NJ Life Producer Exam PSI

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

1. A life insurance policy MOST often becomes effective when the

(A) application is submitted.
(B) premium is collected and policy is issued.
(C) agent and individual agree on coverage.
(D) policy is actually issued.

2. A producer assists an insured in converting a life policy to Reduced Paid-Up insurance in order for the insured to buy a new policy. This action is BEST known as

(A) solicitation.
(B) rebating.
(C) twisting.
(D) replacement.

3. Which of the following records maintained by the New Jersey Department of Banking and Insurance on individual producers are considered public?

(A) Medical disability records.
(B) Petitions or discharges in bankruptcy.
(C) Criminal complaints.
(D) Lines of authority.

4. After completing a prelicensing education course, a prospective producer must apply for a license within a MAXIMUM of

(A) 3 months.
(B) 6 months.
(C) 1 year.
(D) 2 years.

5. A published advertisement for a fixed annuity MUST contain all of the following information EXCEPT

(A) surrender period.

(B) that it is insured by the state.

(C) minimum rate of guaranteed interest.

(D) the name of the insurance company.

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6. Which of the following acts states that federal government laws and regulations apply to the insurance industry when the industry is NOT regulated by state laws?

(A) Sherman Act.

(B) McCarran-Ferguson Act.

(C) Federal Insurance Administration Act.

(D) Clayton Act.

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7. Sarah Harding is insured under a $100,000 10-year Level Term Life Insurance Policy. If Sarah dies during the third year of the policy period, her beneficiaries will receive

(A) $30,000.00

(B) $60,000.00

(C) $70,000.00

(D) $100,000.00

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8. When a life insurance policy is issued to replace another life insurance policy which of the following does NOT need to be provided to the purchaser at or before the time the policy is delivered?

(A) Regulation 60 Disclosure Statement.

(B) The replacing insurer's financial statements.

(C) A policy summary.

(D) A copy of the most recent buyer's guide.

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9. The applicant must face the possibility of losing something of value in the event of the insured's death. This principle is known as

(A) Insurable interest.

(B) Adverse selection.

(C) Indemnification.

(D) Viatical settlement.

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10. Which of the following retirement plans is NOT restricted to contribution limits set by the IRS?

(A) Roth IRA.

(B) Individual Annuity.

(C) 401k.

(D) Individual Retirement Plan.