California life and Health Insurance Exam Prep

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

1. California's maximum commission on credit life insurance is

(A) 5 % of the debt
(B) 10 % of the debt
(C) 15 % of the debt
(D) 20 % of the debt

2. It is considered an unfair method of competition for an agent to advertise that the insurer the agent is appointed with is

(A) highly rated by A.M. Best Company.
(B) an admitted insurer in the state of California.
(C) a member of the Insurance Guarantee Association.
(D) fully authorized by certification to sell insurance.

3. Which policy covering two or more individuals terminates after paying benefits only on the second death?

(A) Family policy.
(B) Joint life policy.
(C) Survivorship life policy.
(D) Limited payment whole life policy.

4. An insured replaces an existing annuity with a new one and must pay a surrender charge for cancelling the existing annuity. The new policy holds no greater financial benefits to the insured than the existing contract. This is an example of:

(A) nonforfeiture.
(B) a deferred annuity.
(C) a substandard annuity.
(D) an unnecessary replacement.

5. California’s maximum annual long-term care insurance premium increase without prior approval is

- **(A)** 5%
- **(B)** 10%
- **(C)** 15%
- **(D)** 20%

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6. Specified disease insurance will provide benefits for:

- **(A)** noncovered expenses for any disease.
- **(B)** noncovered expenses for the specified disease.
- **(C)** only those expenses normally covered by medical expense insurance.
- **(D)** any disease that is excluded from medical expense insurance coverage.

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7. In health insurance the coinsurance is

- **(A)** a percentage of the cost for covered expenses paid by more than one insurer.
- **(B)** a portion of the premium paid by the insured and insurer for each covered service.
- **(C)** a payment shared by the insured and provider of covered service minus the deductible.
- **(D)** a percentage paid for covered expenses by the insured and insurer after the deductible is satisfied.

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8. Which report about an insurance applicant's creditworthiness and personal characteristics may influence eligibility for life and health insurance?

- **(A)** Agent's report.
- **(B)** Consumer report.
- **(C)** Attending physician's statement.
- **(D)** Medical Information Bureau disclosure.

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9. In order to obtain group insurance without providing evidence of insurability, what do eligible individuals generally have to do?

- **(A)** Submit an attending physician's statement with their group enrollment cards.
- **(B)** Enroll within a specified eligibility period.
- **(C)** Pay the first year premium in advance.
- **(D)** Nothing.

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10. According to California Insurance Code, which of the following MUST be specified in an insurance contract?

- **(A)** Insurer financial rating.
- **(B)** Policy exclusions.
- **(C)** Additional coverages.
- **(D)** Risks insured against.
