VIRGINIA LIFE AND HEALTH INSURANCE LICENSE STUDY GUIDE - EXAM 15 (140 QUESTIONS)

This 140-question practice exam covers general life and health insurance concepts plus Virginia producer practices. It is a study aid, not an official examination. Verify current Virginia requirements with the State Corporation Commission before testing.

1. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an insured receives care outside a preferred network?

A. coverage necessarily ends at once under the policy
B. the provider becomes the insurer under the policy
C. the deductible no longer applies under the policy
D. out-of-network cost sharing may be less favorable under the plan

2. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an insurer issues a policy with an exclusion?

A. the exclusion identifies a loss or condition the policy does not cover
B. the exclusion guarantees additional benefits under the policy under the policy
C. the exclusion names a beneficiary under the policy under the policy
D. the exclusion is a payment option under the policy under the policy

3. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a policy has a grace period?

A. it removes the need for future premiums under the policy under the policy under the policy
B. it allows a limited time after a premium due date to pay and keep coverage in force
C. it applies only after a death claim under the policy under the policy under the policy

D. it is a surrender option under the policy under the policy under the policy under the policy

4. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an insured reinstates a lapsed policy?

A. reinstatement always occurs without conditions under the policy under the policy
B. the beneficiary alone reinstates coverage under the policy under the policy
C. the insurer may require evidence and overdue amounts as stated in the policy
D. cash value must be forfeited under the policy under the policy

5. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an insurance policy includes a free-look period?

A. the insurer may cancel any claim retroactively under the policy under the policy under the policy
B. the beneficiary cannot be changed under the policy under the policy under the policy
C. the owner may review and return the policy within the stated period for applicable refund rights
D. the policy has no terms under the policy under the policy under the policy

6. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a life insurance policy lists a contingent beneficiary?

A. the contingent beneficiary always receives half the proceeds under the policy under the policy
B. the contingent beneficiary becomes insured under the policy under the policy under the policy
C. the policy has no primary beneficiary under the policy under the policy
D. that person may receive proceeds if the primary beneficiary does not survive the insured

7. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a policy is owned by a business for a key employee?

A. the business should have an insurable interest when the coverage is issued
B. the employee must be the only beneficiary under the policy

C. the policy must be term insurance under the policy under the policy
D. no underwriting is permitted under the policy under the policy

8. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an insurer considers an applicant's medical history?

A. it guarantees policy issue under the policy under the policy under the policy
B. it is one factor that may be relevant to life and health underwriting
C. it replaces the premium under the policy under the policy under the policy
D. it determines beneficiary rights under the policy under the policy under the policy

9. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an applicant receives a conditional receipt?

A. the applicant is always insured regardless of conditions
B. the policy is automatically incontestable under the policy
C. temporary coverage may depend on stated conditions being met
D. the receipt is a beneficiary designation under the policy

10. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an insurance producer receives an application?

A. the producer should change answers to improve approval under the policy
B. the producer should transmit it promptly and accurately to the insurer
C. the producer may delay it indefinitely under the policy
D. the applicant has no right to review it under the policy

11. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a policy is replaced with another policy?

A. replacement always produces better coverage under the policy under the policy

B. the existing policy never matters under the policy under the policy
C. disclosures are unnecessary under the policy under the policy
D. the client should compare benefits, costs, and possible disadvantages before deciding

12. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a policyowner wants income that cannot be outlived?

A. a life annuity payout option is designed to provide income for the annuitant's life
B. term life provides retirement income under the policy under the policy under the policy
C. a health deductible provides income under the policy under the policy under the policy
D. a beneficiary designation guarantees investment returns under the policy under the policy

13. In this Exam 15 scenario, which statement best explains why a deferred annuity owner makes deposits?

A. income payments must start immediately under the policy under the policy
B. the contract is always nonqualified group health under the policy under the policy
C. the insurer has no obligations under the policy under the policy
D. the contract value generally grows during the accumulation period subject to its terms

14. In this Exam 15 scenario, which statement best explains why a policy includes a spendthrift clause?

A. it requires premium payments to stop under the policy
B. it may restrict a beneficiary's ability to assign or anticipate proceeds
C. it eliminates beneficiary rights under the policy under the policy
D. it makes the policy a group contract under the policy

15. In this Exam 15 scenario, which statement best explains why a settlement option is selected for life proceeds?

A. it changes the cause of death under the policy under the policy

B. it is an underwriting classification under the policy under the policy
C. it determines the method by which proceeds are paid to a beneficiary
D. it is a health plan network rule under the policy

16. In this Exam 15 scenario, which statement best explains why a contract becomes enforceable when there is offer, acceptance, consideration, and competent parties?

A. all essential elements of a valid contract
B. only a signed application under the policy
C. a premium quote from an agent
D. a medical examination under the policy

17. In this Exam 15 scenario, which statement best explains why an insurance contract is considered aleatory?

A. values exchanged may be unequal depending on a future event
B. both parties exchange equal value immediately under the policy
C. the insurer may change any term unilaterally under the policy
D. coverage begins without premium payment under the policy

18. In this Exam 15 scenario, which statement best explains why the applicant gives incomplete material information on an application?

A. the policy automatically becomes incontestable immediately
B. the beneficiary chooses the premium
C. the agent may alter records after issue
D. the insurer may investigate material misrepresentation

19. In this Exam 15 scenario, which statement best explains why an insurer transfers part of a large risk to another insurer?

A. coinsurance by the insured under the policy
B. reinsurance under the policy under the policy
C. self-insurance by the applicant under the policy
D. an indemnity agreement under the policy

20. In this Exam 15 scenario, which statement best explains why a producer acts within authority granted by an insurer?

A. the producer becomes the policyowner under the policy
B. the applicant waives all policy rights under the policy
C. the insurer may be bound by the producer's authorized acts
D. the insurer avoids all responsibility under the policy

21. In this Exam 15 scenario, which statement best explains why a policy provision is ambiguous?

A. it is always ignored under the policy under the policy
B. the beneficiary rewrites it under the policy under the policy
C. the agent decides privately under the policy under the policy
D. it is generally interpreted against the insurer that drafted it

22. In this Exam 15 scenario, which statement best explains why an insured buys coverage after a loss has already occurred?

A. insurance cannot be used to insure a known, completed loss
B. the insurer must pay because a premium was offered
C. the loss becomes a future risk under the policy
D. the policy is automatically backdated under the policy

23. In this Exam 15 scenario, which statement best explains why the insurer evaluates an applicant before deciding whether to issue coverage?

A. indemnification under the policy under the policy
B. subrogation under the policy under the policy
C. underwriting under the policy under the policy
D. conversion under the policy under the policy

24. In this Exam 15 scenario, which statement best explains why a life insurer classifies an applicant as preferred?

A. the applicant has no beneficiary
B. the applicant presents lower-than-average expected mortality risk
C. the policy has no cash value
D. the premium must be the highest available

25. In this Exam 15 scenario, which statement best explains why a person applying for life insurance has an interest in the insured's life?

A. it must exist only when a claim is paid
B. it is never required for life insurance
C. insurable interest must exist when the policy is issued
D. it transfers automatically to any stranger under the policy

26. In this Exam 15 scenario, which statement best explains why a policyowner wants temporary coverage for a stated period?

A. whole life insurance under the policy
B. variable life insurance under the policy
C. a life annuity under the policy
D. term life insurance under the policy

27. In this Exam 15 scenario, which statement best explains why a policyowner wants lifetime protection with fixed premiums and cash value?

A. decreasing term insurance under the policy
B. whole life insurance under the policy
C. credit life insurance under the policy
D. a temporary health rider under the policy

28. In this Exam 15 scenario, which statement best explains why a universal life policy has flexible features?

A. premium payments and death benefit may be adjusted within policy limits
B. cash value cannot earn interest under the policy under the policy
C. coverage lasts exactly one year under the policy under the policy
D. the owner has no surrender rights under the policy

29. In this Exam 15 scenario, which statement best explains why a variable life policy is purchased?

A. the insurer guarantees every investment result under the policy
B. premiums are always flexible under the policy
C. the policyowner bears investment risk in the separate account
D. there is never a death benefit under the policy

30. In this Exam 15 scenario, which statement best explains why a policyowner stops paying premiums on a cash value life policy?

A. the insurer must refund every premium paid
B. a nonforfeiture option helps preserve some policy value
C. the beneficiary becomes owner automatically under the policy
D. the death benefit must increase under the policy

31. In this Exam 15 scenario, which statement best explains why an insured uses accumulated policy cash value as security?

A. a policy loan may be available under the contract
B. the policy is immediately canceled under the policy
C. the beneficiary must pay the loan under the policy
D. the face amount becomes cash value under the policy

32. In this Exam 15 scenario, which statement best explains why a term policy reaches the end of its stated period?

A. cash value is paid automatically under the policy
B. the insurer must issue whole life coverage
C. the death benefit doubles under the policy
D. coverage ends unless it is renewed, converted, or replaced

33. In this Exam 15 scenario, which statement best explains why a convertible term policy is converted?

A. the insured must always take another medical exam under the policy under the policy
B. the policy becomes an annuity under the policy under the policy under the policy
C. the original beneficiary loses all rights permanently under the policy under the policy
D. new permanent coverage may be obtained without new evidence of insurability when the option applies

34. In this Exam 15 scenario, which statement best explains why a beneficiary is revocable?

A. the beneficiary owns the policy
B. the policyowner generally may change that beneficiary
C. the insurer cannot pay any claim
D. the beneficiary may change the insured

35. In this Exam 15 scenario, which statement best explains why a beneficiary is irrevocable?

A. the beneficiary can never receive proceeds under the policy

B. the policy becomes group insurance under the policy
C. the policyowner may need that beneficiary's consent for certain changes
D. the premium is waived automatically under the policy

36. In this Exam 15 scenario, which statement best explains why an insured dies during the life policy grace period?

A. the death benefit is generally payable less any overdue premium
B. no death benefit can ever be paid under the policy
C. the beneficiary must buy a new policy under the policy
D. cash value is forfeited without review under the policy

37. In this Exam 15 scenario, which statement best explains why a policyowner surrenders a permanent life policy?

A. the full death benefit is paid immediately
B. the beneficiary receives all future premiums
C. the policy turns into disability income
D. the owner receives the available cash surrender value

38. In this Exam 15 scenario, which statement best explains why a life policy has an incontestability provision?

A. after the stated period, the insurer's ability to contest is limited
B. all fraud is rewarded under the policy under the policy
C. premiums are no longer due under the policy under the policy
D. beneficiary designations disappear under the policy under the policy

39. In this Exam 15 scenario, which statement best explains why a life insurance application includes a suicide exclusion?

A. all accidental deaths are excluded under the policy under the policy
B. the policy may limit payment for suicide during its stated early period
C. the policy never pays any death benefit under the policy
D. the owner cannot name a beneficiary under the policy under the policy

40. In this Exam 15 scenario, which statement best explains why an applicant wants life insurance that reduces as a debt is repaid?

A. increasing whole life insurance under the policy
B. variable annuity insurance under the policy
C. decreasing term insurance under the policy
D. long-term care insurance under the policy

41. In this Exam 15 scenario, which statement best explains why an employer provides life insurance under one master contract?

A. industrial life insurance under the policy
B. individual variable life under the policy
C. a private annuity under the policy
D. group life insurance under the policy

42. In this Exam 15 scenario, which statement best explains why employees contribute toward group life premiums?

A. the plan is noncontributory under the policy
B. the plan is contributory under the policy
C. the plan has no certificate
D. the employer is the beneficiary

43. In this Exam 15 scenario, which statement best explains why a group life participant leaves employment?

A. the certificate becomes paid-up whole life automatically under the policy
B. the group insurer must refund all payroll deductions under the policy
C. a conversion privilege may allow individual coverage without evidence of insurability
D. the former employer owns the participant's coverage under the policy

44. In this Exam 15 scenario, which statement best explains why an annuity is in its accumulation period?

A. funds are being accumulated before benefits are paid out
B. monthly income payments have already ended under the policy
C. the death benefit is necessarily fixed under the policy
D. the contract is term life insurance under the policy

45. In this Exam 15 scenario, which statement best explains why an annuity enters its payout phase?

A. premium collection begins for the first time
B. the accumulated value is converted to an income stream
C. the contract loses all value under the policy
D. the annuitant becomes the insurer under the policy

46. In this Exam 15 scenario, which statement best explains why an annuity has a fixed payment promise?

A. the owner selects individual securities under the policy
B. the annuitant bears all insurer expenses under the policy
C. there can be no beneficiary under the policy
D. the insurer bears the investment risk supporting the guarantee

47. In this Exam 15 scenario, which statement best explains why an annuity is variable?

A. the account can never decline

B. payments are always guaranteed level
C. values can fluctuate with investment performance
D. the contract is a disability policy

48. In this Exam 15 scenario, which statement best explains why an immediate annuity is purchased?

A. income payments begin soon after purchase under the policy
B. the owner must pay for decades before any benefits
C. coverage is limited to hospital expenses under the policy
D. it provides a death benefit only under the policy

49. In this Exam 15 scenario, which statement best explains why an annuitant selects life income with period certain?

A. payments stop after the first month under the policy
B. the annuitant receives only a lump sum under the policy
C. the beneficiary has no possible interest under the policy
D. payments continue for life and guarantee a minimum payment period

50. In this Exam 15 scenario, which statement best explains why an annuitant dies early under straight life income?

A. payments generally stop at death under the policy
B. the refund of every premium is guaranteed
C. a death benefit equal to face amount is required
D. the insurer must issue a life policy

51. In this Exam 15 scenario, which statement best explains why a health policy is described as noncancelable?

A. the insurer may cancel it each month under the policy under the policy

B. benefits may be removed at any time under the policy under the policy
C. the insurer cannot cancel it or raise the premium while premiums are paid
D. the insured may never renew it under the policy under the policy

52. In this Exam 15 scenario, which statement best explains why a health policy is guaranteed renewable?

A. the insurer may refuse renewal after any claim
B. the insurer must renew but may change premiums by class
C. the premium can never change under the policy
D. benefits are payable only once under the policy

53. In this Exam 15 scenario, which statement best explains why an insured seeks coverage for a sudden illness?

A. life insurance pays scheduled retirement income under the policy
B. property insurance covers the illness under the policy
C. an annuity pays only funeral costs under the policy
D. medical expense insurance helps pay covered health care costs

54. In this Exam 15 scenario, which statement best explains why a major medical plan has a deductible?

A. the insured pays covered expenses up to that amount before plan benefits
B. the insurer pays every expense from the first dollar under the policy
C. the deductible is a death benefit under the policy under the policy
D. the deductible is paid only by a beneficiary under the policy

55. In this Exam 15 scenario, which statement best explains why a major medical plan has coinsurance?

A. the insurer pays nothing after the deductible under the policy
B. the insured receives a life insurance dividend under the policy

C. covered expenses are shared between insured and insurer after the deductible
D. the deductible is eliminated by age under the policy

56. In this Exam 15 scenario, which statement best explains why a plan has a stop-loss limit?

A. it limits the policy death benefit
B. it prevents claims from being filed
C. it is the same as a waiting period
D. it limits the insured's covered out-of-pocket responsibility

57. In this Exam 15 scenario, which statement best explains why an HMO is used for care?

A. any provider is always paid at the same level
B. care is generally coordinated through a network and primary care arrangements
C. there is no focus on preventive care under the policy
D. the member owns the HMO under the policy under the policy

58. In this Exam 15 scenario, which statement best explains why a PPO plan is used?

A. the insured cannot use any out-of-network provider
B. network providers usually offer more favorable cost sharing
C. there is never a deductible under the policy
D. the plan pays only death benefits

59. In this Exam 15 scenario, which statement best explains why a health plan pays a set amount per covered service?

A. it is necessarily reimbursement of every expense under the policy
B. it converts the policy to life insurance under the policy
C. that payment method is a scheduled or fixed indemnity benefit
D. it eliminates all exclusions under the policy under the policy

60. In this Exam 15 scenario, which statement best explains why a disability income policy has an elimination period?

A. benefits begin after the waiting period is satisfied
B. coverage ends permanently at the first disability
C. the premium is returned immediately under the policy
D. the policy becomes accidental death coverage

61. In this Exam 15 scenario, which statement best explains why a disability policy uses an own-occupation definition?

A. any ability to work proves no disability under the policy
B. the policy covers only hospital bills under the policy
C. benefits are always payable for life under the policy
D. disability is measured against the insured's ability to perform that occupation

62. In this Exam 15 scenario, which statement best explains why a disability policy uses a residual benefit?

A. partial loss of income may qualify for a partial benefit
B. only total permanent disability can be covered under the policy
C. the beneficiary receives a life benefit under the policy
D. the elimination period is waived for every illness

63. In this Exam 15 scenario, which statement best explains why a long-term care policy covers qualifying services?

A. it is limited to accidental death under the policy
B. benefits can help with extended assistance when eligibility conditions are met
C. it is a form of automobile coverage under the policy

D. it pays only physician office copays under the policy

64. In this Exam 15 scenario, which statement best explains why an insured needs assistance with bathing and dressing?

A. they are life insurance settlement options under the policy under the policy
B. they are property underwriting factors under the policy under the policy
C. these are activities of daily living often used in long-term care eligibility
D. they are annuity payout choices under the policy under the policy

65. In this Exam 15 scenario, which statement best explains why a policy includes a waiver of premium rider?

A. the death benefit is always doubled
B. premium obligations may be waived during qualifying disability
C. the insured must surrender cash value
D. all beneficiaries are removed under the policy

66. In this Exam 15 scenario, which statement best explains why a health policy contains a preexisting-condition provision?

A. it increases the policy face amount under the policy under the policy
B. it names the annuitant under the policy under the policy under the policy
C. it addresses how a condition existing before coverage may be treated under the contract
D. it replaces the grace period under the policy under the policy under the policy

67. In this Exam 15 scenario, which statement best explains why a policy has a coordination-of-benefits provision?

A. it helps determine payment order when more than one health plan applies
B. it lets both plans pay more than the loss under the policy

C. it cancels all secondary coverage under the policy under the policy
D. it is used only in life insurance under the policy

68. In this Exam 15 scenario, which statement best explains why an insured's health policy includes subrogation?

A. the insurer must pay the third party's premium under the policy under the policy
B. the insured assigns ownership to a beneficiary under the policy under the policy
C. the provision creates an annuity under the policy under the policy under the policy
D. the insurer may seek recovery from a responsible third party after paying a covered loss

69. In this Exam 15 scenario, which statement best explains why a claim is submitted to a health insurer?

A. the producer decides it without the insurer under the policy
B. the beneficiary writes new policy terms under the policy
C. the claim automatically becomes life insurance under the policy
D. the insurer reviews it under the policy's covered benefits and conditions

70. In this Exam 15 scenario, which statement best explains why an agent discusses insurance with a Virginia consumer?

A. the agent may promise benefits not in the policy
B. the agent should make fair and accurate representations of policy terms
C. the agent may hide material exclusions under the policy
D. the agent may alter the application without consent under the policy

71. In this Exam 15 scenario, which statement best explains why a producer handles an applicant's premium?

A. the producer may use funds for personal expenses under the policy

B. the applicant loses all policy rights under the policy under the policy
C. premium funds must be handled properly and in accordance with fiduciary duties
D. the premium becomes a policy loan under the policy under the policy

72. In this Exam 15 scenario, which statement best explains why an agent recommends replacement of existing life insurance?

A. the agent should follow applicable replacement rules and provide required disclosures
B. the agent should conceal the existing policy under the policy
C. the new insurer has no duties under the policy
D. the applicant must surrender coverage before receiving information under the policy

73. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a contract becomes enforceable when there is offer, acceptance, consideration, and competent parties?

A. only a signed application under the policy
B. all essential elements of a valid contract
C. a premium quote from an agent
D. a medical examination under the policy

74. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an insurance contract is considered aleatory?

A. both parties exchange equal value immediately under the policy
B. the insurer may change any term unilaterally under the policy
C. values exchanged may be unequal depending on a future event
D. coverage begins without premium payment under the policy

75. On Exam 15, consider this Virginia licensing scenario, which statement best explains why the applicant gives incomplete material information on an application?

A. the policy automatically becomes incontestable immediately
B. the beneficiary chooses the premium
C. the agent may alter records after issue
D. the insurer may investigate material misrepresentation

76. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an insurer transfers part of a large risk to another insurer?

A. reinsurance under the policy under the policy
B. coinsurance by the insured under the policy
C. self-insurance by the applicant under the policy
D. an indemnity agreement under the policy

77. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a producer acts within authority granted by an insurer?

A. the producer becomes the policyowner under the policy
B. the insurer may be bound by the producer's authorized acts
C. the applicant waives all policy rights under the policy
D. the insurer avoids all responsibility under the policy

78. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a policy provision is ambiguous?

A. it is generally interpreted against the insurer that drafted it
B. it is always ignored under the policy under the policy
C. the beneficiary rewrites it under the policy under the policy
D. the agent decides privately under the policy under the policy

79. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an insured buys coverage after a loss has already occurred?

A. the insurer must pay because a premium was offered
B. the loss becomes a future risk under the policy
C. the policy is automatically backdated under the policy
D. insurance cannot be used to insure a known, completed loss

80. On Exam 15, consider this Virginia licensing scenario, which statement best explains why the insurer evaluates an applicant before deciding whether to issue coverage?

A. indemnification under the policy under the policy
B. subrogation under the policy under the policy
C. underwriting under the policy under the policy
D. conversion under the policy under the policy

81. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a life insurer classifies an applicant as preferred?

A. the applicant has no beneficiary
B. the policy has no cash value
C. the applicant presents lower-than-average expected mortality risk
D. the premium must be the highest available

82. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a person applying for life insurance has an interest in the insured's life?

A. it must exist only when a claim is paid
B. insurable interest must exist when the policy is issued
C. it is never required for life insurance
D. it transfers automatically to any stranger under the policy

83. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a policyowner wants temporary coverage for a stated period?

A. whole life insurance under the policy
B. variable life insurance under the policy
C. a life annuity under the policy
D. term life insurance under the policy

84. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a policyowner wants lifetime protection with fixed premiums and cash value?

A. whole life insurance under the policy
B. decreasing term insurance under the policy
C. credit life insurance under the policy
D. a temporary health rider under the policy

85. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a universal life policy has flexible features?

A. cash value cannot earn interest under the policy under the policy
B. premium payments and death benefit may be adjusted within policy limits
C. coverage lasts exactly one year under the policy under the policy
D. the owner has no surrender rights under the policy

86. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a variable life policy is purchased?

A. the insurer guarantees every investment result under the policy
B. premiums are always flexible under the policy
C. there is never a death benefit under the policy
D. the policyowner bears investment risk in the separate account

87. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a policyowner stops paying premiums on a cash value life policy?

A. the insurer must refund every premium paid
B. the beneficiary becomes owner automatically under the policy
C. a nonforfeiture option helps preserve some policy value
D. the death benefit must increase under the policy

88. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an insured uses accumulated policy cash value as security?

A. a policy loan may be available under the contract
B. the policy is immediately canceled under the policy
C. the beneficiary must pay the loan under the policy
D. the face amount becomes cash value under the policy

89. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a term policy reaches the end of its stated period?

A. cash value is paid automatically under the policy
B. coverage ends unless it is renewed, converted, or replaced
C. the insurer must issue whole life coverage
D. the death benefit doubles under the policy

90. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a convertible term policy is converted?

A. the insured must always take another medical exam under the policy under the policy
B. the policy becomes an annuity under the policy under the policy under the policy
C. the original beneficiary loses all rights permanently under the policy under the policy
D. new permanent coverage may be obtained without new evidence of insurability when the option applies

91. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a beneficiary is revocable?

A. the policyowner generally may change that beneficiary
B. the beneficiary owns the policy
C. the insurer cannot pay any claim
D. the beneficiary may change the insured

92. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a beneficiary is irrevocable?

A. the beneficiary can never receive proceeds under the policy
B. the policy becomes group insurance under the policy
C. the policyowner may need that beneficiary's consent for certain changes
D. the premium is waived automatically under the policy

93. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an insured dies during the life policy grace period?

A. no death benefit can ever be paid under the policy
B. the beneficiary must buy a new policy under the policy
C. the death benefit is generally payable less any overdue premium
D. cash value is forfeited without review under the policy

94. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a policyowner surrenders a permanent life policy?

A. the full death benefit is paid immediately
B. the beneficiary receives all future premiums
C. the policy turns into disability income
D. the owner receives the available cash surrender value

95. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a life policy has an incontestability provision?

A. all fraud is rewarded under the policy under the policy
B. after the stated period, the insurer's ability to contest is limited
C. premiums are no longer due under the policy under the policy
D. beneficiary designations disappear under the policy under the policy

96. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a life insurance application includes a suicide exclusion?

A. the policy may limit payment for suicide during its stated early period
B. all accidental deaths are excluded under the policy under the policy
C. the policy never pays any death benefit under the policy
D. the owner cannot name a beneficiary under the policy under the policy

97. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an applicant wants life insurance that reduces as a debt is repaid?

A. increasing whole life insurance under the policy
B. variable annuity insurance under the policy
C. decreasing term insurance under the policy
D. long-term care insurance under the policy

98. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an employer provides life insurance under one master contract?

A. group life insurance under the policy
B. industrial life insurance under the policy
C. individual variable life under the policy
D. a private annuity under the policy

99. On Exam 15, consider this Virginia licensing scenario, which statement best explains why employees contribute toward group life premiums?

A. the plan is noncontributory under the policy
B. the plan has no certificate
C. the employer is the beneficiary
D. the plan is contributory under the policy

100. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a group life participant leaves employment?

A. the certificate becomes paid-up whole life automatically under the policy
B. a conversion privilege may allow individual coverage without evidence of insurability
C. the group insurer must refund all payroll deductions under the policy
D. the former employer owns the participant's coverage under the policy

101. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an annuity is in its accumulation period?

A. funds are being accumulated before benefits are paid out
B. monthly income payments have already ended under the policy
C. the death benefit is necessarily fixed under the policy
D. the contract is term life insurance under the policy

102. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an annuity enters its payout phase?

A. premium collection begins for the first time
B. the accumulated value is converted to an income stream
C. the contract loses all value under the policy
D. the annuitant becomes the insurer under the policy

103. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an annuity has a fixed payment promise?

A. the owner selects individual securities under the policy
B. the annuitant bears all insurer expenses under the policy
C. the insurer bears the investment risk supporting the guarantee
D. there can be no beneficiary under the policy

104. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an annuity is variable?

A. the account can never decline
B. payments are always guaranteed level
C. the contract is a disability policy
D. values can fluctuate with investment performance

105. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an immediate annuity is purchased?

A. income payments begin soon after purchase under the policy
B. the owner must pay for decades before any benefits
C. coverage is limited to hospital expenses under the policy
D. it provides a death benefit only under the policy

106. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an annuitant selects life income with period certain?

A. payments stop after the first month under the policy
B. the annuitant receives only a lump sum under the policy
C. the beneficiary has no possible interest under the policy
D. payments continue for life and guarantee a minimum payment period

107. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an annuitant dies early under straight life income?

A. the refund of every premium is guaranteed
B. payments generally stop at death under the policy
C. a death benefit equal to face amount is required
D. the insurer must issue a life policy

108. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a health policy is described as noncancelable?

A. the insurer may cancel it each month under the policy under the policy
B. benefits may be removed at any time under the policy under the policy
C. the insurer cannot cancel it or raise the premium while premiums are paid
D. the insured may never renew it under the policy under the policy

109. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a health policy is guaranteed renewable?

A. the insurer must renew but may change premiums by class
B. the insurer may refuse renewal after any claim
C. the premium can never change under the policy
D. benefits are payable only once under the policy

110. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an insured seeks coverage for a sudden illness?

A. life insurance pays scheduled retirement income under the policy
B. property insurance covers the illness under the policy
C. an annuity pays only funeral costs under the policy
D. medical expense insurance helps pay covered health care costs

111. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a major medical plan has a deductible?

A. the insurer pays every expense from the first dollar under the policy
B. the insured pays covered expenses up to that amount before plan benefits
C. the deductible is a death benefit under the policy under the policy
D. the deductible is paid only by a beneficiary under the policy

112. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a major medical plan has coinsurance?

A. the insurer pays nothing after the deductible under the policy
B. the insured receives a life insurance dividend under the policy
C. the deductible is eliminated by age under the policy
D. covered expenses are shared between insured and insurer after the deductible

113. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a plan has a stop-loss limit?

A. it limits the policy death benefit
B. it prevents claims from being filed
C. it limits the insured's covered out-of-pocket responsibility
D. it is the same as a waiting period

114. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an HMO is used for care?

A. care is generally coordinated through a network and primary care arrangements
B. any provider is always paid at the same level
C. there is no focus on preventive care under the policy
D. the member owns the HMO under the policy under the policy

115. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a PPO plan is used?

A. the insured cannot use any out-of-network provider
B. there is never a deductible under the policy
C. network providers usually offer more favorable cost sharing
D. the plan pays only death benefits

116. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a health plan pays a set amount per covered service?

A. it is necessarily reimbursement of every expense under the policy
B. that payment method is a scheduled or fixed indemnity benefit
C. it converts the policy to life insurance under the policy
D. it eliminates all exclusions under the policy under the policy

117. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a disability income policy has an elimination period?

A. coverage ends permanently at the first disability
B. benefits begin after the waiting period is satisfied
C. the premium is returned immediately under the policy
D. the policy becomes accidental death coverage

118. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a disability policy uses an own-occupation definition?

A. disability is measured against the insured's ability to perform that occupation
B. any ability to work proves no disability under the policy
C. the policy covers only hospital bills under the policy
D. benefits are always payable for life under the policy

119. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a disability policy uses a residual benefit?

A. only total permanent disability can be covered under the policy
B. the beneficiary receives a life benefit under the policy
C. the elimination period is waived for every illness
D. partial loss of income may qualify for a partial benefit

120. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a long-term care policy covers qualifying services?

A. it is limited to accidental death under the policy
B. it is a form of automobile coverage under the policy
C. benefits can help with extended assistance when eligibility conditions are met
D. it pays only physician office copays under the policy

121. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an insured needs assistance with bathing and dressing?

A. these are activities of daily living often used in long-term care eligibility
B. they are life insurance settlement options under the policy under the policy
C. they are property underwriting factors under the policy under the policy
D. they are annuity payout choices under the policy under the policy

122. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a policy includes a waiver of premium rider?

A. the death benefit is always doubled
B. the insured must surrender cash value
C. all beneficiaries are removed under the policy
D. premium obligations may be waived during qualifying disability

123. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a health policy contains a preexisting-condition provision?

A. it increases the policy face amount under the policy under the policy
B. it addresses how a condition existing before coverage may be treated under the contract
C. it names the annuitant under the policy under the policy under the policy
D. it replaces the grace period under the policy under the policy under the policy

124. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a policy has a coordination-of-benefits provision?

A. it lets both plans pay more than the loss under the policy
B. it cancels all secondary coverage under the policy under the policy
C. it helps determine payment order when more than one health plan applies
D. it is used only in life insurance under the policy

125. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an insured's health policy includes subrogation?

A. the insurer must pay the third party's premium under the policy under the policy
B. the insurer may seek recovery from a responsible third party after paying a covered loss
C. the insured assigns ownership to a beneficiary under the policy under the policy
D. the provision creates an annuity under the policy under the policy under the policy

126. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a claim is submitted to a health insurer?

A. the producer decides it without the insurer under the policy
B. the beneficiary writes new policy terms under the policy
C. the claim automatically becomes life insurance under the policy
D. the insurer reviews it under the policy's covered benefits and conditions

127. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an agent discusses insurance with a Virginia consumer?

A. the agent should make fair and accurate representations of policy terms
B. the agent may promise benefits not in the policy
C. the agent may hide material exclusions under the policy
D. the agent may alter the application without consent under the policy

128. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a producer handles an applicant's premium?

A. the producer may use funds for personal expenses under the policy
B. the applicant loses all policy rights under the policy under the policy
C. premium funds must be handled properly and in accordance with fiduciary duties
D. the premium becomes a policy loan under the policy under the policy

129. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an agent recommends replacement of existing life insurance?

A. the agent should conceal the existing policy under the policy
B. the new insurer has no duties under the policy
C. the agent should follow applicable replacement rules and provide required disclosures
D. the applicant must surrender coverage before receiving information under the policy

130. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a Virginia licensee moves residences?

A. the license automatically transfers to another state under the policy
B. the licensee should ignore all notices under the policy under the policy
C. the insurer must change the licensee's address without notice under the policy
D. the licensee should keep required licensing contact information current with the regulator

131. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a Virginia insurance license is issued?

A. it authorizes every financial product automatically under the policy under the policy
B. the license authorizes only the lines and activities permitted by law and appointment
C. it eliminates compliance obligations under the policy under the policy under the policy
D. it permits misleading advertisements under the policy under the policy under the policy

132. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a producer advertises an insurance product?

A. advertising should not be misleading or deceptive
B. any projected result may be guaranteed
C. policy exclusions may be omitted
D. the producer may impersonate the regulator

133. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an insurer obtains medical information for underwriting?

A. it may be disclosed publicly without limit under the policy
B. it becomes the producer's personal property under the policy under the policy
C. the information should be used and protected according to applicable privacy requirements
D. it is irrelevant to underwriting under the policy under the policy

134. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an applicant signs an insurance application?

A. the producer alone is responsible for every answer
B. the signature removes all underwriting review under the policy
C. the application replaces the policy contract under the policy
D. the applicant should review answers for accuracy before signing

135. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a life policy is delivered to the owner?

A. delivery eliminates the need to pay premiums under the policy
B. the owner should review the policy, benefits, exclusions, and any required notices
C. the agent becomes the beneficiary under the policy under the policy
D. the policy no longer needs an insured under the policy

136. On Exam 15, consider this Virginia licensing scenario, which statement best explains why an insurer pays a life insurance death claim?

A. the producer chooses the recipient under the policy
B. proceeds are paid according to the policy and beneficiary designation
C. the applicant receives every claim automatically under the policy
D. cash value always replaces the death benefit under the policy

137. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a policyowner wants to assign policy rights as loan collateral?

A. a collateral assignment transfers limited rights to secure the debt
B. it permanently changes the insured under the policy
C. it automatically revokes every beneficiary under the policy
D. it creates group insurance under the policy under the policy

138. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a life policy dividend is declared?

A. it is a guaranteed interest rate under the policy under the policy
B. it is a claim payment for death under the policy under the policy
C. it is a required premium increase under the policy under the policy
D. it is a return of divisible surplus and is not guaranteed unless stated

139. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a participating life policy offers dividend options?

A. dividends may be taken in cash, used for premiums, or applied under policy options
B. dividends can only be forfeited under the policy under the policy under the policy
C. dividends always change the insured under the policy under the policy under the policy
D. dividends are the same as loans under the policy under the policy

140. On Exam 15, consider this Virginia licensing scenario, which statement best explains why a policy includes an accidental death benefit rider?

A. it replaces the basic life policy entirely under the policy
B. it guarantees payment for every death cause under the policy
C. it can provide an additional benefit for covered accidental death
D. it provides only medical expense reimbursement under the policy

Exam 15: Answer Key and Explanations

1. D — out-of-network cost sharing may be less favorable under the plan. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

2. A — the exclusion identifies a loss or condition the policy does not cover. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

3. B — it allows a limited time after a premium due date to pay and keep coverage in force. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

4. C — the insurer may require evidence and overdue amounts as stated in the policy. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

5. C — the owner may review and return the policy within the stated period for applicable refund rights. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

6. D — that person may receive proceeds if the primary beneficiary does not survive the insured. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

7. A — the business should have an insurable interest when the coverage is issued. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

8. B — it is one factor that may be relevant to life and health underwriting. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

9. C — temporary coverage may depend on stated conditions being met. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

10. B — the producer should transmit it promptly and accurately to the insurer. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

11. D — the client should compare benefits, costs, and possible disadvantages before deciding. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

12. A — a life annuity payout option is designed to provide income for the annuitant's life. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

13. D — the contract value generally grows during the accumulation period subject to its terms. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

14. B — it may restrict a beneficiary's ability to assign or anticipate proceeds. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

15. C — it determines the method by which proceeds are paid to a beneficiary. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

16. A — all essential elements of a valid contract. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

17. A — values exchanged may be unequal depending on a future event. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

18. D — the insurer may investigate material misrepresentation. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

19. B — reinsurance. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully. Read the applicable policy language carefully.

20. C — the insurer may be bound by the producer's authorized acts. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

21. D — it is generally interpreted against the insurer that drafted it. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

22. A — insurance cannot be used to insure a known, completed loss. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise

results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

23. C — underwriting. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully. Read the applicable policy language carefully.

24. B — the applicant presents lower-than-average expected mortality risk. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

25. C — insurable interest must exist when the policy is issued. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

26. D — term life insurance. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

27. B — whole life insurance. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

28. A — premium payments and death benefit may be adjusted within policy limits. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

29. C — the policyowner bears investment risk in the separate account. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

30. B — a nonforfeiture option helps preserve some policy value. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

31. A — a policy loan may be available under the contract. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

32. D — coverage ends unless it is renewed, converted, or replaced. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

33. D — new permanent coverage may be obtained without new evidence of insurability when the option applies. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

34. B — the policyowner generally may change that beneficiary. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

35. C — the policyowner may need that beneficiary's consent for certain changes. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

36. A — the death benefit is generally payable less any overdue premium. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

37. D — the owner receives the available cash surrender value. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

38. A — after the stated period, the insurer's ability to contest is limited. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

39. B — the policy may limit payment for suicide during its stated early period. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

40. C — decreasing term insurance. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

41. D — group life insurance. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

42. B — the plan is contributory. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

43. C — a conversion privilege may allow individual coverage without evidence of insurability. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

44. A — funds are being accumulated before benefits are paid out. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

45. B — the accumulated value is converted to an income stream. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

46. D — the insurer bears the investment risk supporting the guarantee. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

47. C — values can fluctuate with investment performance. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

48. A — income payments begin soon after purchase. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

49. D — payments continue for life and guarantee a minimum payment period. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

50. A — payments generally stop at death. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

51. C — the insurer cannot cancel it or raise the premium while premiums are paid. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

52. B — the insurer must renew but may change premiums by class. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

53. D — medical expense insurance helps pay covered health care costs. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

54. A — the insured pays covered expenses up to that amount before plan benefits. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

55. C — covered expenses are shared between insured and insurer after the deductible. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

56. D — it limits the insured's covered out-of-pocket responsibility. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

57. B — care is generally coordinated through a network and primary care arrangements. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

58. B — network providers usually offer more favorable cost sharing. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

59. C — that payment method is a scheduled or fixed indemnity benefit. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

60. A — benefits begin after the waiting period is satisfied. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

61. D — disability is measured against the insured's ability to perform that occupation. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

62. A — partial loss of income may qualify for a partial benefit. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

63. B — benefits can help with extended assistance when eligibility conditions are met. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

64. C — these are activities of daily living often used in long-term care eligibility. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

65. B — premium obligations may be waived during qualifying disability. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

66. C — it addresses how a condition existing before coverage may be treated under the contract. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

67. A — it helps determine payment order when more than one health plan applies. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

68. D — the insurer may seek recovery from a responsible third party after paying a covered loss. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

69. D — the insurer reviews it under the policy's covered benefits and conditions. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

70. B — the agent should make fair and accurate representations of policy terms. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

71. C — premium funds must be handled properly and in accordance with fiduciary duties. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

72. A — the agent should follow applicable replacement rules and provide required disclosures. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

73. B — all essential elements of a valid contract. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

74. C — values exchanged may be unequal depending on a future event. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

75. D — the insurer may investigate material misrepresentation. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

76. A — reinsurance. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully. Read the applicable policy language carefully.

77. B — the insurer may be bound by the producer's authorized acts. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

78. A — it is generally interpreted against the insurer that drafted it. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

79. D — insurance cannot be used to insure a known, completed loss. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

80. C — underwriting. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully. Read the applicable policy language carefully.

81. C — the applicant presents lower-than-average expected mortality risk. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

82. B — insurable interest must exist when the policy is issued. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

83. D — term life insurance. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

84. A — whole life insurance. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

85. B — premium payments and death benefit may be adjusted within policy limits. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

86. D — the policyowner bears investment risk in the separate account. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

87. C — a nonforfeiture option helps preserve some policy value. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

88. A — a policy loan may be available under the contract. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

89. B — coverage ends unless it is renewed, converted, or replaced. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

90. D — new permanent coverage may be obtained without new evidence of insurability when the option applies. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

91. A — the policyowner generally may change that beneficiary. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

92. C — the policyowner may need that beneficiary's consent for certain changes. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

93. C — the death benefit is generally payable less any overdue premium. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

94. D — the owner receives the available cash surrender value. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

95. B — after the stated period, the insurer's ability to contest is limited. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

96. A — the policy may limit payment for suicide during its stated early period. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

97. C — decreasing term insurance. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

98. A — group life insurance. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

99. D — the plan is contributory. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

100. B — a conversion privilege may allow individual coverage without evidence of insurability. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

101. A — funds are being accumulated before benefits are paid out. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

102. B — the accumulated value is converted to an income stream. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

103. C — the insurer bears the investment risk supporting the guarantee. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

104. D — values can fluctuate with investment performance. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

105. A — income payments begin soon after purchase. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

106. D — payments continue for life and guarantee a minimum payment period. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

107. B — payments generally stop at death. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

108. C — the insurer cannot cancel it or raise the premium while premiums are paid. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

109. A — the insurer must renew but may change premiums by class. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

110. D — medical expense insurance helps pay covered health care costs. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise

results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

111. B — the insured pays covered expenses up to that amount before plan benefits. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

112. D — covered expenses are shared between insured and insurer after the deductible. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

113. C — it limits the insured's covered out-of-pocket responsibility. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

114. A — care is generally coordinated through a network and primary care arrangements. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

115. C — network providers usually offer more favorable cost sharing. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

116. B — that payment method is a scheduled or fixed indemnity benefit. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

117. B — benefits begin after the waiting period is satisfied. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

118. A — disability is measured against the insured's ability to perform that occupation. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

119. D — partial loss of income may qualify for a partial benefit. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

120. C — benefits can help with extended assistance when eligibility conditions are met. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

121. A — these are activities of daily living often used in long-term care eligibility. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

122. D — premium obligations may be waived during qualifying disability. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

123. B — it addresses how a condition existing before coverage may be treated under the contract. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

124. C — it helps determine payment order when more than one health plan applies. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

125. B — the insurer may seek recovery from a responsible third party after paying a covered loss. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

126. D — the insurer reviews it under the policy's covered benefits and conditions. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

127. A — the agent should make fair and accurate representations of policy terms. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

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129. C — the agent should follow applicable replacement rules and provide required disclosures. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

130. D — the licensee should keep required licensing contact information current with the regulator. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

131. B — the license authorizes only the lines and activities permitted by law and appointment. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

132. A — advertising should not be misleading or deceptive. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation. Read the applicable policy language carefully.

133. C — the information should be used and protected according to applicable privacy requirements. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

134. D — the applicant should review answers for accuracy before signing. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

135. B — the owner should review the policy, benefits, exclusions, and any required notices. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

136. B — proceeds are paid according to the policy and beneficiary designation. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

137. A — a collateral assignment transfers limited rights to secure the debt. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise

results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

138. D — it is a return of divisible surplus and is not guaranteed unless stated. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

139. A — dividends may be taken in cash, used for premiums, or applied under policy options. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.

140. C — it can provide an additional benefit for covered accidental death. This answer identifies the governing insurance principle. Other choices misstate policy rights, describe another product, or promise results coverage does not provide. Match facts to contract language, then select the option that accurately identifies the insurer's or policyowner's responsibility in this situation.