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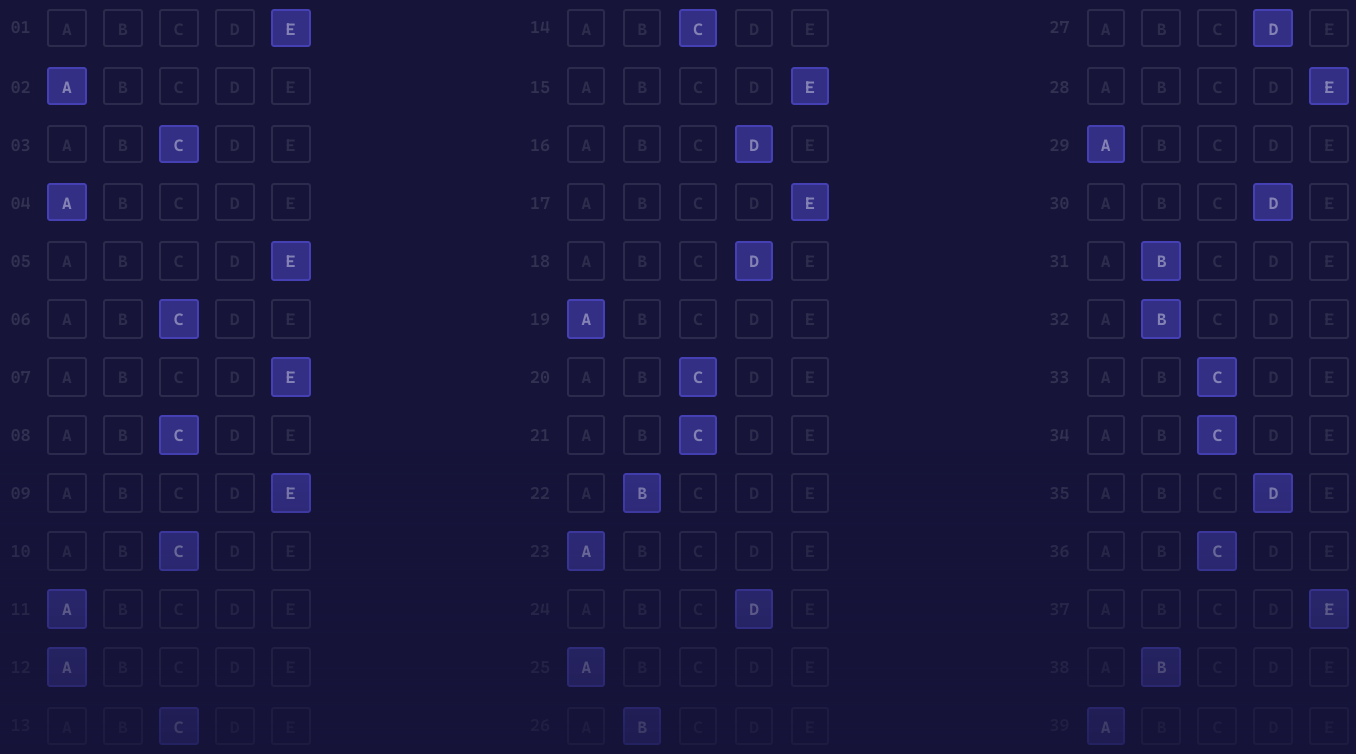

PRACTICE QUESTIONS

CALIFORNIA DEPARTMENT OF INSURANCE

QXGUBULF

CDI Site - Accident and Health or Sickness Examination - Vietnamese

EDITION	QUESTIONS	FORMAT
Demo	9	Limited Edition PDF

Before you begin

What this is

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

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

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QUESTION 1 MULTIPLE CHOICE

The California Insurance Code requires that an insurance producer transacting accident and health insurance maintain specific records. Which of the following must be included in the producer's records? (Choose two.)

A **A copy of each insurance application taken or received by the producer**

B The producer's personal medical history

C **A record of all insurance transactions, including the name of the insurer and insured**

D The producer's federal tax returns for the prior five years

E A copy of the applicant's credit report

ANSWER **A** · **C**

WHY Under the California Insurance Code, a licensed insurance producer is required to maintain records of insurance transactions, which include copies of applications taken and identifying information such as the names of the insurer and insured. The producer's personal medical history, federal tax returns, and applicant credit reports are not part of the required producer transaction records.

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QUESTION 2 MULTIPLE CHOICE

Under California disability insurance law, an individual disability income policy may include certain provisions. Which of the following are permitted provisions in such a policy? (Choose two.)

- **A** **A waiver of premium provision while the insured is totally disabled**
- **B** A provision allowing the insurer to cancel the policy at any time during the contestable period without refund
- **C** **A probationary period during which coverage for sickness is limited**
- **D** An automatic reduction of benefits upon policy renewal without notice
- **E** A provision waiving the insurer's obligation to pay any benefit if the insured fails to disclose any prior treatment

ANSWER **A · C**

WHY California disability income policies commonly include a waiver of premium benefit while the insured is totally disabled and a probationary period (often 7 to 30 days) during which sickness benefits may be limited. The other options describe provisions that would generally be prohibited or inconsistent with California disability insurance requirements.

QUESTION 3 SINGLE CHOICE

Which California official is responsible for administering and enforcing the California Insurance Code, including the licensing of insurance producers?

- **A** The California Attorney General
- **B** **The Insurance Commissioner of the State of California**
- **C** The Secretary of State
- **D** The State Controller

ANSWER **B**

WHY The Insurance Commissioner of the State of California, heading the California Department of Insurance (CDI), administers and enforces the California Insurance Code and oversees the licensing of insurance producers.

QUESTION 4 SINGLE CHOICE

An individual purchases an accident and health insurance policy that pays a stated daily amount directly to the insured for each day of hospital confinement, regardless of the actual hospital charges. This type of coverage is known as:

A **Hospital indemnity insurance**

B Major medical insurance

C Comprehensive major medical insurance

D Medicare Supplement insurance

ANSWER **A**

WHY Hospital indemnity insurance pays a fixed daily, weekly, or monthly benefit directly to the insured for hospital confinement, independent of the actual expenses incurred. Major medical and Medicare Supplement insurance reimburse actual charges subject to deductibles, coinsurance, and policy limits.

QUESTION 5 SINGLE CHOICE

In California, a non-profit hospital service plan that contracts to provide health care services to subscribers is regulated primarily by which department?

A The California Department of Business Oversight

B **The California Department of Insurance**

C The California Department of Managed Health Care

D The California Department of Public Health

ANSWER **B**

WHY In California, hospital service plans (such as Blue Cross plans) are regulated by the California Department of Insurance under the Health and Safety Code, while health maintenance organizations (HMOs) are regulated by the Department of Managed Health Care.

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QUESTION 6 SINGLE CHOICE

Under California law, an individual accident and health insurance policy may exclude coverage for which of the following?

A Treatment for a condition that first manifested after the policy's effective date

B **Loss caused by an act of declared war while the insured was in military service**

C Emergency treatment provided in a licensed hospital

D Treatment prescribed by a licensed physician within the policy's general coverage scope

ANSWER **B**

WHY California accident and health policies commonly include a war-related services exclusion for losses occurring while the insured is in military service during a declared war. The other options describe situations that would generally be covered under a compliant policy.

QUESTION 7 SINGLE CHOICE

In an individual disability income policy issued in California, the probationary period for sickness benefits:

A May be eliminated entirely by the insurer without notice

B **Begins on the policy's effective date and applies only to sickness benefits, not to accidental injury**

C Begins on the date the disability begins and applies to both sickness and injury

D Is required to be at least 90 days for all California policies

ANSWER **B**

WHY The probationary period in a California individual disability income policy begins on the policy's effective date and applies to coverage for sickness (not to accidental injury), during which sickness-related benefits may be limited or excluded.

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QUESTION 8 SINGLE CHOICE

A California-licensed insurance producer shares in the premium charged to an insured as a result of providing information about the insurance transaction. This practice is:

A Permitted if both parties agree in writing

B Permitted only for credit life and disability insurance

C Prohibited as an improper rebate or inducement

D Permitted if the amount does not exceed $100

ANSWER C

WHY Sharing in or rebating any portion of the premium to or with the insured is generally prohibited under California insurance law as an improper rebate or inducement to purchase insurance, regardless of the amount or whether there is written consent.

QUESTION 9 SINGLE CHOICE

When a producer is replacing an existing accident and health insurance policy with a new one, the producer must provide the applicant with a written statement that discloses, among other things, the benefits and reasons for the replacement. This disclosure is known as the:

A Buyer's Guide

B Outline of Coverage

C Notice of Replacement

D Producer's Report

ANSWER C

WHY When replacing an existing accident and health insurance policy, the producer is required to provide a written Notice of Replacement (or comparison statement) disclosing the replacement nature of the transaction, including benefits, costs, and reasons for the replacement. The Buyer's Guide and Outline of Coverage are delivered at policy issuance, while the Producer's Report is an internal industry record.

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