

PSI LIFE EXAM

QUESTIONS & ANSWERS

2023 / 2024

What kind of retirement plan can a 75-employee for profit corporation establish?

Correct Answer:

Simple IRA

The taxable portion of a monthly income benefit paid during the annuity phase from a nonqualified annuity is calculated using the

Correct Answer:

Exclusion ratio

Unfair claims settlement methods and practices by an insurance company include all of the following acts EXCEPT

Correct Answer:

failure to pay all claims that are reported within 90 days after a loss occurs

The settlement option that allows proceeds to remain with the insurer and the earnings to be paid to the beneficiary on a monthly basis is called

Correct Answer:

Interest only

Regulations on life insurance advertising apply to which of the following insurance company materials?

Correct Answer:

A radio commercial that promotes the benefits of a specific company's life insurance products

An insurance company may contest a life policy within a MAXIMUM of how many years after the policy's effective date?

Correct Answer:

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All of the following factors are used in life insurance premium determination EXCEPT

Correct Answer:

Morbidity

The authorization used to obtain the applicant's medical information that will be used by the insurer for the primary purpose of determining eligibility must include:

Correct Answer:

the time frame in which the insurer must release the eligibility decision to the agent

An intermediary who omits information on an insurance application without the applicant's knowledge and submits the application to the insurer may be guilty of:

Correct Answer:

Misrepresentation

Dividends are NOT subject to taxation because

Correct Answer:

Paying dividends is equivalent to returning a premium

The XYZ Insurance Company cancels an intermediary's contract. XYZ could be bound by the intermediary's later acts if it:

Correct Answer:

Continues to pay the intermediary deferred commissions

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Which of the following products is designed to pay benefits that can provide a stream of retirement income to the purchaser?

Correct Answer:

tax-deferred growth

Which of the following guarantees that the annuitant CANNOT outlive their benefits?

Correct Answer:

Guaranteed lifetime withdrawal benefit