms
- C. A group insurance certificate in coverage terms
- D. A receipt providing temporary coverage subject to its terms

142. For a licensing-exam scenario, what is a binding receipt?

- A. A receipt that ends all coverage
- B. A receipt providing temporary coverage subject to its terms
- C. A policy beneficiary form in coverage terms
- D. A group insurance certificate in coverage terms

143. What must a producer generally obtain before discussing an applicant's protected health information?

- A. A beneficiary's premium payment
- B. An annuity payout election
- C. Appropriate authorization or legal permission
- D. A policy loan request

144. For a licensing-exam scenario, what must a producer generally obtain before discussing an applicant's protected health information?

- A. Appropriate authorization or legal permission
- B. A beneficiary's premium payment
- C. An annuity payout election
- D. A policy loan request

145. What is the purpose of an insurance fraud prohibition?

- A. Permit rebating to customers
- B. Require policy loans
- C. Guarantee claim approval
- D. Deter intentional deception connected with insurance

146. For a licensing-exam scenario, what is the purpose of an insurance fraud prohibition?

- A. Deter intentional deception connected with insurance
- B. Permit rebating to customers
- C. Require policy loans
- D. Guarantee claim approval

147. In Pennsylvania, what continuing education minimum applies to licensed producers during a two-year licensing cycle?

- A. 12 hours
- B. 24 hours
- C. 18 hours
- D. 36 hours

148. For a licensing-exam scenario, in Pennsylvania, what continuing education minimum applies to licensed producers during a two-year licensing cycle?

- A. 12 hours
- B. 18 hours
- C. 24 hours
- D. 36 hours

149. In Pennsylvania, what is the stated initial application fee for an individual resident insurance producer?

- A. \$25
- B. \$110
- C. \$165
- D. \$55

150. For a licensing-exam scenario, in Pennsylvania, what is the stated initial application fee for an individual resident insurance producer?

- A. \$25
- B. \$55
- C. \$110
- D. \$165

Exam 14: Answer Key and Explanations

1. B — Whole life combines lifetime protection with a fixed premium structure and cash-value accumulation under the contract. The correct choice is Whole life insurance. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because

2. D — Whole life combines lifetime protection with a fixed premium structure and cash-value accumulation under the contract. The correct choice is Whole life insurance. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because

- 3. D** — Level term insurance provides a death benefit only during the stated term and normally has no cash value. The correct choice is Level term life insurance. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions
- 4. C** — Level term insurance provides a death benefit only during the stated term and normally has no cash value. The correct choice is Level term life insurance. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions
- 5. B** — Cash value is the living value that may build inside a permanent policy and may support loans or surrender. The correct choice is Cash value. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is
- 6. A** — Cash value is the living value that may build inside a permanent policy and may support loans or surrender. The correct choice is Cash value. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is
- 7. D** — The death benefit is the policy amount payable to the beneficiary when an insured death triggers the contract. The correct choice is Death benefit. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential
- 8. B** — The death benefit is the policy amount payable to the beneficiary when an insured death triggers the contract. The correct choice is Death benefit. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential
- 9. A** — A free-look provision allows the owner to examine a newly delivered policy and cancel it within the stated period. The correct choice is Free-look provision. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is
- 10. C** — A free-look provision allows the owner to examine a newly delivered policy and cancel it within the stated period. The correct choice is Free-look provision. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is
- 11. D** — The grace period prevents immediate lapse after a missed premium and gives the owner additional time to pay. The correct choice is Grace period. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential

12. A — The grace period prevents immediate lapse after a missed premium and gives the owner additional time to pay. The correct choice is Grace period. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential

13. C — The incontestability clause limits late challenges to policy validity, subject to the contract and applicable law. The correct choice is Incontestability clause. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because coverage

14. B — The incontestability clause limits late challenges to policy validity, subject to the contract and applicable law. The correct choice is Incontestability clause. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because coverage

15. C — A revocable beneficiary has no vested right while the owner retains the power to change the designation. The correct choice is Revocable beneficiary. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because

16. B — A revocable beneficiary has no vested right while the owner retains the power to change the designation. The correct choice is Revocable beneficiary. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because

17. D — A contingent beneficiary is next in line to receive proceeds when the primary beneficiary cannot receive them. The correct choice is Contingent beneficiary. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because

18. A — A contingent beneficiary is next in line to receive proceeds when the primary beneficiary cannot receive them. The correct choice is Contingent beneficiary. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because

19. B — A policy loan is secured by the accumulated cash value, and unpaid loan balances can reduce benefits. The correct choice is The policy cash value. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is

20. D — A policy loan is secured by the accumulated cash value, and unpaid loan balances can reduce benefits. The correct choice is The policy cash value. It directly matches the insurance concept tested in

the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is

21. C — Reduced paid-up insurance converts available value into a lower face amount of fully paid permanent coverage. The correct choice is Reduced paid-up insurance. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because

22. A — Reduced paid-up insurance converts available value into a lower face amount of fully paid permanent coverage. The correct choice is Reduced paid-up insurance. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because

23. C — Extended term uses policy value to purchase term coverage for the original face amount during a limited period. The correct choice is Extended term insurance. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is

24. B — Extended term uses policy value to purchase term coverage for the original face amount during a limited period. The correct choice is Extended term insurance. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is

25. D — A cash surrender ends the contract and pays its surrender value, less any applicable charges or loans. The correct choice is Coverage ends and cash value is paid. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying

26. A — A cash surrender ends the contract and pays its surrender value, less any applicable charges or loans. The correct choice is Coverage ends and cash value is paid. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying

27. A — This rider protects coverage by excusing premium payments when the insured meets the policy definition of disability. The correct choice is It waives premiums during qualifying disability. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its

28. D — This rider protects coverage by excusing premium payments when the insured meets the policy definition of disability. The correct choice is It waives premiums during qualifying disability. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its

29. B — A guaranteed insurability rider preserves specified future purchase rights regardless of later changes in health. The correct choice is Guaranteed insurability rider. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties,

or regulatory ideas. Reading the complete contract and applying its definitions is essential because coverage

30. C — A guaranteed insurability rider preserves specified future purchase rights regardless of later changes in health. The correct choice is Guaranteed insurability rider. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because coverage

31. D — An accidental death rider supplements the base policy benefit when death results from an accident meeting its terms. The correct choice is Accidental death rider. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is

32. B — An accidental death rider supplements the base policy benefit when death results from an accident meeting its terms. The correct choice is Accidental death rider. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is

33. A — Life insurance death proceeds are generally excluded from the beneficiary's gross income, although special situations can differ. The correct choice is Generally income-tax free. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential

34. C — Life insurance death proceeds are generally excluded from the beneficiary's gross income, although special situations can differ. The correct choice is Generally income-tax free. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential

35. B — An immediate annuity moves directly into the payout phase and is designed to begin income payments promptly. The correct choice is Immediate annuity. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because

36. D — An immediate annuity moves directly into the payout phase and is designed to begin income payments promptly. The correct choice is Immediate annuity. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because

37. C — A deferred annuity has an accumulation phase before its annuitization or other income-payment phase. The correct choice is Deferred annuity. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory

ideas. Reading the complete contract and applying its definitions is essential because coverage and rights

38. A — A deferred annuity has an accumulation phase before its annuitization or other income-payment phase. The correct choice is Deferred annuity. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because coverage and rights

39. B — Variable life policy values depend on separate-account investment performance, so the owner bears investment-performance risk. The correct choice is Investment performance risk. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because coverage

40. C — Variable life policy values depend on separate-account investment performance, so the owner bears investment-performance risk. The correct choice is Investment performance risk. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because coverage

41. D — A fixed annuity places investment risk primarily with the insurer, which makes stated contractual guarantees. The correct choice is The insurer guarantees stated values or rates. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions

42. A — A fixed annuity places investment risk primarily with the insurer, which makes stated contractual guarantees. The correct choice is The insurer guarantees stated values or rates. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions

43. B — During accumulation, premiums or deposits build contract value before the annuity enters an income-payment arrangement. The correct choice is Builds value before income payments. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential

44. C — During accumulation, premiums or deposits build contract value before the annuity enters an income-payment arrangement. The correct choice is Builds value before income payments. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential

45. A — The annuitant is the person whose life is used to determine income payments under a life-contingent annuity. The correct choice is Annuitant. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because coverage

46. D — The annuitant is the person whose life is used to determine income payments under a life-contingent annuity. The correct choice is Annuitant. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because coverage

47. D — Adverse selection occurs when people with greater expected loss exposure are especially motivated to obtain insurance. The correct choice is Higher-risk applicants seek more coverage. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is

48. C — Adverse selection occurs when people with greater expected loss exposure are especially motivated to obtain insurance. The correct choice is Higher-risk applicants seek more coverage. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is

49. A — Underwriting evaluates eligibility, risk characteristics, and appropriate terms so the insurer can price and issue coverage responsibly. The correct choice is Evaluate risk and set policy terms. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its

50. B — Underwriting evaluates eligibility, risk characteristics, and appropriate terms so the insurer can price and issue coverage responsibly. The correct choice is Evaluate risk and set policy terms. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its

51. A — A material misrepresentation is significant because truthful information could affect an insurer's underwriting decision or policy terms. The correct choice is A false statement relevant to underwriting. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its

52. C — A material misrepresentation is significant because truthful information could affect an insurer's underwriting decision or policy terms. The correct choice is A false statement relevant to underwriting. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its

53. B — An attending physician statement supplies medical information, with authorization, that may help the insurer evaluate risk. The correct choice is Provide medical information with authorization. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is

54. D — An attending physician statement supplies medical information, with authorization, that may help the insurer evaluate risk. The correct choice is Provide medical information with authorization. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is

55. D — Replacement occurs when a transaction induces termination, lapse, surrender, or reduction of an existing life policy. The correct choice is A new policy causes an existing policy to lapse or change. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete

56. A — Replacement occurs when a transaction induces termination, lapse, surrender, or reduction of an existing life policy. The correct choice is A new policy causes an existing policy to lapse or change. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete

57. B — Twisting is an unfair practice involving misleading comparisons intended to persuade someone to replace coverage. The correct choice is Misrepresenting a policy to induce replacement. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is

58. C — Twisting is an unfair practice involving misleading comparisons intended to persuade someone to replace coverage. The correct choice is Misrepresenting a policy to induce replacement. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is

59. D — Rebating is an unlawful inducement when value not stated in the policy is offered to encourage a purchase. The correct choice is Giving an unapproved inducement to buy insurance. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and

60. B — Rebating is an unlawful inducement when value not stated in the policy is offered to encourage a purchase. The correct choice is Giving an unapproved inducement to buy insurance. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and

61. A — A producer must handle premium funds responsibly and account for them rather than treating them as personal money. The correct choice is Handle premiums honestly and account for them. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and

62. C — A producer must handle premium funds responsibly and account for them rather than treating them as personal money. The correct choice is Handle premiums honestly and account for them. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and

63. D — Disability income insurance pays benefits intended to replace part of income when disability prevents covered work. The correct choice is A portion of lost earned income. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions

64. A — Disability income insurance pays benefits intended to replace part of income when disability prevents covered work. The correct choice is A portion of lost earned income. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions

65. C — The elimination period is the deductible measured in time, delaying benefit payments after a qualifying disability begins. The correct choice is The waiting period before benefits begin. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its

66. B — The elimination period is the deductible measured in time, delaying benefit payments after a qualifying disability begins. The correct choice is The waiting period before benefits begin. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its

67. D — Residual disability benefits address reduced earnings when a person can work but has not regained prior income capacity. The correct choice is Partial income loss after returning to work. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and

68. A — Residual disability benefits address reduced earnings when a person can work but has not regained prior income capacity. The correct choice is Partial income loss after returning to work. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and

69. C — Business overhead coverage helps a disabled owner meet covered operating expenses; it is not personal income replacement. The correct choice is Pay specified business expenses during disability. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its

70. D — Business overhead coverage helps a disabled owner meet covered operating expenses; it is not personal income replacement. The correct choice is Pay specified business expenses during disability. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its

71. B — A deductible is the portion of covered expense the insured must absorb before the plan begins sharing costs. The correct choice is The insured pays an initial amount of covered expense. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete

72. A — A deductible is the portion of covered expense the insured must absorb before the plan begins sharing costs. The correct choice is The insured pays an initial amount of covered expense. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete

73. C — Coinsurance divides covered costs by percentage between the insured and insurer after applicable deductibles. The correct choice is A percentage share of covered expenses. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential

74. B — Coinsurance divides covered costs by percentage between the insured and insurer after applicable deductibles. The correct choice is A percentage share of covered expenses. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential

75. A — A copayment is a stated dollar amount the member pays for a covered service, subject to plan terms. The correct choice is A fixed amount paid for a covered service. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract

76. B — A copayment is a stated dollar amount the member pays for a covered service, subject to plan terms. The correct choice is A fixed amount paid for a covered service. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract

77. D — An out-of-pocket maximum limits the member's covered cost sharing during the plan period, subject to exclusions and rules. The correct choice is A limit on a member's covered cost sharing. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract

78. C — An out-of-pocket maximum limits the member's covered cost sharing during the plan period, subject to exclusions and rules. The correct choice is A limit on a member's covered cost sharing. It

directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract

79. D — An HMO generally emphasizes coordinated care through a network and may require use of plan procedures or referrals. The correct choice is Provide coordinated care through a managed network. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and

80. C — An HMO generally emphasizes coordinated care through a network and may require use of plan procedures or referrals. The correct choice is Provide coordinated care through a managed network. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and

81. B — A PPO encourages use of participating providers through favorable benefits while often allowing out-of-network services at higher cost. The correct choice is It offers network discounts with some out-of-network access. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract

82. A — A PPO encourages use of participating providers through favorable benefits while often allowing out-of-network services at higher cost. The correct choice is It offers network discounts with some out-of-network access. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract

83. A — A POS plan commonly combines managed primary-care features with options to seek care outside the network. The correct choice is HMO-style coordination and PPO-style options. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is

84. B — A POS plan commonly combines managed primary-care features with options to seek care outside the network. The correct choice is HMO-style coordination and PPO-style options. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is

85. D — Traditional indemnity coverage generally reimburses covered medical expenses and gives broader provider choice than tightly managed plans. The correct choice is Freedom to choose providers with reimbursement limits. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying

86. C — Traditional indemnity coverage generally reimburses covered medical expenses and gives broader provider choice than tightly managed plans. The correct choice is Freedom to choose providers

with reimbursement limits. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying

87. B — Preauthorization is a utilization-management process requiring advance review or approval for certain services under the plan. The correct choice is Advance plan approval for specified services. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions

88. C — Preauthorization is a utilization-management process requiring advance review or approval for certain services under the plan. The correct choice is Advance plan approval for specified services. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions

89. D — Utilization review evaluates whether proposed or received care meets plan standards for necessity, appropriateness, and coverage. The correct choice is Review of medical necessity and appropriate use. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its

90. A — Utilization review evaluates whether proposed or received care meets plan standards for necessity, appropriateness, and coverage. The correct choice is Review of medical necessity and appropriate use. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its

91. A — An exclusion identifies a loss, condition, service, or circumstance outside the scope of the policy's coverage. The correct choice is A condition or service the policy does not cover. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and

92. D — An exclusion identifies a loss, condition, service, or circumstance outside the scope of the policy's coverage. The correct choice is A condition or service the policy does not cover. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and

93. C — A rider is an attachment that adds, limits, or otherwise changes provisions of the base insurance contract. The correct choice is An endorsement that modifies the contract. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its

94. B — A rider is an attachment that adds, limits, or otherwise changes provisions of the base insurance contract. The correct choice is An endorsement that modifies the contract. It directly matches the

insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its

95. C — In group insurance, the master policy is typically issued to the sponsoring group while members receive certificates. The correct choice is The contract issued to the group policyholder. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying

96. B — In group insurance, the master policy is typically issued to the sponsoring group while members receive certificates. The correct choice is The contract issued to the group policyholder. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying

97. D — A certificate summarizes an individual member's benefits and rights under the group contract but is not the master policy. The correct choice is Evidence of coverage under the group plan. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract

98. A — A certificate summarizes an individual member's benefits and rights under the group contract but is not the master policy. The correct choice is Evidence of coverage under the group plan. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract

99. C — A conversion privilege lets an eligible member obtain individual coverage after qualifying group coverage ends, usually without new medical proof. The correct choice is Right to convert to individual coverage without evidence of insurability. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas.

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101. D — Contributory group coverage requires employee premium contributions, so participation requirements help prevent adverse selection. The correct choice is Employees contribute toward the premium. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because

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103. A — Noncontributory group coverage is funded entirely by the employer, commonly allowing broad eligible participation. The correct choice is The employer pays the full premium. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential

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105. C — Medicare Part A is commonly described as hospital insurance and covers eligible inpatient-related benefits under program rules. The correct choice is Hospital insurance benefits. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential

106. D — Medicare Part A is commonly described as hospital insurance and covers eligible inpatient-related benefits under program rules. The correct choice is Hospital insurance benefits. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential

107. C — Medicare Part B generally covers eligible physician, outpatient, and other medical services under the program rules. The correct choice is Medical insurance benefits. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because

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109. B — Medicare Part D is the program component that provides prescription drug coverage through approved arrangements. The correct choice is Prescription drugs. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential because coverage and

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111. C — Medicaid is a public program that provides health coverage for eligible people based on financial and other program requirements. The correct choice is A needs-based public health coverage program. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and

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113. D — Workers compensation provides statutory benefits for qualifying work-related injuries or illnesses and is not ordinary health insurance. The correct choice is Work-related injury or illness benefits. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions

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115. B — Coordination of benefits establishes an order for multiple health plans so covered expenses are not paid more than once. The correct choice is Avoid duplicate payment when more than one plan applies. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the

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119. C — An assignment transfers some or all policy rights, subject to the policy terms and any required insurer procedures. The correct choice is Transfer of ownership rights or interests. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying

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121. A — An absolute assignment transfers the policyowner's full rights to another party, unlike a limited collateral assignment. The correct choice is A transfer of all ownership rights. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions

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125. A — The entire-contract provision identifies the documents that make up the agreement and helps prevent reliance on outside statements. The correct choice is The policy and attached application form the complete contract. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete

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129. C — The insuring clause states the insurer's principal promise, including the circumstances under which it will provide benefits. The correct choice is The provision stating the insurer's basic promise to pay. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract

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131. B — A suicide clause addresses death by suicide during a stated early period and applies the contract's specified benefit treatment. The correct choice is Limit payment during an early stated period for suicide. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the

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133. C — A misstatement-of-age provision corrects the result to reflect the insured's true age rather than automatically voiding coverage. The correct choice is Adjust benefits or premiums to the correct age. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and

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137. D — A buyer's guide is educational material intended to help consumers understand and compare life insurance choices. The correct choice is General information to help compare life insurance. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its

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139. C — A conditional receipt may provide interim coverage only when its stated conditions, including underwriting requirements, are satisfied. The correct choice is A receipt that may provide temporary coverage if conditions are met. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the

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141. D — A binding receipt is used to provide temporary coverage under its terms while the insurer completes underwriting. The correct choice is A receipt providing temporary coverage subject to its terms. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract

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143. C — Protected health information requires proper authorization or another lawful basis before it is used or disclosed in insurance activity. The correct choice is Appropriate authorization or legal permission. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying

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145. D — Fraud rules deter deliberate false statements or schemes connected with insurance applications, premiums, or claims. The correct choice is Deter intentional deception connected with insurance. It directly matches the insurance concept tested in the question. The other choices describe

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147. B — Pennsylvania states that licensed producers must complete at least 24 continuing education credits during each two-year licensing cycle. The correct choice is 24 hours. It directly matches the insurance concept tested in the question. The other choices describe different policy provisions, benefits, parties, or regulatory ideas. Reading the complete contract and applying its definitions is essential

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