

PRODUCER LICENSING

Life & Health Insurance License Study Guide

260+ high-yield terms & concepts
for the state Life, Accident &
Health producer licensing exam

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How to Use This Guide

This guide distills the high-yield terms and concepts that recur across state Life & Health (Life, Accident & Health) producer licensing exams. State exams are built from the same core content domains -- insurance regulation and ethics; general insurance concepts; life insurance products, provisions, and riders; annuities; health insurance products, managed care, disability, long-term care, and senior markets -- even though exact question counts and passing standards are set per state. Study the terms in order, use the Strategy Tips to build test instincts, and treat the Examples as memory hooks. Where a figure is state-dependent (grace periods, free-look lengths, passing scores, hour requirements), the guide gives the common pattern and says "confirm your state." Pair this guide with the official candidate handbook for the state where you will test -- it remains the authority for your exact exam format and content outline.

PART 1 -- Insurance Fundamentals & Risk (16 Concepts)

The building blocks of every insurance product: risk, peril, and hazard, plus the core legal principles that make insurance contracts work. State exams test definitions and the difference between terms that sound alike.

Section 1.1: Risk, Peril, Hazard (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
1	Insurance	A contract that transfers the financial risk of a loss from an individual or business to an insurer in exchange for a premium. The insurer pools many similar risks.	On questions, "transfer of risk" is the defining feature; "issuer assumes risk in exchange for premium" is the testable phrasing.	A homeowner pays a premium and the insurer assumes the risk of fire loss.
2	Risk	The uncertainty or chance of loss. Pure risk offers only a chance of loss; speculative risk offers a chance of gain or loss. Insurers cover pure risk only.	If an answer mentions a chance of gain, it is speculative risk and is NOT insurable.	Gambling is speculative risk; the chance of a house fire is pure risk.
3	Peril	The actual cause of a loss, such as fire, wind, theft, illness, or death. The peril is what the policy names as the covered event.	Ask "what event caused the loss?" -- that names the peril.	A fire that destroys a car identifies fire as the peril.
4	Hazard	A condition that increases the chance or severity of a loss. Physical hazards are tangible; moral hazards arise from character; morale hazards from carelessness.	Match hazard type to its trigger: physical = object, moral = dishonest intent, morale = indifference.	A frayed wire is a physical hazard; an arsonist is a moral hazard.
5	Exposure	The extent to which a person or property is subject to a potential loss, such as the value at risk or the amount of liability faced.	Exposure is "how much is at stake," not the chance of the loss itself.	A building worth \$500,000 creates a \$500,000 exposure.
6	Law of Large Numbers	The statistical principle that as the number of similar, independent risks in a pool grows, the insurer can predict losses more accurately.	This is why insurers need many similar policies -- predictability improves with pool size.	An insurer with 100,000 identical life policies can predict deaths closely.
7	Risk Pooling	Combining many similar exposures so that losses are shared among all members of the pool; each member pays a premium proportional to the group's expected losses.	Pooling = spreading loss across many; it does not eliminate risk, it shares it.	10,000 policyholders each paying a small premium fund the few who suffer big losses.
8	Underwriting	The process by which an insurer evaluates an applicant's risk and decides		

whether to accept, reject, or rate (charge more for) the coverage.

Underwriting classifies applicants: preferred, standard, rated (substandard), or

An applicant with a high-risk health history may be issued a rated (higher premium) policy.

#	Term	Key Facts	Strategy Tip	Example
9	Insurable Interest	A financial or personal stake such that the insured would suffer a loss if the covered event occurred. For life insurance it must exist at policy issue; for property, at the time of loss.	Life = when the policy is bought; property = when the loss happens. This timing distinction is a classic test point.	A business has insurable interest in a key employee; a spouse in their partner.
10	Utmost Good Faith	The principle that both the applicant and the insurer must deal honestly and disclose all material facts; the basis for the application's representations and warranties.	"Material facts" = facts that would change the insurer's decision; concealment violates good faith.	An applicant must disclose a serious illness when applying for life insurance.
11	Indemnity	The principle that insurance should restore the insured to approximately the same financial position after a loss, without allowing a profit. Life insurance is a valued contract, not indemnity.	Health/property pay to indemnify; life pays a fixed amount, so it is NOT indemnity.	A health policy reimburses an actual hospital bill up to the limit.
12	Valued Contract	A contract that pays a stated (fixed) amount when the covered event occurs, regardless of the actual financial loss. Life insurance contracts are valued contracts.	If the contract pays a preset sum on death, it is a valued contract.	A \$250,000 life policy pays \$250,000 on death regardless of need.
13	Contract of Adhesion	An insurance contract is prepared by the insurer and offered on a take-it-or-leave-it basis; ambiguities are construed against the insurer (the drafter).	Ambiguity in the policy language favors the insured in court.	A vague exclusion is interpreted in the policyholder's favor.
14	Aleatory Contract	A contract of chance in which the values exchanged are unequal: the policyholder may pay premiums and never collect, or collect far more than paid.	"Unequal exchange depending on chance" is the testable phrase.	A term policyholder pays small premiums for years and dies the last year.
15	Unilateral Contract	Only one party (the insurer) makes an enforceable promise; the insured's premium payments are a condition, not a promise to pay.	Only the insurer is legally bound to perform; the insured can stop paying anytime.	The insurer promises to pay on death; the insured simply pays premiums.
16	Consideration	The value exchanged to make the contract binding: the applicant's premium payment and representations, and the insurer's promise to pay.	Consideration = premium + application statements from the insured; promise from the insurer.	The first premium payment plus the completed application make the policy effective.

PART 2 -- Insurers, Markets & Distribution (16 Concepts)

How insurance companies are organized and how products reach customers. Know the difference between an agent and a broker, captive and independent, and the role of reinsurance and surplus lines.

Section 2.1: Types of Insurers (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
17	Stock Insurer	An insurer owned by stockholders/shareholders; issues nonparticipating policies that do not pay dividends to policyholders.	Stock = owned by stockholders; policyholders are customers, not owners.	A stock life insurer returns profits to shareholders, not policyholders.
18	Mutual Insurer	An insurer owned by its policyholders; issues participating policies that may pay dividends from surplus.	Mutual = owned by policyholders; dividends = return of unused premium, not share profits.	A mutual insurer's lifetime policyholders receive annual dividends.
19	Reciprocal Insurer	An unincorporated association of subscribers who insure each other through an attorney-in-fact; each subscriber is both insurer and insured.	Unincorporated + attorney-in-fact = reciprocal.	Farmers in a reciprocal each insure the others' risks through the managing attorney.
20	Lloyd's Association	Not an insurer itself; it is a marketplace where individual underwriters (syndicates) accept risks for their own		

21	Fraternal Benefit Society	A nonprofit,	Lloyd's = a marketplace of underwriters, not a single insurance company.	Surplus and unusual risks are often placed with Lloyd's underwriters.
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membership-based organization that provides insurance to its members, often with a lodge or social structure.

Membership-based and

A fraternal society offers life

22	Life & Health Insurance License Study Guide	Reinsurance	An arrangement in which one insurer (the ceding company) transfers part of its risk to another insurer (the reinsurer). Reinsurance does not change the policyholder's contract.	Reinsurance = insurer insuring the insurer; the original policyholder is unaffected.	A large life insurer reinsures a portion of very large policies.
23		Surplus Lines	Coverage for risks that the standard (admitted) market declines, placed with non-admitted insurers through a surplus lines broker.	Non-admitted + hard-to-place risk = surplus lines.	A hazardous specialty risk rejected by admitted carriers is placed as surplus lines.
24		Domestic / Foreign / Alien Insurer	Domestic = incorporated in the state in question; foreign = incorporated in another U.S. state; alien = incorporated outside the U.S.	Anchor: "the state in question" -- a company is domestic only in its home state.	A Texas-incorporated insurer is domestic in Texas, foreign in Oklahoma, alien in London.

Section 2.2: Producers & Distribution (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
25	Producer	The regulated term for an agent or broker in most states -- a licensed individual authorized to sell and service insurance.	Modern state codes call agents and brokers "producers."	The licensed producer presents life products and completes the application.
26	Agent	A producer who represents one or more insurers and has the authority to bind or submit business on the insurer's behalf. Generally represents the insurer, not the insured.	On exams, agents represent the insurer -- that is tested repeatedly.	A captive agent writes policies only for the company she represents.
27	Broker	A producer who generally represents the client (insured) in placing coverage with any insurer in the market.	Brokers = represent the buyer; agents = represent the insurer.	A broker shops a difficult risk across several companies for the client.
28	Captive Agent	An agent who represents only one insurer (or a single company's products) and is typically bound by that company's contracts.	Captive = one company only.	A career life agent sells only her company's whole life policies.
29	Independent Agent	An agent who represents multiple insurers and owns or controls the expirations (the client relationship and renewal rights).	Independent = multiple companies + owns the business.	An independent agent places life coverage with several carriers for clients.
30	Managing General Agent (MGA)	A producer with delegated authority from an insurer to appoint sub-agents, underwrite, and administer business in a territory.	MGA = delegated authority to manage other producers for a company.	An MGA recruits and supervises a regional network of agents.
31	Appointment	The authorization an insurer gives a producer to represent it; state law typically requires the insurer to appoint the producer for the license class.	License is granted by the state; appointment is granted by the insurer.	Before selling, a new agent must be appointed by an insurer and the appointment filed.
32	Direct Writer	A distribution method in which the insurer sells through its own employed or captive agents rather than through independent brokers.	Direct writer = company's own sales force.	A direct writer's agents sell only that company's policies.

PART 3 -- Regulation & Licensing (16 Concepts)

Insurance is regulated at the state level. Expect questions on the state department's role, NAIC, licensing requirements, and prohibited sales practices.

Section 3.1: State Regulation (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
33	State Regulation of Insurance	The states (not the federal government) primarily regulate the business of insurance: licensing, rates, forms, market conduct, and solvency.	Federal law defers to state insurance regulation under the McCarran-Ferguson Act.	A state insurance department approves a new policy form sold in that state.
34	Insurance Commissioner / Director	The state official who heads the department of insurance and enforces insurance laws, licensing, and market conduct.	Commissioner = state's top insurance regulator; "director" is used in some states.	The commissioner may suspend a producer's license for violations.
35	NAIC	The National Association of Insurance Commissioners --		

the organization of state insurance regulators that develops model laws and uniform standards. It does not regulate; the states do.

NAIC writes model rules; individual states adopt and

State regulators use NAIC
model laws to align licensing

36	Life & Health Insurance License Study Guide	McCarran-Ferguson Act	The federal law (1945) that affirms state regulation of insurance and exempts the business of insurance from most federal antitrust law where states regulate.	"States regulate insurance" is the testable outcome of McCarran-Ferguson.	Congress leaves insurance rate and market regulation to the states.
37	Licensing Requirement		A producer must be properly licensed in the state where the business is transacted; transacting without a license is prohibited and can bring fines and penalties.	License must exist before soliciting, negotiating, or selling.	An out-of-state agent may need a non-resident license to sell to your-state clients.
38	Prelicensing Education		Completion of a state-approved course of study is required in most states BEFORE taking the licensing examination.	Prelicensing education precedes the exam; continuing education follows licensing.	A candidate finishes a 40-hour life & health prelicensing course, then books the exam.
39	Continuing Education (CE)		State-required coursework that licensed producers must complete to renew or maintain their licenses, keeping knowledge current.	CE = required after licensing, before renewal.	The agent completes 24 CE credits in her renewal period.
40	Resident / Non-Resident License		A resident license is issued by the producer's home state; a non-resident license lets a licensed producer transact in another state, often on a reciprocal basis.	Home state = resident; other states = non-resident.	A Florida-licensed producer obtains a Georgia non-resident license.

Section 3.2: Sales Practices & Market Conduct (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
41	Unfair Trade Practices	Prohibited insurer/producer acts such as misrepresentation, false advertising, defamation, boycotts, and unfair discrimination. Violations trigger penalties.	Anything deceptive or unfairly discriminatory in marketing or claims is an unfair practice.	Insurers may not unfairly deny or charge more on the basis of a protected class.
42	Misrepresentation	Stating untruths or omitting material facts to cause someone to buy, lapse, or replace a policy. Making false statements in a sale is grounds for discipline.	Misrepresentation = lying or materially omitting; fraud if intentional.	An agent falsely claims a policy pays larger dividends than it can.
43	Rebating	Giving the insured part of the commission, a premium discount, or anything of value as an inducement to buy -- prohibited in most states (with exceptions for dividends and some group plans).	Rebating = an illegal inducement (commission kickback).	An agent offers a prospect \$100 of her commission to sign today.
44	Twisting	Inducing a policyholder to replace an existing policy through misrepresentation or misleading comparisons, harming the insured.	Twisting includes deception in replacement; replacement itself is legal when suitable.	An agent exaggerates a new policy's benefits to get a client to drop an old one.
45	Churning	Repeatedly replacing a client's policies (especially cash-value life or annuities) primarily to generate new commissions, without real benefit to the client.	Churning = replacement for the producer's profit, not the client's need.	An agent re-sells the same client a new whole life policy every year.
46	Fiduciary Duty	A producer's legal duty to handle funds and client interests with good faith, trust, and care -- premiums must be remitted and client money handled properly.	Fiduciary = trust standard; clients' premium money is not the agent's funds.	The producer deposits the client's premium with the insurer, not her own account.
47	Suitability	The requirement that a recommended product meet the client's stated objectives, needs, and situation -- especially enforced for annuity and life insurance sales.	Suitability = the product fits the customer, not just the commission.	The agent documents why a deferred annuity suits the client's retirement timeline.
48	Privacy of Consumer Information	Producers and insurers must safeguard consumers' nonpublic personal financial information and follow state privacy rules for collection,		

Privacy rules govern who can see a client's personal financial data and why.	An agent may not share a client's health history with an unrelated vendor.
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The core life products and how they are classified: by duration (term vs permanent) and by dividend structure. Term provides pure protection; permanent products build cash value.

Section 4.1: Term Life Insurance (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
49	Term Life Insurance	Life coverage for a specified period (commonly 10-30 years) that pays only if the insured dies during the term; it builds no cash value and is the lowest-cost form of life insurance.	No cash value + lowest premium + temporary = term.	A 20-year term policy pays only if death occurs within the 20 years.
50	Level Term	Term insurance with a level (unchanging) face amount and a level premium for the term period.	"Level" applies to both the death benefit and the premium.	A \$200,000 level term policy keeps the same \$200,000 benefit and premium for 20 years.
51	Decreasing Term	Term insurance whose face amount declines over the term while the premium stays level; commonly used to match a declining debt such as a mortgage.	Decreasing term matches a decreasing debt; premium stays the same.	A mortgage term policy's death benefit falls as the loan balance is paid down.
52	Increasing Term	Term insurance whose face amount rises over the term (often tied to an index or a set schedule), with premiums that rise accordingly.	The benefit grows, and the premium grows with it or in steps.	An increasing term rider keeps pace with a rising cost-of-living index.
53	Renewable Term	A term policy that guarantees the right to renew for additional periods at the end of each term WITHOUT new evidence of insurability, up to a stated age; premiums rise at each renewal.	Renewable = renew without a new medical exam, at a higher age-based premium.	At the end of 10 years, the insured renews for another term without answering health questions.
54	Convertible Term	A term policy that may be converted to a permanent policy without evidence of insurability; the premium is based on the insured's attained age at conversion.	Convert = move to permanent, no health questions; premium at attained age.	With a serious diagnosis, the insured converts term to whole life before the term ends.
55	Return-of-Premium Term	A term policy that refunds some or all premiums paid if the insured survives the term; the refund feature makes the premium higher than standard term.	Higher premium now -- money back if you outlive the term.	A 30-year ROP term returns all premiums if the insured is alive at year 30.
56	Group Term Life	Term coverage issued under a master contract to a group (typically employees), with certificates held by members; often one-year renewable and may continue after retirement in some plans.	Master contract + certificates + employment relationship = group term.	An employer sponsors group term life for all full-time employees.

Section 4.2: Permanent Life Insurance (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
57	Whole Life Insurance	A permanent life policy providing lifetime coverage for a level (fixed) premium; it builds cash value on a guaranteed basis and pays the face amount at death whenever it occurs.	Lifetime coverage + level premium + guaranteed cash value = whole life.	A whole life policy pays \$100,000 whenever the insured dies, after years of level premiums.
58	Ordinary (Straight) Life	The basic whole life plan in which premiums are payable for the insured's entire lifetime -- the most common whole life form.	Ordinary/straight = premiums paid for life.	Premiums are paid every year until the insured's death.
59	Limited-Pay Life	A whole life policy on which premiums are paid for a limited period (e.g., 10, 20, or 30 years, or to age 65), after which the policy is paid up.	Limited-pay = premiums stop early, coverage stays for life.	A 20-pay life policy is fully paid after 20 years of premiums.
60	Participating Policy	A policy (typically from a mutual insurer) that pays dividends to policyholders -- a		

return of unused premium, not taxable income. Dividends are not guaranteed.

Participating = dividends from a mutual company; not guaranteed.	A policyholder uses annual dividends to buy paid-up additions.
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61	Nonparticipating Policy	A policy (typically from a stock insurer) that pays no dividends; premiums are generally lower because they are not padded for dividend payments.	Nonparticipating = no dividends, usually lower premium.	A stock insurer's whole life policy charges a fixed premium with no dividends.
62	Cash Value	The savings element of a permanent life policy that grows over time, can be borrowed against or withdrawn, and funds nonforfeiture options if the policy lapses.	Cash value = the permanent policy's living savings account.	After 15 years the policy's cash value exceeds the premiums paid in.
63	Modified Endowment Contract (MEC)	A whole life policy whose premiums exceed the 7-pay limit set by federal law; MECs lose some tax advantages -- distributions are taxed and a 10% penalty may apply before age 59½.	Too much premium too fast = MEC = worse tax treatment.	Funding a whole life policy with a large single premium makes it a MEC.
64	Paid-Up Policy	A permanent policy on which all premiums have been completed (or the cash value is sufficient) so no further premiums are required and coverage continues.	Paid-up = no more premiums due; coverage remains.	A policy is reduced to paid-up status using its cash value.

PART 5 -- Endowment, Universal, Variable & Business Life (16 Concepts)

Flexible and investment-oriented products, plus life insurance used in business. Questions stress who bears the investment risk and how flexible premiums and benefits are.

Section 5.1: Endowment, Universal & Variable (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
65	Endowment Insurance	A life policy that pays the face amount either at death or at the end of the endowment period, whichever occurs first -- it pays whether the insured lives or dies by the date.	Endowment = pays at death OR at maturity date, whichever is first.	A 20-year endowment pays \$50,000 at year 20 even if the insured is alive.
66	Universal Life	A flexible-premium permanent policy: the insured can vary premium payments and (within limits) the death benefit; cash value grows at a current crediting rate with a guaranteed minimum.	Flexible premium + adjustable benefit + cash value = universal life.	The policyholder skips a premium one year using accumulated cash value.
67	Variable Life	A permanent policy whose cash value is invested in subaccounts (mutual-fund-like portfolios); the policyowner bears the investment risk, and cash value and death benefits can fluctuate.	Investment risk on the owner + subaccounts = variable life.	If subaccounts fall, the variable policy's cash value falls too.
68	Variable Universal Life	A hybrid combining universal life's flexible premiums and adjustable death benefit with variable subaccounts; the owner bears the investment risk.	Flexible + adjustable + subaccounts + owner risk = variable universal.	The owner increases premiums and allocates them among stock and bond subaccounts.
69	Indexed Universal Life	A universal life product whose credited interest is tied (capped or floored) to a market index such as the S&P 500, with a guaranteed minimum crediting rate.	Index-linked growth + floor = indexed universal life.	Credited interest follows the index up to a cap but never below 0%.
70	Juvenile Life Insurance	Life insurance on a child's life, typically owned by a parent or guardian; often includes a payor rider waiving premiums if the premium payor dies or becomes disabled.	Juvenile = child insured; payor rider protects the premium.	A parent buys juvenile whole life and a payor rider for their 6-year-old.
71	Credit Life Insurance	A decreasing term policy that pays the outstanding balance of a loan if the borrower dies; the creditor is the beneficiary for the debt amount.	Credit life = pays the debt; decreasing term tracks the loan.	A car loan policy pays off the remaining balance on the borrower's death.
72	Industrial (Home Service) Life	A life policy with small face amounts and premiums collected weekly or monthly at the home by an agent;		

premium billing frequency is the distinguishing feature.

Small policies + collected at home = industrial life.	An agent collects a \$2 weekly premium at the policyholder's door.
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#	Term	Key Facts	Strategy Tip	Example
73	Key Person (Key Employee) Life	Life insurance a business buys on a vital employee; the business is owner and beneficiary and uses proceeds to offset the loss of that person's contributions.	Business = owner + beneficiary on the key employee's life.	A firm insures its top salesperson so a death doesn't cripple revenue.
74	Business Continuation / Buy-Sell Funding	Life insurance used to fund a buy-sell agreement so surviving owners can buy a deceased owner's interest; commonly structured as cross-purchase or entity purchase.	Buy-sell funding = life insurance provides the cash to buy out.	Two partners each insure the other so the survivor can buy the decedent's share.
75	Joint Life (First-to-Die)	One policy covering two or more lives that pays when the FIRST insured dies; used where only one death benefit is needed first.	First death triggers payment, then coverage usually ends.	A married couple's first-to-die policy pays when the first spouse dies.
76	Survivorship (Second-to-Die) Life	A joint policy that pays when the LAST insured dies -- used in estate planning to fund taxes after both spouses pass.	Second-to-die pays at the second death, for estate liquidity.	An estate-planning policy pays when the surviving spouse dies.
77	Simplified Issue Life	A policy issued with a short application and limited health questions -- no medical exam; premiums are higher because the insurer accepts more risk.	Limited questions, no exam, higher premium = simplified issue.	A simplified issue policy is approved from a 4-question application.
78	Guaranteed Issue Life	A policy issued with no health questions or medical exam -- everyone who applies (within age limits) is accepted; premiums are the highest because of the adverse selection risk.	No questions, everyone accepted, highest premium.	A guaranteed issue policy covers any applicant age 50-80.
79	Payroll Deduction Life	Life insurance premiums collected through automatic payroll deduction, commonly used to make group or voluntary life coverage easy to buy at work.	Payroll deduction = convenience of payment through the paycheck.	An employee elects voluntary group life paid via payroll deduction.
80	Cash-Value Distribution at Death	On death, the death benefit (not the cash value) is paid to the beneficiary, generally income-tax free; any loan balance is deducted from the proceeds.	Beneficiary gets the face amount minus outstanding loans; cash value is subsumed.	A \$100,000 policy with a \$10,000 loan pays \$90,000 to the beneficiary.

PART 6 -- Policy Provisions & Clauses (16 Concepts)

The standard contractual provisions in life policies. Know the time frames (grace, incontestability, suicide, free-look) and the difference between options and elections.

Section 6.1: Standard Provisions (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
81	Entire Contract Clause	States that the policy and the attached application together constitute the entire contract; statements in the application are representations, not warranties.	The application is part of the contract -- nothing outside it binds.	An insurer cannot rely on an oral promise not written in the policy.
82	Incontestability Clause	After the policy has been in force for a specified period (commonly two years), the insurer may not contest the policy, including on the basis of misstatements in the application.	After 2 years (commonly) the policy is incontestable except for nonpayment of premium.	After two years, an insurer cannot rescind for an undisclosed condition.
83	Grace Period	The period after a premium due date (commonly 30 or 31 days) during which the policy stays in force while the late premium may still be paid.	Grace period = coverage continues during the late-payment window.	A premium due March 1 can still be paid by March 31 with coverage intact.
84	Reinstatement	After a lapse, the policy may be reinstated within a stated period by paying back		

Reinstatement = revive a lapsed policy; usually needs new evidence of insurability.	A client lapses a policy for 3 months, pays all owed premiums, and is reinstated.
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85	Lapse	Termination of a policy because the premium was not paid within the grace period and no nonforfeiture option was selected; coverage ends.	Lapse = coverage ends for nonpayment after the grace period.	A policy lapses when the insured stops paying and ignores the grace period.
86	Suicide Clause	If the insured dies by suicide within the first two years (commonly), the insurer pays only the premiums paid; after the period, the full benefit is payable.	The first two years is the common suicide-exclusion window.	A suicide in year one returns only premiums; in year five it pays the face amount.
87	Misstatement of Age or Sex	If the insured's age or sex was misstated, the insurer adjusts the benefit (or premium) to what the correct age/sex would have purchased -- it does not void the policy.	Misstated age = benefit adjusted, not canceled.	A policy bought at age 40 when actually 45 pays a reduced benefit.
88	Free-Look Period	The period (commonly 10 days, more in some states) after delivery during which the buyer can return the policy for a full refund of premium.	Free-look = buyer's right to cancel for a refund shortly after receipt.	The buyer returns her whole life policy within 10 days and gets the premium back.

Section 6.2: Ownership, Beneficiaries & Options (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
89	Policy Owner	The person who holds the rights under the policy: naming/ changing beneficiaries, borrowing, surrendering, and assigning the policy. Ownership and insured may differ.	The owner controls the policy; the insured is the life covered.	A parent owns a policy on a child and may change the beneficiary.
90	Primary Beneficiary	The person named to receive the death benefit if living at the insured's death.	Primary = first in line to receive proceeds.	The spouse is the primary beneficiary of the insured's policy.
91	Contingent (Secondary) Beneficiary	The person who receives the death benefit if the primary beneficiary dies before the insured or is otherwise unable to collect.	Contingent = second in line, collects only if primary cannot.	The children are contingent beneficiaries if the spouse predeceases.
92	Revocable vs Irrevocable Beneficiary	A revocable beneficiary can be changed by the owner without consent; an irrevocable beneficiary cannot be changed without that beneficiary's consent.	Revocable = owner can change anytime; irrevocable = needs consent.	An owner names her spouse irrevocable in a divorce settlement.
93	Common Disaster (Survivorship) Clause	Requires that a beneficiary survive the insured by a stated period (e.g., 30 or 60 days) to receive proceeds; otherwise the proceeds go to the contingent beneficiary.	If both die close together, proceeds skip to the contingent beneficiary.	The spouse dies 10 days after the insured; the children receive the benefit.
94	Assignment	The transfer of policy rights: an absolute assignment transfers full ownership; a collateral assignment transfers rights (such as to a lender) only as security for a debt.	Absolute = full transfer; collateral = security for a loan.	A business owner assigns the policy absolutely to a new owner in a sale.
95	Policy Loan	A loan from the insurer using the cash value as collateral; interest accrues, and any unpaid loan plus interest is deducted from the death benefit.	Policy loan = borrow against cash value; unpaid loans reduce the death benefit.	The owner borrows \$5,000; at death, \$5,000 plus interest is deducted.
96	Spendthrift Clause	Protects the death benefit from the beneficiary's creditors by paying proceeds in installments rather than a lump sum, keeping the money beyond creditor reach.	Installment payments shield proceeds from the beneficiary's creditors.	A beneficiary receives monthly installments so a judgment creditor cannot seize the lump sum.

PART 7 -- Riders & Optional Benefits (16 Concepts)

Riders modify the base policy -- add coverage, waive premiums, accelerate benefits. Questions pair each rider with its trigger event.

#	Term	Key Facts	Strategy Tip	Example
97	Waiver of Premium Rider	Waives all future premiums if the insured becomes totally and permanently disabled (after a waiting period, commonly 6 months) before a stated age.	Premium relief trigger = total disability; ends at a stated age.	Premiums stop while the insured is disabled for more than six months.
98	Accidental Death Benefit (ADB) Rider	Pays an additional benefit (often equal to the face amount -- "double indemnity") if death results from an accident, usually within a stated time of the accident.	Double indemnity = accident triggers an extra benefit.	A \$100,000 policy with ADB pays \$200,000 for accidental death.
99	Accelerated Death Benefit Rider	Allows the insured to receive part of the death benefit early when diagnosed with a terminal illness (or qualifying chronic condition); the death benefit is reduced by the amount paid.	Living benefit for terminal illness; reduces the death benefit.	A terminally ill insured draws \$50,000 early from a \$200,000 policy.
100	Dismemberment Benefit	An accidental death & dismemberment (AD&D) feature pays a scheduled amount for the accidental loss of a limb, sight, hearing, or speech, proportionate to the principal sum.	Dismemberment = scheduled payment for accidental loss of body parts.	Loss of one hand pays 50% of the AD&D principal sum.
101	Guaranteed Insurability Rider	Guarantees the right to purchase additional coverage at specified future dates or events (marriage, birth, income milestones) without evidence of insurability. Options have a maximum additional amount each date; premiums are at attained age.	Future purchase options without a new exam; watch the "maximum amount" and "attained-age premium" traps.	A young buyer adds coverage at age 30 and at the birth of each child.
102	Payor Rider	On a juvenile policy, waives premiums if the premium payor (usually a parent) dies or becomes totally disabled before the child reaches a stated age.	Payor = premium waived when the PAYOR dies or is disabled.	The father dies; the child's policy premiums are waived until the child turns 21.
103	Return of Premium (on death)	Some riders return all premiums paid if the insured dies before a specified age, in addition to the face amount -- a refund feature added to cash-value plans.	Premiums back + face amount = higher-cost enhancement.	The policy pays the face amount plus a refund of all premiums paid.
104	Cost-of-Living (COLA) Rider	Periodically increases benefits (death benefit or annuity income) to keep pace with inflation, often at a set index or fixed percentage.	COLA = benefit grows with inflation.	A COLA rider raises the death benefit 3% a year.

Section 7.2: Additional Riders (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
105	Term Rider (Family Income / Other Insured)	Adds temporary term coverage -- for a spouse/children ("family term") or to create family income -- on the same policy.	Term riders add temporary coverage for other family members.	A family term rider covers the spouse and children for a fixed period.
106	Disability Income Rider	Provides a monthly income benefit if the insured becomes disabled, often in addition to waiver of premium.	Monthly income while disabled = disability income rider.	The rider pays the insured \$1,000 a month during a covered disability.
107	Long-Term Care (LTC) Rider	Allows the death benefit (or a portion) to be used early to pay for long-term care services if the insured needs help with activities of daily living.	Death benefit dollars redirected to LTC = LTC rider.	A client uses part of the death benefit to pay for a nursing home stay.
108	Chronic Illness Rider	Accelerates a portion of the death benefit when the insured is certified chronically ill (unable to perform a set number of activities of daily living or requiring substantial supervision).	Chronic illness = accelerated living benefit for ADL limitation.	Certified as unable to dress and bathe, the insured draws 50% of the benefit.

109	Critical Illness Rider	Pays a lump sum on diagnosis of a named critical illness (cancer, heart attack, stroke) while the insured lives.	Lump sum on a named diagnosis = critical illness rider.	A cancer diagnosis triggers a one-time \$25,000 payment.
110	Accelerated Living Benefit (Terminal Illness)	A life-policy feature paying part of the death benefit early when life expectancy is limited (commonly 6-12 months); the rest of the benefit is reduced proportionally.	Short life expectancy -> early payment, benefit reduced.	With a 6-month prognosis, the insured receives 80% of the benefit now.
111	Waiver of Premium for Spouse/Children	Extends the waiver-of-premium trigger to a covered family member under a family rider.	Waiver coverage can apply to riders on other insureds too.	If the spouse becomes disabled, the family rider's premium is waived.
112	Paid-Up Additions (PUA)	Additional paid-up whole life coverage purchased with policy dividends -- small amounts of permanent insurance bought each year.	Dividends -> buy more paid-up permanent coverage = PUA.	A mutual policy's dividends buy annual paid-up additions on the insured.

PART 8 -- Annuities (16 Concepts)

Annuities are life insurance products in reverse: they accumulate funds and can provide guaranteed income. Know immediate vs deferred, fixed vs variable, phases, and the parties to the contract.

Section 8.1: Annuity Fundamentals (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
113	Annuity	A contract that provides a stream of income, typically for life, in exchange for a premium -- the opposite of life insurance: it protects against outliving assets, not premature death.	Annuity = protection against living too long.	A retiree converts savings into a lifetime income stream.
114	Annuitant	The person whose life determines the timing and amount of annuity payments; the contract pays based on the annuitant's lifetime.	Annuitant = the measuring life; not always the owner.	Payments are based on the annuitant's age and survival.
115	Annuity Owner	The person who buys and controls the contract -- can name the annuitant and beneficiary, surrender, and make tax decisions. Ownership may differ from annuitant.	Owner controls the contract; annuitant measures the life.	A grandmother owns an annuity on her adult child's life.
116	Accumulation Phase	The period during which premiums are paid into the annuity and funds grow tax-deferred before income payments begin.	Accumulation = money going in and growing tax-deferred.	The owner contributes annually for 20 years before retirement.
117	Annuitization (Payout) Phase	The period during which the accumulated value is converted into a stream of periodic income payments; the contract "annuitizes."	Annuitization = turning the fund into income payments.	At age 65 the owner elects lifetime monthly income.
118	Immediate Annuity	An annuity purchased with a single premium that begins income payments within one payment interval -- commonly within one month to one year of purchase.	Immediate = income starts almost right away, single premium.	A lump sum buys income that starts next month.
119	Deferred Annuity	An annuity with an accumulation phase: income payments begin at a future date (often years later); premiums may be single or periodic.	Deferred = payments begin later, after accumulation.	A 45-year-old buys a deferred annuity to fund retirement at 65.
120	Single vs Flexible Premium	A single premium annuity is funded with one lump sum; a flexible premium annuity accepts multiple premium payments over time.	Single = one payment; flexible = many payments.	A flexible premium annuity accepts monthly contributions.

Section 8.2: Annuity Types & Payouts (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
121	Fixed Annuity	An annuity that credits a guaranteed minimum interest rate and provides guaranteed income; the insurer bears the investment risk.	Fixed = guaranteed rate, insurer bears the risk.	A fixed annuity guarantees 3% minimum credited interest.
122	Variable Annuity	An annuity whose funds are invested in subaccounts; income and value fluctuate with performance and the owner bears the investment risk.	Variable = subaccounts, owner bears the risk.	A variable annuity's value falls when its stock subaccount drops.
123	Indexed (Equity-Indexed) Annuity	A fixed annuity whose credited interest is linked to a market index (with a cap, floor, or participation rate) while guaranteeing principal.	Indexed = index-linked growth with a floor protecting principal.	Interest tracks the index up to 8% but never below 0%.
124	Life Annuity (Straight Life)	An annuity that pays income for the annuitant's lifetime and stops at death -- the highest income per dollar because no death benefit is promised.	Life = income for life, nothing left at death.	A straight life annuity pays until the annuitant dies, then stops.
125	Life with Period Certain	An annuity that pays for life but guarantees payments for a minimum period (e.g., 10 or 20 years) even if the annuitant dies early.	Life + minimum guaranteed period = period certain.	A 20-year period-certain life annuity pays to the beneficiary if death occurs in year 3.
126	Joint and Survivor Annuity	An annuity covering two lives that continues payments (often reduced, e.g., 100%, 66%, or 50%) to the survivor after the first annuitant dies.	Two lives; survivor keeps a stated percentage of income.	A couple's joint-and-survivor annuity pays the widow 100% of income.
127	Cash Refund Annuity	An annuity that guarantees that if the annuitant dies before total payments equal the purchase price, the difference is paid to the beneficiary as a lump sum.	Refund = beneficiary gets the unpaid balance of the premium.	The annuitant dies after receiving 60% of the price; the beneficiary gets 40%.
128	Surrender Charge	A fee charged for withdrawing funds from (surrendering) an annuity during the early years of the contract, decreasing over time until it disappears.	Surrender charge = early-withdrawal fee that phases out.	Withdrawing in year 2 triggers an 8% surrender charge.

PART 9 -- Retirement Plans & Tax Considerations (16 Concepts)

Life and annuity sales intersect with qualified retirement plans. Expect questions on qualified vs nonqualified, tax deferral, IRAs and employer plans, and the tax treatment of life insurance and annuities.

Section 9.1: Qualified vs Nonqualified (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
129	Qualified Plan	A retirement plan that meets IRS requirements and provides tax advantages: contributions may be deductible and earnings grow tax-deferred. Subject to contribution and distribution limits.	Qualified = IRS-approved, tax-favored retirement plan.	A 401(k) plan allows pre-tax contributions with tax-deferred growth.
130	Nonqualified Plan	A plan or contract funded with after-tax dollars and no IRS approval; earnings grow tax-deferred (annuities) but contributions are not deductible.	Nonqualified = after-tax money, no deduction for contributions.	A nonqualified deferred annuity is funded with after-tax dollars.
131	Tax-Deferred Growth	Earnings (interest, dividends, capital gains) are not taxed while they remain in the contract or plan; taxes are paid at distribution.	Deferral = no tax until money comes out.	Annuity interest accumulates untaxed for 20 years.
132	IRA (Traditional)	An individual retirement account with tax-deductible contributions (subject to income limits) and tax-deferred growth; distributions are taxed as ordinary income and may be penalized before age 59½.	Traditional IRA = deductible now, taxed at withdrawal.	A worker deducts a \$7,000 IRA contribution; withdrawals are taxed.
133	Roth IRA	An IRA funded with after-tax contributions that grow		

tax-free; qualified distributions (after age 59½ and a 5-year period) are tax-free.

Roth = taxed now, tax-free later.	Qualified Roth withdrawals are entirely tax-free.
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134	401(k)	An employer-sponsored qualified defined-contribution plan allowing employee salary deferrals, often with employer matching; funds grow tax-deferred.	401(k) = salary deferral into an employer retirement account.	The employee defers 6% of pay and the employer matches 3%.
135	403(b) / 457 Plans	403(b) plans cover tax-exempt and public-education employers (schools, nonprofits); 457 plans cover state and local government employees.	403(b) = schools/nonprofits; 457 = government.	A teacher defers salary into her school district's 403(b).
136	SEP / SIMPLE Plans	SEP-IRAs let small employers make retirement contributions for employees (including self-employed owners); SIMPLE IRAs allow small-employer employee salary deferrals with employer contributions.	SEP = employer contributes; SIMPLE = salary deferral + employer match for small firms.	A freelance designer opens a SEP-IRA and contributes 20% of net earnings.

Section 9.2: Distributions & Life/Annuity Tax Rules (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
137	Required Minimum Distribution (RMD)	Qualified plans and traditional IRAs generally require minimum distributions to begin after a certain age (as set by current law); failing to take RMDs brings penalties.	RMD = the IRS requires you to start taking money out.	At the applicable age the owner must withdraw the calculated RMD each year.
138	Rollover	Moving funds from one qualified plan or IRA to another without a taxable distribution -- directly trustee-to-trustee or within the 60-day window.	Rollover = move retirement money without tax if done properly.	The client rolls a former employer's 401(k) into a personal IRA.
139	Annuity Taxation (Exclusion Ratio)	Annuity payments are taxed under the exclusion ratio: part of each payment is a tax-free return of basis and part is taxable gain.	Exclusion ratio splits each payment into basis and gain.	A payment is 60% taxable gain and 40% tax-free return of cost.
140	LIFO Withdrawals from Annuities	Withdrawals from a nonqualified annuity are taxed as gain FIRST (last-in, first-out), meaning taxable earnings come out before the tax-free basis.	Withdrawals from annuities = gain taxed first.	An early withdrawal is taxed as earnings before any basis is returned.
141	1035 Exchange	A tax-free exchange of one life insurance policy, annuity, or endowment for another of like kind, preserving the original tax basis -- no gain recognized at the exchange.	1035 = tax-free swap of one contract for another.	A client exchanges an old annuity for a new one with no current tax.
142	Life Insurance Death Benefit Taxation	The death benefit is generally received income-tax free by the beneficiary; it may be included in the estate for estate-tax purposes if the insured owned the policy.	Death benefit = income-tax free; watch estate ownership.	A beneficiary receives \$500,000 with no income tax due.
143	Cash Value Loan/Withdrawal Taxation	Loans from a life policy are generally tax-free (they are debt); withdrawals of gain may be taxable, and a lapse with outstanding loans can trigger taxable gain.	Loans = tax-free debt; lapsed loans can create taxable gain.	A policy lapse with loans exceeding basis creates taxable income.
144	Transfer for Value Rule	If a life insurance policy is sold (transferred for value), part of the death benefit may become taxable to the buyer -- an exception to the general income-tax-free rule.	Transfer for value = buying a policy can create taxable proceeds.	Buying a colleague's policy makes a portion of the benefit taxable.

PART 10 -- Health Insurance Basics (16 Concepts)

Health insurance pays medical expenses. Know the cost-sharing terms (deductible, coinsurance, copayment, out-of-pocket maximum) and the major plan designs.

Section 10.1: Cost-Sharing Terms (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
145	Health (Medical Expense) Insurance	Coverage that pays for medical, surgical, and hospital expenses incurred by the insured; benefits are indemnity-based and subject to policy limits.	Health insurance = pays covered medical costs.	A policy pays a portion of a hospital stay.
146	Premium	The amount the policyholder pays (monthly, quarterly, annually) to purchase and maintain health coverage.	Premium = the price of the coverage.	The employer and employee split the \$600 monthly premium.
147	Deductible	The amount the insured must pay out of pocket each year for covered services before the insurer begins paying; higher deductibles mean lower premiums.	Deductible = you pay first, then the insurer shares.	After the insured meets a \$2,500 deductible, coverage begins.
148	Coinsurance	The percentage of covered expenses the insured pays after the deductible is met (e.g., 20%); the insurer pays the rest (e.g., 80%).	Coinsurance = a percentage split after the deductible.	On a 80/20 plan the insured pays 20% of a \$10,000 bill = \$2,000.
149	Copayment (Copay)	A fixed dollar amount the insured pays for a specific service (e.g., \$30 for an office visit); the plan covers the rest.	Copay = fixed dollar per visit or service.	Every doctor visit costs the insured a \$30 copay.
150	Out-of-Pocket Maximum	The annual cap on the insured's covered cost-sharing (deductible + coinsurance + copays); once reached, the plan pays 100% of covered benefits for the year.	OOP max = the ceiling on what you pay in a year.	After \$8,000 of out-of-pocket costs, the plan pays everything else that year.
151	Usual, Customary, and Reasonable (UCR)	The amount an insurer considers the normal charge for a service in a geographic area; indemnity plans often pay based on UCR rather than the actual billed charge.	UCR = the "reasonable" regional price benchmark.	The insurer pays 80% of UCR, leaving the insured the excess above UCR.
152	Pre-existing Condition	A health condition that existed before the policy's effective date. ACA market reforms prohibit insurers from denying coverage or charging more for pre-existing conditions on most plans.	Under the ACA, pre-existing conditions can't be excluded on most plans.	A diabetic applicant enrolls and is covered for diabetes care.

Section 10.2: Plan Designs (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
153	Basic Hospital/Surgical/Medical	A limited policy paying specified amounts for hospital room and board, surgery, and in-hospital physician care -- the traditional "basic" coverage.	Basic = fixed amounts for named services.	The policy pays \$500/day for hospital room charges.
154	Major Medical	Broad coverage for catastrophic, high-cost illness with a deductible, coinsurance, and a high lifetime maximum; often layered over basic coverage.	Major medical = catastrophic protection with coinsurance.	A major medical policy covers a \$200,000 cancer treatment after the deductible.
155	Comprehensive Policy	A single policy combining basic benefits (hospital, surgical, physician) with major medical coverage in one contract.	Comprehensive = basic + major medical in one policy.	One comprehensive policy covers both routine hospitalization and catastrophic costs.
156	Indemnity (Fee-for-Service) Plan	A traditional plan that reimburses the insured (or pays the provider) for covered services without requiring a network; the insured chooses any provider.	Indemnity = any provider, pay-and-reimburse model.	The insured sees any doctor and submits the claim for reimbursement.
157	High-Deductible Health Plan (HDHP)	A plan with a higher deductible and lower premiums than traditional coverage; paired with a Health Savings Account (HSA) it offers tax advantages.	HDHP = high deductible + HSA eligibility.	An HDHP with a \$3,000 deductible is paired with an HSA.
158	Health Savings Account (HSA)	A tax-advantaged account available with an HDHP: contributions are deductible, earnings grow tax-free, and qualified medical withdrawals		

159	Flexible Spending Account (FSA)	An employer benefit allowing pre-tax dollars for qualified
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HSA = triple tax advantage (in, grow, out).	The insured contributes \$4,000 pre-tax and uses it tax-free for medical care.
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medical expenses; funds generally must be used within the plan year (or grace period).

FSA = use-it-or-lose-it pre-tax account.	The employee sets aside \$2,000 pre-tax for copays and
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160	Catastrophic Plan	A low-premium ACA plan with high deductibles, available to people under 30 or those with hardship exemptions; covers essential benefits after the deductible and three primary-care visits.	Catastrophic = high-deductible safety net for the young/eligible.	A 27-year-old buys a catastrophic plan as a worst-case safety net.
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PART 11 -- Managed Care & Group Health (16 Concepts)

Managed care organizes provider networks to control cost and quality. Group health covers employees under a master contract. Expect questions on each model's referral and network rules.

Section 11.1: Managed Care Models (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
161	Managed Care	Health care delivery systems that contract with providers and use utilization controls (gatekeeping, prior authorization, networks) to manage cost and quality.	Managed care = networks + utilization controls.	An HMO manages care through a primary care gatekeeper.
162	HMO (Health Maintenance Organization)	A plan requiring members to use network providers and choose a primary care physician (PCP) who coordinates care and issues referrals to specialists; out-of-network care is generally not covered (except emergencies).	HMO = PCP gatekeeper + network only + referrals.	An HMO member needs a PCP referral to see a specialist.
163	PPO (Preferred Provider Organization)	A network-based plan allowing members to see any provider -- in-network at lower cost, out-of-network at higher cost -- with NO referral required for specialists.	PPO = choose any doctor, no referral, out-of-network at a higher cost.	A PPO member sees a specialist directly, paying less in-network.
164	POS (Point-of-Service) Plan	A hybrid: members choose a primary care physician (HMO-style) but may use out-of-network providers at a higher cost (PPO-style), often with a referral.	POS = HMO gatekeeper + PPO out-of-network option.	The member needs a referral but can still see an out-of-network doctor.
165	EPO (Exclusive Provider Organization)	A network-only plan with no out-of-network coverage (except emergencies) but typically no referral requirement to see in-network specialists.	EPO = network only, no referrals, no out-of-network.	An EPO member books an in-network specialist directly.
166	Provider Network	The group of physicians, hospitals, and other providers contracted with the plan to deliver care at negotiated rates.	Network = contracted providers with discounted rates.	In-network hospitals accept the plan's negotiated rates.
167	Gatekeeper	The primary care physician who coordinates a member's care and issues referrals to specialists under HMO and POS models.	Gatekeeper = PCP who controls specialist access.	Without the PCP's referral, the HMO won't cover the specialist.
168	Utilization Review	The process of evaluating the medical necessity, appropriateness, and efficiency of services -- including pre-certification, concurrent review, and case management.	Utilization review = insurer checks necessity before/during care.	A planned surgery must be pre-certified as medically necessary.

Section 11.2: Group Health & Continuation (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
169	Group Health Insurance	Health coverage issued under a master contract to an employer or association, with certificates for covered members; the group usually shares or pays the premium.	Group = master contract + member certificates.	An employer's group plan covers all eligible employees.
170	Individual Health Insurance	Coverage purchased by an individual or family directly (not through an employer), regulated under ACA market rules.	Individual = bought by the person, not the employer.	A self-employed worker buys an ACA marketplace plan.

171	Blanket Health Policy	A policy covering a group defined by a common activity (e.g., students on a field trip, athletes, volunteer groups) without individual certificates or enrollment.	Blanket = one policy for a class of people in an activity.	A school district's blanket policy covers students at camp.
172	COBRA	The federal law (Consolidated Omnibus Budget Reconciliation Act) allowing eligible employees and dependents to CONTINUE group coverage at their own expense (plus up to 2% admin) for a limited period after a qualifying event, such as job loss.	COBRA = continuation coverage after a qualifying event, self-paid.	A laid-off employee continues group coverage for 18 months by paying the full premium.
173	HIPAA	The Health Insurance Portability and Accountability Act: protects health coverage portability, limits pre-existing-condition exclusions with creditable coverage, and establishes privacy/security rules for health information.	HIPAA = portability + privacy of health information.	HIPAA limits how long a new plan can exclude a pre-existing condition.
174	Coordination of Benefits (COB)	Rules determining which plan pays first when a person is covered by more than one group health plan, avoiding duplicate payment and overpayment.	COB = decides primary vs secondary payer.	A spouse covered by two employers' plans has claims coordinated.
175	Waiver of Premium (Health)	In disability or health policies, a provision that waives premiums after the insured has been totally disabled for a stated waiting period (commonly 90 days).	Health waiver = premiums stop after a disability waiting period.	After 90 days of disability, the policy's premiums are waived.
176	Claims Process & Time Limits	Policies include claim-filing requirements (notice within a period, proof of loss within a stated time), and insurers must promptly review claims; state law governs time limits on certain defenses.	Know the sequence: notice -> proof of loss -> insurer response.	An insured files proof of loss within 90 days as the policy requires.

PART 12 -- Disability & Supplemental Health (16 Concepts)

Disability income replaces lost earnings; supplemental policies (AD&D, critical illness, dental, vision, hospital indemnity) pay fixed benefits alongside major medical coverage.

Section 12.1: Disability Income (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
177	Disability Income Insurance	Coverage that pays a periodic (usually monthly) benefit to replace lost income when the insured cannot work due to illness or injury.	Disability income = replaces earnings, not medical bills.	A disabled dentist receives 60% of prior earnings monthly.
178	Own-Occupation Definition	Pays benefits if the insured cannot perform the material duties of their own occupation, even if they could work in another occupation.	Own-occ = can't do YOUR job; most favorable to the insured.	A surgeon who loses a hand collects even if she could teach.
179	Any-Occupation Definition	Pays benefits only if the insured cannot perform the duties of ANY occupation for which they are reasonably suited by training and experience.	Any-occ = stricter; must be unable to work at all.	A desk-bound worker collects only if she can't do any suited job.
180	Elimination (Waiting) Period	The time between the onset of disability and the start of benefit payments -- similar to a deductible; longer elimination periods mean lower premiums.	Elimination period = the waiting time BEFORE benefits start.	A 90-day elimination period means benefits start in month 4.
181	Benefit Period	The maximum length of time benefits are payable while disabled (e.g., 2 years, 5 years, to age 65, lifetime). Longer periods cost more.	Benefit period = how long benefits can run.	A benefit period "to age 65" pays until retirement age.

182	Life & Health Insurance License Study Guide	Short-Term vs. Long-Term Disability	Short-term disability pays for a limited period (commonly 13-26 weeks) after a short waiting period; long-term disability pays for years or to retirement after a longer waiting period (commonly 90-180 days).	Short-term = weeks/months, quick start; long-term = years, slow start.	Short-term covers maternity leave; long-term covers a year-long illness.
183		Residual (Partial) Disability	Pays a reduced benefit when the insured returns to work part-time and has lost income, often based on the percentage of income lost.	Residual = partial income loss = partial benefit.	Returning to half-time work triggers a 50% residual benefit.
184		Presumptive Disability	Some policies pay full benefits immediately when the insured loses sight, hearing, speech, or a limb -- assuming total disability without a waiting period.	Presumptive = certain severe losses are deemed total immediately.	Loss of both eyes triggers immediate full benefits.

Section 12.2: Supplemental Policies (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
185	Accidental Death & Dismemberment (AD&D)	Pays a principal sum for accidental death and a scheduled percentage for accidental loss of limbs, sight, hearing, or speech; no coverage for natural death.	AD&D = accident-only death and body-part losses.	A policy pays double for a car-accident death but nothing for a heart attack.
186	Critical Illness Insurance	Pays a lump sum upon diagnosis of a named critical illness (cancer, heart attack, stroke, etc.), used however the insured chooses.	Critical illness = lump sum on a named diagnosis.	A cancer diagnosis triggers a \$25,000 lump-sum payment.
187	Hospital Indemnity	Pays a fixed daily amount for each day of hospitalization, regardless of other coverage -- a cash benefit to offset non-medical costs.	Hospital indemnity = fixed daily cash while hospitalized.	The insured gets \$200 for each day in the hospital.
188	Dental Insurance	Covers dental services typically in three tiers: preventive (covered at high levels), basic (restorative), and major (crowns, bridges, orthodontia) with annual maximums.	Dental = preventive/basic/major tiers + annual max.	Cleanings are covered 100%, a crown 50% up to the annual maximum.
189	Vision Insurance	Covers routine eye exams, lenses, and frames; often includes discounts on LASIK and higher allowances for contact lenses.	Vision = exam + lenses + frames benefits.	A vision plan pays for the annual exam and \$150 toward glasses.
190	Cancer/Dread Disease Policy	A limited-benefit supplemental policy paying for treatments related only to a specified disease (cancer), regardless of other coverage.	Dread disease = limited policy for a single disease.	A cancer policy pays a per-day hospital benefit for cancer care.
191	Medicare Supplement (Medigap)	Private, standardized policies that pay the gaps in Medicare -- deductibles, coinsurance, and copayments -- sold to Medicare beneficiaries; the insured pays the Medigap premium plus the Part B premium.	Medigap = fills Medicare's cost-sharing gaps.	A Medigap Plan G pays the Part A and Part B coinsurance the insured would owe.
192	Long-Term Care (LTC) Insurance	Pays for assistance with activities of daily living (bathing, dressing, eating, toileting, transferring, continence) or cognitive impairment, in a facility or at home, after an elimination period.	LTC = daily-living help after a trigger and a waiting period.	An LTC policy pays a daily benefit once the insured needs help with two ADLs.

PART 13 -- Senior Markets: Medicare, Medicaid & LTC (16 Concepts)

A heavy exam area: the parts of Medicare, enrollment windows, Medigap, and long-term care triggers.

#	Term	Key Facts	Strategy Tip	Example
193	Medicare	The federal health insurance program primarily for people 65 and older, and certain younger people with disabilities or ESRD. It has Parts A, B, C, and D.	Medicare = federal health coverage for 65+/disabled.	A 66-year-old is enrolled in Medicare Parts A and B.
194	Medicare Part A	Hospital insurance covering inpatient hospital stays, skilled nursing facility care (limited), hospice, and some home health care; most beneficiaries get Part A premium-free if they (or a spouse) paid Medicare payroll taxes.	Part A = hospital/skilled nursing; usually premium-free.	A hospital admission is covered under Part A after the deductible.
195	Medicare Part B	Medical insurance covering doctor visits, outpatient care, preventive services, and medical supplies; beneficiaries pay a monthly premium.	Part B = doctors and outpatient care; monthly premium.	Office visits and lab tests are billed to Part B.
196	Medicare Part C (Medicare Advantage)	Private-plan alternative (HMO/PPO/etc.) that provides Parts A and B benefits and often Part D and extras; replaces original Medicare coverage and typically uses networks.	Advantage = private plan replacing original Medicare.	A senior enrolls in a Medicare Advantage PPO instead of A+B.
197	Medicare Part D	The prescription drug benefit offered through private plans (standalone PDPs or included in Medicare Advantage); beneficiaries pay a premium and cost-sharing.	Part D = prescription drug coverage.	A standalone Part D plan covers a senior's monthly medications.
198	Initial Enrollment Period (IEP)	The window for enrolling in Medicare: the 7-month period starting 3 months before the month of turning 65; late enrollment can trigger premium penalties.	IEP = 3 months before + birthday month + 3 after.	Someone turning 65 in July may enroll starting in April.
199	General & Special Enrollment Periods	The General Enrollment Period (Jan-Mar each year) is for those who missed the IEP (with possible penalties); Special Enrollment Periods allow late sign-up without penalty after qualifying events like losing employer coverage.	SEP = penalty-free sign-up after losing group coverage.	Losing employer coverage at 67 opens a Special Enrollment Period.
200	IRMAA	Income-Related Monthly Adjustment Amount: higher-income beneficiaries pay extra for Part B (and Part D) premiums.	IRMAA = surcharge on high-income beneficiaries.	A high-income senior pays a surcharge on the Part B premium.

Section 13.2: Medigap, Medicaid & LTC Details (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
201	Medigap Open Enrollment	The 6-month window beginning when a beneficiary is 65+ AND enrolled in Part B; during it, Medigap policies must be issued without medical underwriting.	Open enrollment = guaranteed issue for Medigap, once.	A 65-year-old enrolls in Medigap during the 6-month window with no health questions.
202	Guaranteed Issue Rights (Medigap)	Outside open enrollment, certain situations (e.g., losing employer coverage, Medicare Advantage trial rights) give a right to buy Medigap without underwriting.	Guaranteed issue = protection for defined events.	Losing retiree coverage grants guaranteed-issue Medigap rights.
203	Medicaid	The joint federal-state program providing health coverage to low-income individuals and families; eligibility and benefits vary by state.	Medicaid = low-income federal-state program.	A low-income senior qualifies for Medicaid long-term care help.
204	Medicaid Eligibility (LTC)	Long-term care Medicaid is needs-based: strict income and asset limits apply, and states may look back at asset transfers before approving		

205	Activities of Daily Living (ADLs)	The six basic self-care tasks used to trigger LTC benefits:
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Asset limits + look-back period = LTC Medicaid rules.	A planner structures assets to meet the state's LTC eligibility rules.
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bathing, dressing, eating,
toileting, transferring, and
continence.

ADLs = the LTC benefit trigger (typically needing help with 2).	An LTC policy pays after the insured needs help with two
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206	Cognitive Impairment Trigger	LTC policies must also pay when the insured has a severe cognitive impairment (e.g., Alzheimer's) requiring substantial supervision, even if ADLs are met.	Cognitive impairment = an independent LTC trigger.	An Alzheimer's patient needing supervision qualifies for LTC benefits.
207	LTC Elimination Period	The waiting period (commonly 30, 60, 90, or 100 days) after qualifying for care before LTC benefits begin; a longer elimination period lowers the premium.	LTC elimination = days of care you pay yourself first.	With a 90-day elimination period, benefits start on day 91.
208	LTC Inflation Protection & Tax-Qualified Status	Tax-qualified LTC policies must offer inflation protection and meet federal standards (ADL triggers, nonforfeiture options); benefits are generally tax-favored.	Qualifying status = federal standards + inflation option.	A tax-qualified LTC policy includes an inflation protection option.

PART 14 -- Health Care Reform (ACA) (16 Concepts)

The Affordable Care Act reshaped individual and group health markets. Exam questions focus on market reforms, essential benefits, subsidies, and individual coverage requirements.

Section 14.1: ACA Market Reforms (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
209	Affordable Care Act (ACA)	The 2010 federal health reform law: insurance market reforms, guaranteed issue, premium subsidies, Medicaid expansion, and the individual mandate (the federal mandate penalty was reduced to \$0 from 2019).	ACA = market reforms + subsidies; federal mandate penalty now \$0.	The ACA bars denial of coverage for pre-existing conditions.
210	Guaranteed Issue	The ACA requirement that health insurers accept every applicant during open or special enrollment regardless of health status.	Guaranteed issue = no health-based denial on most plans.	A plan must accept an applicant with a chronic condition.
211	Essential Health Benefits (EHBs)	The ACA-required benefit categories that small-group and individual plans must cover: hospitalization, prescription drugs, maternity, mental health, preventive care, and more.	EHB = the mandated basket of benefits.	An individual plan must include maternity and mental health coverage.
212	Preventive Services	Under the ACA, many preventive services (screenings, immunizations, counseling) must be covered at no cost-sharing when received in-network.	Preventive = covered with no copay/deductible in-network.	A colonoscopy screening is covered at \$0 cost to the patient.
213	Annual/Lifetime Limits	The ACA prohibits annual and lifetime dollar limits on essential health benefits for most plans.	No more annual/lifetime dollar caps on EHB.	A plan can no longer cap lifetime coverage at \$1 million.
214	Dependent Coverage to Age 26	The ACA requires plans to allow young adults to stay on a parent's plan until they turn 26, regardless of student or marital status (with some exceptions for grandfathered/certain employer plans).	Age 26 = the dependent-coverage cutoff.	A 24-year-old stays covered under the parent's employer plan.
215	Metal Tiers (Bronze, Silver, Gold, Platinum)	ACA marketplace plans are tiered by actuarial value: Bronze ~60%, Silver ~70%, Gold ~80%, Platinum ~90% of average covered costs paid by the plan.	Metal tier = how generous the plan is (plan pays share).	A Silver plan covers about 70% of average benefit costs.
216	Open Enrollment & Special Enrollment	Marketplace enrollment is generally limited to an annual Open Enrollment Period; qualifying life events (marriage, birth, loss of coverage) open Special Enrollment Periods.	Annual window + life events = when you can enroll.	Losing employer coverage at mid-year opens a Special Enrollment Period.

Section 14.2: Subsidies & Individual Coverage (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
217	Premium Tax Credit	An ACA refundable tax credit for eligible marketplace enrollees (based on income relative to the federal poverty level) that lowers monthly premiums, paid in advance or at tax time.	Premium tax credit = income-based subsidy for marketplace plans.	A family at 200% of the FPL receives advance premium credits.
218	Cost-Sharing Reductions	ACA subsidies that lower deductibles, copays, and out-of-pocket limits for eligible SILVER plan enrollees with lower incomes.	CSR = extra help with cost-sharing on Silver plans.	A qualifying enrollee gets lower deductibles on her Silver plan.
219	Marketplace (Exchange)	The ACA-created online marketplaces where individuals and small groups compare and buy qualified health plans and receive premium subsidies.	Marketplace = the ACA shopping venue with subsidies.	A consumer compares Bronze/Silver plans on the state exchange.
220	Individual Mandate	The ACA requirement (with exceptions) to maintain minimum essential coverage; the federal penalty for noncompliance is \$0 starting 2019, and some states impose their own requirements.	Federal penalty = \$0 now; check any state mandate.	A consumer forgoes coverage with no federal penalty today.
221	Short-Term Limited-Duration Insurance	Plans sold outside ACA market rules with lower premiums, limited benefits, and medical underwriting; they do not cover all EHBs and are not eligible for subsidies.	Short-term = cheaper, skimpier, underwritten, no subsidies.	A gap-filling short-term plan excludes maternity and mental health.
222	Grandfathered Plans	Individual/group plans that existed before the ACA (enrolled by March 2010) and retain some exemptions from ACA rules as long as no significant changes are made.	Grandfathered = pre-ACA plans keeping some old rules.	A grandfathered group plan may not cover preventive care at \$0.
223	Minimum Essential Coverage (MEC)	The types of coverage that satisfy the (now penalty-free) individual coverage requirement: employer plans, marketplace plans, Medicare, Medicaid, CHIP, and others.	MEC = coverage that counts as health coverage.	Employer-sponsored coverage counts as minimum essential coverage.
224	CHIP	The Children's Health Insurance Program -- a federal-state program covering children in families with incomes above Medicaid limits but below a threshold.	CHIP = coverage for kids above Medicaid income limits.	A working family's children are covered by CHIP at low cost.

PART 15 -- Policy Provisions, Group Health & Ethics (16 Concepts)

Health policy provisions (entire contract, time limits, reinstatement), group mechanics, and the ethical duties tested across state exams.

Section 15.1: Health Policy Provisions (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
225	Entire Contract (Health)	The policy and application together form the entire contract; statements by the applicant are representations, not warranties, and cannot void coverage unless material and fraudulent.	Same principle as life: the application is part of the contract.	An insurer cannot void a health policy for an innocent omission.
226	Time Limit on Certain Defenses	After a policy has been in force for a stated period (commonly 2 years), the insurer may not contest claims based on misstatements, except fraudulent misstatements (and certain exclusions).	The 2-year window limits contestability on health policies too.	After two years, only fraud (and listed exclusions) can void a claim.
227	Grace Period (Health)	A stated period (commonly 30 or 31 days) after the premium due date during which an individual health policy stays in force and the late premium may be paid.	Health grace period keeps coverage alive during late payment.	A premium paid on day 29 of the grace period keeps coverage running.
228	Reinstatement (Health)	Lapsed health policies may be		

reinstated within a stated period by providing evidence of insurability and paying back premiums; coverage for sickness typically resumes after a waiting period.

Reinstatement may re-impose

Reinstated in May, a new

229	Life & Health Insurance License Study Guide	Notice & Proof of Loss (Health)	The policy requires written notice of claim within a stated time (e.g., 20 days) and proof of loss within a stated period (e.g., 90 days); failure can reduce benefits.	Timely notice + proof of loss = the claim's foundation.	The insured mails proof of loss within 90 days as required.
230		Payment of Claims	Health policies state how benefits are paid: to the insured, or with consent to the provider; group policies may pay the provider directly under assignment.	Claims go to the insured unless assignment is made.	The insured assigns benefits so the hospital is paid directly.
231		Physical Exam & Autopsy	The insurer may require a physical exam (when justified) and an autopsy (where legal) in connection with a claim.	These rights are written into the policy provisions.	A large claim triggers the insurer's right to an independent exam.
232		Legal Actions Clause	Limits the time after a claim (commonly 3 years from the proof-of-loss date) within which the insured may file suit against the insurer.	Lawsuits must be filed within the stated statutory window.	Suit filed 4 years after the proof of loss is time-barred.

Section 15.2: Group Mechanics & Ethics (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
233	Master Contract & Certificate	In group insurance, the employer (or association) holds the master policy; employees receive certificates describing their coverage -- the certificate is NOT the policy.	Master = the actual contract; certificate = evidence of coverage.	An employee's certificate summarizes benefits; the employer holds the policy.
234	Eligible Employee & Waiting Periods	Group plans define eligibility (e.g., full-time, 30+ hours, 90-day waiting period) and classes of employees; new hires enter coverage when eligible.	Eligibility = hours + waiting period + class rules.	A new hire gains coverage after 90 days of full-time work.
235	Contributory vs Noncontributory	In a contributory group plan, employees pay part of the premium; in a noncontributory plan, the employer pays 100% (and typically 100% participation is required).	Contributory = employees share cost (participation minimums apply); noncontributory = employer pays all.	A noncontributory life plan requires all eligible employees to be covered.
236	Conversion Privilege	The right to convert group coverage to an individual policy (without evidence of insurability) when group membership ends, within a stated period (commonly 31 days).	Conversion = group to individual, no medical exam, limited window.	Leaving the job, the employee converts group life to an individual policy.
237	Suitability & Best Interest (Annuity Sales)	Producers recommending annuities must act in the consumer's best interest, gather suitability information, and document the recommendation -- per state suitability/best-interest standards.	Best interest + documented suitability = modern annuity standard.	The producer documents why the recommended annuity fits the client's needs.
238	Replacement Documentation	When a new policy replaces an existing one, the producer must complete the replacement forms, compare policies honestly, and disclose the implications (new contestability, surrender charges, lost benefits).	Replacement = disclosure forms + honest comparison.	An agent completes the state replacement notice before switching a client's policy.
239	Advertising & Sales Literature	Producers must use only approved, accurate advertising and sales materials; false or misleading ads are prohibited unfair practices.	Advertise only what the policy actually provides.	An agent's flyer states benefits exactly as the policy document does.
240	Producer Conduct & Discipline	Violations (misrepresentation, rebating, twisting, churning, acting without a license) can bring fines, license suspension or revocation, and restitution.	Discipline follows prohibited practices; keep records.	A producer's license is revoked for repeated twisting.

PART 16 -- Advanced Concepts & Professional Practice (16 Concepts)

Rounding out the domains with policy mathematics, marketing, and the professional duties a licensed producer must

Section 16.1: Policy Mechanics (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
241	Nonforfeiture Options	On a lapsed permanent policy with cash value, the owner may choose: cash surrender value, reduced paid-up insurance, or extended term insurance.	Three options: cash, reduced paid-up, extended term.	At lapse the owner elects extended term for the highest temporary coverage.
242	Extended Term Option	A nonforfeiture option using cash value as a single premium to buy TERM coverage equal to the original face amount for as long as the cash value funds it.	Extended term = keep the face amount as term, time-limited.	The policy continues as fully paid term for 7 years.
243	Reduced Paid-Up Option	A nonforfeiture option using the cash value to buy a smaller amount of paid-up permanent insurance for life.	Reduced paid-up = smaller permanent coverage, no more premiums.	The lapsed policy becomes a \$40,000 paid-up whole life policy.
244	Cash Surrender Value	A nonforfeiture option paying the accumulated cash value (minus charges/loans) when the policy is surrendered; the coverage ends.	Surrendering = taking the cash and ending coverage.	The owner surrenders and receives \$12,000 in cash value net of the loan.
245	Dividend Options (Participating)	Ways to use policy dividends: cash, reduce premiums, buy paid-up additions, accumulate at interest, or use to buy one-year term.	Dividends -> five common options; products/"paid-up additions" is the exam favorite.	Dividends buy paid-up additions each year.
246	Policy Riders vs Endorsements	A rider is an attachment modifying the policy (an added provision); an endorsement is generally the same concept for property/liability lines.	Rider = life/health modification attachment.	An LTC rider is attached to a whole life policy.
247	Rate Basis & Premium Factors	Premiums are based on mortality (for life), interest assumptions, and expenses; health premiums consider morbidity (probability of sickness).	Three factors: mortality/interest/expenses for life; morbidity for health.	A female nonsmoker's premium reflects lower mortality risk.
248	Underwriting Classes	Applicants are classified as preferred, standard, or substandard (rated); substandard risks pay higher premiums or get modified coverage.	Preferred < standard < substandard (rated).	A smoker receives a rated (higher) premium.

Section 16.2: Professional Practice (8 Concepts)

#	Term	Key Facts	Strategy Tip	Example
249	Needs-Based Selling	Selling insurance by analyzing the client's actual needs (income replacement, debt, education, retirement) rather than pushing a product.	Needs-based = match the product to a real gap.	A young family buys term life to replace income until kids graduate.
250	Fact-Finding & Client Interview	The process of gathering the client's financial situation, goals, and constraints before recommending products -- the foundation of suitability.	Fact-finding precedes any recommendation.	The producer completes a fact-finder covering income, debts, and goals.
251	Policy Summary & Buyer's Guide	Required disclosures (varies by state): a buyer's guide and policy summary must be delivered with life insurance applications so the buyer can compare.	Delivery of the guide/summary is a compliance step.	The agent hands the client the buyer's guide before the sale.
252	Cooling-Off / Right to Examine	The free-look provision gives the buyer a short period (commonly 10 days) to review and return the life policy for a full refund.	Free-look = buyer's cooling-off return window.	The buyer returns a delivered policy on day 8 for a refund.
253	Recordkeeping & Documentation	Producers should keep copies of applications, suitability forms, disclosures, and correspondence to prove compliance if questioned.	Paper trail = evidence of suitability and disclosure.	The producer files the signed suitability form with the application.
254	Errors & Omissions (E&O) Coverage	Professional liability insurance protecting producers against		

claims of negligent acts or omissions in their professional duties; recommended and often required.

E&O = the producer's professional liability coverage.	An E&O policy defends an agent sued over a suitability
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255	Life & Health Insurance License Study Guide	Fiduciary Handling of Premiums	Premiums and funds received by a producer are held in trust for the insurer/client; commingling with personal funds is prohibited.	Client money = trust money; never commingle.	The producer remits the collected premium to the insurer immediately.
256		Compliance & Ongoing Ethics	Staying current with state law, CE, market-conduct rules, and company procedures -- plus acting honestly -- is the continuing duty of every licensed producer.	License = a continuing duty to stay current and honest.	The producer completes CE and follows the state's updated sales rules.

PART 17 -- Exam-Day & State-Confirmation Checklist (8 Concepts)

The final section turns the study work into a test-ready plan and keeps the guide honest about state variation.

#	Term	Key Facts	Strategy Tip	Example
257	State Candidate Handbook	The official publication from your state's insurance department or testing vendor specifying the exam's content outline, question count, time limit, fees, and passing standard.	The handbook is the authority for YOUR exam; read it before booking.	The handbook shows 150 questions, 2.5 hours, 70% passing for the combined exam.
258	Exam Content Outline	The published list of topics and their relative weights on the state exam; candidates should map study time to the largest domains.	Study the heaviest domains first per the outline.	A 30% regulation section deserves more review than a 10% one.
259	Prelicensing Course	The state-approved education (often a specific number of classroom/online hours) required before taking the licensing exam in many states.	Complete prelicensing BEFORE the exam; keep the certificate.	A candidate finishes 40 approved hours and files the certificate.
260	Testing Vendor & Scheduling	States contract with vendors (e.g., Pearson VUE, PSI) to deliver exams; scheduling, fees, and identification rules (two IDs) follow the vendor's process.	Book with the state's vendor; bring ID as instructed.	The candidate schedules the exam through the vendor's portal.
261	Passing Standard & Retake Rules	Each state sets the passing score and the waiting period and number of allowed retakes; failing candidates must reapply per state rules.	Know YOUR state's pass mark and retake rules.	After a 70% passing standard, the candidate retakes after the required wait.
262	License Application & Appointment	After passing, the candidate applies for the license and insurers appoint the producer; the state issues the license upon approval.	Pass -> apply -> insurer appoints -> license issued.	A passing candidate's first insurer files an appointment.
263	Renewal & Continuing Education	Licenses renew on a state cycle; completing required CE and meeting renewal deadlines keeps the license active.	CE + renewal fee = license stays active.	The producer completes 24 CE hours before the renewal date.
264	Verifying State Requirements	Always confirm question count, passing score, hours, fees, and rules with the state department of insurance -- figures in any prep guide can lag or vary.	When in doubt, the state's website wins.	The candidate checks the DOI site the week before the exam.