

PRACTICE EXAM 10: 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. Which statement best describes insurable interest for life and health insurance licensing purposes?

- 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 policyowner must have a lawful financial or close-family interest in the insured when the policy is issued.
- 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 statement best describes pure risk for life and health insurance licensing purposes?

- A. Pure risk involves only the possibility of loss or no loss, rather than a chance of gain.
- 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.

3. Which statement best describes contract of adhesion for life and health insurance licensing purposes?

- 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. Which statement best describes representation for life and health insurance licensing purposes?

- 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 representation is a statement believed true to the applicant's knowledge and is not guaranteed to be absolutely true.

5. Which statement best describes whole life insurance for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Whole life provides lifetime protection with level premiums and cash value when required premiums 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.

6. Which statement best describes term life insurance for life and health insurance licensing purposes?

- 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 statement best describes universal life insurance for life and health insurance licensing purposes?

- 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. Universal life combines flexible premiums with an adjustable death benefit and cash-value account.
- 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. Which statement best describes variable life insurance for life and health insurance licensing purposes?

- 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. Variable life places cash values in separate-account investment options, so the policyowner bears investment risk.

9. Which statement best describes joint life policy for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A joint life policy generally pays its death benefit at the first death of the insureds.
- 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.

10. Which statement best describes survivorship life policy for life and health insurance licensing purposes?

- 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. Which statement best describes beneficiary designation for life and health insurance licensing purposes?

- 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 revocable beneficiary can generally be changed by the policyowner without the beneficiary's consent.

12. Which statement best describes per stirpes designation for life and health insurance licensing purposes?

- 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. Per stirpes directs a deceased beneficiary's share to that beneficiary's descendants.
- 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. Which statement best describes common disaster provision for life and health insurance licensing purposes?

- A. A common disaster provision addresses distribution when insured and beneficiary die in the same event and order cannot be determined.
- 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.

14. Which statement best describes grace period for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. The grace period keeps coverage in force for a stated time after a premium due date while payment is overdue.
- 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.

15. Which statement best describes reinstatement for life and health insurance licensing purposes?

- A. Reinstatement restores a lapsed policy after required evidence of insurability and overdue amounts are supplied.
- 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.

16. Which statement best describes incontestability clause for life and health insurance licensing purposes?

- 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. After the stated period, an insurer usually cannot contest a life policy for material misstatements except as the policy permits for nonpayment.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

17. Which statement best describes suicide clause for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A suicide clause commonly limits payment when suicide occurs during the policy's initial specified period.
- 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.

18. Which statement best describes policy loan for life and health insurance licensing purposes?

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

19. Which statement best describes automatic premium loan for life and health insurance licensing purposes?

- 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 best describes cash surrender option for life and health insurance licensing purposes?

- 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. Which statement best describes reduced paid-up option for life and health insurance licensing purposes?

- A. Reduced paid-up insurance uses cash value to buy a smaller amount of fully paid permanent 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.

22. Which statement best describes extended term option for life and health insurance licensing purposes?

- 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. Extended term insurance uses cash value to buy term coverage for the original face amount for a limited period.

23. Which statement best describes assignment for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. An absolute assignment transfers all ownership rights in a policy to the assignee.
- 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. Which statement best describes collateral assignment for life and health insurance licensing purposes?

- A. A collateral assignment transfers policy rights only to the extent needed to secure a debt.
- 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.

25. Which statement best describes settlement option for life and health insurance licensing purposes?

- 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 settlement option determines how policy proceeds are paid to a beneficiary rather than changing who receives them.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

26. Which statement best describes fixed-period settlement for life and health insurance licensing purposes?

- 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 fixed-period settlement pays proceeds in installments for a selected number of years.

27. Which statement best describes fixed-amount settlement for life and health insurance licensing purposes?

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

28. Which statement best describes life income option for life and health insurance licensing purposes?

- 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 income option provides periodic payments for the recipient's lifetime.
- 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. Which statement best describes immediate annuity for life and health insurance licensing purposes?

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

30. Which statement best describes deferred annuity for life and health insurance licensing purposes?

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

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

31. Which statement best describes annuity accumulation phase for life and health insurance licensing purposes?

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

32. Which statement best describes annuity annuitization phase for life and health insurance licensing purposes?

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

33. Which statement best describes MEC for life and health insurance licensing purposes?

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

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

34. Which statement best describes group life conversion privilege for life and health insurance licensing purposes?

- 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 group life conversion privilege allows an eligible departing member to obtain individual coverage without evidence of insurability.
- 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 best describes credit life insurance for life and health insurance licensing purposes?

- 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. Credit life insurance is designed to pay or reduce a covered debtor's outstanding loan balance at death.

36. Which statement best describes key person life insurance for life and health insurance licensing purposes?

- 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 statement best describes buy-sell agreement funding for life and health insurance licensing purposes?

- 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 fund a buy-sell agreement by providing cash to purchase a deceased owner's business interest.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

38. Which statement best describes executive bonus plan for life and health insurance licensing purposes?

- 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. Which statement best describes qualified plan for life and health insurance licensing purposes?

- A. A qualified retirement plan meets applicable tax requirements and may provide tax advantages subject to its rules.
- 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.

40. Which statement best describes traditional IRA for life and health insurance licensing purposes?

- 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. Which statement best describes Roth IRA for life and health insurance licensing purposes?

- 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 Roth IRA uses after-tax contributions and can provide tax-free qualified distributions when requirements are met.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

42. Which statement best describes Social Security survivor benefit for life and health insurance licensing purposes?

- 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. Social Security survivor benefits may be payable to eligible family members after a covered worker dies.

43. Which statement best describes estate liquidity for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Life insurance can provide cash to help an estate meet expenses, debts, or taxes without forcing asset sales.
- 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.

44. Which statement best describes viatical settlement for life and health insurance licensing purposes?

- 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 viatical settlement involves selling a life policy to a third party for more than cash value but less than the death benefit.

45. Which statement best describes life insurance proceeds for life and health insurance licensing purposes?

- 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 death proceeds paid to a named beneficiary are generally received income-tax free, subject to exceptions.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

46. Which statement best describes dividends for life and health insurance licensing purposes?

- A. Participating policy dividends are generally treated as a return of premium until they exceed premiums paid.
- 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.

47. Which statement best describes human life value for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Human life value estimates the economic loss that would result from an individual's premature death.
- 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.

48. Which statement best describes needs analysis for life and health insurance licensing purposes?

- A. A needs analysis estimates the amount of protection needed after considering income replacement, debts, goals, and existing resources.
- 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.

49. Which statement best describes field underwriting for life and health insurance licensing purposes?

- 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 best describes producer authority for life and health insurance licensing purposes?

- 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. An agent's actual authority is authority expressly granted by the insurer through appointment or contract.

51. Which statement best describes accident and health insurance for life and health insurance licensing purposes?

- 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. Accident and health insurance is designed to protect against losses caused by sickness, injury, or related 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.

52. Which statement best describes disability income insurance for life and health insurance licensing purposes?

- 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. Which statement best describes presumptive disability for life and health insurance licensing purposes?

- 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. Which statement best describes own-occupation definition for life and health insurance licensing purposes?

- 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. An own-occupation definition considers whether the insured can perform the duties of the insured's own occupation.

55. Which statement best describes elimination period for life and health insurance licensing purposes?

- 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. Which statement best describes benefit period for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. The benefit period is the maximum length of time disability benefits will be paid for a covered 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.

57. Which statement best describes residual disability for life and health insurance licensing purposes?

- 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. Residual disability benefits can apply when a disability causes a partial loss of income rather than total disability.

58. Which statement best describes health maintenance organization for life and health insurance licensing purposes?

- 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. Which statement best describes preferred provider organization for life and health insurance licensing purposes?

- A. A PPO offers network discounts while generally allowing members to use nonnetwork providers at higher out-of-pocket cost.
- 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.

60. Which statement best describes exclusive provider organization for life and health insurance licensing purposes?

- 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 EPO generally covers care through its provider network except for emergency or specifically authorized services.
- 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. Which statement best describes point-of-service plan for life and health insurance licensing purposes?

- 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 point-of-service plan combines managed-care network features with an option to seek nonnetwork care at higher cost.

62. Which statement best describes deductible for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A deductible is the amount the insured pays for covered expenses before the plan begins sharing costs.
- 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.

63. Which statement best describes coinsurance for life and health insurance licensing purposes?

- A. Coinsurance is the percentage share of covered expenses paid by the insured after any applicable deductible.
- 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.

64. Which statement best describes copayment for life and health insurance licensing purposes?

- 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 copayment is a stated dollar amount the insured pays for a covered service.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

65. Which statement best describes out-of-pocket maximum for life and health insurance licensing purposes?

- 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. Which statement best describes coordination of benefits for life and health insurance licensing purposes?

- 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. Coordination of benefits determines the payment order and prevents duplicate recovery when more than one plan applies.

67. Which statement best describes primary insurer for life and health insurance licensing purposes?

- A. The primary insurer under coordination of benefits pays first according to the applicable coordination rules.
- 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.

68. Which statement best describes Medicare Part A for life and health insurance licensing purposes?

- 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. Which statement best describes Medicare Part B for life and health insurance licensing purposes?

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 best describes Medicare Part C for life and health insurance licensing purposes?

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

B. Medicare Part C is Medicare Advantage coverage offered through private plans approved by Medicare.

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. Which statement best describes Medicare Part D for life and health insurance licensing purposes?

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 statement best describes Medigap for life and health insurance licensing purposes?

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

B. Medigap insurance is designed to supplement Original Medicare by helping with certain Medicare cost-sharing amounts.

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.

73. Which statement best describes Medicaid for life and health insurance licensing purposes?

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. Which statement best describes long-term care insurance for life and health insurance licensing purposes?

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. Long-term care insurance helps cover services needed because of chronic illness, disability, or cognitive impairment.

75. Which statement best describes activities of daily living for life and health insurance licensing purposes?

- 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. Which statement best describes home health care for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Home health care provides eligible medical or therapeutic services in the insured's residence rather than an institution.
- 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.

77. Which statement best describes skilled nursing care for life and health insurance licensing purposes?

- 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. Skilled nursing care requires services delivered or supervised by licensed medical professionals.

78. Which statement best describes dread disease policy for life and health insurance licensing purposes?

- 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 dread disease policy pays benefits for specified serious diseases or conditions named in the contract.
- 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. Which statement best describes hospital indemnity policy for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A hospital indemnity policy typically pays a stated amount per day or event rather than reimbursing actual medical expense.
- 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.

80. Which statement best describes major medical policy for life and health insurance licensing purposes?

- 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. Which statement best describes limited benefit policy for life and health insurance licensing purposes?

- 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 limited benefit policy covers only specified services or amounts and is not a substitute for comprehensive major medical coverage.
- 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 statement best describes accidental death and dismemberment for life and health insurance licensing purposes?

- 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. Which statement best describes blanket policy for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A blanket policy covers a group exposed to a common risk without naming each covered individual.
- 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. Which statement best describes group health eligibility for life and health insurance licensing purposes?

- 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. Group health eligibility is based on membership in an eligible group rather than individual underwriting of each member.
- 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 best describes COBRA for life and health insurance licensing purposes?

- A. COBRA is a federal continuation-coverage law that may allow eligible people to continue group health coverage after qualifying events.
- 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.

86. Which statement best describes HIPAA portability for life and health insurance licensing purposes?

- 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 statement best describes preexisting condition for life and health insurance licensing purposes?

- A. A preexisting condition is a condition that existed before coverage began, subject to the policy and applicable law.
- 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.

88. Which statement best describes adverse selection for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Adverse selection occurs when people with a greater likelihood of loss are more likely to seek or retain 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.

89. Which statement best describes morale hazard for life and health insurance licensing purposes?

- 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 morale hazard is a careless attitude or indifference to loss that increases the chance or size of a 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.

90. Which statement best describes moral hazard for life and health insurance licensing purposes?

- 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. Which statement best describes guaranteed renewable policy for life and health insurance licensing purposes?

- 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 statement best describes noncancelable policy for life and health insurance licensing purposes?

- A. A noncancelable policy prevents the insurer from canceling coverage or increasing the premium during the stated period if premiums are paid.
- 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.

93. Which statement best describes conditionally renewable policy for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A conditionally renewable policy permits renewal subject to conditions stated in the policy.
- 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. Which statement best describes probationary period for life and health insurance licensing purposes?

- 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 probationary period is an initial time during which losses from sickness may not be covered.
- 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 best describes free-look period for life and health insurance licensing purposes?

- 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 free-look period allows a policyowner to review a newly delivered policy and return it within the allowed time for a refund.
- 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. Which statement best describes notice of claim for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A notice of claim provision requires the insured to notify the insurer of a loss within the time stated in the policy.
- 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.

97. Which statement best describes proof of loss for life and health insurance licensing purposes?

- A. Proof of loss is the documentation and information the insurer requires to evaluate a submitted claim.
- 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.

98. Which statement best describes claim payment provision for life and health insurance licensing purposes?

- 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 claim payment provision identifies the person or provider to whom benefits are paid.

99. Which statement best describes legal actions provision for life and health insurance licensing purposes?

- 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 best describes entire contract provision for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. The entire contract provision states that the policy and attached application or riders form the complete agreement.
- 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.

101. Which statement best describes Texas General Lines license for life and health insurance licensing purposes?

- 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 statement best describes Texas resident application for life and health insurance licensing purposes?

- 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. Which statement best describes Texas application timing for life and health insurance licensing purposes?

- 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. Which statement best describes Texas license fee for life and health insurance licensing purposes?

- A. Texas lists a fifty-dollar application fee for a resident General Lines - Life, Accident, Health, and HMO 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.

105. Which statement best describes Texas Department of Insurance for life and health insurance licensing purposes?

- 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 Texas Department of Insurance administers insurance regulation and licensing functions in Texas.
- 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. Which statement best describes Commissioner of Insurance for life and health insurance licensing purposes?

- 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 Commissioner of Insurance leads the Texas Department of Insurance and exercises authority granted by Texas insurance law.

107. Which statement best describes Texas agent fiduciary duty for life and health insurance licensing purposes?

- 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. Premiums received by an agent belong to the insurer or insured as appropriate and must be handled in a fiduciary capacity.
- 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. Which statement best describes Texas rebating for life and health insurance licensing purposes?

- 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. Which statement best describes Texas twisting for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Twisting is an unfair practice that uses misleading comparisons to induce replacement or lapse of an insurance policy.
- 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.

110. Which statement best describes Texas misrepresentation for life and health insurance licensing purposes?

- A. Misrepresentation is an unfair practice when a producer makes a false or misleading statement about policy benefits, terms, or an 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.

111. Which statement best describes Texas defamation for life and health insurance licensing purposes?

- 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 statement best describes Texas unfair discrimination for life and health insurance licensing purposes?

- 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. Unfair discrimination occurs when similar risks in the same class are treated differently without a lawful actuarial basis.

113. Which statement best describes Texas replacement for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Texas replacement rules are intended to protect consumers when a new life policy or annuity replaces existing 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.

114. Which statement best describes Texas policy illustration for life and health insurance licensing purposes?

- 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 best describes Texas annuity best interest for life and health insurance licensing purposes?

- 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 Texas producer recommending an annuity must act in the consumer's best interest under applicable annuity requirements.
- 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. Which statement best describes Texas continuing education for life and health insurance licensing purposes?

- 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 licensees must meet continuing education requirements to maintain a license, subject to the rules that apply to the license.

117. Which statement best describes Texas license renewal for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Most Texas insurance licenses renew every two years, although an initial term may be shorter to align renewal timing.
- 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.

118. Which statement best describes Texas license address for life and health insurance licensing purposes?

- A. A Texas licensee must keep licensing information current and follow Department procedures for reporting required changes.
- 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.

119. Which statement best describes Texas cease and desist order for life and health insurance licensing purposes?

- 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 cease and desist order directs a person to stop conduct that violates insurance law or regulation.

120. Which statement best describes Texas administrative penalty for life and health insurance licensing purposes?

- 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. Which statement best describes Texas license suspension for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. A Texas insurance license may be suspended or revoked for statutory grounds, including prohibited or dishonest conduct.
- 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.

122. Which statement best describes Texas HMO for life and health insurance licensing purposes?

- 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. Which statement best describes Texas complaint process for life and health insurance licensing purposes?

- A. A Texas consumer may file an insurance complaint with the Texas Department of Insurance for review and assistance.
- 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.

124. Which statement best describes Texas producer appointment for life and health insurance licensing purposes?

- 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. An insurer appoints a producer when required so the producer may act for that insurer within the granted authority.

125. Which statement best describes Texas temporary authority for life and health insurance licensing purposes?

- 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 person should not assume a license or appointment exists merely because an application has been submitted; authority depends on Texas law and approval.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

126. Which statement best describes Texas advertising for life and health insurance licensing purposes?

- A. It automatically provides unlimited lifetime coverage, ignores policy terms, and creates benefits without premiums, underwriting, eligibility, or contractual conditions.
- B. Texas insurance advertising must not be false, deceptive, or misleading about policy benefits, terms, or the 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.

127. Which statement best describes Texas insurance fraud for life and health insurance licensing purposes?

- 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. Insurance fraud involves knowingly making a false or fraudulent statement or claim in connection with an insurance transaction.
- D. It changes the contract into an unrestricted investment account that has no insurance protection, no limits, no policy duties, and no contractual requirements.

128. Which statement best describes Texas claims practices for life and health insurance licensing purposes?

- 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. Which statement best describes Texas health coverage disclosure for life and health insurance licensing purposes?

- 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. Health coverage marketing and enrollment communications must provide required information and avoid misleading consumers.

130. Which statement best describes Texas regulatory compliance for life and health insurance licensing purposes?

- A. A producer must follow Texas insurance statutes, regulations, licensing rules, and the insurer's lawful procedures when transacting 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.

Practice Exam 10: Answer Key and Explanations

- 1. C** — Insurance licensing questions distinguish insurable interest from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.
- 2. A** — Insurance licensing questions distinguish pure risk from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.
- 3. A** — Insurance licensing questions distinguish contract of adhesion from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.
- 4. D** — Insurance licensing questions distinguish representation from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

5. B — Insurance licensing questions distinguish whole life insurance from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

6. C — Insurance licensing questions distinguish term life insurance from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

7. C — Insurance licensing questions distinguish universal life insurance from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

8. D — Insurance licensing questions distinguish variable life insurance from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

9. B — Insurance licensing questions distinguish joint life policy from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

10. A — Insurance licensing questions distinguish survivorship life policy from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

11. D — Insurance licensing questions distinguish beneficiary designation from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

12. C — Insurance licensing questions distinguish per stirpes designation from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a

separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

13. A — Insurance licensing questions distinguish common disaster provision from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

14. B — Insurance licensing questions distinguish grace period from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

15. A — Insurance licensing questions distinguish reinstatement from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

16. C — Insurance licensing questions distinguish incontestability clause from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

17. B — Insurance licensing questions distinguish suicide clause from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

18. D — Insurance licensing questions distinguish policy loan from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

19. B — Insurance licensing questions distinguish automatic premium loan from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

20. C — Insurance licensing questions distinguish cash surrender option from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a

separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

21. A — Insurance licensing questions distinguish reduced paid-up option from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

22. D — Insurance licensing questions distinguish extended term option from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

23. B — Insurance licensing questions distinguish assignment from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

24. A — Insurance licensing questions distinguish collateral assignment from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

25. C — Insurance licensing questions distinguish settlement option from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

26. D — Insurance licensing questions distinguish fixed-period settlement from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

27. A — Insurance licensing questions distinguish fixed-amount settlement from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

28. C — Insurance licensing questions distinguish life income option from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

29. D — Insurance licensing questions distinguish immediate annuity from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

30. B — Insurance licensing questions distinguish deferred annuity from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

31. A — Insurance licensing questions distinguish annuity accumulation phase from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

32. D — Insurance licensing questions distinguish annuity annuitization phase from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

33. B — Insurance licensing questions distinguish MEC from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

34. C — Insurance licensing questions distinguish group life conversion privilege from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

35. D — Insurance licensing questions distinguish credit life insurance from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a

separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

36. A — Insurance licensing questions distinguish key person life insurance from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

37. C — Insurance licensing questions distinguish buy-sell agreement funding from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

38. B — Insurance licensing questions distinguish executive bonus plan from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

39. A — Insurance licensing questions distinguish qualified plan from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

40. B — Insurance licensing questions distinguish traditional IRA from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

41. C — Insurance licensing questions distinguish Roth IRA from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

42. D — Insurance licensing questions distinguish Social Security survivor benefit from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

43. B — Insurance licensing questions distinguish estate liquidity from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited

benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

44. D — Insurance licensing questions distinguish viatical settlement from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

45. C — Insurance licensing questions distinguish life insurance proceeds from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

46. A — Insurance licensing questions distinguish dividends from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

47. B — Insurance licensing questions distinguish human life value from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

48. A — Insurance licensing questions distinguish needs analysis from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

49. C — Insurance licensing questions distinguish field underwriting from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

50. D — Insurance licensing questions distinguish producer authority from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

51. C — Insurance licensing questions distinguish accident and health insurance from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

52. A — Insurance licensing questions distinguish disability income insurance from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

53. B — Insurance licensing questions distinguish presumptive disability from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

54. D — Insurance licensing questions distinguish own-occupation definition from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

55. A — Insurance licensing questions distinguish elimination period from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

56. B — Insurance licensing questions distinguish benefit period from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

57. D — Insurance licensing questions distinguish residual disability from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

58. C — Insurance licensing questions distinguish health maintenance organization from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or

describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

59. A — Insurance licensing questions distinguish preferred provider organization from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

60. C — Insurance licensing questions distinguish exclusive provider organization from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

61. D — Insurance licensing questions distinguish point-of-service plan from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

62. B — Insurance licensing questions distinguish deductible from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

63. A — Insurance licensing questions distinguish coinsurance from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

64. C — Insurance licensing questions distinguish copayment from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

65. B — Insurance licensing questions distinguish out-of-pocket maximum from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

66. D — Insurance licensing questions distinguish coordination of benefits from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a

separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

67. A — Insurance licensing questions distinguish primary insurer from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

68. C — Insurance licensing questions distinguish Medicare Part A from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

69. D — Insurance licensing questions distinguish Medicare Part B from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

70. B — Insurance licensing questions distinguish Medicare Part C from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

71. C — Insurance licensing questions distinguish Medicare Part D from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

72. B — Insurance licensing questions distinguish Medigap from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

73. A — Insurance licensing questions distinguish Medicaid from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

74. D — Insurance licensing questions distinguish long-term care insurance from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited

benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

75. A — Insurance licensing questions distinguish activities of daily living from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

76. B — Insurance licensing questions distinguish home health care from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

77. D — Insurance licensing questions distinguish skilled nursing care from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

78. C — Insurance licensing questions distinguish dread disease policy from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

79. B — Insurance licensing questions distinguish hospital indemnity policy from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

80. A — Insurance licensing questions distinguish major medical policy from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

81. C — Insurance licensing questions distinguish limited benefit policy from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

82. D — Insurance licensing questions distinguish accidental death and dismemberment from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

83. B — Insurance licensing questions distinguish blanket policy from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

84. C — Insurance licensing questions distinguish group health eligibility from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

85. A — Insurance licensing questions distinguish COBRA from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

86. D — Insurance licensing questions distinguish HIPAA portability from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

87. A — Insurance licensing questions distinguish preexisting condition from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

88. B — Insurance licensing questions distinguish adverse selection from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

89. C — Insurance licensing questions distinguish morale hazard from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a

separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

90. D — Insurance licensing questions distinguish moral hazard from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

91. D — Insurance licensing questions distinguish guaranteed renewable policy from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

92. A — Insurance licensing questions distinguish noncancelable policy from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

93. B — Insurance licensing questions distinguish conditionally renewable policy from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

94. C — Insurance licensing questions distinguish probationary period from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

95. C — Insurance licensing questions distinguish free-look period from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

96. B — Insurance licensing questions distinguish notice of claim from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

97. A — Insurance licensing questions distinguish proof of loss from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

98. D — Insurance licensing questions distinguish claim payment provision from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

99. C — Insurance licensing questions distinguish legal actions provision from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

100. B — Insurance licensing questions distinguish entire contract provision from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

101. A — Insurance licensing questions distinguish Texas General Lines license from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

102. B — Insurance licensing questions distinguish Texas resident application from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

103. D — Insurance licensing questions distinguish Texas application timing from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

104. A — Insurance licensing questions distinguish Texas license fee from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a

separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

105. C — Insurance licensing questions distinguish Texas Department of Insurance from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

106. D — Insurance licensing questions distinguish Commissioner of Insurance from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

107. C — Insurance licensing questions distinguish Texas agent fiduciary duty from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

108. D — Insurance licensing questions distinguish Texas rebating from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

109. B — Insurance licensing questions distinguish Texas twisting from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

110. A — Insurance licensing questions distinguish Texas misrepresentation from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

111. A — Insurance licensing questions distinguish Texas defamation from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

112. D — Insurance licensing questions distinguish Texas unfair discrimination from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

113. B — Insurance licensing questions distinguish Texas replacement from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

114. C — Insurance licensing questions distinguish Texas policy illustration from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

115. C — Insurance licensing questions distinguish Texas annuity best interest from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

116. D — Insurance licensing questions distinguish Texas continuing education from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

117. B — Insurance licensing questions distinguish Texas license renewal from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

118. A — Insurance licensing questions distinguish Texas license address from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

119. D — Insurance licensing questions distinguish Texas cease and desist order from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming

unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies.

120. A — Insurance licensing questions distinguish Texas administrative penalty from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

121. B — Insurance licensing questions distinguish Texas license suspension from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

122. C — Insurance licensing questions distinguish Texas HMO from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

123. A — Insurance licensing questions distinguish Texas complaint process from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

124. D — Insurance licensing questions distinguish Texas producer appointment from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

125. C — Insurance licensing questions distinguish Texas temporary authority from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

126. B — Insurance licensing questions distinguish Texas advertising from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

127. C — Insurance licensing questions distinguish Texas insurance fraud from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

128. B — Insurance licensing questions distinguish Texas claims practices from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

129. D — Insurance licensing questions distinguish Texas health coverage disclosure from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.

130. A — Insurance licensing questions distinguish Texas regulatory compliance from related policy features. The keyed response gives the applicable definition. It fits the stated issue without assuming unlimited benefits or eliminating contractual requirements. The other choices either reverse the rule or describe a separate insurance concept. Focus on what the policy term does, when it applies, and what rights it creates.