

PSI - NY LIFE, ACCIDENT & HEALTH PRACTICE EXAM Q & A

Which policy provision permits the policy owner to take a specified number of days to examine the contract, and allows for cancellation and a full refund if the policy owner rejects the terms or costs?

Answer:

Free Look

When will a policy pay on a UCR basis?

Answer:

When particular benefits are not listed on a payment schedule

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Which type of rider reimburses health and social service expenses incurred in a convalescent or nursing home facility?

Answer:

long term care rider

Which of the following is exempted from the incontestability provision in insurance policies?

Answer:

Fraudulent misstatements

What does first dollar coverage mean?

Answer:

As soon as covered medical expenses are incurred, the policy begins to pay

What is the waiver of premium provision?

Answer:

In a long term care contract, the premium is waived after the insured has been confined for a specific period of time

According to the Time Payment of Claims provision, the insurer must make the payment immediately after receiving proof of loss EXCEPT

Answer:

for claims involving periodic payments

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Which is a disadvantage to a flexible premium annuity?

Answer:

the actual amount of the annuity benefit cannot be determined in advance

When a policy or certificate containing an accelerated benefit provision is applied for or delivered, the producer is responsible for providing that applicant a summary of coverage that includes all of the following EXCEPT

Answer:

a detailed and comprehensive summary of the accelerated benefit

which one of the following represents an advantage of obtaining a policy loan versus a withdrawal?

Answer:

the loan is not taxed while a withdrawal is taxed for amounts above the contract cost basis

How does a noncancelable policy differ from a guaranteed renewable policy?

Answer:

with the non cancelable policy the insurer may increase premiums only based on the terms of the policy

What does it mean if a health policy is conditionally renewable?

Answer:

Insurer may elect NOT to renew only under the conditions specified in the policy

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When the suicide clause is inserted in a life insurance contract, death by suicide is not covered during the policy's initial:

Answer:

2 year period

What does coinsurance mean?

Answer:

The insurer and the insured share expenses over the deductible.

Which of the following must be given to the insurer within 20 days after occurrence or commencement of any loss covered by the policy, or as soon thereafter as is reasonably possible?

Answer:

Notice of claim

The right to change the beneficiary or dispose of the policy or its benefits in any manner one chooses is reserved to the policy owner UNLESS which of the following is true?

Answer:

The policy owner has named an irrevocable beneficiary

Which of the following refers to how often a premium is paid?

Answer:

Mode

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All of the following are common exclusions from loss found in disability income policies EXCEPT for that incurred while

Answer:

Committing a misdemeanor

At which point are contractual death benefit settlement options determined and by whom are they determined?

Answer:

At the time the policy is purchased by the owner of the policy