

01	A	B	C	D	E
02	A	B	C	D	E
03	A	B	C	D	E
04	A	B	C	D	E
05	A	B	C	D	E
06	A	B	C	D	E
07	A	B	C	D	E
08	A	B	C	D	E
09	A	B	C	D	E
10	A	B	C	D	E
11	A	B	C	D	E
12	A	B	C	D	E
13	A	B	C	D	E

14	A	B	C	D	E
15	A	B	C	D	E
16	A	B	C	D	E
17	A	B	C	D	E
18	A	B	C	D	E
19	A	B	C	D	E
20	A	B	C	D	E
21	A	B	C	D	E
22	A	B	C	D	E
23	A	B	C	D	E
24	A	B	C	D	E
25	A	B	C	D	E
26	A	B	C	D	E

27	A	B	C	D	E
28	A	B	C	D	E
29	A	B	C	D	E
30	A	B	C	D	E
31	A	B	C	D	E
32	A	B	C	D	E
33	A	B	C	D	E
34	A	B	C	D	E
35	A	B	C	D	E
36	A	B	C	D	E
37	A	B	C	D	E
38	A	B	C	D	E
39	A	B	C	D	E

PRACTICE QUESTIONS

CALIFORNIA DEPARTMENT OF INSURANCE

LA9QHQVM

CDI 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 LA9QHQVM , 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, LA9QHQVM
- the question number
- the email address on your order

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

QUESTION 1

SINGLE CHOICE

What type of life insurance policy pays a stated benefit upon the death of the insured, provided the policy is in force, regardless of whether the insured dies during the term or at the end of the term?

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

ANSWER D

WHY An endowment policy pays the face amount either at the end of the endowment period (if the insured is still living) or upon the insured's death if it occurs during the endowment period. Term insurance only pays if death occurs during the term, whole life pays only upon death whenever it occurs, and universal life is a flexible premium permanent plan — none of which provide payment both during and at the end of the term.

QUESTION 2

SINGLE CHOICE

Under a typical life insurance policy, which provision gives the insurer the right to contest the policy for a material misrepresentation, but only within a limited period after the policy is issued?

- ☐ A Free-look provision
- ☐ B Grace period provision
- ☒ C Incontestability clause
- ☐ D Reinstatement provision

ANSWER C

WHY The incontestability clause states that after the policy has been in force for a stated period (usually two years), the insurer cannot contest the policy for any statements made in the application. While it limits the insurer's right to contest, the question specifically describes the right that is being limited — that right is the contestability of the policy, which the incontestability clause governs. The free-look, grace period, and reinstatement provisions address entirely different policy rights and procedures.

QUESTION 3

SINGLE CHOICE

Which type of beneficiary can be changed by the policyowner at any time prior to the insured's death without requiring the beneficiary's consent?

- ☐ A Irrevocable beneficiary
- ☐ B Primary beneficiary
- ☒ C Revocable beneficiary
- ☐ D Contingent beneficiary

ANSWER C

WHY A revocable beneficiary designation gives the policyowner full right to change the beneficiary at any time without the beneficiary's consent. An irrevocable beneficiary, once designated, generally cannot be changed without that beneficiary's written consent. 'Primary' and 'contingent' describe the order in which benefits are paid, not whether the designation is revocable.

QUESTION 4

SINGLE CHOICE

Which annuity payout option provides the highest periodic payment because it pays only the annuitant and nothing continues to a beneficiary after the annuitant's death?

- ☐ A Joint and survivor annuity
- ☐ B Life annuity with period certain
- ☒ C Straight life annuity (life only)
- ☐ D Refund annuity

ANSWER C

WHY A straight life annuity (also called life only) pays the annuitant for as long as he or she lives, with no further payments to anyone after the annuitant's death. Because the insurer expects to make payments only while one person is alive and never has to continue paying after death, the periodic payment is the highest among the standard options. Joint and survivor continues to a surviving payee, life with period certain guarantees a minimum number of payments, and a refund annuity pays a refund of premiums at death — all of which lower the periodic payment.

QUESTION 5

SINGLE CHOICE

Which type of health insurance plan requires the insured to use providers within a defined network and generally requires a primary care physician referral before seeing a specialist in order for benefits to be paid at the highest level?

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

ANSWER B

WHY An HMO requires insureds to receive care from a network of providers, typically choose a primary care physician (PCP), and obtain a referral from the PCP before seeing a specialist in order to receive full benefits. PPOs allow out-of-network use (at a lower benefit level) without referrals, POS plans blend HMO and PPO features, and indemnity plans let the insured see any provider without network restrictions.

QUESTION 6

SINGLE CHOICE

In an individual disability income insurance policy, what is the purpose of the elimination period?

- ☐ A It is the maximum length of time benefits will be paid
- ☐ B It is the period after policy issue during which coverage is excluded
- ☒ C It is the waiting period between the start of a disability and the start of benefit payments
- ☐ D It is the period during which premiums are waived if the insured becomes disabled

ANSWER C

WHY The elimination period (also called the waiting period) is the number of consecutive days the insured must be disabled before disability benefits become payable. A longer elimination period generally lowers the premium, while a shorter elimination period increases it. The maximum benefit period, the pre-existing condition exclusion period, and the waiver of premium provision are separate policy features and do not define the elimination period.

QUESTION 7

SINGLE CHOICE

Under California insurance regulations, when a producer takes an application for a life insurance policy, what must the producer do regarding the initial premium payment collected from the applicant?

- ☐ A Retain the premium in a personal account until the policy is delivered
- ☒ B Remit the premium to the insurer or to a trustee in a trust account within a specified time
- ☐ C Hold the premium indefinitely until the insurer confirms the policy is approved
- ☐ D Refund the premium to the applicant if the policy is not issued within 30 days

ANSWER B

WHY California producers are required to promptly remit premiums collected on behalf of an insurer to the insurer, or place them into a premium trust account, rather than commingling the funds with personal money. Producers may not retain premiums in a personal account, hold them indefinitely, or simply refund them after a fixed period as a default practice. Timely and proper handling of premiums is a fundamental producer fiduciary duty under California law.

QUESTION 8

SINGLE CHOICE

Under California regulations, what is the primary purpose of a life insurance replacement notice when a new policy is being purchased to replace an existing one?

- ☐ A To notify the existing insurer that its policy is being surrendered
- ☐ B To document the producer's commission on the new policy
- ☒ C To provide the applicant with a written comparison so the applicant can make an informed decision about replacing the existing coverage
- ☐ D To certify that the replacement policy's premium is lower than the existing policy's premium

ANSWER C

WHY California's replacement requirements are designed to protect consumers from unsuitable replacements by ensuring the applicant receives a written disclosure and comparison of the existing and proposed coverage. This allows the applicant to make an informed decision. Replacement is not limited to policies with lower premiums, does not serve as a surrender notification to the existing carrier, and is not a commission document.

QUESTION 9

MULTIPLE CHOICE

Which of the following are characteristics of a whole life insurance policy? (Choose two.)

- ☒ **A** Premiums are level for the life of the policy as long as the policy remains in force
- ☐ **B** The policy provides coverage only for a specified limited term of years
- ☒ **C** The policy builds guaranteed cash value that the policyowner can borrow against
- ☐ **D** The face amount automatically declines each year the policy is in force

ANSWER **A - C**

WHY Whole life insurance is permanent insurance with level premiums payable for life (or to a stated maturity age) and a guaranteed cash value that accumulates over time and is available to the policyowner through policy loans or surrender. Option B describes term insurance, and option D incorrectly describes a decreasing term policy, not whole life.