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

PRACTICE QUESTIONS

CALIFORNIA DEPARTMENT OF INSURANCE

CAC2Q26R

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

EDITION

Demo

QUESTIONS

9

FORMAT

Limited Edition PDF

Before you begin

What this is

9 practice questions for CALIFORNIA DEPARTMENT OF INSURANCE CAC2Q26R , 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, CAC2Q26R
- the question number
- the email address on your order

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

QUESTION 1

SINGLE CHOICE

Under California law, a life insurance policy is required to contain a provision allowing the policyowner to designate a beneficiary. This is an example of which type of policy provision?

- ☐ A Entire contract provision
- ☒ B Beneficiary designation provision
- ☐ C Incontestability provision
- ☐ D Grace period provision

ANSWER B

WHY Beneficiary designation provisions allow the policyowner to name who receives the policy's proceeds upon the insured's death. Entire contract, incontestability, and grace period are separate required provisions.

QUESTION 2

SINGLE CHOICE

Which life insurance policy provision prevents the insurer from denying a claim after the policy has been in force for a specified period, except in cases of fraud?

- ☐ A Free look provision
- ☐ B Reinstatement provision
- ☒ C Incontestability provision
- ☐ D Misstatement of age provision

ANSWER C

WHY The incontestability provision prevents the insurer from contesting the validity of the policy after it has been in force (typically two years) during the insured's lifetime, except for nonpayment of premium.

QUESTION 3

SINGLE CHOICE

In a disability income policy, the elimination period is best described as:

- ☐ A The period during which the insurer pays full benefits
- ☒ B The waiting period between the onset of disability and the start of benefit payments
- ☐ C The maximum period benefits will be paid
- ☐ D The period during which premiums are waived

ANSWER B

WHY The elimination period (also called the waiting period) is the number of days the insured must be disabled before benefits become payable. A longer elimination period generally reduces the premium.

QUESTION 4

SINGLE CHOICE

In California, who has the authority to license and regulate insurance producers and adjusters?

- ☒ A The California Department of Insurance
- ☐ B The California Department of Business Oversight
- ☐ C The California State Board of Equalization
- ☐ D The National Association of Insurance Commissioners

ANSWER A

WHY The California Department of Insurance (CDI) is the state agency responsible for licensing insurance producers and adjusters and regulating the insurance industry in California.

QUESTION 5

SINGLE CHOICE

Which type of life insurance provides coverage for a specified period of years and pays a death benefit only if the insured dies during that period?

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

ANSWER C

WHY Term life insurance provides pure death protection for a defined period (e.g., 10, 20, or 30 years) and has no cash value component. Whole life, universal life, and variable life are forms of permanent insurance.

QUESTION 6

SINGLE CHOICE

Which health insurance policy provision requires the insurer to continue coverage for a covered individual who is involuntarily laid off, for a limited period of time, by paying the required premiums?

- ☐ A Coordination of benefits
- ☒ B Continuation of coverage (COBRA-like) provision
- ☐ C Conversion privilege
- ☐ D Guaranteed renewable provision

ANSWER B

WHY A continuation of coverage provision (such as those required by federal COBRA or California mini-COBRA) allows a covered individual to maintain group health coverage after certain qualifying events, by paying the premiums directly.

QUESTION 7 SINGLE CHOICE

When a whole life policy is surrendered before maturity, the amount the policyowner receives is called the:

- ☐ A Face amount
- ☒ B Cash surrender value
- ☐ C Premium value
- ☐ D Net death benefit

ANSWER B

WHY The cash surrender value is the amount the policyowner receives when a permanent policy with cash value is voluntarily terminated before maturity or death. It equals the policy's accumulated cash value minus any surrender charges and outstanding loans.

QUESTION 8 SINGLE CHOICE

Under California regulations, an applicant for an insurance producer license must be at least how old?

- ☐ A 16 years of age
- ☒ B 18 years of age
- ☐ C 21 years of age
- ☐ D 25 years of age

ANSWER B

WHY California requires an applicant for an insurance producer license to be at least 18 years of age, in addition to other requirements such as completing prelicensing education and passing the licensing examination.

QUESTION 9

SINGLE CHOICE

Which life insurance policy pays a benefit only if the insured dies during a specified period (such as 10, 20, or 30 years) and expires without value if the insured outlives that period?

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

ANSWER C

WHY Term life insurance provides coverage for a stated period and pays a death benefit only if the insured dies during that term. Whole life and universal life are permanent forms of coverage, while endowment policies pay the face amount at the end of a stated period if the insured is still living.