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PRACTICE QUESTIONS

CALIFORNIA DEPARTMENT OF INSURANCE

X65XZXB2

CA PSI Site - Accident and Health or Sickness Examination -
Chinese

EDITION

Demo

QUESTIONS

9

FORMAT

Limited Edition PDF

Before you begin

What this is

9 practice questions for CALIFORNIA DEPARTMENT OF INSURANCE X65XZXB2 , each with its answer key and an explanation. Answer a question before you read its key — the explanation is worth more once you have committed.

If something looks wrong

Send us three things and we will check it:

- the exam code, X65XZXB2
- the question number
- the email address on your order

Write to **support@mometrix.net**. We reply within one business day.

QUESTION 1

SINGLE CHOICE

A California insurance producer is required to report which of the following to the Department of Insurance?

- ☐ A The producer's personal medical history
- ☒ B Any administrative action taken against the producer's license in another state
- ☐ C The producer's annual gross income from all sources
- ☐ D The names of all of the producer's dependents

ANSWER B

WHY California insurance producers must report any administrative action taken against their license in another jurisdiction to the California Department of Insurance. Personal medical history, total gross income from all sources, and dependents' names are not required license reporting items.

QUESTION 2

SINGLE CHOICE

In a typical medical expense insurance policy, what is the purpose of the deductible?

- ☐ A It is the maximum amount the insurer will pay for a covered illness during the policy year
- ☒ B It is the amount the insured must pay out of pocket before the insurer begins to pay benefits for covered expenses
- ☐ C It is a fixed percentage of each claim that the insurer pays
- ☐ D It is the amount the insurer pays the policyholder at the end of the policy term if no claims were filed

ANSWER B

WHY A deductible is the amount of covered medical expenses the insured must pay before the insurer's payment obligation begins. It is not the policy maximum (that's a policy limit), not a percentage-of-claim provision (that's coinsurance), and not a no-claim return (that's a return-of-premium feature).

QUESTION 3

SINGLE CHOICE

Under an 'own occupation' definition of total disability, when is the insured considered totally disabled?

- ☐ A When the insured is unable to perform any occupation for which he or she is reasonably fitted by education, training, or experience
- ☒ B When the insured is unable to perform the substantial and material duties of his or her regular occupation
- ☐ C When the insured has lost 50% of his or her pre-disability income, regardless of ability to work
- ☐ D Only when the insured is confined to a hospital or similar institution

ANSWER B

WHY An 'own occupation' (or 'regular occupation') definition of total disability considers the insured totally disabled when he or she cannot perform the substantial and material duties of the occupation held at the time disability began. Option A describes an 'any occupation' definition; option C describes an income-loss/indemnity test; option D describes a confinement-only rider.

QUESTION 4

SINGLE CHOICE

Which of the following best describes a 'preexisting condition' exclusion in an accident and health insurance policy?

- ☐ A A condition for which the insured first received medical advice, diagnosis, or treatment during the policy term
- ☒ B A condition that existed before the effective date of coverage for which the insured received medical advice, diagnosis, or treatment within a specified look-back period
- ☐ C Any condition that the insured is currently being treated for, regardless of when it began
- ☐ D Any condition that the insured's doctor mentions on a single visit

ANSWER B

WHY A preexisting condition exclusion applies to a medical condition that existed before coverage was effective, where the insured had medical advice, diagnosis, or treatment during a defined look-back period. Conditions first arising during the policy term are not preexisting, and a single mention on a routine visit does not by itself create a preexisting condition.

QUESTION 5

SINGLE CHOICE

An insurance producer who wishes to sell accident and health insurance in California must first obtain which of the following?

- ☐ A A real estate license from the Department of Real Estate
- ☒ B An accident and health insurance license (or appropriate line of authority) from the California Department of Insurance
- ☐ C A medical degree from an accredited medical school
- ☐ D A Certified Public Accountant (CPA) license

ANSWER B

WHY To sell accident and health insurance in California, an individual must obtain the appropriate insurance license/line of authority from the California Department of Insurance. A real estate license, a medical degree, and a CPA license are not substitutes for the required insurance license.

QUESTION 6

SINGLE CHOICE

A major medical expense policy is best characterized as which of the following?

- ☐ A A policy that covers only hospitalization for accidents and not for illness
- ☒ B A comprehensive policy designed to cover a broad range of medical expenses with high benefit limits and often a deductible and coinsurance
- ☐ C A policy that pays a flat amount per day for hospital confinement regardless of actual charges
- ☐ D A policy that only pays for physician office visits

ANSWER B

WHY Major medical insurance is comprehensive coverage designed for large, catastrophic medical expenses, typically featuring a deductible, coinsurance, and high overall benefit limits, and covering a wide range of services (hospital, surgical, physician, etc.). A hospital indemnity policy pays a flat daily amount, surgical expense policies cover surgery specifically, and accident-only policies limit coverage to accidents.

QUESTION 7

SINGLE CHOICE

What is the purpose of the grace period provision in an accident and health insurance policy?

- ☐ A To extend the period during which the insured may file a claim after coverage ends
- ☒ B To allow the policyholder additional time after the premium due date to pay the premium and keep the policy in force
- ☐ C To delay the start of the policy's elimination period
- ☐ D To extend the benefit period for an ongoing claim

ANSWER B

WHY A grace period is a stated period after the premium due date (commonly 31 days for monthly premium policies) during which the policy remains in force while the premium is paid late. It does not extend the time to file claims, alter the elimination period, or extend a benefit period.

QUESTION 8

SINGLE CHOICE

Which statement best describes the role of the California Department of Insurance regarding accident and health insurance?

- ☐ A It sets hospital billing rates for all California hospitals
- ☒ B It regulates insurers and insurance producers, and enforces the California Insurance Code for the protection of insurance consumers
- ☐ C It determines which treatments are medically necessary for individual patients
- ☐ D It pays medical claims on behalf of all licensed insurers

ANSWER B

WHY The California Department of Insurance regulates insurance companies and producers operating in California and enforces the California Insurance Code, with the goal of protecting insurance consumers. It does not set hospital billing rates, does not make individual medical-necessity determinations, and does not pay claims on behalf of insurers.

QUESTION 9

MULTIPLE CHOICE

Which of the following are characteristics typically associated with a Health Maintenance Organization (HMO) plan? (Choose two.)

- ☒ **A** Requires the insured to select a primary care physician who coordinates care
- ☐ **B** Allows the insured to see any licensed provider without a referral
- ☒ **C** Generally requires the insured to use network providers for non-emergency care
- ☐ **D** Pays a percentage of charges for services rendered after the deductible is met

ANSWER A • C

WHY HMOs typically require members to choose a primary care physician (PCP) who coordinates all care and generally restricts non-emergency services to the HMO's network of providers. Option B describes a PPO-style arrangement, and option D describes an indemnity or major medical policy with coinsurance.