

XCEL TESTING SOLUTIONS LIFE AND HEALTH INSURANCE WEIGHTED EXAM 2023-2024 ACTUAL EXAM LATEST VERSION COMPLETE 300 WRITTEN QUESTIONS AND CORRECT DETAILED ANSWERS |ALREADY GRADED A

A life insurance policy that has premiums fully paid up within a stated time period is called - ANSWER- **limited payment insurance**

Rationale: Limited payment insurance is characterized by premiums that are fully paid up within a stated period, after which no further premiums are required.

The taxable portion of each annuity payment is calculated using which method? - ANSWER- **Exclusion Ratio**

Rationale: The Exclusion Ratio is used to determine the taxable portion of each annuity payment.

How are annuities given favorable tax treatment? - ANSWER- **Gains are taxed at distribution**

Rationale: Annuity gains are typically tax deferred until distribution.

All _____ policies must be guaranteed renewable. - ANSWER- **long-term care**

Rationale: All long-term care policies must be guaranteed renewable.

Which type of business insurance is meant to cover the costs of continuing to do business while the owner is disabled? - ANSWER- **Business overhead expense policy**

Rationale: A form of business disability insurance that is designed to cover the actual costs of continuing to do business while an insured business owner is disabled is called a business overhead expense policy.

Which of these is NOT a characteristic of the Accelerated Death Benefit option? - ANSWER- **The benefit can be offered as a rider at a specific extra cost or may be at no cost**

Rationale: Accelerated Death Benefit options are offered with NO increase in premium.

What is a condition for which medical advice or treatment was recommended by or received from a provider of health care service within six months preceding the effective date of an individual long-term care policy? - ANSWER- **Pre-existing condition**

Rationale: In an individual long-term care policy, a pre-existing condition is a condition for which medical advice or treatment was recommended by or received from a provider of health care service within six months preceding the effective date.

A producer who is licensed in Louisiana but resident in another state is called a - ANSWER- **nonresident producer**

Rationale: A producer licensed in Louisiana but a resident in another state is called a nonresident producer.

The typical long-term care insurance policy is designed to provide a minimum of ___ year(s) of coverage. - ANSWER- 1

Rationale: Long-term care insurance in any insurance policy is designed to provide coverage for a minimum benefit period of 1 year.

To receive an insurance license an applicant must - ANSWER- Apply for the license after passing the appropriate examination

Rationale: An applicant must apply for the license after passing the appropriate examination in order to receive an insurance license.

A cease and desist order issued against a producer - ANSWER- Prohibits a specific practice listed in the order

Rationale: A cease and desist order issued against a producer prohibits a specific practice listed in the order.

How are survivorship life insurance policies helpful in estate planning? - ANSWER- Provide funds to help pay taxes

Rationale: Survivorship life insurance policies are useful in estate planning because they can provide money to pay taxes on assets.

When can a group health policy renewal be denied according to the Health Insurance Portability and Accountability Act (HIPAA)? - ANSWER- When contribution or participation rules have been violated

Rationale: According to HIPAA, a group health policy renewal can be denied when participation or contribution rules have been violated.

Credit Accident and Health plans are designed to - ANSWER- help pay off existing loans during periods of disability

Rationale: Credit Accident and Health plans are designed to help pay off existing loans during periods of disability.

What amount will be paid under a policy where the insured misstated his/her age? - ANSWER- An amount the premium would have purchased at the correct age

Rationale: The misstatement of age provision allows the insurer to adjust the benefit payable if the age of the insured was misstated when application for the policy was made.

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Of the following dividend options, which of these is taxable? - ANSWER- Accumulation at interest

Rationale: The accumulation at interest is a taxable dividend option.

A health insurance policy will typically cover - ANSWER- preventative health services

Rationale: Preventative health services are normally covered under a health insurance policy.

A guaranteed issue insurance policy has no - ANSWER- medical underwriting