

## FINAL EXAM – 10 New Habits for Responsible LTCI Agents

- According to LTC expert Marc Cohen, \_\_\_\_\_% of LTC sales are made because the agent recommended it.
  - 20%
  - 30%
  - 40%
  - 50%
- In life settlements, a policy owner agrees to sell his or her policy for an agreed upon sum of money to \_\_\_\_\_ who then becomes the new owner and beneficiary.
  - Anyone
  - A spouse
  - A nursing home of choice
  - A third-party funding company
- According to the National Association of Insurance Commissioners, which of the following is NOT a reason for purchasing LTCI:
  - To avoid dependence on others
  - To avoid a nursing home
  - To guarantee affordable services
  - To protect assets
- Strategies to divest oneself of income and assets in order to qualify for Medicaid is called \_\_\_\_\_.
  - Prospective Payment System
  - Share the Cost
  - Medicaid Planning
  - Noncountable
- There are many *prohibited marketing practices* you should avoid. Which of the following is NOT a prohibited marketing practice:
  - Falsifying records
  - Defamation of any insurance carrier
  - Involving a client's support people
  - Inducing a person to let their current policy lapse
- One of the best mediums to reach Seniors is by.....
  - Seminar
  - Video or audio tape
  - Mail
  - Phone
- People diagnosed with a terminal illness can sell their life insurance policies to viatical settlement companies for a.....
  - Tax free lump sum payment
  - Taxed lump sum payment
  - Tax free monthly payment
  - Fee of 50% of the policy
- IRS Notice 97-31 provides specific guidelines relating to qualified long term care services. Which of the following would NOT be a minimum requirement to establish tax qualified status for an LTC contract:
  - Hands-on assistance
  - Physicians assistance
  - Stand-by assistance
  - Substantial supervision
- The Dependent Spouse Home Care Provision allows the policyholder's spouse to receive home health care coverage.....
  - After the policyholder has deceased
  - If they have the same illness or disability
  - During the same visit by the same provider
  - Substantial supervision
- Paramedical and APS are typically the minimum requirements for applicants aged \_\_\_\_\_.
  - 40-69
  - 70-84
  - 85-100
  - Anyone over 100
- Form 1099-LTC requires \_\_\_\_\_ to report any benefit paid under a contract that was sold, marketed, or issued as long term care insurance.
  - Accountants
  - Caregivers
  - Insurance carriers
  - Any person over 65
- HIPPA defines "chronically ill" as someone unable to perform at least \_\_\_\_\_ADL's for a period of at least \_\_\_\_\_.
  - 2 / 60 days
  - 2 / 30 days
  - 3 / 90 days
  - 2 / 90 days

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13. The process by which medical and nursing home care reduces a person's assets to qualify for Medicaid is known as \_\_\_\_\_.
- A. Living benefits
  - B. Countable
  - C. Spenddown
  - D. Share the Cost
14. Medical underwriting can be the cause of as many as \_\_\_\_\_ of your applications to be rejected.
- A. 25%
  - B. 30%
  - C. 40%
  - D. 50%
15. A cohort group is simply a band of people who \_\_\_\_\_.
- A. Believe the same about everything
  - B. Share similar experiences
  - C. Are over age 65
  - D. Never do anything alike
16. Policies sometimes fail because an agent did not know basic features of the policies he sells. To avoid this, always obtain \_\_\_\_\_.
- A. Reimbursement Insurance
  - B. A signature from your boss
  - C. Partnership Policies
  - D. Specimen Policies
17. As a result of the Kennedy-Kassebaum, premiums paid for long-term care insurance will.....
- A. Receive tax favored status
  - B. Be considered capital gains tax
  - C. Be given as a "gift" to the policyholder's children
  - D. Not be reported to the IRS
18. In Hohreiter Vs, Garrison, the commissioner revoked a license because the agent.....
- A. Did not complete continuing education
  - B. Entered false answers on applications as to the physical condition of the applicant
  - C. Lacked business skills
  - D. Borrowed cash from an applicant
19. A Reverse Mortgage is an excellent way for older homeowners to convert home equity into needed cash without immediately .....
- A. Reporting it to the IRS
  - B. Being taxed
  - C. Selling the home
  - D. Spending the cash
20. A recent survey by Life Plans, Inc. shows that \_\_\_\_\_ of LTC policies are sold to those under the age of 65.
- A. 33%
  - B. 19%
  - C. 50%
  - D. 25%
21. Agents can help avoid "dual agency status" by not defining yourself as \_\_\_\_\_ when you are not.
- A. Above the law
  - B. An expert
  - C. An amateur
  - D. All knowing
22. Long term care is needed primarily by the elderly, especially those over the age of.....
- A. 65
  - B. 70
  - C. 80
  - D. 85
23. OBRA '93 established a "lookback" period saying assets given away within three years of applying for Medicaid are assumed transferred .....
- A. To your children
  - B. To pay your medical expenses
  - C. To avoid payment of medical expenses
  - D. To help you remember what you transferred
24. An agent's professional and ethical handling and choice of company, product, and sales presentation to best serve a client's financial planning is called \_\_\_\_\_.
- A. Caveat Emptor
  - B. Sales conduct
  - C. Loyalty factor
  - D. Code of Ethics

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25. When it comes to countable assets and Medicaid, the general rule is that if you can access the principal, it counts as an asset. Which of the following is NOT considered a countable asset:
- A. Cash, CD's, money market accounts
  - B. A house used as a primary residence
  - C. Vacation homes
  - D. Revocable Trusts
26. The NAIC Model Standards encourages insurance purchasers to have a \_\_\_\_\_ free look period during which they may return the policy for a full refund.
- A. 7 day
  - B. 30 day
  - C. 90 day
  - D. 1 year
27. Medicare Part A covers only those services that are considered....
- A. Medically necessary
  - B. Reasonable charges
  - C. Life threatening
  - D. Both A & B
28. Statistics in the *long term care continuum* suggest that women need LTC coverage more than men. \_\_\_\_\_% of nursing home admissions are women over the age of 82.
- A. 70%
  - B. 75%
  - C. 80%
  - D. 85%
29. Estate Recovery allows each state to pursue the estate of a \_\_\_\_\_ Medicaid recipient in order to recover costs of nursing home care and other medical expenses.
- A. Current
  - B. Former
  - C. Deceased
  - D. Disabled
30. Medicaid benefit programs are designed for \_\_\_\_\_ individuals.
- A. All
  - B. Unmarried
  - C. Unhealthy
  - D. Low income

