
*ABDSM Comprehensive Exam Study
Guide | Questions with 100%
Correct Answers*

The specified period that must elapse before new coverage is effective for nonaccidental losses is known as which of the following?

Probationary period

Morbidity table

Exclusion

Waiting period - ✓✓ANSW✓✓ Probationary period

Disability policies may exclude coverage for illnesses for a short period of time (such as 7 to 10 days) after a new policy takes effect to avoid claims for preexisting conditions. Accidental injuries are never subject to a probationary period.

Relevant content: 8.1 General Definitions

The surrender charge schedule for a variable universal life policy generally _____ over time.

Decreases

Fluctuates

Increases

Remains the same - ✓✓ANSW✓✓Decreases

Over time the surrender charge schedule decreases to 0% generally after 10-20 years from policy issue.

Relevant content: 4.3 Provisions Specific to Cash Value Policies

The waiting period from the start of a disability to be eligible to apply for Social Security disability is:

12 months

6 months

5 months

3 months - ✓✓ANSW✓✓5 months

The waiting period to apply for Social Security is 5 full months from the start of a qualified disability.

Relevant content:10.8 Social Security

To reduce its exposure to claims from a substandard disability risk, an insurer may take all of the following actions, except:

Remove all of the exclusion riders

Charge additional premium

Increase the elimination period

Reduce the amount of benefit - ✓✓ANSW✓✓ Remove all of the exclusion riders

_____ Options allow for the distribution of the life insurance death benefit, or endowment contract face amount at maturity, to the named beneficiary or contract owner, as the situation warrants.