

PRACTICE EXAM 6: TEXAS LIFE AND HEALTH INSURANCE LICENSE (130 QUESTIONS)

This 130-question Texas-focused practice exam uses scenario-based items across 50 life-general questions, 50 health-general questions, and 30 Texas state-specific questions. Choose the single best answer. Complete all questions before reviewing the answer key. Consult the current Pearson VUE Texas content outline before scheduling.

1. A client asks for clarification. Which answer correctly identifies which life policy is designed to provide lifetime protection with level premiums and a cash value?

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

2. During a policy review, consider this situation: Which answer correctly identifies what feature allows a term life policyholder to exchange coverage for permanent insurance without proving insurability?

- A. A conversion privilege
- B. A reinstatement provision
- C. A grace period provision
- D. A suicide clause

3. For a licensing-exam scenario, determine the best response: Which answer correctly identifies in a level term policy, which element ordinarily stays the same throughout the level period?

- A. The death benefit
- B. The cash value credit

- C. The policy loan rate
- D. The dividend scale

4. An applicant compares coverage features. Which answer correctly identifies which policy type normally has flexible premiums and an adjustable death benefit within contractual limits?

- A. Ordinary whole life
- B. Universal life insurance
- C. Level term insurance
- D. Credit life insurance

5. A producer is explaining a contract. Which answer correctly identifies a policyowner wants investment choices separated into subaccounts and accepts investment risk. Which policy fits best?

- A. Whole life insurance
- B. Decreasing term insurance
- C. Industrial life insurance
- D. Variable life insurance

6. A client asks for clarification. Which answer correctly identifies what is the principal purpose of a life insurance beneficiary designation?

- A. To name the underwriting class
- B. To set the policy loan rate
- C. To identify who receives proceeds
- D. To determine the premium mode

7. During a policy review, consider this situation: Which answer correctly identifies which beneficiary designation generally requires the beneficiary's consent before the owner can change it?

- A. A revocable designation

- B. A contingent designation
- C. A class designation
- D. An irrevocable designation

8. For a licensing-exam scenario, determine the best response: Which answer correctly identifies a contingent beneficiary receives life proceeds when which event occurs?

- A. The insurer declares dividends
- B. The primary beneficiary cannot take
- C. The insured reaches age 65
- D. The owner misses a premium

9. An applicant compares coverage features. Which answer correctly identifies what does a common disaster clause attempt to address?

- A. The amount of policy dividends
- B. The insurer's investment return
- C. The order of deaths of insureds
- D. The agent's commission split

10. A producer is explaining a contract. Which answer correctly identifies which rider commonly waives premiums if the insured becomes totally disabled as defined in the policy?

- A. Waiver of premium rider
- B. Accidental death rider
- C. Guaranteed insurability rider
- D. Cost of living rider

11. A client asks for clarification. Which answer correctly identifies an accidental death rider generally pays an additional benefit when death results from what?

- A. A policy loan default
- B. A covered accident
- C. A normal illness
- D. A missed renewal date

12. During a policy review, consider this situation: Which answer correctly identifies what is the purpose of a guaranteed insurability rider?

- A. It guarantees a fixed dividend each year
- B. It prevents all policy exclusions
- C. It permits stated future purchases without evidence of insurability
- D. It converts term insurance automatically

13. For a licensing-exam scenario, determine the best response: Which answer correctly identifies which nonforfeiture option uses cash value to buy the same face amount for a limited period?

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

14. An applicant compares coverage features. Which answer correctly identifies which nonforfeiture option provides a smaller amount of fully paid permanent insurance?

- A. Reduced paid-up insurance
- B. Extended term insurance
- C. Cash surrender value
- D. Policy reinstatement

15. A producer is explaining a contract. Which answer correctly identifies what is the basic effect of a policy loan on a cash value life policy?

- A. It cancels the policy immediately
- B. It reduces available value and can reduce proceeds if unpaid
- C. It creates a new beneficiary
- D. It guarantees a dividend

16. A client asks for clarification. Which answer correctly identifies what is the usual purpose of an automatic premium loan provision?

- A. To increase the face amount annually
- B. To remove the grace period
- C. To use available cash value to pay an overdue premium
- D. To convert a term policy

17. During a policy review, consider this situation: Which answer correctly identifies in life insurance, insurable interest must generally exist at what point for a policyowner insuring another person?

- A. When the policy is issued
- B. When the death claim is paid
- C. At every policy anniversary
- D. Only at reinstatement

18. For a licensing-exam scenario, determine the best response: Which answer correctly identifies what is the underwriting purpose of a medical information report?

- A. To establish a beneficiary's rights
- B. To calculate a policy dividend
- C. To determine agent licensing
- D. To help evaluate proposed insured risk

19. An applicant compares coverage features. Which answer correctly identifies which contract characteristic means the insurer's promise is conditioned on specified events and requirements?

- A. Aleatory
- B. Adhesion
- C. Conditional
- D. Unilateral

20. A producer is explaining a contract. Which answer correctly identifies which contract characteristic means only the insurer makes a legally enforceable promise to pay?

- A. Bilateral
- B. Commutative
- C. Personal
- D. Unilateral

21. A client asks for clarification. Which answer correctly identifies a life insurance contract is called aleatory because what is exchanged?

- A. Unequal values depending on an uncertain event
- B. Identical values on a set date
- C. Only services for services
- D. A loan for collateral

22. During a policy review, consider this situation: Which answer correctly identifies what does the incontestability provision generally limit after the required period?

- A. The beneficiary's choice of settlement
- B. The insurer's ability to contest the policy
- C. The owner's ability to borrow
- D. The agent's authority to sell

23. For a licensing-exam scenario, determine the best response: Which answer correctly identifies the grace period is intended primarily to do what?

- A. Permit unlimited policy loans
- B. Keep coverage in force briefly after a premium due date
- C. Extend the contestable period
- D. Guarantee policy dividends

24. An applicant compares coverage features. Which answer correctly identifies which provision restores a lapsed life policy when the owner meets stated requirements?

- A. Consideration clause
- B. Misstatement of age clause
- C. Reinstatement provision
- D. Spendthrift clause

25. A producer is explaining a contract. Which answer correctly identifies if an insured's age was misstated, how are benefits commonly handled?

- A. They are always paid at face amount
- B. The policy is automatically void
- C. The beneficiary is changed
- D. They are adjusted to the correct age

26. A client asks for clarification. Which answer correctly identifies what is the purpose of a spendthrift clause?

- A. To limit a beneficiary's ability to assign proceeds before payment
- B. To increase cash value growth
- C. To waive an overdue premium
- D. To protect policy dividends from tax

27. During a policy review, consider this situation: Which answer correctly identifies which settlement option typically provides payments for as long as the named payee lives?

- A. Fixed period option
- B. Life income option
- C. Interest only option
- D. Lump sum option

28. For a licensing-exam scenario, determine the best response: Which answer correctly identifies under an interest-only settlement option, what is commonly paid to the beneficiary?

- A. The entire face amount immediately
- B. A reduced paid-up benefit
- C. Only policy dividends
- D. Interest earned while principal remains with the insurer

29. An applicant compares coverage features. Which answer correctly identifies a participating policy may provide which feature?

- A. Policy dividends
- B. Guaranteed market gains
- C. Unlimited loans without interest
- D. Automatic conversion to term

30. A producer is explaining a contract. Which answer correctly identifies which dividend option uses dividends to purchase small amounts of fully paid permanent insurance?

- A. Accumulation at interest
- B. Cash payment
- C. Paid-up additions
- D. Premium reduction

31. A client asks for clarification. Which answer correctly identifies what is a Modified Endowment Contract primarily known for?

- A. A guaranteed death benefit increase
- B. No cash value accumulation
- C. A mandatory annual dividend
- D. Different tax treatment of distributions and loans

32. During a policy review, consider this situation: Which answer correctly identifies which business life insurance use funds the purchase of a deceased owner's business interest?

- A. Buy-sell funding
- B. Key person protection
- C. Group conversion
- D. Credit life coverage

33. For a licensing-exam scenario, determine the best response: Which answer correctly identifies what is key person life insurance intended to protect against?

- A. Loss of a beneficiary's income
- B. An employee's medical expenses
- C. Financial loss from a crucial employee's death
- D. A lender's property loss

34. An applicant compares coverage features. Which answer correctly identifies in a group life plan, the document issued to the employer is usually called what?

- A. An individual policy
- B. A master policy
- C. A binder
- D. A certificate of authority

35. A producer is explaining a contract. Which answer correctly identifies what proof does a covered employee ordinarily receive under group life insurance?

- A. A certificate of coverage
- B. A policy loan agreement
- C. An insurer charter
- D. A replacement notice

36. A client asks for clarification. Which answer correctly identifies which group life feature permits a departing employee to obtain individual coverage under stated conditions?

- A. Incontestability clause
- B. Conversion privilege
- C. Automatic loan provision
- D. War exclusion

37. During a policy review, consider this situation: Which answer correctly identifies what is the primary reason insurers use risk classifications?

- A. To guarantee equal premiums for everyone
- B. To select beneficiaries
- C. To group applicants with similar expected mortality
- D. To determine settlement options

38. For a licensing-exam scenario, determine the best response: Which answer correctly identifies which classification generally reflects the lowest expected mortality and lowest premium?

- A. Standard
- B. Substandard
- C. Declined
- D. Preferred

39. An applicant compares coverage features. Which answer correctly identifies what does a conditional receipt generally depend on?

- A. Whether a beneficiary accepts proceeds
- B. Whether dividends are declared
- C. Whether stated underwriting conditions are satisfied
- D. Whether the owner selects installments

40. A producer is explaining a contract. Which answer correctly identifies what happens when a life policy is assigned absolutely?

- A. The beneficiary becomes irrevocable
- B. The premium is waived
- C. The cash value is surrendered
- D. Ownership rights are transferred to the assignee

41. A client asks for clarification. Which answer correctly identifies which life policy provision identifies the entire agreement between the parties?

- A. Entire contract provision
- B. Suicide provision
- C. Grace period provision
- D. Misstatement of age provision

42. During a policy review, consider this situation: Which answer correctly identifies the suicide clause commonly limits the insurer's liability during what period?

- A. Every policy anniversary
- B. An initial stated policy period
- C. Only after reinstatement
- D. Only during conversion

43. For a licensing-exam scenario, determine the best response: Which answer correctly identifies which policy is often used to cover a temporary mortgage balance that declines over time?

- A. Variable whole life insurance
- B. Decreasing term insurance
- C. Straight life insurance
- D. Endowment insurance

44. An applicant compares coverage features. Which answer correctly identifies what does renewable term insurance allow at the end of a term?

- A. Renewal without evidence of insurability
- B. Cash value withdrawal without tax
- C. Conversion only after disability
- D. A guaranteed dividend payment

45. A producer is explaining a contract. Which answer correctly identifies which life insurance premium mode usually produces the lowest total annual outlay, all else equal?

- A. Monthly premium payment
- B. Quarterly premium payment
- C. Annual premium payment
- D. Semiannual premium payment

46. A client asks for clarification. Which answer correctly identifies what is the policyowner's consideration in a life insurance contract?

- A. The insurer's claim payment
- B. The beneficiary's consent
- C. The agent's appointment
- D. Premium payment and application statements

47. During a policy review, consider this situation: Which answer correctly identifies which rider is designed to increase a benefit when the insured dies because of a covered accident?

- A. Accidental death rider
- B. Payor benefit rider
- C. Term conversion rider
- D. Impairment rider

48. For a licensing-exam scenario, determine the best response: Which answer correctly identifies what is the purpose of a return-of-premium term design?

- A. It guarantees cash value each year
- B. It may return specified premiums if the insured survives the term
- C. It pays dividends to all owners
- D. It waives all underwriting

49. An applicant compares coverage features. Which answer correctly identifies a life policy lapse occurs most directly when what happens?

- A. The beneficiary changes address
- B. The insured changes occupation
- C. Required premium is not paid by the end of grace period
- D. The insurer pays a dividend

50. A producer is explaining a contract. Which answer correctly identifies which source of underwriting information is typically requested from an applicant's physician with authorization?

- A. A beneficiary report
- B. A group certificate
- C. A policy illustration
- D. An attending physician statement

51. A client asks for clarification. Which answer correctly identifies which health policy provision limits coverage for a condition that existed before the policy effective date?

- A. Preexisting condition provision
- B. Incontestability provision
- C. Entire contract provision
- D. Free-look provision

52. During a policy review, consider this situation: Which answer correctly identifies what is a deductible in a health insurance policy?

- A. The maximum amount an insurer will pay
- B. The portion paid after coinsurance
- C. The annual premium credit
- D. The amount paid by the insured before benefits begin

53. For a licensing-exam scenario, determine the best response: Which answer correctly identifies coinsurance usually requires the insured to do what after the deductible?

- A. Pay every expense in full
- B. Share a stated percentage of covered expenses
- C. Wait through a new elimination period
- D. Use only emergency care

54. An applicant compares coverage features. Which answer correctly identifies what is an out-of-pocket maximum designed to limit?

- A. The policy's face amount
- B. The insurer's investment loss
- C. The insured's covered cost sharing for a period
- D. The agent's commission

55. A producer is explaining a contract. Which answer correctly identifies which plan feature encourages use of contracted providers through lower member costs?

- A. A conversion privilege
- B. A preferred provider network
- C. A disability buyout
- D. A policy loan clause

56. A client asks for clarification. Which answer correctly identifies an HMO commonly emphasizes which approach to care?

- A. Coordinated care through a network
- B. Cash value accumulation
- C. Indemnity for any expense
- D. Life income settlement

57. During a policy review, consider this situation: Which answer correctly identifies what is a gatekeeper role in many managed care plans?

- A. Collecting life policy premiums
- B. Approving policy loans
- C. Naming beneficiaries
- D. Coordinating referrals to specialists

58. For a licensing-exam scenario, determine the best response: Which answer correctly identifies which policy commonly pays a stated amount per day of hospital confinement?

- A. Major medical policy
- B. Medicare supplement policy
- C. Hospital indemnity policy
- D. Disability income policy

59. An applicant compares coverage features. Which answer correctly identifies what is the primary purpose of a major medical policy?

- A. To cover broad medical expenses subject to plan terms
- B. To provide a life death benefit
- C. To guarantee a pension income
- D. To insure a mortgage balance

60. A producer is explaining a contract. Which answer correctly identifies a disability income policy is designed chiefly to replace what?

- A. Medical provider charges
- B. Life insurance cash value
- C. Lost earned income from disability
- D. Employer payroll taxes

61. A client asks for clarification. Which answer correctly identifies what is an elimination period in disability income insurance?

- A. The time allowed to reinstate a policy
- B. The waiting period before benefits begin
- C. The period before a claim is filed
- D. The period for policy delivery

62. During a policy review, consider this situation: Which answer correctly identifies a residual disability benefit is intended for an insured who has what?

- A. A total loss of life coverage
- B. A claim denied for fraud
- C. A loan against cash value
- D. A partial loss of income after disability

63. For a licensing-exam scenario, determine the best response: Which answer correctly identifies what does own-occupation disability language generally focus on?

- A. Ability to work any job at all
- B. Ability to perform the insured's own occupation
- C. Need for hospital confinement
- D. Need for a specialist referral

64. An applicant compares coverage features. Which answer correctly identifies which rider is intended to protect a disability income benefit from inflation?

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

65. A producer is explaining a contract. Which answer correctly identifies what is a health policy's probationary period most commonly used for?

- A. Extending coverage after cancellation
- B. Increasing benefit limits each year
- C. Delaying coverage for sickness for a stated initial time
- D. Determining life policy dividends

66. A client asks for clarification. Which answer correctly identifies what is the purpose of a coordination of benefits provision?

- A. To determine beneficiary order
- B. To establish underwriting class
- C. To set a life settlement option
- D. To prevent duplicate payment when multiple plans cover a loss

67. During a policy review, consider this situation: Which answer correctly identifies subrogation permits a health insurer to do what after paying a covered loss?

- A. Cancel all future coverage
- B. Seek recovery from a responsible third party
- C. Change the insured's occupation
- D. Convert the policy to life insurance

68. For a licensing-exam scenario, determine the best response: Which answer correctly identifies what does the notice of claim provision require?

- A. Prompt notice to the insurer after a loss
- B. Automatic payment of every bill
- C. A beneficiary designation
- D. A policy loan repayment

69. An applicant compares coverage features. Which answer correctly identifies proof of loss generally supplies what to the insurer?

- A. A new premium rate
- B. An agent appointment
- C. A cash value statement
- D. Documentation supporting the claim

70. A producer is explaining a contract. Which answer correctly identifies which provision allows an insurer to examine an insured at its expense when reasonably necessary?

- A. Grace period provision
- B. Change of beneficiary provision
- C. Physical examination and autopsy provision
- D. Misstatement of age provision

71. A client asks for clarification. Which answer correctly identifies what is a blanket health policy usually written to cover?

- A. A group exposed to a common risk without naming each person
- B. One individual and dependents only
- C. A single employer's executives only
- D. A lender and borrower only

72. During a policy review, consider this situation: Which answer correctly identifies a group health certificate is delivered to whom?

- A. The state insurance commissioner
- B. Each covered employee or member
- C. The group policyholder's beneficiary
- D. The insurer's shareholders

73. For a licensing-exam scenario, determine the best response: Which answer correctly identifies cOBRA continuation coverage is associated primarily with which setting?

- A. Individual disability policies
- B. Medicare supplement plans
- C. Certain employer-sponsored group health plans
- D. Credit life policies

74. An applicant compares coverage features. Which answer correctly identifies what is the general purpose of Medicare Part A?

- A. Prescription drug benefits
- B. Physician and outpatient benefits
- C. Medicare supplement benefits
- D. Hospital insurance benefits

75. A producer is explaining a contract. Which answer correctly identifies what is the general purpose of Medicare Part B?

- A. Hospital room and board only
- B. Medical insurance for physician and outpatient services
- C. Long-term custodial care only
- D. Life insurance conversion

76. A client asks for clarification. Which answer correctly identifies medicare Part D is associated with which benefit category?

- A. Hospital indemnity coverage
- B. Dental-only coverage
- C. Prescription drug coverage
- D. Disability income coverage

77. During a policy review, consider this situation: Which answer correctly identifies a Medicare supplement policy is designed to do what?

- A. Replace all Medicare eligibility rules
- B. Provide employer-sponsored coverage
- C. Guarantee long-term custodial care
- D. Help pay certain Medicare cost-sharing gaps

78. For a licensing-exam scenario, determine the best response: Which answer correctly identifies long-term care insurance primarily addresses assistance with what?

- A. Chronic care and activities of daily living
- B. Temporary property damage
- C. Mortgage payoff at death
- D. Investment account losses

79. An applicant compares coverage features. Which answer correctly identifies which is commonly an activity of daily living?

- A. Driving to work
- B. Bathing
- C. Managing a portfolio
- D. Operating machinery

80. A producer is explaining a contract. Which answer correctly identifies what is a benefit period in a health policy?

- A. The time allowed to pay a premium
- B. The policy delivery window
- C. The agent's appointment term
- D. The maximum time benefits may be payable for a covered condition

81. A client asks for clarification. Which answer correctly identifies what does a lifetime maximum represent in a health plan, if included?

- A. The minimum deductible owed each year
- B. The number of dependents covered
- C. The highest cumulative benefit payable under stated terms
- D. The date a policy must convert

82. During a policy review, consider this situation: Which answer correctly identifies a specified disease policy typically provides benefits for what?

- A. Conditions named in the policy
- B. All medical conditions without limits
- C. Only workplace injuries
- D. Only dental services

83. For a licensing-exam scenario, determine the best response: Which answer correctly identifies what does a dental plan's usual, customary, and reasonable provision address?

- A. The insured's life expectancy
- B. The policy loan interest rate
- C. The group conversion deadline
- D. The amount recognized for a covered service

84. An applicant compares coverage features. Which answer correctly identifies which type of health coverage is designed to pay for accidental injuries?

- A. Accident-only policy
- B. Whole life policy
- C. Medicare supplement policy
- D. Deferred annuity

85. A producer is explaining a contract. Which answer correctly identifies what is the purpose of a free-look period in an individual health policy?

- A. To waive all future premiums
- B. To allow review and return under stated conditions
- C. To renew without evidence of insurability
- D. To establish a new deductible

86. A client asks for clarification. Which answer correctly identifies what does a guaranteed renewable health policy generally require of the insurer?

- A. Keep each premium permanently level
- B. Accept every new applicant
- C. Renew coverage subject to class-wide rate changes
- D. Pay every claim without review

87. During a policy review, consider this situation: Which answer correctly identifies a noncancelable health policy gives the insured which protection during the stated period?

- A. The insurer cannot cancel or raise the individual premium
- B. The insured may change any benefit at will
- C. The policy builds life cash value
- D. The insurer must add dependents

88. For a licensing-exam scenario, determine the best response: Which answer correctly identifies what is a limited benefit health policy?

- A. Coverage with no exclusions
- B. A policy that pays only life proceeds
- C. A group policy with unlimited benefits
- D. Coverage with restricted benefits or specified services

89. An applicant compares coverage features. Which answer correctly identifies which provision commonly prevents overinsurance by allocating payment among insurers?

- A. Change of occupation provision
- B. Other insurance provision
- C. Grace period provision
- D. Insuring clause

90. A producer is explaining a contract. Which answer correctly identifies what is the main role of a utilization review program?

- A. Set life insurance beneficiaries
- B. Determine policy loans
- C. Evaluate medical service use for necessity and appropriateness
- D. Create agent licenses

91. A client asks for clarification. Which answer correctly identifies a health savings account is generally paired with what kind of plan?

- A. A whole life policy
- B. A Medicare supplement policy
- C. A qualifying high-deductible health plan
- D. A hospital indemnity policy

92. During a policy review, consider this situation: Which answer correctly identifies what is the primary purpose of an HSA?

- A. To guarantee health claims
- B. To replace disability income
- C. To fund life policy dividends
- D. To pay qualified medical expenses with tax-advantaged funds

93. For a licensing-exam scenario, determine the best response: Which answer correctly identifies which managed care arrangement typically pays providers a fixed amount per enrolled person?

- A. Indemnity arrangement
- B. Capitation arrangement
- C. Coinsurance arrangement
- D. Conversion arrangement

94. An applicant compares coverage features. Which answer correctly identifies what is a copayment?

- A. A fixed amount the member pays for a covered service
- B. A percentage of a life death benefit
- C. A return of unused premium
- D. An insurer's policy loan charge

95. A producer is explaining a contract. Which answer correctly identifies which term refers to a provider who has contracted with a health plan?

- A. Contingent beneficiary
- B. Participating provider
- C. Policyowner
- D. Certificate holder

96. A client asks for clarification. Which answer correctly identifies what is the purpose of a health insurance exclusion?

- A. To establish the premium due date
- B. To name a beneficiary
- C. To create policy cash value
- D. To identify a loss or service the policy does not cover

97. During a policy review, consider this situation: Which answer correctly identifies what is an adverse selection concern for insurers?

- A. Higher-risk people are more likely to seek coverage
- B. Healthy people never buy insurance
- C. All claims have identical costs
- D. Premiums are always refundable

98. For a licensing-exam scenario, determine the best response: Which answer correctly identifies which provision helps determine whether a health policy is in force when premium is late?

- A. Incontestability provision
- B. Assignment provision
- C. Grace period provision
- D. Change of beneficiary provision

99. An applicant compares coverage features. Which answer correctly identifies what is the purpose of an insurer's claim form provision?

- A. To set cash value interest
- B. To permit life policy conversion
- C. To identify group sponsors
- D. To describe how claim forms are furnished after notice

100. A producer is explaining a contract. Which answer correctly identifies which type of policy is designed to cover a small employer's eligible employees?

- A. Individual life insurance
- B. Group health insurance
- C. Credit life insurance
- D. Annuity contract

101. A client asks for clarification. Which answer correctly identifies which Texas agency regulates the business of insurance in the state?

- A. Texas Department of Motor Vehicles
- B. Texas Comptroller of Accounts
- C. Texas Department of Insurance
- D. Texas Secretary of State

102. During a policy review, consider this situation: Which answer correctly identifies who is the chief executive officer of the Texas Department of Insurance?

- A. The Commissioner of Insurance
- B. The Attorney General
- C. The State Treasurer
- D. The Governor's chief of staff

103. For a licensing-exam scenario, determine the best response: Which answer correctly identifies a Texas general lines life, accident, health and HMO license authorizes activity in which broad area?

- A. Life, accident, health, and HMO insurance
- B. Only property and casualty insurance
- C. Only securities brokerage
- D. Only real estate brokerage

104. An applicant compares coverage features. Which answer correctly identifies which act is prohibited when an insurer or agent knowingly makes a false statement about a policy to induce a sale?

- A. Indemnification
- B. Subrogation
- C. Assignment
- D. Misrepresentation

105. A producer is explaining a contract. Which answer correctly identifies offering an inducement not stated in the insurance contract to persuade a purchase is generally called what?

- A. Underwriting
- B. Replacement
- C. Rebating
- D. Conversion

106. A client asks for clarification. Which answer correctly identifies what is the general purpose of Texas rules against unfair discrimination in insurance?

- A. To require identical premiums for all applicants
- B. To prohibit improper distinctions among risks or individuals
- C. To eliminate underwriting entirely
- D. To require every product to be guaranteed issue

107. During a policy review, consider this situation: Which answer correctly identifies what is defamation in the insurance trade-practice context?

- A. A valid comparison of policy benefits
- B. A false or malicious statement that harms an insurer or person
- C. A routine explanation of exclusions
- D. A written claim form

108. For a licensing-exam scenario, determine the best response: Which answer correctly identifies which practice involves urging someone to replace coverage by using misleading comparisons?

- A. Coinsurance
- B. Subrogation
- C. Indemnity
- D. Twisting

109. An applicant compares coverage features. Which answer correctly identifies what does commingling refer to in an insurance agency context?

- A. Sharing a commission with a licensed agent
- B. Collecting a premium by check
- C. Improperly mixing premium funds with personal or business funds
- D. Depositing funds in a trust account

110. A producer is explaining a contract. Which answer correctly identifies an insurer's certificate of authority indicates what?

- A. Authorization to transact insurance in Texas
- B. A producer's personal license
- C. A customer's proof of coverage
- D. A beneficiary's right to proceeds

111. A client asks for clarification. Which answer correctly identifies a domestic insurer is generally organized under the laws of which jurisdiction?

- A. Another U.S. state only
- B. A foreign country only
- C. Texas, when operating as a Texas domestic insurer
- D. Any county in Texas

112. During a policy review, consider this situation: Which answer correctly identifies a foreign insurer is generally organized under the laws of what?

- A. Another U.S. state or territory
- B. Texas only
- C. A foreign nation only
- D. The federal government only

113. For a licensing-exam scenario, determine the best response: Which answer correctly identifies an alien insurer is generally organized under the laws of what?

- A. Texas only
- B. Another U.S. state
- C. A Texas county
- D. A country outside the United States

114. An applicant compares coverage features. Which answer correctly identifies what is the principal purpose of insurance producer licensing?

- A. To set every insurer's premium rates
- B. To ensure persons transacting insurance meet legal requirements
- C. To guarantee policy benefits
- D. To replace insurer appointments

115. A producer is explaining a contract. Which answer correctly identifies what is an insurer appointment used to establish?

- A. The consumer's beneficiary designation
- B. The policy's cash value
- C. The insurer's certificate of authority
- D. The producer's authority to act for that insurer

116. A client asks for clarification. Which answer correctly identifies what is a temporary insurance license intended to provide?

- A. Permanent authority without examination
- B. Limited authority for a defined temporary situation
- C. Automatic authority to sell all lines
- D. Authority to transact only securities

117. During a policy review, consider this situation: Which answer correctly identifies what is a cease and desist order intended to require?

- A. Paying a policy dividend
- B. Extending a grace period
- C. Stopping a prohibited practice
- D. Changing a beneficiary

118. For a licensing-exam scenario, determine the best response: Which answer correctly identifies a Texas insurer or agent that engages in fraud may face what type of consequence?

- A. Administrative and other legal penalties
- B. Guaranteed renewal rights
- C. An automatic appointment
- D. A policy loan credit

119. An applicant compares coverage features. Which answer correctly identifies what does the Texas Life and Health Insurance Guaranty Association generally address?

- A. Guaranteed investment gains for every policy
- B. Producer education requirements
- C. Certain protections if a covered member insurer becomes impaired
- D. Automatic claim approval

120. A producer is explaining a contract. Which answer correctly identifies why must marketing materials avoid false advertising?

- A. It prevents insurers from underwriting
- B. It can mislead consumers about insurance terms or benefits
- C. It eliminates policy exclusions
- D. It makes all contracts bilateral

121. A client asks for clarification. Which answer correctly identifies an agent's fiduciary-type duty concerning premiums mainly requires what?

- A. Proper handling and remittance of funds
- B. Payment of all claims personally
- C. Guaranteeing policy dividends
- D. Choosing every beneficiary

122. During a policy review, consider this situation: Which answer correctly identifies what is controlled business generally concerned with?

- A. Group insurance sold through an employer
- B. Coverage sold by an HMO
- C. Business life insurance funding
- D. Insurance written primarily on the producer or closely related interests

123. For a licensing-exam scenario, determine the best response: Which answer correctly identifies when an agent replaces a life policy, what is a key compliance concern?

- A. Automatically increasing the face amount
- B. Following replacement duties and providing required disclosures
- C. Waiving policy contestability
- D. Changing the insurer's domicile

124. An applicant compares coverage features. Which answer correctly identifies what is the purpose of an examination of insurer records by the regulator?

- A. To assess compliance and financial or market conduct matters
- B. To determine a beneficiary's age
- C. To create policy cash value
- D. To select health providers

125. A producer is explaining a contract. Which answer correctly identifies which trade practice involves an agreement to withhold business in order to force a party to act?

- A. Assignment
- B. Conversion
- C. Boycott
- D. Capitation

126. A client asks for clarification. Which answer correctly identifies why are unfair claims practices regulated?

- A. To guarantee every claim is paid
- B. To eliminate proof-of-loss requirements
- C. To permit misrepresentation
- D. To require fair and timely claim handling

127. During a policy review, consider this situation: Which answer correctly identifies what is the purpose of a producer's continuing compliance obligations?

- A. To set health plan deductibles
- B. To maintain adherence to licensing and insurance laws
- C. To determine mortality tables
- D. To replace beneficiary designations

128. For a licensing-exam scenario, determine the best response: Which answer correctly identifies an insurance transaction generally includes what type of activity?

- A. Soliciting, negotiating, or selling insurance
- B. Only paying a claim
- C. Only investing insurer assets
- D. Only issuing a driver's license

129. An applicant compares coverage features. Which answer correctly identifies which statement best describes a Texas HMO's basic role?

- A. It issues only life insurance
- B. It serves solely as a bank
- C. It regulates other insurers
- D. It arranges or provides health care services through a managed system

130. A producer is explaining a contract. Which answer correctly identifies why should an applicant receive a clear explanation of policy exclusions and limitations?

- A. So the policy becomes a security
- B. So underwriting is eliminated
- C. So the applicant can make an informed insurance decision
- D. So cash value is guaranteed

Practice Exam 6: Answer Key and Explanations

- 1. D** — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.
- 2. A** — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.
- 3. A** — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.
- 4. B** — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.
- 5. D** — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.
- 6. C** — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.
- 7. D** — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.
- 8. B** — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.
- 9. C** — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

10. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

11. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

12. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

13. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

14. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

15. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

16. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

17. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

18. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

19. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

20. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

21. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

22. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

23. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

24. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

25. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

26. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

27. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

28. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

29. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

30. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

31. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

32. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

33. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

34. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

35. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

36. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

37. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

38. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

39. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

40. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

41. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

42. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

43. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

44. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

45. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

46. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

47. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

48. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

49. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

50. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

51. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

52. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

53. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

54. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

55. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

56. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

57. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

58. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

59. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

60. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

61. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

62. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

63. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

64. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

65. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

66. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

67. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

68. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

69. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

70. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

71. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

72. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

73. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

74. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

75. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

76. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

77. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

78. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

79. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

80. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

81. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

82. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

83. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

84. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

85. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

86. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

87. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

88. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

89. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

90. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

91. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

92. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

93. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

94. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

95. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

96. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

97. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

98. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

99. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

100. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

101. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

102. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

103. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

104. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

105. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

106. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

107. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

108. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

109. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

110. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

111. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

112. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

113. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

114. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

115. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

116. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

117. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

118. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

119. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

120. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

121. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

122. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

123. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

124. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

125. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

126. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

127. B — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

128. A — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

129. D — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.

130. C — The keyed option is correct because it accurately identifies the insurance concept being tested in this scenario. Examine the function, legal purpose, or coverage feature named in the question. The distractors are plausible terms from insurance practice, but each describes a different product, provision, duty, or outcome and therefore fails to answer this specific prompt.