

# PSI LIFE INSURANCE EXAM LATEST REAL EXAM QUESTIONS & CORRECT ANSWERS

all of the following are ownership rights EXCEPT:

- A: changing the beneficiary of the policy
- B: borrowing funds against cash value
- C: switching the policy from on insured to another
- D: assigning all of the rights of the policy to another person

**Correct Answer:**

- C: switching the policy from on insured to another

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which of the following is characteristic of a non qualified plan:

- A: defined vesting schedule
- B: plan established by the employer
- C: plan does not meet federal guidelines for tax benefits
- D: employer contributions are deductible business expense

**Correct Answer:**

- C: plan does not meet federal guidelines for tax benefits

How do warranties differ from representations?

A: a warranty is guaranteed to be true, a representation is believed to be true to the best of one's knowledge

B: a representation is guaranteed to be true, a warranty is believed to be true to the best of one's knowledge

C: a warranty is issued by the insurer, a representation is a statement provided by the applicant

D: an incorrect representation automatically voids a contract, whereas an incorrect warranty must be proven

**Correct Answer:**

A: a warranty is guaranteed to be true, a representation is believed to be true to the best of one's knowledge

all of the following are features of the spendthrift clause EXCEPT:

A: proceeds are paid in some other way than a single premium

B: proceeds are protected by the insurer from the beneficiary's creditors

C: transfer of proceeds to creditors

D: the beneficiary may encumber the proceeds

**Correct Answer:**

D: the beneficiary may encumber the proceeds

current assumption whole life policies are sensitive to which of the following:

A: interest rates

B: age of the insured

C: health of the insured

D: current cash value of the policy

**Correct Answer:**

A: interest rates

all of the following are required signature on a life insurance application EXCEPT:

- A: the agent
- B: the applicant
- C: the minor in a juvenile policy
- D: the proposed insured

**Correct Answer:**

- C: the minor in a juvenile policy

in which of the following must a beneficiary change request be filed in writing to the insurer and is made effective by the insurance company:

- A: designation option
- B: recording method
- C: endorsement method
- D: succession of beneficiaries

**Correct Answer:**

- B: recording method

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Which type of annuity attempts to offset inflation by providing a benefit linked to an underlying investment account:

- A: deferred
- B: fixed
- C: immediate
- D: variable

**Correct Answer:**

- D: variable