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| 09 | A | B | C | D | E |
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| 11 | A | B | C | D | E |
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| 27 | A | B | C | D | E |
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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

# Z97SESQ7

CDI Site - Accident and Health or Sickness Examination - Korean

EDITION

Demo

QUESTIONS

9

FORMAT

Limited Edition PDF

# Before you begin

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## What this is

9 practice questions for CALIFORNIA DEPARTMENT OF INSURANCE **Z97SESQ7**, 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, **Z97SESQ7**
- the question number
- the email address on your order

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

**QUESTION 1**

SINGLE CHOICE

Which of the following best defines the concept of 'risk' in insurance terms?

- ☐ A The certainty that a loss will occur
- ☒ B The possibility of loss or the uncertainty of an event occurring
- ☐ C The actual dollar amount paid out in a claim
- ☐ D The premium charged by the insurer

**ANSWER B**

**WHY** Risk, in insurance terminology, refers to the uncertainty or possibility of a loss occurring. Insurance exists to transfer and manage risk, not to cover certain losses (which would not be insurable) and not to refer to the claim amount or the premium itself.

**QUESTION 2**

SINGLE CHOICE

An insured intentionally fails to disclose a material fact on the application for a health insurance policy. Which basic insurance principle is most directly violated?

- ☐ A Incontestability
- ☐ B Indemnity
- ☒ C Utmost good faith (Uberrima fides)
- ☐ D Estoppel

**ANSWER C**

**WHY** The principle of utmost good faith requires both parties to the insurance contract to disclose all material facts honestly. Concealing material information violates this principle and can allow the insurer to rescind the contract. Indemnity relates to compensation for loss, incontestability limits the insurer's ability to contest after a policy has been in force, and estoppel is a legal doctrine about preventing a party from asserting something contrary to a prior position.

**QUESTION 3**

SINGLE CHOICE

Which part of an Accident and Health policy typically contains the schedule of benefits, the insured's name, the policy number, and the premium amount?

- ☒ **A** The declarations page
- ☐ **B** The exclusions section
- ☐ **C** The conditions section
- ☐ **D** The insuring agreement

**ANSWER A**

**WHY** The declarations page (also called the 'dec page') of an A&H policy identifies the specific contractual parties and the basic information such as the insured's name, policy number, coverage effective date, premium, and the schedule of benefits. The other sections contain contract provisions but not the basic identifying and benefit-schedule information.

**QUESTION 4**

SINGLE CHOICE

Which type of Accident and Health insurance provides coverage to a group of individuals, usually through an employer or association, under a single master contract?

- ☐ **A** Individual disability income insurance
- ☒ **B** Group insurance
- ☐ **C** Credit disability insurance
- ☐ **D** Blanket accident insurance

**ANSWER B**

**WHY** Group insurance provides A&H coverage to a group of individuals under a single master contract, typically sponsored by an employer, association, or other organization. Individual disability income covers one person; credit disability covers borrowers; blanket accident covers groups such as students or passengers under one policy but is more limited in scope than true group insurance.

**QUESTION 5**

SINGLE CHOICE

In a disability income policy, what is the purpose of the 'elimination period'?

- ☐ A The maximum length of time benefits will be paid
- ☒ B The waiting period between the onset of disability and the start of benefit payments
- ☐ C The period during which the insurer can contest the policy
- ☐ D The period used to calculate the premium

**ANSWER B**

**WHY** The elimination period is the waiting period that must be satisfied after the insured becomes disabled before benefit payments begin. It functions similarly to a deductible in time. It is not the maximum benefit duration, the contestability period, or the period used for premium calculation.

**QUESTION 6**

SINGLE CHOICE

What is the purpose of a 'deductible' in a medical expense insurance policy?

- ☐ A The amount the insurer pays before the insured contributes
- ☒ B The amount the insured must pay out-of-pocket before the insurer begins to pay benefits
- ☐ C The maximum amount the insurer will pay for a covered illness
- ☐ D The percentage of covered expenses shared by the insured

**ANSWER B**

**WHY** A deductible is the dollar amount of covered expenses that the insured must pay out-of-pocket before the insurance policy begins to pay benefits. The percentage the insured shares after the deductible is coinsurance, and the maximum amount the insurer will pay is the policy limit or maximum benefit.

**QUESTION 7**

SINGLE CHOICE

Which characteristic best describes a Health Maintenance Organization (HMO)?

- ☒ **A** It requires the use of network providers and a primary care physician referral for specialist care
- ☐ **B** It allows the insured to see any provider with no referral requirements
- ☐ **C** It reimburses providers on a fee-for-service basis with no network restrictions
- ☐ **D** It only covers accidental injuries, not illnesses

**ANSWER A**

**WHY** HMOs generally require insureds to receive care from contracted network providers and, in many plans, to obtain a referral from a designated primary care physician before seeing a specialist. Fee-for-service plans reimburse a broader range of providers and do not require network use or referrals; PPOs allow out-of-network use but with higher cost-sharing.

**QUESTION 8**

SINGLE CHOICE

Which of the following is a typical exclusion found in an individual Accident and Health insurance policy?

- ☐ **A** Hospital room and board charges
- ☐ **B** Surgeon fees
- ☒ **C** Losses resulting from a pre-existing condition not disclosed on the application
- ☐ **D** Physician office visit charges

**ANSWER C**

**WHY** Pre-existing conditions (especially undisclosed ones) are common exclusions or limitations in individual A&H policies. Hospital room and board, surgeon fees, and physician office visits are generally covered benefits under a medical expense policy, not standard exclusions.

**QUESTION 9**

MULTIPLE CHOICE

Which of the following are benefits commonly provided under an Accident and Health insurance policy? (Choose two.)

- ☒ **A** Hospital expense benefits
- ☒ **B** Disability income benefits
- ☐ **C** Fire loss benefits on a dwelling
- ☐ **D** Medical-surgical benefits

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**ANSWER A • B**

**WHY** Hospital expense benefits (covering room and board, ICU, and ancillary charges) and disability income benefits (replacing income during a covered disability) are both standard A&H benefits. Medical-surgical benefits are also A&H benefits and are sometimes treated together with hospital benefits. Fire loss on a dwelling is a property insurance benefit, not an Accident and Health benefit.