

# Health and Accident Exam

1. An employer is issued a group medical insurance policy. This single contract is known as a(n)

- A. Entire contract
- B. Master policy**
- C. .Certificate of coverage
- D. Employer contract

2. What is issued to each employee of an employer health plan?

- A. Provision
- B. Receipt
- C. Policy
- D. Certificate**

3. Which of the following decisions would a Health Savings Account (HSA) owner NOT be able to make?

- A. The amount contributed by the employer**
- B. The amount contributed by the owner
- C. The underlying account investments used
- D. The medical expenses paid for by the HSA

4. Which of the following is INELIGIBLE to participate in a Section 125 Plan?

- A. Key Employee in a C-Corp
- B. Highly Compensated Employee in an S-Corp
- C. A C-Corp Owner with a greater than 2% share
- D. An S-Corp Owner with a greater than 2% share**

5. Under the subrogation clause, legal action can be taken by the insurer against the

- A. Responsible third party**
- B. Beneficiary

- C. Policy owner
- D. State

6. According to HIPAA, when an insured individual leaves an employer and immediately begins working for a new company that offers group health insurance, the individual

- A. Is eligible for coverage upon hire
- B. Must wait 360 days to be eligible for coverage
- C. Must continue coverage with the previous employer
- D. Is eligible for only health insurance, not life or dental insurance

7. Justin is receiving disability income benefits from a group policy paid for by his employer. How are these benefits treated for tax purposes?

- A. Partially taxable income
- B. Non-taxable income
- C. Taxable income
- D. Conditionally taxable income

8. When are group disability benefits considered to be tax-free to the insured?

- A. When the recipient pays the premiums
- B. When the employer pays the premiums
- C. When both the employer and recipient pay the premiums
- D. When benefits paid are equal to or lower than the recipient's salary

9. Which type of business insurance is meant to cover the costs of continuing to do business while the owner is disabled?

- A. Disability overhead policy
- B. Business continuation policy
- C. Disability buy-sell policy
- D. Business overhead expense policy

10. Sole proprietors are permitted tax deductions for health costs paid from their earnings in the amount of