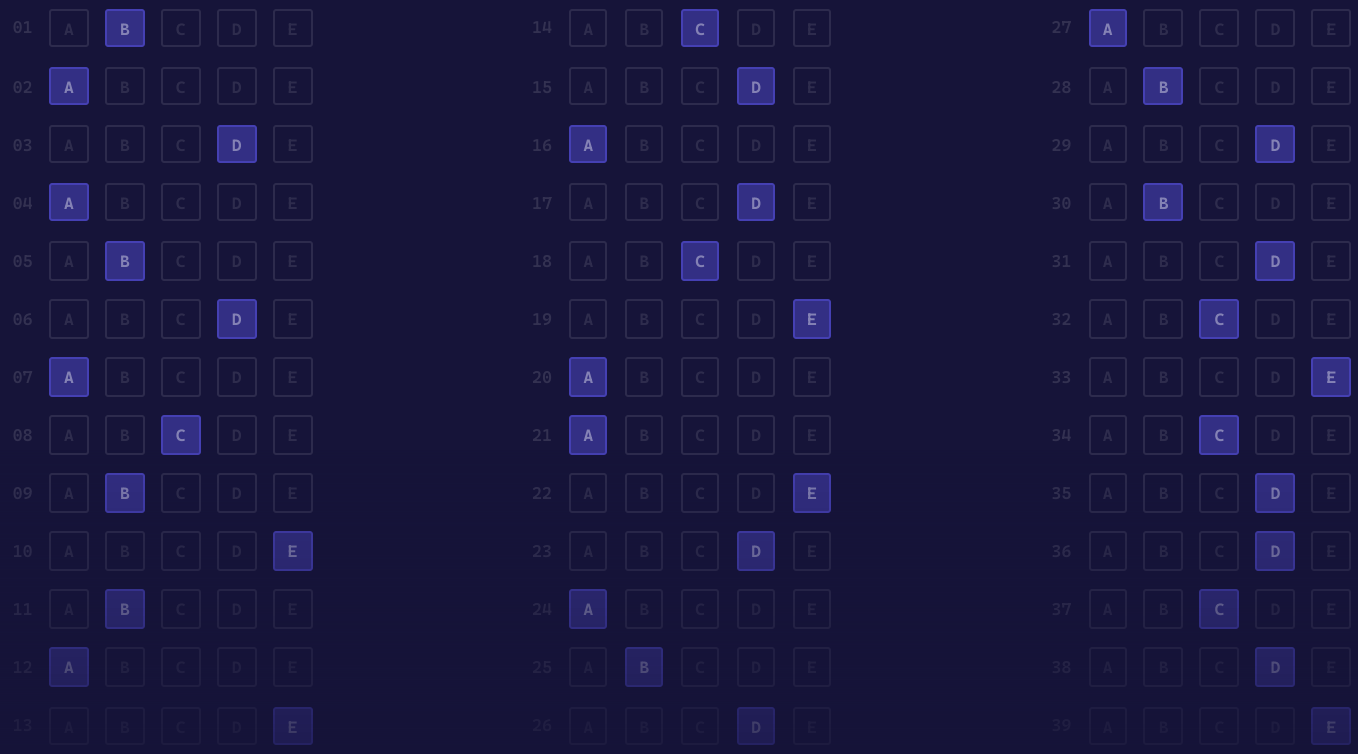
MOMETRIX
SMARTER PREP. BETTER RESULTS.



PRACTICE QUESTIONS

CALIFORNIA DEPARTMENT OF INSURANCE

G953MEUW

CA PSI Site - Life Limited to the Payment of Funeral and Burial Expenses Examination - Tagalog

EDITION	QUESTIONS	FORMAT
Demo	9	Limited Edition PDF

WEB www.mometrix.net

SUPPORT support@mometrix.net

Before you begin

What this is

9 practice questions for CALIFORNIA DEPARTMENT OF INSURANCE `G953MEUW`, 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, `G953MEUW`
- the question number
- the email address on your order

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

mometrix.net

QUESTION 1 SINGLE CHOICE

Under California law, what is the primary purpose of a life insurance policy sold on a 'limited to the payment of funeral and burial expenses' basis?

A To provide income replacement for the beneficiary over a fixed term of years following the insured's death.

B **To pay only funeral, burial, and directly related final-expense costs of the insured, with any additional proceeds paid to a named beneficiary.**

C To accumulate a cash surrender value that the policyholder may borrow against during the policy's lifetime.

D To cover outstanding medical bills and long-term care costs incurred prior to the insured's death.

ANSWER B

WHY The California Department of Insurance limits this product to payment of funeral, burial, and directly related expenses of the insured. Options A, C, and D describe features of other life insurance or annuity products, not this limited funeral-expense limited life policy.

mometrix.net

QUESTION 2 SINGLE CHOICE

Which California regulatory framework most directly governs the sale of life insurance limited to the payment of funeral and burial expenses?

A The California Funeral Directors and Embalmers Law administered by the Cemetery and Funeral Bureau.

B The California Insurance Code as enforced by the California Department of Insurance, including preneed contract disclosure requirements.

C The federal Employee Retirement Income Security Act (ERISA) provisions on life insurance funding.

D The California Health and Safety Code provisions governing licensed hospice providers.

ANSWER B

WHY Life insurance products, even when limited in benefit, are issued by life insurers and regulated under the California Insurance Code by the Department of Insurance. The Cemetery and Funeral Bureau regulates funeral establishments and preneed funeral trusts, but the insurance product itself is overseen by the Department of Insurance.

mometrix.net

QUESTION 3 SINGLE CHOICE

When a California licensee delivers a life insurance policy limited to the payment of funeral and burial expenses, what disclosure is the producer typically required to provide to the applicant?

A A full prospectus describing every investment option available under the policy.

B An illustration that guarantees a minimum death benefit equal to total premiums paid, regardless of policy type.

C **A clear written disclosure that the policy's death benefit is restricted to funeral, burial, and related final-expense items, with any excess payable as specified in the contract.**

D A state-issued certificate proving the applicant has pre-funded all funeral costs in advance.

ANSWER C

WHY Because the benefit is restricted, California producers must clearly disclose to the applicant that proceeds are limited to funeral, burial, and related final-expense costs of the insured. Option A applies to securities-like products, not this insurance product; option B is incorrect because no such guarantee exists for every policy form; option D misstates how preneed funding actually works.

mometrix.net

QUESTION 4 SINGLE CHOICE

A senior applicant in California is sold a 'limited to funeral and burial expenses' life policy that, due to age and health, would require premiums exceeding the projected death benefit within a short period. Which ethical principle is most directly violated?

A **The principle of suitability, because the policy is not appropriate for the applicant's needs, age, and financial situation.**

B The principle of indemnification, because life insurance may only indemnify against economic loss.

C The principle of insurable interest, because funeral expenses are not a recognized insurable interest.

D The principle of utmost good faith, because the carrier's reserves were underreported.

ANSWER **A**

WHY Suitability requires that the product match the consumer's financial situation, insurance needs, and objectives. Selling a high-premium limited-burial policy that will outlive its benefit is a textbook suitability violation. Indemnification does not apply to life insurance, insurable interest clearly exists for funeral costs, and reserve reporting is unrelated to this sales situation.

mometrix.net

QUESTION 5 SINGLE CHOICE

Under California preneed funeral arrangements, what typically happens when a life insurance policy limited to funeral and burial expenses is assigned to a funeral provider?

A The funeral provider must hold the policy in a federally insured custodial account until the insured's death.

B **The death benefit is paid to the funeral provider upon the insured's death and applied to the prearranged funeral and burial services, with any excess handled per the contract.**

C The producer retains ownership and collects the death benefit for personal compensation.

D The Department of Insurance converts the policy into a pre-need annuity at the time of assignment.

ANSWER B

WHY A common arrangement is for the policy to be assigned to the funeral provider, so that on the insured's death the death benefit is paid to the provider and applied to the preneed funeral services. Option A misstates the custodial regime; option C is unethical and unauthorized; option D is not how this product works in California.

mometrix.net

QUESTION 6 SINGLE CHOICE

A California producer tells a 78-year-old applicant that a funeral-expense limited life policy is a 'Medicaid-qualified burial trust that protects all assets from nursing home costs.' This statement is best classified as:

A Acceptable marketing because the product does relate to funeral costs.

B A permissible comparison to long-term care insurance products.

C A prohibited misrepresentation regarding the product's purpose, function, and effect on Medicaid eligibility.

D Required disclosure language mandated by the California Department of Insurance.

ANSWER C

WHY Representing a limited life policy as a Medicaid-asset-protection trust or as a long-term-care substitute is a misrepresentation. The product does not shield assets from nursing home costs under Medicaid rules, and such claims violate California insurance law on unfair and deceptive practices.

QUESTION 7 SINGLE CHOICE

Which feature is most characteristic of a California life insurance policy limited to the payment of funeral and burial expenses?

A A relatively small face amount intended to cover anticipated funeral, burial, and related final expenses of the insured.

B A guaranteed cash value growth schedule matching the S&P 500 index over the policy's lifetime.

C A 20-year level term period with conversion privileges to a whole life contract.

D Annuity payout options beginning at the policyholder's age 65.

ANSWER A

WHY These policies are designed around a modest face amount sized to cover funeral and burial costs of the insured. They are not equity-indexed, are typically permanent (often simplified-issue or guaranteed-issue) rather than 20-year term, and do not include annuity payout features.

QUESTION 8 SINGLE CHOICE

A California licensee holding the limited line of authority covering life insurance limited to funeral and burial expenses must comply with which of the following producer conduct standards?

A They may also transact any other class of insurance without additional licensing as long as they notify the Department of Insurance in writing.

B **They must comply with the California Insurance Code and Department of Insurance regulations applicable to life insurance producers, including suitability and unfair-trade-practice rules.**

C They are exempt from continuing education because the product line is narrow and low-risk.

D They may collect premiums but are prohibited from delivering any policy documents to the applicant.

ANSWER B

WHY Holders of this limited line are still life insurance producers subject to the full California Insurance Code framework, including suitability, disclosure, and unfair-trade-practice rules. Option A misstates licensing scope, option C is wrong because CE requirements still apply, and option D is incorrect because producers are responsible for proper policy delivery and disclosure.

mometrix.net

QUESTION 9 MULTIPLE CHOICE

A California producer is handling a funeral-expense limited life policy that is being replaced with a new policy from another insurer. Which actions are required or appropriate under California insurance regulations? (Choose two.)

A **Provide the applicant with a written 'Notice Regarding Replacement of Life Insurance' comparing benefits, premiums, and features of the existing and proposed policies.**

B Leave a copy of the replacement notice only with the replacing insurer and not with the applicant to reduce paperwork.

C **Disclose to the applicant any commissions, bonuses, or other compensation the producer will receive as a result of the replacement.**

D Avoid any documentation of the replacement because this is a limited-benefit product and replacement rules do not apply.

ANSWER **A · C**

WHY California replacement regulations require the producer to deliver a written replacement notice to the applicant (A) and to make appropriate disclosures. Producers must also disclose compensation received in connection with the replacement (C). Option B is incorrect because the notice must go to the applicant; option D is incorrect because replacement rules apply to all life insurance, including this limited product.

mometrix.net