

## **FREE LIFE & HEALTH KEY FACTS**

**We offer an online video L&H exam prep course that includes over 10 hours of instruction. Our full pdf study manual and over 600 questions are also included.**

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- An IRA participant who is a first time homebuyer may withdraw up to \$10,000 without incurring the 10% premature distribution penalty if they have not owned a home in the last 2 years
- Partial distributions taken from an MEC contract are considered to be taxed as earnings first and cost basis last
- Annuity payouts to co-annuitants on a joint and survivor annuity are based upon the average age of the co-annuitants. The higher the average age, the higher the monthly payments will be, since their average life span is shorter
- Employee contributions to a qualified retirement plan are 100% vested immediately (non-forfeitable)
- If a participant in a qualified retirement plan is only 60% vested, then upon termination of employment, 40% of employer contributions and earnings are forfeited
- On Disability Income insurance, the provision entitled 'Other insurance with this Insurer' is designed to protect the insurance company from over insurance
- The 10 day Free Look requires that insurers send a full refund of premium
- On Health insurance, if the insurer has not paid a claim within 60 days, the insured has up to 2 years to file a lawsuit under the policy provision known as 'Legal Actions'
- Dental insurance covers a limited number of routine visits (check-ups)
- If a person jumps down the steps and breaks their leg, their injury is considered to be 'accidental and unintended'
- The MIB can only release medical information to 'member' insurance companies
- The state Insurance Department may release agent or insurer records since they are authorized by law to do so
- A Producer should be concerned about Errors & Omissions when 'replacing' either Life or Health insurance
- State laws relating to replacement of Life or Health insurance are designed to protect the policyholder
- The Entire Contract consists of the policy and the application, if attached

- AZ Small Employer Group insurance requires a minimum of two employees
- Medical Expense insurance does not cover treatment in a military hospital
- A person age 65 or more may enroll in Medicare by filling out an application at the Social Security office
- The 'exclusion allowance' refers to the amount of an annuity distribution that is not taxable
- Market Adjusted annuities require that the customer bear some of the investment risk
- A 'hold harmless' agreement is used in business to transfer risk from one party to another
- Although not specified in his agent's contract, agents may collect premiums from insureds under the Doctrine of Implied Authority
- A Conditional Receipt is given out at the time of application, not at the time of policy delivery
- Medical Expense insurance may cover the insured's unmarried dependent children up to age 19
- An agent cannot modify the terms of a policy
- When a Whole Life policy lapses, an insured selecting the Extended Term Non-Forfeiture option will receive a Level Term policy in the same amount as the original policy, but for an extended period of time
- The cash value accumulation in a Whole Life policy over a period of time is based upon the 'level premium' concept
- Regardless of fraud, a Life insurance policy is incontestable after 2 years
- When a policy lapses, payment of a late premium may result in reinstatement
- A minor cannot receive the proceeds of a Life insurance policy since they cannot sign a release
- Pre-paid Dental insurance plans may offer services based upon 'capitation', meaning that the dentist is paid a flat fee for each patient they see (per capita)
- On Disability Buy/Sell policies written for a partnership, if the benefit paid exceeds the disabled partner's cost basis, a capital gain will occur
- If a business 'entity' (such as a corporation) buys Life insurance to fund a Buy/Sell Agreement, the company owns the policies
- A shareholder/employee is not eligible for a Keogh plan