

PRACTICE EXAM 7: TEXAS LIFE AND HEALTH INSURANCE LICENSE (130 QUESTIONS)

This 130-question Texas-focused practice exam covers 50 life-general questions, 50 health-general questions, and 30 Texas state-specific questions. Select the single best answer for each item. Complete the exam before reviewing the answer key. Confirm current rules against the official Texas content outline.

1. A licensing candidate sees this client situation. Identify the best answer: 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. Use the facts below to select the applicable insurance concept: What feature allows a term life policyholder to exchange coverage for permanent insurance without proving insurability?

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

3. In a policy-service meeting, which answer is most accurate? In a level term policy, which element ordinarily stays the same throughout the level period?

- A. The death benefit
- B. The policy loan rate
- C. The dividend scale

D. The cash value credit

4. A producer is reviewing coverage options. Determine the correct conclusion: 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. For this Texas insurance scenario, choose the single best answer: A policyowner wants investment choices separated into subaccounts and accepts investment risk. Which policy fits best?

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

6. A licensing candidate sees this client situation. Identify the best answer: What is the principal purpose of a life insurance beneficiary designation?

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

7. Use the facts below to select the applicable insurance concept: Which beneficiary designation generally requires the beneficiary's consent before the owner can change it?

- A. An irrevocable designation
- B. A revocable designation

- C. A contingent designation
- D. A class designation

8. In a policy-service meeting, which answer is most accurate? A contingent beneficiary receives life proceeds when which event occurs?

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

9. A producer is reviewing coverage options. Determine the correct conclusion: What does a common disaster clause attempt to address?

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

10. For this Texas insurance scenario, choose the single best answer: Which rider commonly waives premiums if the insured becomes totally disabled as defined in the policy?

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

11. A licensing candidate sees this client situation. Identify the best answer: An accidental death rider generally pays an additional benefit when death results from what?

- A. A missed renewal date

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

12. Use the facts below to select the applicable insurance concept: What is the purpose of a guaranteed insurability rider?

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

13. In a policy-service meeting, which answer is most accurate? 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. Extended term insurance
- D. Automatic premium loan

14. A producer is reviewing coverage options. Determine the correct conclusion: Which nonforfeiture option provides a smaller amount of fully paid permanent insurance?

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

15. For this Texas insurance scenario, choose the single best answer: What is the basic effect of a policy loan on a cash value life policy?

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

16. A licensing candidate sees this client situation. Identify the best answer: 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 convert a term policy
- D. To use available cash value to pay an overdue premium

17. Use the facts below to select the applicable insurance concept: In life insurance, insurable interest must generally exist at what point for a policyowner insuring another person?

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

18. In a policy-service meeting, which answer is most accurate? What is the underwriting purpose of a medical information report?

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

19. A producer is reviewing coverage options. Determine the correct conclusion: Which contract characteristic means the insurer's promise is conditioned on specified events and requirements?

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

20. For this Texas insurance scenario, choose the single best answer: Which contract characteristic means only the insurer makes a legally enforceable promise to pay?

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

21. A licensing candidate sees this client situation. Identify the best answer: A life insurance contract is called aleatory because what is exchanged?

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

22. Use the facts below to select the applicable insurance concept: What does the incontestability provision generally limit after the required period?

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

23. In a policy-service meeting, which answer is most accurate? The grace period is intended primarily to do what?

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

24. A producer is reviewing coverage options. Determine the correct conclusion: Which provision restores a lapsed life policy when the owner meets stated requirements?

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

25. For this Texas insurance scenario, choose the single best answer: 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 licensing candidate sees this client situation. Identify the best answer: What is the purpose of a spendthrift clause?

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

27. Use the facts below to select the applicable insurance concept: Which settlement option typically provides payments for as long as the named payee lives?

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

28. In a policy-service meeting, which answer is most accurate? Under an interest-only settlement option, what is commonly paid to the beneficiary?

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

29. A producer is reviewing coverage options. Determine the correct conclusion: A participating policy may provide which feature?

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

30. For this Texas insurance scenario, choose the single best answer: Which dividend option uses dividends to purchase small amounts of fully paid permanent insurance?

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

31. A licensing candidate sees this client situation. Identify the best answer: What is a Modified Endowment Contract primarily known for?

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

32. Use the facts below to select the applicable insurance concept: Which business life insurance use funds the purchase of a deceased owner's business interest?

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

33. In a policy-service meeting, which answer is most accurate? What is key person life insurance intended to protect against?

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

34. A producer is reviewing coverage options. Determine the correct conclusion: 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. For this Texas insurance scenario, choose the single best answer: What proof does a covered employee ordinarily receive under group life insurance?

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

36. A licensing candidate sees this client situation. Identify the best answer: Which group life feature permits a departing employee to obtain individual coverage under stated conditions?

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

37. Use the facts below to select the applicable insurance concept: What is the primary reason insurers use risk classifications?

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

38. In a policy-service meeting, which answer is most accurate? Which classification generally reflects the lowest expected mortality and lowest premium?

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

39. A producer is reviewing coverage options. Determine the correct conclusion: What does a conditional receipt generally depend on?

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

40. For this Texas insurance scenario, choose the single best answer: 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 licensing candidate sees this client situation. Identify the best answer: Which life policy provision identifies the entire agreement between the parties?

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

42. Use the facts below to select the applicable insurance concept: The suicide clause commonly limits the insurer's liability during what period?

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

43. In a policy-service meeting, which answer is most accurate? Which policy is often used to cover a temporary mortgage balance that declines over time?

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

44. A producer is reviewing coverage options. Determine the correct conclusion: What does renewable term insurance allow at the end of a term?

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

45. For this Texas insurance scenario, choose the single best answer: Which life insurance premium mode usually produces the lowest total annual outlay, all else equal?

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

46. A licensing candidate sees this client situation. Identify the best answer: What is the policyowner's consideration in a life insurance contract?

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

47. Use the facts below to select the applicable insurance concept: Which rider is designed to increase a benefit when the insured dies because of a covered accident?

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

48. In a policy-service meeting, which answer is most accurate? What is the purpose of a return-of-premium term design?

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

49. A producer is reviewing coverage options. Determine the correct conclusion: A life policy lapse occurs most directly when what happens?

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

50. For this Texas insurance scenario, choose the single best answer: Which source of underwriting information is typically requested from an applicant's physician with authorization?

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

51. A licensing candidate sees this client situation. Identify the best answer: Which health policy provision limits coverage for a condition that existed before the policy effective date?

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

52. Use the facts below to select the applicable insurance concept: What is a deductible in a health insurance policy?

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

53. In a policy-service meeting, which answer is most accurate? Coinsurance usually requires the insured to do what after the deductible?

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

54. A producer is reviewing coverage options. Determine the correct conclusion: What is an out-of-pocket maximum designed to limit?

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

55. For this Texas insurance scenario, choose the single best answer: Which plan feature encourages use of contracted providers through lower member costs?

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

56. A licensing candidate sees this client situation. Identify the best answer: An HMO commonly emphasizes which approach to care?

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

57. Use the facts below to select the applicable insurance concept: What is a gatekeeper role in many managed care plans?

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

58. In a policy-service meeting, which answer is most accurate? Which policy commonly pays a stated amount per day of hospital confinement?

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

59. A producer is reviewing coverage options. Determine the correct conclusion: What is the primary purpose of a major medical policy?

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

60. For this Texas insurance scenario, choose the single best answer: A disability income policy is designed chiefly to replace what?

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

61. A licensing candidate sees this client situation. Identify the best answer: What is an elimination period in disability income insurance?

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

62. Use the facts below to select the applicable insurance concept: A residual disability benefit is intended for an insured who has what?

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

63. In a policy-service meeting, which answer is most accurate? What does own-occupation disability language generally focus on?

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

64. A producer is reviewing coverage options. Determine the correct conclusion: 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. For this Texas insurance scenario, choose the single best answer: What is a health policy's probationary period most commonly used for?

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

66. A licensing candidate sees this client situation. Identify the best answer: What is the purpose of a coordination of benefits provision?

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

67. Use the facts below to select the applicable insurance concept: Subrogation permits a health insurer to do what after paying a covered loss?

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

68. In a policy-service meeting, which answer is most accurate? What does the notice of claim provision require?

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

69. A producer is reviewing coverage options. Determine the correct conclusion: Proof of loss generally supplies what to the insurer?

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

70. For this Texas insurance scenario, choose the single best answer: 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. Misstatement of age provision
- D. Physical examination and autopsy provision

71. A licensing candidate sees this client situation. Identify the best answer: What is a blanket health policy usually written to cover?

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

72. Use the facts below to select the applicable insurance concept: A group health certificate is delivered to whom?

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

73. In a policy-service meeting, which answer is most accurate? COBRA continuation coverage is associated primarily with which setting?

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

74. A producer is reviewing coverage options. Determine the correct conclusion: What is the general purpose of Medicare Part A?

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

75. For this Texas insurance scenario, choose the single best answer: What is the general purpose of Medicare Part B?

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

76. A licensing candidate sees this client situation. Identify the best answer: Medicare Part D is associated with which benefit category?

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

77. Use the facts below to select the applicable insurance concept: A Medicare supplement policy is designed to do what?

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

78. In a policy-service meeting, which answer is most accurate? Long-term care insurance primarily addresses assistance with what?

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

79. A producer is reviewing coverage options. Determine the correct conclusion: Which is commonly an activity of daily living?

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

80. For this Texas insurance scenario, choose the single best answer: What is a benefit period in a health policy?

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

81. A licensing candidate sees this client situation. Identify the best answer: What does a lifetime maximum represent in a health plan, if included?

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

82. Use the facts below to select the applicable insurance concept: 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. In a policy-service meeting, which answer is most accurate? What does a dental plan's usual, customary, and reasonable provision address?

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

84. A producer is reviewing coverage options. Determine the correct conclusion: Which type of health coverage is designed to pay for accidental injuries?

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

85. For this Texas insurance scenario, choose the single best answer: What is the purpose of a free-look period in an individual health policy?

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

86. A licensing candidate sees this client situation. Identify the best answer: What does a guaranteed renewable health policy generally require of the insurer?

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

87. Use the facts below to select the applicable insurance concept: A noncancelable health policy gives the insured which protection during the stated period?

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

88. In a policy-service meeting, which answer is most accurate? 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. A producer is reviewing coverage options. Determine the correct conclusion: Which provision commonly prevents overinsurance by allocating payment among insurers?

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

90. For this Texas insurance scenario, choose the single best answer: What is the main role of a utilization review program?

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

91. A licensing candidate sees this client situation. Identify the best answer: 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. Use the facts below to select the applicable insurance concept: What is the primary purpose of an HSA?

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

93. In a policy-service meeting, which answer is most accurate? Which managed care arrangement typically pays providers a fixed amount per enrolled person?

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

94. A producer is reviewing coverage options. Determine the correct conclusion: What is a copayment?

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

95. For this Texas insurance scenario, choose the single best answer: Which term refers to a provider who has contracted with a health plan?

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

96. A licensing candidate sees this client situation. Identify the best answer: What is the purpose of a health insurance exclusion?

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

97. Use the facts below to select the applicable insurance concept: What is an adverse selection concern for insurers?

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

98. In a policy-service meeting, which answer is most accurate? Which provision helps determine whether a health policy is in force when premium is late?

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

99. A producer is reviewing coverage options. Determine the correct conclusion: What is the purpose of an insurer's claim form provision?

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

100. For this Texas insurance scenario, choose the single best answer: Which type of policy is designed to cover a small employer's eligible employees?

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

101. A licensing candidate sees this client situation. Identify the best answer: Which Texas agency regulates the business of insurance in the state?

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

102. Use the facts below to select the applicable insurance concept: Who is the chief executive officer of the Texas Department of Insurance?

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

103. In a policy-service meeting, which answer is most accurate? A Texas general lines life, accident, health and HMO license authorizes activity in which broad area?

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

104. A producer is reviewing coverage options. Determine the correct conclusion: Which act is prohibited when an insurer or agent knowingly makes a false statement about a policy to induce a sale?

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

105. For this Texas insurance scenario, choose the single best answer: Offering an inducement not stated in the insurance contract to persuade a purchase is generally called what?

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

106. A licensing candidate sees this client situation. Identify the best answer: 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. Use the facts below to select the applicable insurance concept: What is defamation in the insurance trade-practice context?

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

108. In a policy-service meeting, which answer is most accurate? Which practice involves urging someone to replace coverage by using misleading comparisons?

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

109. A producer is reviewing coverage options. Determine the correct conclusion: What does commingling refer to in an insurance agency context?

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

110. For this Texas insurance scenario, choose the single best answer: An insurer's certificate of authority indicates what?

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

111. A licensing candidate sees this client situation. Identify the best answer: A domestic insurer is generally organized under the laws of which jurisdiction?

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

112. Use the facts below to select the applicable insurance concept: A foreign insurer is generally organized under the laws of what?

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

113. In a policy-service meeting, which answer is most accurate? An alien insurer is generally organized under the laws of what?

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

114. A producer is reviewing coverage options. Determine the correct conclusion: What is the principal purpose of insurance producer licensing?

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

115. For this Texas insurance scenario, choose the single best answer: What is an insurer appointment used to establish?

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

116. A licensing candidate sees this client situation. Identify the best answer: What is a temporary insurance license intended to provide?

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

117. Use the facts below to select the applicable insurance concept: What is a cease and desist order intended to require?

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

118. In a policy-service meeting, which answer is most accurate? A Texas insurer or agent that engages in fraud may face what type of consequence?

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

119. A producer is reviewing coverage options. Determine the correct conclusion: What does the Texas Life and Health Insurance Guaranty Association generally address?

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

120. For this Texas insurance scenario, choose the single best answer: Why must marketing materials avoid false advertising?

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

121. A licensing candidate sees this client situation. Identify the best answer: An agent's fiduciary-type duty concerning premiums mainly requires what?

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

122. Use the facts below to select the applicable insurance concept: What is controlled business generally concerned with?

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

123. In a policy-service meeting, which answer is most accurate? When an agent replaces a life policy, what is a key compliance concern?

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

124. A producer is reviewing coverage options. Determine the correct conclusion: What is the purpose of an examination of insurer records by the regulator?

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

125. For this Texas insurance scenario, choose the single best answer: Which trade practice involves an agreement to withhold business in order to force a party to act?

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

126. A licensing candidate sees this client situation. Identify the best answer: Why are unfair claims practices regulated?

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

127. Use the facts below to select the applicable insurance concept: What is the purpose of a producer's continuing compliance obligations?

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

128. In a policy-service meeting, which answer is most accurate? An insurance transaction generally includes what type of activity?

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

129. A producer is reviewing coverage options. Determine the correct conclusion: Which statement best describes a Texas HMO's basic role?

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

130. For this Texas insurance scenario, choose the single best answer: Why should an applicant receive a clear explanation of policy exclusions and limitations?

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

Practice Exam 7: Answer Key and Explanations

1. **D** — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.
2. **C** — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.
3. **A** — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.
4. **B** — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.
5. **C** — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.
6. **D** — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.
7. **A** — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.
8. **C** — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.
9. **D** — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

10. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

11. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

12. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

13. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

14. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

15. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

16. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

17. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

18. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

19. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

20. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

21. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

22. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

23. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

24. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

25. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

26. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

27. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

28. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

29. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

30. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

31. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

32. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

33. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

34. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

35. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

36. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

37. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

38. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

39. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

40. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

41. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

42. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

43. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

44. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

45. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

46. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

47. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

48. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

49. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

50. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

51. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

52. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

53. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

54. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

55. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

56. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

57. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

58. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

59. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

60. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

61. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

62. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

63. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

64. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

65. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

66. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

67. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

68. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

69. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

70. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

71. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

72. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

73. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

74. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

75. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

76. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

77. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

78. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

79. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

80. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

81. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

82. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

83. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

84. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

85. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

86. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

87. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

88. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

89. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

90. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

91. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

92. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

93. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

94. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

95. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

96. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

97. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

98. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

99. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

100. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

101. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

102. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

103. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

104. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

105. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

106. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

107. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

108. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

109. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

110. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

111. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

112. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

113. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

114. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

115. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

116. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

117. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

118. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

119. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

120. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

121. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

122. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

123. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

124. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

125. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

126. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

127. A — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

128. D — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

129. C — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.

130. B — The keyed option is correct because it matches the controlling insurance concept in the stated scenario. Focus on the feature, duty, or coverage purpose that the question actually asks about. The remaining choices are related insurance terms, but each has a different function or legal effect and cannot supply the best answer here.