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38	A	B	C	D	E
39	A	B	C	D	E

PRACTICE QUESTIONS

CALIFORNIA DEPARTMENT OF INSURANCE

AAGYZYMN

CA PSI Site - Life, Accident and Health or Sickness
Examination - Korean

EDITION

Demo

QUESTIONS

9

FORMAT

Limited Edition PDF

Before you begin

What this is

9 practice questions for CALIFORNIA DEPARTMENT OF INSURANCE AAGZYMN , 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, AAGZYMN
- the question number
- the email address on your order

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

QUESTION 1

SINGLE CHOICE

An insured purchases a life insurance policy that provides coverage for a specified period, such as 10, 20, or 30 years, and pays a level premium. If the insured dies during the policy term, the beneficiary receives the face amount. If the insured outlives the policy term, the coverage ends with no payout. This type of policy is known as:

- ☐ A Whole life insurance
- ☒ B Term life insurance
- ☐ C Universal life insurance
- ☐ D Variable life insurance

ANSWER B

WHY Term life insurance provides coverage for a specified period (e.g., 10, 20, or 30 years) and pays a death benefit only if the insured dies during the term. If the insured outlives the policy, coverage expires with no cash value payout. Whole and universal life are permanent (cash value) policies, and variable life invests the cash value in subaccounts.

QUESTION 2

SINGLE CHOICE

In a life insurance policy, who is the person designated to receive the death benefit when the insured dies?

- ☐ A The policyowner
- ☐ B The insurer
- ☒ C The beneficiary
- ☐ D The contingent payor

ANSWER C

WHY The beneficiary is the person (or entity) named in the policy to receive the death benefit upon the insured's death. The policyowner owns the contract and may or may not also be the beneficiary, but the beneficiary is specifically the recipient of the proceeds.

QUESTION 3

SINGLE CHOICE

A health insurance policy provision that requires the insured to pay a specified dollar amount of covered expenses before the insurer begins paying benefits is called the:

- ☐ A Coinsurance
- ☒ B Deductible
- ☐ C Copayment
- ☐ D Out-of-pocket maximum

ANSWER B

WHY A deductible is the fixed dollar amount the insured must pay out-of-pocket for covered services before the insurance policy starts paying. Coinsurance is a percentage split after the deductible is met, a copayment is a flat fee per service, and an out-of-pocket maximum is the most the insured pays during a policy period.

QUESTION 4

SINGLE CHOICE

Which type of health insurance plan typically requires the insured to select a primary care physician (PCP) from within the plan's network and obtain a referral from the PCP before seeing a specialist?

- ☐ A Preferred Provider Organization (PPO)
- ☒ B Health Maintenance Organization (HMO)
- ☐ C Point of Service (POS)
- ☐ D Indemnity plan

ANSWER B

WHY An HMO typically requires members to choose a primary care physician (PCP) who coordinates care and provides referrals to in-network specialists. PPOs allow members to see specialists without referrals (both in and out of network). POS plans blend features of HMOs and PPOs, and indemnity plans allow free choice of providers.

QUESTION 5

SINGLE CHOICE

Which of the following is a characteristic of universal life insurance that distinguishes it from traditional whole life insurance?

- ☐ A Premiums are fixed and must be paid on a strict annual schedule
- ☐ B Cash value accumulates at a guaranteed minimum interest rate only
- ☒ C The policy has flexible premiums and an adjustable face amount
- ☐ D The death benefit is always equal to the face amount of the policy

ANSWER C

WHY Universal life insurance offers flexible premiums (within guidelines) and allows the policyowner to adjust the face amount. Whole life has fixed, level premiums and a guaranteed fixed face amount. UL separates the cost of insurance, expense, and cash value components, making the policy more flexible than whole life.

QUESTION 6

SINGLE CHOICE

Disability income insurance policies typically define disability during the first two years of a claim primarily in terms of the insured's:

- ☐ A Loss of income only
- ☐ B Inability to perform any occupation for which they are reasonably suited
- ☒ C Inability to perform the duties of their own occupation
- ☐ D Permanent and total inability to perform any occupation

ANSWER C

WHY Most individual disability income policies use an "own occupation" definition of disability during the initial period (commonly the first two years, sometimes up to five). After that initial period, the definition typically shifts to "any occupation" — meaning the insured must be unable to perform any occupation for which they are reasonably suited by education, training, or experience.

QUESTION 7

SINGLE CHOICE

Under California insurance regulations, when an insurance producer takes an application for a life insurance policy, the producer is required to deliver the policy to the applicant within how many days after it is issued by the insurer?

- ☐ A 10 days
- ☐ B 15 days
- ☒ C 30 days
- ☐ D 45 days

ANSWER C

WHY California Insurance Code requires that life insurance policies be delivered to the applicant within 30 days after issuance. If the policy is not delivered within this timeframe, the producer may be required to return any premiums collected. This is part of the producer's delivery responsibilities under California law.

QUESTION 8

SINGLE CHOICE

Which part of Medicare provides hospital insurance coverage, including inpatient hospital stays, skilled nursing facility care, hospice care, and some home health care?

- ☒ A Medicare Part A
- ☐ B Medicare Part B
- ☐ C Medicare Part C
- ☐ D Medicare Part D

ANSWER A

WHY Medicare Part A is the hospital insurance portion of Original Medicare, covering inpatient hospital stays, skilled nursing facility care, hospice care, and certain home health care services. Part B covers outpatient medical services and doctors' visits, Part C (Medicare Advantage) is an alternative delivery method, and Part D provides prescription drug coverage.

QUESTION 9

MULTIPLE CHOICE

Which of the following are common features of term life insurance policies? (Choose two.)

- ☒ **A** Provides death benefit protection for a specified period
- ☐ **B** Builds cash value that the policyowner can borrow against
- ☒ **C** Premiums generally remain level for the stated term
- ☐ **D** Pays dividends to policyowners from insurer surplus
- ☐ **E** Permanently continues in force until age 100 with no further premiums due

ANSWER **A - C**

WHY Term life insurance provides coverage for a specified period and premiums generally remain level during that term. It does not build cash value (B is whole/ordinary life), typically does not pay dividends (D is participating whole life), and does not continue to age 100 without further premiums (E is paid-up-at-65 or limited-pay whole life).