Arizona Life Accident and Health Insurance License Exam Manual

Section: Arizona Insurance Exams • **Total Questions:** 10 • **Format:** Verified Q&A

1. Which of the following types of plans may subject an individual to federal tax penalties under the ACA and the Internal Revenue Code?

(A) POS
(B) critical illness
(C) PPO
(D) HMO

2. What information must be provided in writing to all applicants for Medicare Supplement Insurance at the time of application?

(A) a disclosure of covered medications
(B) an outline of coverage
(C) a notice of replacement
(D) a statement of the continuation and conversion rights

3. When managing a health insurance plan for a group, the insurer's administrative cost for each insured person

(A) Is less than the cost if each member was individually insured.
(B) equals the cost of insuring each member individually.
(C) is more than the cost if each member was individually insured.
(D) varies among all group members.

4. When can a policy no longer be cancelled for material misstatements after its date of issue?

(A) 1 year.
(B) 2 years.
(C) 5 years.
(D) At any time.

5. When using the needs approach to determine the amount of life insurance needed, it is necessary to determine all of the following EXCEPT

(A) medical, educational, and financial requirements of the surviving family in the event of the death or disability of the income earner.

(B) projected lifetime earnings in the stock market, including dividends and growth account.

(C) cumulative earning power of the income earner along with other sources of passive income.

(D) family's financial obligations in the event of the death or disability of the income earner.

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6. An applicant for an insurance policy is presumed to have an insurable interest in his

(A) spouse.

(B) friend.

(C) neighbor.

(D) employer.

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7. What does Medicare Part B cover?

(A) Hospital expenses.

(B) Prescription drugs.

(C) Doctor's charges.

(D) Custodial care.

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8. Which of the following is a health insuring corporation (HIC) provider of specialty care?

(A) An HIC medical director

(B) The admissions nurse at a designated HIC provider hospital

(C) A neurologist

(D) A preferred provider organization (PPO) director

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9. According to Health Insurance Portability and Accountability Act (HIPAA) regulations, health coverage for eligible individuals must be offered on what basis?

(A) non-renewable

(B) conditionally renewable

(C) guaranteed issue

(D) creditable coverage

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10. The Insurance application is considered

(A) to be the producer's report

(B) to be the insurance contract.

(C) a source of underwriting information.

(D) legal and binding.
