

## PSI LIFE, ACCIDENT, HEALTH PRACTICE EXAM QUESTIONS & ANSWERS

Which is an ACCURATE statement regarding benefits of Medicare supplement and Medicare select plans?

- 1 The insurer is able to cancel, or deny renewal of an existing policy, based solely on the health of the insured.
- 2 There is no restriction for benefits after the coverage has been in effect for six months when involving a preexisting condition.
- 3 The coverage for a loss from an illness or disease is treated differently than for a loss resulting from an injury due to an accident.
- 4 The coverage for a spouse cannot be terminated for any reason, including for nonpayment of premiums.

**Answer:**

2 There is no restriction for benefits after the coverage has been in effect for six months when involving a preexisting condition.

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How is the insurance commissioner chosen?

- 1 Elected by the people.
- 2 Appointed by the Governor
- 3 Selected by a vote in the House and the Senate.
- 4 Randomly selected from a list of qualified candidates.

**Answer:**

- 1 Elected by the people.

An insurance agent is a person who transacts all of the following types of insurance EXCEPT:

- 1 annuities.
- 2 homeowners.
- 3 auto insurance.
- 4 life insurance.

**Answer:**

- 4 life insurance.

The California Legislature declared all of the following when creating the Healthy Families Program EXCEPT:

- 1 that most uninsured children come from low-income families.
- 2 lack of educational resources for children and their parents leads to increased medical expenses.
- 3 that lack of insurance coverage for children results in reduced access to medical services.
- 4 when a child is seriously ill or injured, the costs of needed medical care can force families into financial ruin.

**Answer:**

- 2 lack of educational resources for children and their parents leads to increased medical expenses.

Which of the following BEST defines the general concept of the 24-hour care plan?

- 1 It integrates worker's compensation medical care with the care provided by group health insurance.
- 2 It provides immediate medical care from any source for injuries on which occur on the job.

3 It permits non job related injuries to be treated through the worker's compensation program.

4 It pays any medical bill from a job related injury for services within the first 24 hours of the injury.

**Answer:**

1 It integrates workers compensation medical care with the care provided by group health insurance.

How does an "admitted" person differ from a "non-admitted" person, as it pertains to insurance?

1 An "admitted" person has admitted to a crime or fraud, while a "non-admitted" person has not.

2 An "admitted" person has been granted admission to an insurance association, while a "nonadmitted" person has not been accepted.

3 An "admitted" person has been admitted to an accreditation program, while a "nonadmitted" person has yet to earn the credits.

4 An "admitted" person has the right to transact insurance business within the state, while a "nonadmitted" person is not entitled to this action.

**Answer:**

4 An "admitted" person has the right to transact insurance business within the state, while a "nonadmitted" person is not entitled to this action.

When may a licensee surrender for cancellation any license under which they are permitted to act?

1 upon renewal of the license

2 within 60 days of renewal of their license

3 at any time

4 when they no longer have any clients with policies in force

**Answer:**

3 at any time

When does a disability policy become incontestable as to the statements contained in the application?

- 1 After this policy been in force for a period of one year during the lifetime of the insured.
- 2 After this policy been in force for a period of two years during the lifetime of the insured.
- 3 When the company has confirmed all of the statements and issued a binding contract.
- 4 Two years after the date of the application when a conditional receipt has been issued.

**Answer:**

2 After this policy been in force for a period of two years during the lifetime of the insured.

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Which statement describes the intent of the California Financial Information Privacy Act?

- 1 It enables and authorizes the Gramm-Leach-Bliley Act into California legal system.
- 2 It permits civil lawsuits against financial institutions who violate the Gramm-Leach-Bliley Act.
- 3 It provides greater privacy protections than those provided in the federal Gramm-Leach-Bliley Act.
- 4 It permits greater flexibility to financial institutions than privacy protections enacted in Gramm-Leach-Bliley Act.

**Answer:**

3 It provides greater privacy protections than those provided in the federal Gramm-Leach-Bliley Act.