

PRACTICE EXAM 12: TEXAS LIFE AND HEALTH INSURANCE LICENSE (130 QUESTIONS)

This 130-question practice examination is aligned to the current Pearson VUE Texas Life and Health outline: 100 general-knowledge questions and 30 Texas state-specific questions. Select the one best answer for each question. This is a study aid, not an official examination; verify current Texas requirements with TDI and Pearson VUE.

1. An applicant asks for clarification. Which answer accurately explains insurable interest?
 - A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
 - B. A policyowner must have a lawful financial or close-family interest in the insured when the policy is issued.
 - C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
 - D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

2. Which description would be correct in a policy-owner discussion of pure risk?
 - A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
 - B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
 - C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
 - D. Pure risk involves only the possibility of loss or no loss, rather than a chance of gain.

3. A licensing examination presents this fact pattern. Which statement applies to contract of adhesion?

- A. An insurance policy is generally drafted by the insurer and accepted by the applicant without equal bargaining power.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

4. When comparing insurance concepts, which statement correctly distinguishes representation?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A representation is a statement believed true to the applicant's knowledge and is not guaranteed to be absolutely true.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

5. Which statement would a compliant Texas producer give about whole life insurance?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. Whole life provides lifetime protection with level premiums and cash value when required premiums are paid.

6. An applicant asks for clarification. Which answer accurately explains term life insurance?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. Term life provides death-benefit protection for a specified period and generally has no cash value.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

7. Which description would be correct in a policy-owner discussion of universal life insurance?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Universal life combines flexible premiums with an adjustable death benefit and cash-value account.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

8. A licensing examination presents this fact pattern. Which statement applies to variable life insurance?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. Variable life places cash values in separate-account investment options, so the policyowner bears investment risk.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

9. When comparing insurance concepts, which statement correctly distinguishes joint life policy?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.

- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. A joint life policy generally pays its death benefit at the first death of the insureds.

10. Which statement would a compliant Texas producer give about survivorship life policy?

- A. A survivorship life policy pays after the second insured dies, often for estate-planning needs.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

11. An applicant asks for clarification. Which answer accurately explains beneficiary designation?

- A. A revocable beneficiary can generally be changed by the policyowner without the beneficiary's consent.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

12. Which description would be correct in a policy-owner discussion of per stirpes designation?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Per stirpes directs a deceased beneficiary's share to that beneficiary's descendants.

- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

13. A licensing examination presents this fact pattern. Which statement applies to common disaster provision?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. A common disaster provision addresses distribution when insured and beneficiary die in the same event and order cannot be determined.

14. When comparing insurance concepts, which statement correctly distinguishes grace period?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. The grace period keeps coverage in force for a stated time after a premium due date while payment is overdue.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

15. Which statement would a compliant Texas producer give about reinstatement?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.

- B. Reinstatement restores a lapsed policy after required evidence of insurability and overdue amounts are supplied.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

16. An applicant asks for clarification. Which answer accurately explains incontestability clause?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. After the stated period, an insurer usually cannot contest a life policy for material misstatements except as the policy permits for nonpayment.

17. Which description would be correct in a policy-owner discussion of suicide clause?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. A suicide clause commonly limits payment when suicide occurs during the policy's initial specified period.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

18. A licensing examination presents this fact pattern. Which statement applies to policy loan?

- A. A policy loan is secured by available cash value and may reduce the death benefit if unpaid.

- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

19. When comparing insurance concepts, which statement correctly distinguishes automatic premium loan?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. An automatic premium loan provision uses available cash value to pay an overdue premium and prevent lapse.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

20. Which statement would a compliant Texas producer give about cash surrender option?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. The cash surrender option ends the policy and pays the owner its available cash value.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

21. An applicant asks for clarification. Which answer accurately explains reduced paid-up option?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.

- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. Reduced paid-up insurance uses cash value to buy a smaller amount of fully paid permanent insurance.

22. Which description would be correct in a policy-owner discussion of extended term option?

- A. Extended term insurance uses cash value to buy term coverage for the original face amount for a limited period.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

23. A licensing examination presents this fact pattern. Which statement applies to assignment?

- A. An absolute assignment transfers all ownership rights in a policy to the assignee.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

24. When comparing insurance concepts, which statement correctly distinguishes collateral assignment?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.

- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. A collateral assignment transfers policy rights only to the extent needed to secure a debt.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

25. Which statement would a compliant Texas producer give about settlement option?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. A settlement option determines how policy proceeds are paid to a beneficiary rather than changing who receives them.

26. An applicant asks for clarification. Which answer accurately explains fixed-period settlement?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A fixed-period settlement pays proceeds in installments for a selected number of years.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

27. Which description would be correct in a policy-owner discussion of fixed-amount settlement?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.

C. A fixed-amount settlement pays a selected dollar amount until the proceeds and interest are exhausted.

D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

28. A licensing examination presents this fact pattern. Which statement applies to life income option?

A. A life income option provides periodic payments for the recipient's lifetime.

B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.

C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.

D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

29. When comparing insurance concepts, which statement correctly distinguishes immediate annuity?

A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.

B. An immediate annuity begins income payments soon after a single premium is paid.

C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.

D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

30. Which statement would a compliant Texas producer give about deferred annuity?

A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.

B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.

C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

D. A deferred annuity postpones income payments until a later annuitization date.

31. An applicant asks for clarification. Which answer accurately explains annuity accumulation phase?

A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.

B. During accumulation, annuity funds grow before the payout phase begins.

C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.

D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

32. Which description would be correct in a policy-owner discussion of annuity annuitization phase?

A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.

B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.

C. During annuitization, accumulated value is converted into a stream of income payments.

D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

33. A licensing examination presents this fact pattern. Which statement applies to MEC?

A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.

B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.

C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

D. A modified endowment contract is a life policy funded beyond tax-law limits and has special distribution tax treatment.

34. When comparing insurance concepts, which statement correctly distinguishes group life conversion privilege?

- A. A group life conversion privilege allows an eligible departing member to obtain individual coverage without evidence of insurability.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

35. Which statement would a compliant Texas producer give about credit life insurance?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. Credit life insurance is designed to pay or reduce a covered debtor's outstanding loan balance at death.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

36. An applicant asks for clarification. Which answer accurately explains key person life insurance?

- A. Key person insurance protects a business against the financial effect of a key employee's death.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

37. Which description would be correct in a policy-owner discussion of buy-sell agreement funding?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. Life insurance can fund a buy-sell agreement by providing cash to purchase a deceased owner's business interest.

38. A licensing examination presents this fact pattern. Which statement applies to executive bonus plan?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. An executive bonus plan is an employer-paid bonus used by an executive to purchase and own life insurance.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

39. When comparing insurance concepts, which statement correctly distinguishes qualified plan?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. A qualified retirement plan meets applicable tax requirements and may provide tax advantages subject to its rules.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

40. Which statement would a compliant Texas producer give about traditional IRA?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A traditional IRA may permit tax-deductible contributions depending on income and plan coverage, with taxable qualified distributions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

41. An applicant asks for clarification. Which answer accurately explains Roth IRA?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. A Roth IRA uses after-tax contributions and can provide tax-free qualified distributions when requirements are met.

42. Which description would be correct in a policy-owner discussion of Social Security survivor benefit?

- A. Social Security survivor benefits may be payable to eligible family members after a covered worker dies.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

43. A licensing examination presents this fact pattern. Which statement applies to estate liquidity?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. Life insurance can provide cash to help an estate meet expenses, debts, or taxes without forcing asset sales.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

44. When comparing insurance concepts, which statement correctly distinguishes viatical settlement?

- A. A viatical settlement involves selling a life policy to a third party for more than cash value but less than the death benefit.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

45. Which statement would a compliant Texas producer give about life insurance proceeds?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. Life insurance death proceeds paid to a named beneficiary are generally received income-tax free, subject to exceptions.

46. An applicant asks for clarification. Which answer accurately explains dividends?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Participating policy dividends are generally treated as a return of premium until they exceed premiums paid.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

47. Which description would be correct in a policy-owner discussion of human life value?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. Human life value estimates the economic loss that would result from an individual's premature death.

48. A licensing examination presents this fact pattern. Which statement applies to needs analysis?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A needs analysis estimates the amount of protection needed after considering income replacement, debts, goals, and existing resources.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

49. When comparing insurance concepts, which statement correctly distinguishes field underwriting?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. Field underwriting is the producer's collection and observation of applicant information before the insurer's underwriting decision.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

50. Which statement would a compliant Texas producer give about producer authority?

- A. An agent's actual authority is authority expressly granted by the insurer through appointment or contract.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

51. An applicant asks for clarification. Which answer accurately explains accident and health insurance?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. Accident and health insurance is designed to protect against losses caused by sickness, injury, or related medical expense.

52. Which description would be correct in a policy-owner discussion of disability income insurance?

- A. Disability income insurance replaces part of earned income when a covered disability prevents the insured from working.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

53. A licensing examination presents this fact pattern. Which statement applies to presumptive disability?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Presumptive disability provides benefits for specified severe losses even if the insured might perform some work.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

54. When comparing insurance concepts, which statement correctly distinguishes own-occupation definition?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. An own-occupation definition considers whether the insured can perform the duties of the insured's own occupation.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

55. Which statement would a compliant Texas producer give about elimination period?

- A. The elimination period is the waiting time after disability begins before disability income benefits become payable.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

56. An applicant asks for clarification. Which answer accurately explains benefit period?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. The benefit period is the maximum length of time disability benefits will be paid for a covered disability.

57. Which description would be correct in a policy-owner discussion of residual disability?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Residual disability benefits can apply when a disability causes a partial loss of income rather than total disability.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

58. A licensing examination presents this fact pattern. Which statement applies to health maintenance organization?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. An HMO generally emphasizes coordinated care through its network and may require a primary care provider or referrals.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

59. When comparing insurance concepts, which statement correctly distinguishes preferred provider organization?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. A PPO offers network discounts while generally allowing members to use nonnetwork providers at higher out-of-pocket cost.

60. Which statement would a compliant Texas producer give about exclusive provider organization?

- A. An EPO generally covers care through its provider network except for emergency or specifically authorized services.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

61. An applicant asks for clarification. Which answer accurately explains point-of-service plan?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A point-of-service plan combines managed-care network features with an option to seek nonnetwork care at higher cost.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

62. Which description would be correct in a policy-owner discussion of deductible?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. A deductible is the amount the insured pays for covered expenses before the plan begins sharing costs.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

63. A licensing examination presents this fact pattern. Which statement applies to coinsurance?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. Coinsurance is the percentage share of covered expenses paid by the insured after any applicable deductible.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

64. When comparing insurance concepts, which statement correctly distinguishes copayment?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. A copayment is a stated dollar amount the insured pays for a covered service.

65. Which statement would a compliant Texas producer give about out-of-pocket maximum?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. An out-of-pocket maximum limits certain covered cost sharing during a plan period, subject to plan rules.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

66. An applicant asks for clarification. Which answer accurately explains coordination of benefits?

- A. Coordination of benefits determines the payment order and prevents duplicate recovery when more than one plan applies.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

67. Which description would be correct in a policy-owner discussion of primary insurer?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. The primary insurer under coordination of benefits pays first according to the applicable coordination rules.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

68. A licensing examination presents this fact pattern. Which statement applies to Medicare Part A?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. Medicare Part A generally helps cover inpatient hospital, skilled nursing facility, hospice, and certain home health care.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

69. When comparing insurance concepts, which statement correctly distinguishes Medicare Part B?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. Medicare Part B generally helps cover physicians' services, outpatient care, and other medically necessary services.

70. Which statement would a compliant Texas producer give about Medicare Part C?

- A. Medicare Part C is Medicare Advantage coverage offered through private plans approved by Medicare.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

71. An applicant asks for clarification. Which answer accurately explains Medicare Part D?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. Medicare Part D provides prescription drug coverage through private plans approved by Medicare.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

72. Which description would be correct in a policy-owner discussion of Medigap?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. Medigap insurance is designed to supplement Original Medicare by helping with certain Medicare cost-sharing amounts.

73. A licensing examination presents this fact pattern. Which statement applies to Medicaid?

- A. Medicaid is a joint federal-state program that provides medical assistance to eligible low-income individuals and families.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

74. When comparing insurance concepts, which statement correctly distinguishes long-term care insurance?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Long-term care insurance helps cover services needed because of chronic illness, disability, or cognitive impairment.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

75. Which statement would a compliant Texas producer give about activities of daily living?

- A. Activities of daily living commonly include bathing, dressing, eating, toileting, continence, and transferring.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

76. An applicant asks for clarification. Which answer accurately explains home health care?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. Home health care provides eligible medical or therapeutic services in the insured's residence rather than an institution.

77. Which description would be correct in a policy-owner discussion of skilled nursing care?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. Skilled nursing care requires services delivered or supervised by licensed medical professionals.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

78. A licensing examination presents this fact pattern. Which statement applies to dread disease policy?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A dread disease policy pays benefits for specified serious diseases or conditions named in the contract.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

79. When comparing insurance concepts, which statement correctly distinguishes hospital indemnity policy?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. A hospital indemnity policy typically pays a stated amount per day or event rather than reimbursing actual medical expense.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

80. Which statement would a compliant Texas producer give about major medical policy?

- A. Major medical coverage is designed for broad medical expenses and commonly includes deductibles and coinsurance.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

81. An applicant asks for clarification. Which answer accurately explains limited benefit policy?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A limited benefit policy covers only specified services or amounts and is not a substitute for comprehensive major medical coverage.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

82. Which description would be correct in a policy-owner discussion of accidental death and dismemberment?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. Accidental death and dismemberment coverage pays stated benefits for covered accidental death or specified accidental losses.

83. A licensing examination presents this fact pattern. Which statement applies to blanket policy?

- A. A blanket policy covers a group exposed to a common risk without naming each covered individual.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

84. When comparing insurance concepts, which statement correctly distinguishes group health eligibility?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Group health eligibility is based on membership in an eligible group rather than individual underwriting of each member.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

85. Which statement would a compliant Texas producer give about COBRA?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. COBRA is a federal continuation-coverage law that may allow eligible people to continue group health coverage after qualifying events.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

86. An applicant asks for clarification. Which answer accurately explains HIPAA portability?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. HIPAA includes protections related to health coverage portability and limits on certain exclusions under applicable rules.

87. Which description would be correct in a policy-owner discussion of preexisting condition?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. A preexisting condition is a condition that existed before coverage began, subject to the policy and applicable law.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

88. A licensing examination presents this fact pattern. Which statement applies to adverse selection?

- A. Adverse selection occurs when people with a greater likelihood of loss are more likely to seek or retain insurance.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

89. When comparing insurance concepts, which statement correctly distinguishes morale hazard?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A morale hazard is a careless attitude or indifference to loss that increases the chance or size of a claim.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

90. Which statement would a compliant Texas producer give about moral hazard?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. A moral hazard involves dishonesty or character traits that increase the chance or severity of loss.

91. An applicant asks for clarification. Which answer accurately explains guaranteed renewable policy?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. A guaranteed renewable policy requires the insurer to continue coverage to a stated age if premiums are paid, although class rates may change.

92. Which description would be correct in a policy-owner discussion of noncancelable policy?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. A noncancelable policy prevents the insurer from canceling coverage or increasing the premium during the stated period if premiums are paid.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

93. A licensing examination presents this fact pattern. Which statement applies to conditionally renewable policy?

- A. A conditionally renewable policy permits renewal subject to conditions stated in the policy.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

94. When comparing insurance concepts, which statement correctly distinguishes probationary period?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A probationary period is an initial time during which losses from sickness may not be covered.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

95. Which statement would a compliant Texas producer give about free-look period?

- A. A free-look period allows a policyowner to review a newly delivered policy and return it within the allowed time for a refund.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

96. An applicant asks for clarification. Which answer accurately explains notice of claim?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. A notice of claim provision requires the insured to notify the insurer of a loss within the time stated in the policy.

97. Which description would be correct in a policy-owner discussion of proof of loss?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. Proof of loss is the documentation and information the insurer requires to evaluate a submitted claim.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

98. A licensing examination presents this fact pattern. Which statement applies to claim payment provision?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A claim payment provision identifies the person or provider to whom benefits are paid.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

99. When comparing insurance concepts, which statement correctly distinguishes legal actions provision?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. A legal actions provision limits when an insured may bring suit after submitting required proof of loss.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

100. Which statement would a compliant Texas producer give about entire contract provision?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. The entire contract provision states that the policy and attached application or riders form the complete agreement.

101. An applicant asks for clarification. Which answer accurately explains Texas General Lines license?

- A. The Texas General Lines - Life, Accident, Health, and HMO license authorizes the licensee to transact the lines named in that license.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

102. Which description would be correct in a policy-owner discussion of Texas resident application?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A Texas resident applicant must pass the required licensing examination before submitting the resident agent application.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

103. A licensing examination presents this fact pattern. Which statement applies to Texas application timing?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. A Texas applicant must submit the application within one year after passing the examination or retake the examination.

104. When comparing insurance concepts, which statement correctly distinguishes Texas license fee?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Texas lists a fifty-dollar application fee for a resident General Lines - Life, Accident, Health, and HMO license.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

105. Which statement would a compliant Texas producer give about Texas Department of Insurance?

- A. The Texas Department of Insurance administers insurance regulation and licensing functions in Texas.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

106. An applicant asks for clarification. Which answer accurately explains Commissioner of Insurance?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. The Commissioner of Insurance leads the Texas Department of Insurance and exercises authority granted by Texas insurance law.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

107. Which description would be correct in a policy-owner discussion of Texas agent fiduciary duty?

- A. Premiums received by an agent belong to the insurer or insured as appropriate and must be handled in a fiduciary capacity.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

108. A licensing examination presents this fact pattern. Which statement applies to Texas rebating?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. Rebating is an unlawful inducement when an agent offers an unlisted valuable consideration to persuade a person to buy insurance.

109. When comparing insurance concepts, which statement correctly distinguishes Texas twisting?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. Twisting is an unfair practice that uses misleading comparisons to induce replacement or lapse of an insurance policy.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

110. Which statement would a compliant Texas producer give about Texas misrepresentation?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Misrepresentation is an unfair practice when a producer makes a false or misleading statement about policy benefits, terms, or an insurer.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

111. An applicant asks for clarification. Which answer accurately explains Texas defamation?

- A. Defamation is an unfair practice involving false or malicious statements that harm an insurer's financial reputation.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

112. Which description would be correct in a policy-owner discussion of Texas unfair discrimination?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Unfair discrimination occurs when similar risks in the same class are treated differently without a lawful actuarial basis.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

113. A licensing examination presents this fact pattern. Which statement applies to Texas replacement?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. Texas replacement rules are intended to protect consumers when a new life policy or annuity replaces existing coverage.

114. When comparing insurance concepts, which statement correctly distinguishes Texas policy illustration?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. A life insurance illustration must not mislead an applicant about guaranteed and nonguaranteed policy elements.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

115. Which statement would a compliant Texas producer give about Texas annuity best interest?

- A. A Texas producer recommending an annuity must act in the consumer's best interest under applicable annuity requirements.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

116. An applicant asks for clarification. Which answer accurately explains Texas continuing education?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Texas licensees must meet continuing education requirements to maintain a license, subject to the rules that apply to the license.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

117. Which description would be correct in a policy-owner discussion of Texas license renewal?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. Most Texas insurance licenses renew every two years, although an initial term may be shorter to align renewal timing.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

118. A licensing examination presents this fact pattern. Which statement applies to Texas license address?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. A Texas licensee must keep licensing information current and follow Department procedures for reporting required changes.

119. When comparing insurance concepts, which statement correctly distinguishes Texas cease and desist order?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A cease and desist order directs a person to stop conduct that violates insurance law or regulation.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

120. Which statement would a compliant Texas producer give about Texas administrative penalty?

- A. An administrative penalty may be imposed for violations of Texas insurance law, subject to applicable procedures and authority.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

121. An applicant asks for clarification. Which answer accurately explains Texas license suspension?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. A Texas insurance license may be suspended or revoked for statutory grounds, including prohibited or dishonest conduct.

122. Which description would be correct in a policy-owner discussion of Texas HMO?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. An HMO in Texas provides health care coverage through an organized delivery system subject to Texas regulation.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

123. A licensing examination presents this fact pattern. Which statement applies to Texas complaint process?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A Texas consumer may file an insurance complaint with the Texas Department of Insurance for review and assistance.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

124. When comparing insurance concepts, which statement correctly distinguishes Texas producer appointment?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. An insurer appoints a producer when required so the producer may act for that insurer within the granted authority.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

125. Which statement would a compliant Texas producer give about Texas temporary authority?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. A person should not assume a license or appointment exists merely because an application has been submitted; authority depends on Texas law and approval.

126. An applicant asks for clarification. Which answer accurately explains Texas advertising?

- A. Texas insurance advertising must not be false, deceptive, or misleading about policy benefits, terms, or the insurer.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

127. Which description would be correct in a policy-owner discussion of Texas insurance fraud?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.
- D. Insurance fraud involves knowingly making a false or fraudulent statement or claim in connection with an insurance transaction.

128. A licensing examination presents this fact pattern. Which statement applies to Texas claims practices?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Unfair claims practices include prohibited conduct in investigating, evaluating, or settling insurance claims.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

129. When comparing insurance concepts, which statement correctly distinguishes Texas health coverage disclosure?

- A. Health coverage marketing and enrollment communications must provide required information and avoid misleading consumers.
- B. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- C. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

130. Which statement would a compliant Texas producer give about Texas regulatory compliance?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. It removes every policy condition and premium while guaranteeing all claims regardless of eligibility, underwriting, exclusions, or the stated contract provisions.
- C. A producer must follow Texas insurance statutes, regulations, licensing rules, and the insurer's lawful procedures when transacting insurance.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

Practice Exam 12: Answer Key and Explanations

- 1. B** — The question focuses on insurable interest and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.
- 2. D** — The question focuses on pure risk and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.
- 3. A** — The question focuses on contract of adhesion and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.
- 4. B** — The question focuses on representation and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.
- 5. D** — The question focuses on whole life insurance and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.
- 6. C** — The question focuses on term life insurance and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are

wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

7. B — The question focuses on universal life insurance and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

8. C — The question focuses on variable life insurance and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

9. D — The question focuses on joint life policy and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

10. A — The question focuses on survivorship life policy and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

11. A — The question focuses on beneficiary designation and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

12. B — The question focuses on per stirpes designation and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

13. D — The question focuses on common disaster provision and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

14. C — The question focuses on grace period and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

15. B — The question focuses on reinstatement and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

16. D — The question focuses on incontestability clause and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

17. C — The question focuses on suicide clause and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

18. A — The question focuses on policy loan and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

19. B — The question focuses on automatic premium loan and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

20. C — The question focuses on cash surrender option and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

21. D — The question focuses on reduced paid-up option and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

22. A — The question focuses on extended term option and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

23. A — The question focuses on assignment and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

24. C — The question focuses on collateral assignment and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

25. D — The question focuses on settlement option and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

26. B — The question focuses on fixed-period settlement and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

27. C — The question focuses on fixed-amount settlement and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

28. A — The question focuses on life income option and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

29. B — The question focuses on immediate annuity and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

30. D — The question focuses on deferred annuity and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

31. B — The question focuses on annuity accumulation phase and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

32. C — The question focuses on annuity annuitization phase and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

33. D — The question focuses on MEC and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

34. A — The question focuses on group life conversion privilege and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

35. C — The question focuses on credit life insurance and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

36. A — The question focuses on key person life insurance and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

37. D — The question focuses on buy-sell agreement funding and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

38. B — The question focuses on executive bonus plan and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

39. C — The question focuses on qualified plan and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

40. B — The question focuses on traditional IRA and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

41. D — The question focuses on Roth IRA and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

42. A — The question focuses on Social Security survivor benefit and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

43. C — The question focuses on estate liquidity and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

44. A — The question focuses on viatical settlement and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

45. D — The question focuses on life insurance proceeds and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

46. B — The question focuses on dividends and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong

because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

47. D — The question focuses on human life value and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

48. B — The question focuses on needs analysis and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

49. C — The question focuses on field underwriting and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

50. A — The question focuses on producer authority and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

51. D — The question focuses on accident and health insurance and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

52. A — The question focuses on disability income insurance and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

53. B — The question focuses on presumptive disability and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

54. C — The question focuses on own-occupation definition and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or

confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

55. A — The question focuses on elimination period and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

56. D — The question focuses on benefit period and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

57. B — The question focuses on residual disability and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

58. C — The question focuses on health maintenance organization and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

59. D — The question focuses on preferred provider organization and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

60. A — The question focuses on exclusive provider organization and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

61. B — The question focuses on point-of-service plan and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

62. C — The question focuses on deductible and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong

because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

63. C — The question focuses on coinsurance and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

64. D — The question focuses on copayment and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

65. B — The question focuses on out-of-pocket maximum and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

66. A — The question focuses on coordination of benefits and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

67. B — The question focuses on primary insurer and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

68. C — The question focuses on Medicare Part A and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

69. D — The question focuses on Medicare Part B and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

70. A — The question focuses on Medicare Part C and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

71. C — The question focuses on Medicare Part D and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

72. D — The question focuses on Medigap and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

73. A — The question focuses on Medicaid and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

74. B — The question focuses on long-term care insurance and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

75. A — The question focuses on activities of daily living and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

76. D — The question focuses on home health care and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

77. C — The question focuses on skilled nursing care and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

78. B — The question focuses on dread disease policy and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

79. C — The question focuses on hospital indemnity policy and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining

options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

80. A — The question focuses on major medical policy and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

81. B — The question focuses on limited benefit policy and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

82. D — The question focuses on accidental death and dismemberment and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

83. A — The question focuses on blanket policy and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

84. B — The question focuses on group health eligibility and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

85. C — The question focuses on COBRA and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

86. D — The question focuses on HIPAA portability and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

87. C — The question focuses on preexisting condition and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining

options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

88. A — The question focuses on adverse selection and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

89. B — The question focuses on morale hazard and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

90. D — The question focuses on moral hazard and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

91. D — The question focuses on guaranteed renewable policy and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

92. C — The question focuses on noncancelable policy and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

93. A — The question focuses on conditionally renewable policy and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

94. B — The question focuses on probationary period and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

95. A — The question focuses on free-look period and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are

wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

96. D — The question focuses on notice of claim and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

97. C — The question focuses on proof of loss and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

98. B — The question focuses on claim payment provision and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

99. C — The question focuses on legal actions provision and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

100. D — The question focuses on entire contract provision and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

101. A — The question focuses on Texas General Lines license and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

102. B — The question focuses on Texas resident application and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

103. D — The question focuses on Texas application timing and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining

options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

104. B — The question focuses on Texas license fee and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

105. A — The question focuses on Texas Department of Insurance and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

106. C — The question focuses on Commissioner of Insurance and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

107. A — The question focuses on Texas agent fiduciary duty and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

108. D — The question focuses on Texas rebating and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

109. C — The question focuses on Texas twisting and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

110. B — The question focuses on Texas misrepresentation and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

111. A — The question focuses on Texas defamation and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are

wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

112. B — The question focuses on Texas unfair discrimination and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

113. D — The question focuses on Texas replacement and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

114. C — The question focuses on Texas policy illustration and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

115. A — The question focuses on Texas annuity best interest and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

116. B — The question focuses on Texas continuing education and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

117. C — The question focuses on Texas license renewal and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

118. D — The question focuses on Texas license address and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

119. B — The question focuses on Texas cease and desist order and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

120. A — The question focuses on Texas administrative penalty and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

121. D — The question focuses on Texas license suspension and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

122. C — The question focuses on Texas HMO and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

123. B — The question focuses on Texas complaint process and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

124. C — The question focuses on Texas producer appointment and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

125. D — The question focuses on Texas temporary authority and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

126. A — The question focuses on Texas advertising and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

127. D — The question focuses on Texas insurance fraud and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

128. B — The question focuses on Texas claims practices and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

129. A — The question focuses on Texas health coverage disclosure and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.

130. C — The question focuses on Texas regulatory compliance and requires precise use of insurance terminology. The keyed option describes the correct operation, duty, or policy result. The remaining options are wrong because they promise unlimited protection, disregard contractual conditions, or confuse this topic with a different feature. Use the facts to identify the governing concept before selecting an answer.