

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

SBFGKGJ4

CDI Site - Life Examination - Chinese

EDITION

Demo

QUESTIONS

9

FORMAT

Limited Edition PDF

Before you begin

What this is

9 practice questions for CALIFORNIA DEPARTMENT OF INSURANCE SBFGKGJ4 , 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, SBFGKGJ4
- the question number
- the email address on your order

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

QUESTION 1

MULTIPLE CHOICE

According to California Insurance Code, which of the following must be provided to a prospective applicant before or at the time a life insurance policy is delivered? (Choose two.)

- ☐ A A copy of the completed application
- ☒ B A written disclosure of the policy's cash surrender value
- ☒ C A Buyer's Guide to Life Insurance
- ☐ D The insurer's annual financial statement

ANSWER B - C

WHY Under California law (Insurance Code §10127.10 and related provisions), insurers must deliver a Buyer's Guide and a Policy Summary (which discloses cash value and other policy data) at or prior to policy delivery. The completed application copy and the annual financial statement are not part of the required delivery set.

QUESTION 2

MULTIPLE CHOICE

Under the California Life Insurance and Annuity Replacement regulations, which of the following actions are required when a producer knows that a life insurance or annuity replacement is intended? (Choose two.)

- ☒ A Leave a copy of the required replacement notice with the applicant
- ☒ B Obtain a signed list of all existing life insurance and annuity contracts to be replaced
- ☐ C Cancel the existing policies immediately on behalf of the applicant
- ☐ D Notify the replacing insurer's home office within 10 business days

ANSWER A - B

WHY California replacement regulations require the producer to present and leave with the applicant the 'Important Notice Regarding Replacement of Life Insurance or Annuities,' and to obtain a signed 'List of Existing Life Insurance and Annuity Contracts to be Replaced.' Producers may not cancel existing policies for the applicant, and there is no such 10-day home-office notification requirement in the California replacement rule.

QUESTION 3 SINGLE CHOICE

A California life-only licensee may legally transact which of the following?

- ☐ A Variable life insurance contracts
- ☐ B Variable annuity contracts
- ☒ C Fixed whole life and term life insurance
- ☐ D Disability income insurance

ANSWER C

WHY A Life-Only license authorizes the solicitation and sale of life insurance (including term, whole life, and other fixed life products) and fixed annuity contracts. Variable life, variable annuities, and disability income each require separate lines of authority or additional qualifications.

QUESTION 4 SINGLE CHOICE

When a life insurance beneficiary submits a complete claim, within how many days must the insurer pay the proceeds, according to California Insurance Code Section 10111.5?

- ☐ A 15 days
- ☒ B 30 days
- ☐ C 45 days
- ☐ D 60 days

ANSWER B

WHY California Insurance Code §10111.5 requires admitted insurers to pay the loss, when not in dispute, within 30 days after receipt of the claim. If payment is not made within that period, interest accrues at a statutorily prescribed rate.

QUESTION 5

SINGLE CHOICE

Under California's Life Insurance and Annuity Suitability regulation (California Insurance Code §10509.910 et seq.), what is the producer's primary obligation when recommending an annuity?

- ☐ A To recommend the contract with the highest commission
- ☒ B To exercise reasonable diligence, care, and skill to ensure the recommendation effectively addresses the consumer's financial situation, insurance needs, and financial objectives
- ☐ C To follow the directions of the insurer without deviation
- ☐ D To ensure the applicant is under age 65

ANSWER B

WHY California's suitability regulation requires producers to exercise reasonable diligence, care, and skill to place the consumer's financial interests first and ensure recommendations effectively address the consumer's profile. Commission, insurer direction, and an age-65 cut-off are not the operative standards.

QUESTION 6

SINGLE CHOICE

Which of the following best describes the defining feature of permanent life insurance as opposed to term insurance?

- ☐ A Coverage lasts only for a stated period
- ☐ B Premiums increase annually
- ☒ C It is designed to provide lifetime coverage and may build cash value
- ☐ D It never pays a death benefit

ANSWER C

WHY Permanent (cash-value) life insurance is intended to remain in force for the insured's entire life and includes a cash-value component that may grow over time. Term insurance provides coverage only for a stated period and generally does not build cash value.

QUESTION 7

SINGLE CHOICE

In a deferred annuity, what is the purpose of the accumulation phase?

- ☐ A To pay income to the annuitant immediately
- ☒ B To permit the contract value to grow tax-deferred before annuitization or withdrawal
- ☐ C To provide a guaranteed death benefit only
- ☐ D To convert the contract into a term insurance policy

ANSWER B

WHY During the accumulation phase of a deferred annuity, premiums are paid in and the contract value grows on a tax-deferred basis. Payments to the annuitant occur later, during the annuitization (income) phase. A death benefit is a feature of many deferred annuities but is not the purpose of the accumulation phase.

QUESTION 8

SINGLE CHOICE

Which type of life insurance beneficiary is designated as 'my estate' or by the insured's will?

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

ANSWER A

WHY An estate beneficiary (designated by naming 'my estate' or by will) functions as the primary (or possibly contingent) beneficiary depending on how it is designated. The insured retains the right to change the designation because it is revocable. The distinguishing concept here is the 'estate' designation itself, which is treated as a primary beneficiary classification.

QUESTION 9

SINGLE CHOICE

Which of the following actions by a California-licensed producer would most clearly constitute an unfair trade practice under California Insurance Code Section 790 et seq.?

- ☐ A Stating that a policy's premiums are guaranteed to remain level for the life of the policy when that is in fact guaranteed by the contract
- ☐ B Comparing two life insurance policies from different insurers based on the producers' own commissions
- ☒ C Making a statement that misrepresents the terms, benefits, or advantages of a life insurance policy
- ☐ D Asking the applicant to confirm receipt of the Buyer's Guide

ANSWER C

WHY California's Unfair Practices Act (Insurance Code §790) prohibits making any statement that misrepresents the terms, benefits, or advantages of a policy. Comparing on the basis of commission, accurately stating guaranteed premiums, and confirming delivery of the Buyer's Guide are not, by themselves, unfair practices.