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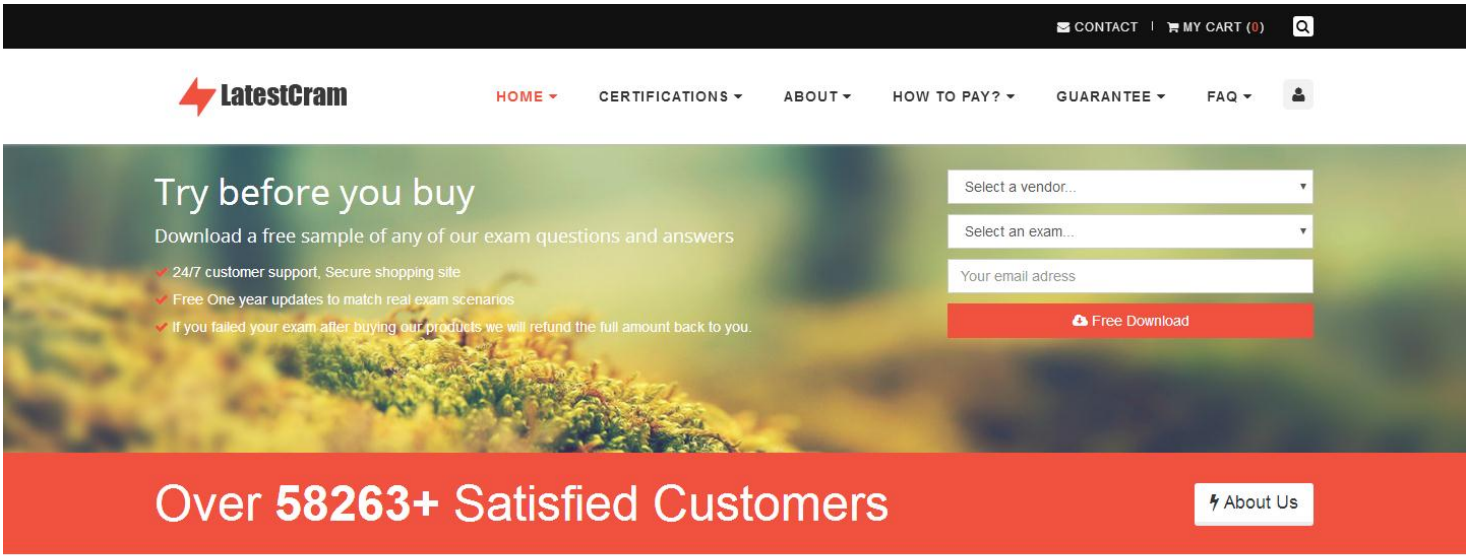

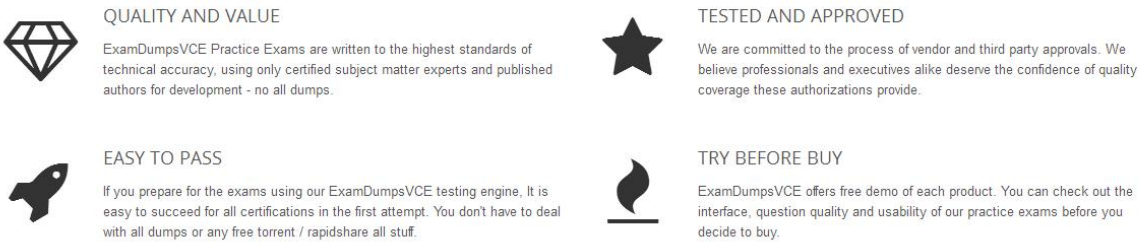

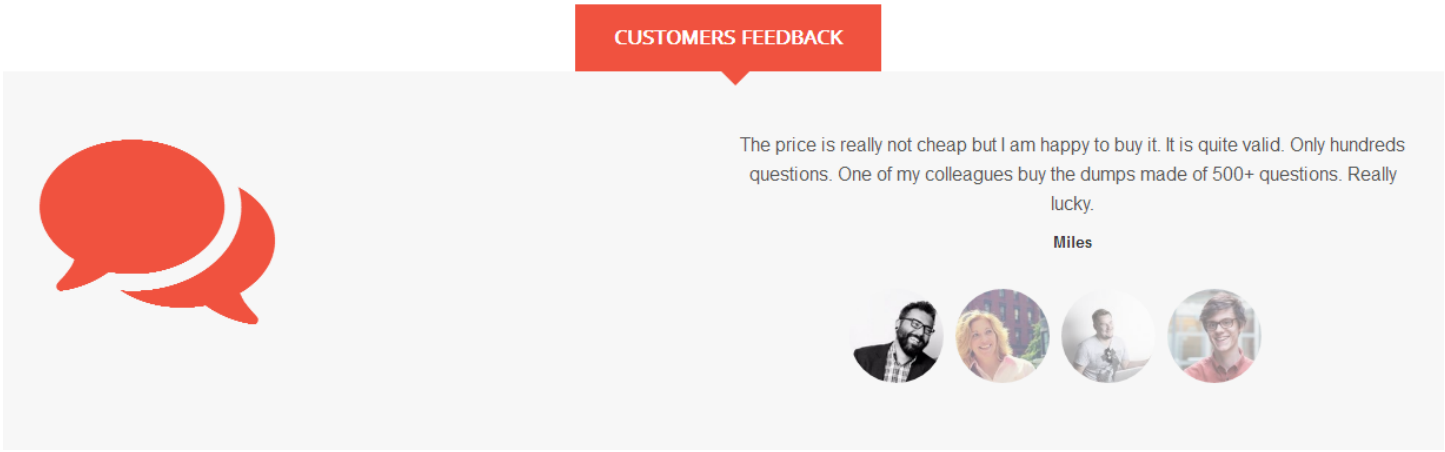

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Exam : **NY-Life-Accident-and-Health**

Title : New York Life, Accident and Health Insurance Agent/Broker Examination Series 17-55

Vendor : Insurance Licensing

Version : DEMO

QUESTION NO: 1
An annuity that guarantees a given number of income payments, whether or not the annuitant is alive to receive them, is referred to as
A. a life annuity certain.
B. an assured life annuity.
C. a guaranteed survivor annuity.
D. an Irrevocable endowed annuity.
Answer: A
Explanation:
The correct answer is A. a life annuity certain. A life annuity certain combines two features: it provides income for the life of the annuitant , but it also guarantees that payments will continue for at least a specified minimum period or number of payments, even if the annuitant dies before all of those guaranteed payments have been made. In that case, the remaining guaranteed payments are paid to the designated beneficiary or recipient for the rest of the certain period. This is why the question emphasizes that the payments continue whether or not the annuitant is alive to receive them .
This distinguishes it from a straight life annuity, which stops payments at the annuitant's death and provides no further benefits. The other choices are not the standard insurance term used for this annuity arrangement.
Assured life annuity , guaranteed survivor annuity , and irrevocable endowed annuity are not the recognized licensing terms that match this definition. In annuity terminology used in life insurance studies, the correct name for an annuity that guarantees a stated number of payments while still being based on life income is a life annuity certain .

QUESTION NO: 2
Clark will be doing business as an agent. When MUST he be appointed by the insurer?
A. Within 20 days after commissions have been paid.
B. Within 15 days of signing the agency contract.
C. At the time the license application is submitted.
D. Within 15 days of submitting his license application.
Answer: B

QUESTION NO: 3
Which of the following statements BEST describes a disability elimination period?
A. A dollar deductible rather than a time deductible.
B. A benefit or utilization period.
C. A qualifying period.
D. A time deductible rather than a dollar deductible.
Answer: D

QUESTION NO: 4
An annuitant dies during the accumulation period. What happens to the cash value in the annuity?
A. The cash value is paid to the IRS.

B. The company keeps the cash value.
C. The cash value is paid into the estate.
D. The cash value is paid to the beneficiary.
Answer: D

QUESTION NO: 5
If the premium is not paid at the time of application, a Statement of Good Health MUST be signed by the policyowner at the time of
A. the medical examination.
B. underwriter review.
C. policy delivery.
D. application.
Answer: C
Explanation:
The correct answer is policy delivery . In life insurance underwriting and policy issuance procedures, when the initial premium is not collected at the time of the application , the policy does not immediately become effective. Because there may be a period of time between the application date and the delivery of the policy, the insurer requires confirmation that the applicant's health status has not changed during that time.
To address this, the policyowner must sign a Statement of Good Health at the time the policy is delivered.
This statement verifies that the insured's health condition remains substantially the same as it was at the time of application and that no significant illness, injury, or medical treatment has occurred since the application was submitted. The purpose is to ensure that the risk evaluated by the insurer during underwriting is still accurate before coverage becomes effective.
If the applicant had paid the first premium at the time of application and received a conditional receipt, this additional statement might not be required. However, when the premium is unpaid, the Statement of Good Health must be completed at policy delivery , making Choice C correct.

QUESTION NO: 6
Under the Affordable Care Act, an insurer may place dollar limits on coverage for
A. laboratory services.
B. mental health services.
C. maternity and newborn care.
D. routine adult dental services.
Answer: D
Explanation:
The correct answer is D. routine adult dental services. The Affordable Care Act (ACA) prohibits health insurers from placing lifetime or annual dollar limits on coverage for Essential Health Benefits (EHBs) .
These essential health benefits include services such as laboratory services, mental health and substance use disorder services, and maternity and newborn care . Because these

categories are designated as essential health benefits, insurers are not allowed to impose annual or lifetime dollar caps on them under ACA- compliant health plans.
However, routine adult dental services are not included in the ACA's list of essential health benefits . While pediatric dental services are included as an essential health benefit category, routine dental coverage for adults is generally offered as an optional or separate benefit. Because it is not classified as an essential health benefit under the ACA, insurers may legally apply dollar limits or other coverage limitations to routine adult dental services depending on the policy design.
Therefore, under ACA regulations applicable to health insurance policies and marketplace plans beginning in
2014, dollar limits are prohibited for essential health benefits but may still apply to non-essential benefits , such as routine adult dental care .

QUESTION NO: 7
How long can an insurer exclude coverage for a preexisting condition on a Medicare Supplement Policy?
A. 6 months.
B. 12 months.
C. 18 months.
D. 24 months.
Answer: A
Explanation:
The correct answer is 6 months . A Medicare Supplement policy , also known as Medigap , may impose a waiting period for coverage of a preexisting condition , but that exclusion period is limited. Under standard Medicare Supplement rules, an insurer may exclude coverage for a preexisting condition for no more than 6 months after the policy's effective date. A preexisting condition generally refers to a condition for which medical advice was given or treatment was recommended or received within a specified period before coverage became effective.
This rule is intended to protect applicants while still allowing insurers limited control over immediate claims related to known medical conditions. In many cases, this exclusion period can also be reduced or eliminated when the applicant has had prior creditable coverage with no significant break in coverage. That is why Medicare Supplement regulations are often tested together with rules about replacement, guaranteed issue, and continuity of coverage.
The other options-12 months, 18 months, and 24 months-are too long for a Medicare Supplement preexisting condition exclusion period. For exam purposes, the maximum exclusion period on a Medigap policy is 6 months , making Choice A correct.

QUESTION NO: 8
Which of the following is a basic benefit of Medicare Supplemental insurance?
A. First 3 pints of blood each year.
B. At-home recovery.
C. Basic drugs limit of $1,250.
D. Preventive care.
Answer: A

Explanation:
Medicare Supplement insurance (Medigap) is designed to fill gaps in Original Medicare (Parts A and B) by paying certain out-of-pocket expenses that Medicare does not pay in full. A commonly tested basic Medigap benefit is coverage for the first 3 pints of blood each year . Under Original Medicare, a beneficiary may be responsible for the cost of the first three pints of blood in a calendar year (unless replaced or covered under specific circumstances). Medigap policies include this "first three pints" coverage as part of the standardized core benefits, helping reduce the beneficiary's exposure to unexpected hospital or outpatient blood costs.
The other choices are not considered standard "basic" Medigap benefits. "At-home recovery" and certain
"preventive care" enhancements have been associated with limited or older plan designs rather than being universally basic. "Basic drugs limit of $1,250" reflects older outpatient prescription concepts that are largely associated with pre-Part D benefit structures and not a core Medigap basic benefit in the way the blood coverage is. Therefore, the correct basic benefit is the first 3 pints of blood each year .

QUESTION NO: 9
The Group Life Underwriting risk selection process helps protect insurers from
A. risk selection.
B. medical underwriting.
C. adverse selection.
D. risk underwriting.
Answer: C
Explanation:
The correct answer is adverse selection . In group life insurance, underwriting is generally based on the characteristics of the group as a whole rather than on extensive medical underwriting of each individual member. Because of this simplified underwriting approach, insurers must rely on certain group underwriting standards to protect themselves against the possibility that only those individuals who expect to need coverage most urgently will enroll. This danger is known as adverse selection .
Adverse selection occurs when people with a higher-than-average likelihood of loss are more motivated to obtain insurance than lower-risk individuals. In group life insurance, underwriting controls such as minimum participation requirements, employer contributions, eligibility rules, and actively-at-work provisions help ensure that the risk is spread across a broad base of insured persons rather than concentrated among poor risks. These requirements preserve the stability of the insurance pool and support fair premium pricing.
The other answer choices are incorrect because "risk selection" and "risk underwriting" are not the specific underwriting problem being tested, and "medical underwriting" is a process, not the danger the insurer is trying to avoid. Therefore, the correct answer is C. adverse selection .

QUESTION NO: 10
Which of the following is required of a covered entity subject to New York ' s cybersecurity regulation?

A. Eliminate known threats to its information system
B. Conduct a risk assessment of its information system
C. Ensure that all nonpublic information is properly disclosed
D. Publicly describe the protection of its information system
Answer: B
Explanation:
The correct answer is Conduct a risk assessment of its information system . Under New York's Cybersecurity Regulation (23 NYCRR 500) issued by the New York Department of Financial Services (NYDFS), covered entities such as insurance companies, producers, and other regulated financial institutions are required to establish and maintain a comprehensive cybersecurity program designed to protect consumers' nonpublic information and the integrity of the institution's information systems.
One of the core requirements of this regulation is that the covered entity must perform a periodic risk assessment . This assessment identifies internal and external cybersecurity risks that could threaten the confidentiality, integrity, or availability of information systems. The results of the risk assessment help the organization design appropriate cybersecurity policies, controls, and procedures, including access controls, data protection strategies, and incident response planning.
The other options are incorrect because the regulation does not require entities to eliminate every possible threat, publicly disclose system protections, or ensure disclosure of nonpublic information. Instead, the regulation emphasizes risk identification, monitoring, and management , making Option B the correct answer.

QUESTION NO: 11
If a policyowner surrenders a policy for its cash value, when is a tax liability incurred?
A. The cash value exceeds all premiums paid.
B. The cash value is less than premiums paid.
C. The policy is exchanged for a policy of equal value.
D. The policy is transferred to a third party.
Answer: A
Explanation:
A tax liability is incurred upon surrender of a life insurance policy when the cash surrender value received exceeds the total premiums paid into the policy , excluding any amounts previously withdrawn tax-free. In life insurance taxation, the policyowner's cost basis is generally the sum of premiums paid. If the amount received at surrender is greater than that basis, the excess is treated as taxable ordinary income . For that reason, A is correct.
Choice B is incorrect because if the cash value is less than the premiums paid, there is generally no taxable gain. Choice C is incorrect because an exchange of one life insurance policy for another policy of equal value may qualify as a 1035 exchange , which allows the transaction to occur without immediate taxation, provided it meets the tax code requirements.
Choice D is not the best answer to this question because the issue asked is specifically about surrender for cash value, and the taxable event in that context depends on whether the policyowner receives more than the policy's basis. On licensing exams, "cash value exceeds premiums paid" is the key rule.

QUESTION NO: 12
Penalties that may be levied by the Department of Insurance for committing insurance fraud do NOT include

A. fines.

B. license revocation.

C. license suspension.

D. probation.

Answer: D

Explanation:
The correct answer is D. probation. In New York insurance regulation, the Department's enforcement powers for insurance-law violations and fraud-related misconduct commonly include civil fines and license disciplinary action , such as suspension or revocation of an insurance producer's license. New York Insurance Law § 2110 specifically authorizes the Superintendent to refuse to renew, suspend, or revoke a producer's license, and DFS disciplinary action records show those sanctions being imposed in practice.
In addition, New York's fraud enforcement materials explain that civil monetary penalties may be imposed for fraudulent insurance acts. DFS's fraud division report states that Insurance Law § 403 authorizes the Department to levy civil penalties against individuals who commit fraudulent insurance acts.
By contrast, probation is not one of the standard penalties listed in this New York insurance-licensing/fraud context for the Department's administrative sanctions on producers in the exam material framework. The tested distinction is that the Department may impose fines, suspension, and revocation , but not probation as the answer choice here. Therefore, the option that is not included is probation