

HEALTH INSURANCE

(5th Edition)

Mock Exam



Mock Exam 1

C1/2

1. The "Healthcare 2020" Masterplan to improve healthcare services for Singaporeans put together by the Ministry of Health focuses on _____.
- A. enhancing accessibility, quality and wide network for healthcare.
 - B. promoting health, prevent and reduce illness.
 - C. providing good, affordable and quality healthcare.
 - D. enhancing accessibility, quality and affordability of healthcare.

C1/3.3

2. Intermediate and Long Term Care (ILTC) services are for those who need further care and treatment after discharge from the hospital, who may need assistance with their activities of daily living. This can be through :
- A. Home based services.
 - B. Centre-based services.
 - C. Residential ILTC services
 - D. All of the above

C2/2.1.1(i)

3. Under Medical Expense Insurance, what is not included in Inpatient Expenses?
- A. Daily Room and Board Charges
 - B. Emergency Accidental Treatment Charges
 - C. Surgeon's Fees
 - D. Congenital Anomalies

C2/2.1.1(iii)

4. Which of the following is covered under catastrophic outpatient expenses in Medical Expense Insurance Policy?
- A. Outpatient liver treatment charges
 - B. Outpatient kidney treatment charges
 - C. Outpatient Hepatitis B Vaccination
 - D. Outpatient assisted conception procedures

C2/2.2.3

5. Miscarriage Benefit in a Medical Expense Policy provides for:
- A. The reimbursement of expenses in a willful termination to a pregnancy.
 - B. The reimbursement of Assisted Conception Procedure treatments.
 - C. The reimbursement of charges incurred for the consultation of a specialist within a number of days before termination.
 - D. The reimbursement of medical expenses in an ectopic pregnancy.

C2/3.3

6. Mr. Lim is buying a policy for himself and his wife and 2 children of the same premium each. What is the premium payable given the following?

Mr. Ang's premium	\$182.31
Mrs. Ang's premium	\$227.89
1 child's premium	\$102.50

- A. \$512.70
- B. \$584.44
- C. \$615.20
- D. \$487

C2/3.5.1

7. Which of the following is **NOT** a characteristic of medical expense insurance?

- A. Pro ration factor and co-insurance.
- B. Deductibles apply for all treatments.
- C. Impose Sub- Limits.
- D. Can be issued as a rider or stand-alone.

C2/3.5.1

8. Which of the following statement is **TRUE**?

- A. Per disability/per year deductible is more restrictive as compared to per disability/per claim deductible.
- B. The same sickness or injury within the same policy year applies to "per disability/per claim deductible".
- C. Per annum deductible includes a variety of covered sickness or injuries within a policy year.
- D. Under per disability/per year deductible, the insured will have to bear the deductible each time he makes a claim regardless of the number claims made within the same year.

C2/3.5.3

9. When the insured person is admitted to a ward higher than what he is entitled to under his existing plan, _____ is applied on the actual charges incurred and covered under the policy. It will cause actual benefits payable to be reduced.

- A. Deductible
- B. Co –insurance
- C. Means Testing
- D. Pro- ration factor

C3/2

10. Which of the following characteristics of group insurance is important to the underwriter in determining the “feel” of future claim experience?
- A. Minimal underwriting requirement, as employee only need to complete a health declaration form.
 - B. Experience-rating, as it is usually underwritten based on past claims experience.
 - C. Cost effective, as it provides low cost protection.
 - D. Plan is renewable by the employer on a yearly basis.

C3/2

11. Group Policies often have an “actively at work” clause. In order to be eligible for the cover, this clause requires:
- A. The employee to be under a compulsory scheme.
 - B. The employee to be full time employed on the day the insurance coverage takes effect.
 - C. The employee to be at work on the day the insurance coverage takes effect.
 - D. The employee to obtain official Medical Certificate if he is unwell on the day the insurance coverage takes effect.

C3/4.1

12. Which of the key factor in Portable Medical Benefit Scheme is most correct?
- A. Employees will be medically insured in between jobs.
 - B. Employers are automatically granted tax deduction.
 - C. Employees contribute and pay through his own Medisave.
 - D. Employees have no control over the policy.

C3/4.2

13. When an employee leaves his current company, medical benefits provided by his employer will automatically be terminated. Which of the following plans purchased by the employer will solve this problem?
- A. Group Medical Expense Insurance
 - B. Portable Medical Benefit Scheme
 - C. Transferable Medical Insurance Scheme
 - D. Integrated Shield Plans

C4/Eg 4.3

14. Compute Disability Income Benefit. Given the following details:
Escalation Benefit : 3%
Monthly Income : \$5000
Monthly Expense : \$3000
No of years : 30 years
- A. \$1,141,809
 - B. \$1,712,714
 - C. \$2,140,893
 - D. \$2,854,524

C4/5.1.2

15. "The insured's inability to perform any gainful occupation or a similar occupation for which he is reasonably suited by reason of education, training or experience" refers to:
- A. Any Occupation
 - B. Own Occupation
 - C. Specific Occupation
 - D. Modified Own Occupation

C4/6.2b

16. Mr Tan, who is an accountant, used to earn \$4,000 per month before he was disabled. After partial recovery from his disability, he found a suitable job as a clerk, which pays him \$1,500 per month. What would Mr Tan's disability income benefit be?
- A. \$3,000 per month
 - B. \$2,500 per month
 - C. \$1,875 per month
 - D. \$4,000 per month

C4/11

17. Disability Income will not terminate when the insured_____.
- A. changes his occupation.
 - B. resides outside Singapore for a specified period of time.
 - C. is unemployed for a period of time.
 - D. has not paid up his premiums due after the grace period.

C5/2

18. Which of the following regarding Long Term Care Insurance (LTCI) is true?
- A. LTCI is meant to meet costs of care to a special group of elderly who is physically impaired and unable to function independently.
 - B. The young and healthy need not buy LTCI.
 - C. It is not governed by the Over Insurance Provision Clause.
 - D. Premiums are based on age band basis.

C5/3.1a

19. Which of the following payment method is associated with LTCI benefits issued under "Service Based" Policy ?
- A. Indemnity Method.
 - B. Pays if meet benefit trigger.
 - C. Pays 100% if unable to perform 4 out of 6 ADLs.
 - D. Level Premium basis.

C5/8, C8/6.6

20. In which area is ElderShield and Long Term Care Insurance different?
- A. Free look Period.
 - B. The definition of Activity of Daily Livings (ADLs).
 - C. Purpose of the plans.
 - D. On how the plan is issued, eg guaranteed renewable basis.

C8/1

21. Singapore offers universal health coverage to its citizens with a financing system anchored on individual and collective responsibility. Which of the following is NOT considered Singapore healthcare financing philosophy?
- A. Heavy subsidies for basic services.
 - B. Individual medical saving account.
 - C. Risk-pooling for catastrophic illnesses and for serious long term disability.
 - D. Co-payment by employers.

C6/2.1g

22. The insured must survive the survival period before the dread disease benefit becomes payable. The survival period is a period of time:
- A. from the date of policy issue
 - B. from the date of any reinstatement of the policy
 - C. from the date of inception
 - D. from the occurrence of a dread disease

C6/2.2& 2.7

23. Critical Illness cover will not terminate when :-
- A. Policy is converted into an Extended Term Policy.
 - B. A critical illness claim has been made.
 - C. Policy owner exercises Paid Up Option under the non forfeiture options.
 - D. Policy lapses due to non-payment of premium.


C6/2.3.1

24. Mr. X bought a \$150,000 whole life type of Critical Illness Policy with 50% acceleration benefit. How much is payable to him upon diagnosis of cancer?
- A. \$150,000
 - B. \$75,000
 - C. \$50,000
 - D. \$225,000

C6/3

25. Calculate the **total maximum** amount this Hospital Cash Income Insurance Policy will pay based on these policy details:
Daily Benefit: \$100
Max of 180 days per hospitalization
Lifetime Limit: 1000 days
He was hospitalized for 185 days per hospitalization.
- A. \$100,000
 - B. \$18,500
 - C. \$18,000
 - D. \$180,000

C7/3

26. Managed Healthcare Organisations work through which components to manage healthcare expenditure?
- 
- A. Quality of Care.
 - B. Premiums.
 - C. Enrolment fee for non usage.
 - D. Number of members eligible for enrolment.

C7/3.2

27. To control increasing medical costs, which of the following is not used by Managed Healthcare?
- A. Capitation
 - B. Salary
 - C. Profit Sharing
 - D. Fee Schedule

C7/5

28. Which of the following MHC plans has the lowest degree of Cost Control?
- A. Staff Model HMO
 - B. Group Model HMO
 - C. Network Model HMO
 - D. Traditional Medical Expense Insurance

C7/6.1

29. Which of the following is not a benefit of Managed HealthCare Plans?
- A. Preventive Care
 - B. Specialist Care
 - C. Intensive Care
 - D. Emergency Care

C8/ 3.2

30. What changes regarding Medisave Minimum Sum is most true with effect 1 Jan 2016 ?
- A. CPF member will need to set aside at least the Medisave Minimum Sum in his Medisave account before he can withdraw his CPF Savings at or after the age of 55.
 - B. At the age of 55, if he did not have enough in his Medisave account at withdrawal, he need to use excess balances from his Ordinary and Special account (OA & SA) to top up his Medisave account to the Medisave Minimum Sum.
 - C. CPF members can withdraw his CPF savings beyond the Medisave Minimum Sum at the age of 55.
 - D. CPF members can withdraw his CPF savings from his OA and SA upon reaching the age of 55 years, without the need to top up his Medisave account to the Medisave Minimum Sum .

C8/5.2

31. Insured age next birthday is 63 years. He is covered under an IP Policy. The total Integrated Shield Plan Premiums is \$1,235 (after applying all relevant subsidies), out of which MediShield Life premium is \$485. How much must he pay in cash for his premium?
- A. \$935
 - B. \$750
 - C. \$450
 - D. \$150



C8/4.6

32. The MediShield Life Scheme Act provides for the implementation and administration of the MediShield Life Scheme. Which is NOT a key features of the Act?.
- A. Providing for access to information to facilitate the extension of MediShield Life premium subsidies to all eligible households.
 - B. To recover premiums from willful defaulters to ensure premiums are paid in a timely manner.
 - C. Establishment of the MediShield Insurance Act to review the administration of the scheme in line with the policy Act.
 - D. Lifelong universal coverage for all Singapore Citizens and SPRs.

C8/4.5

33. Mary a Singapore Citizen is covered under MediShield Life for stay in B2 class ward in a public hospital. Upon her hospitalisation she chose to stay in a A class ward in a private hospital. Which factor(s) will particularly caused Mary to pay out more from her own pocket?
- A. Deductible
 - B. Co-insurance
 - C. Pro-ration
 - D. All of the above

C8/4.5, Eg 8.1

34. Mr. Wong, 60 years old, hospitalised in a C Class Ward. Details as follows:

- Bill after government subsidies = \$8,000
- All expenses within MediShield Life claim limits.
- Deductible = \$1,500
- Co-insurance applies on the following rates:
 - From \$0 to \$5000 - 10%
 - From \$5,001 to \$10,000 - 5%
 - More than \$10,000 - 3%

Calculate the co-insurance payable under MediShield Life.

- A. \$325
- B. \$575
- C. \$500
- D. \$975

C9/3

35. Which of the following section in a Health Insurance Contract must the adviser goes through with the client to ensure no typographical error?

- A. Policy Schedule
- B. Insuring Clause
- C. Entire Contract Clause
- D. Benefit Provision



C9/4.1

36. Which of the following sections in a Health Insurance Policy contract represents the "foundation" of a Health Insurance Policy?

- A. Policy Schedule
- B. General Conditions
- C. Insuring Clause & Definitions
- D. Benefits Provisions

C9/5.3

37. Which clause states that the policy shall not be in-force, unless premium is paid to the company on or before the inception date of the policy?

- A. Insuring Clause
- B. Renewal Provision
- C. Incontestability Clause
- D. Premium Warranty Clause.

C10/2.1

38. What is the key factor for Health Insurance Pricing?

- A. Mobility
- B. Morbidity
- C. Mortality
- D. Longevity

C11/2

39. The role of underwriting is important because it enables the underwriter to:

- A. Help to protect the insurer against anti-selection and in the preservation of the insurer's reserves.
- B. Ensure that the premium charged corresponds with the risk involved.
- C. Ensure the re-insurance limits will not be exceeded.
- D. Ensure that the premium charge is fair to the policyowner.

C11/3.1.1

40. Which of the following is false with regard to insurers reviewing history of previous condition?

- A. Effect of a medical history on the proposer's general health.
- B. Complications that may develop later on.
- C. Possibility of a non recurrence.
- D. Normal progression of any impairment.



C11/4.4

41. To get a better insight to insured's medical history, not available from medical examinations, underwriter request for:

- A. Agent's Statement
- B. Supplementary Questionnaires
- C. Medical Examination/Test
- D. Attending Physician Statement

C12/5

42. "Personal Accident Policy" means accident and health policy where accident and health benefits are paid out only:-

- A. In the event of an injury to, or disability of, the insured as a result of accident.
- B. On the death by accident of the insured.
- C. All of the above
- D. None of the above

C12/30

43. An A&H Insurance Intermediary shall have a reasonable basis for providing advice to the insured. This shall not apply to:
- A. Eldershiield Policy
 - B. Long Term Care Insurance
 - C. Hospital Cash (Income) Insurance
 - D. Disability Insurance

C13/App 13A(pg 241)

44. During the Pre- Sale Stage for Individual Business, it is compulsory to provide which document(s) to the client?
- A. "Know Your Client" form.
 - B. "Our Advice & Reasons Why" form.
 - C. Product Summary
 - D. Your Guide to Health Insurance and Product Summary.

C13/App 13 (pg 243)

45. Application of the Guidelines to direct marketing and telemarketing channels apply to:
- A. When there is a face to face contact between the client and intermediary.
 - B. Marketing through the use of a call centre.
 - C. Road show conduct by intermediary
 - D. Visit to client from referrals.

C13/App 13A (pg 263)

46. Under LIA Guidelines, which penalty constitutes the 3rd offence for non compliance by the Representatives for not having submitted the completed and signed Fact Find Form and "Our Advice and Reason Why Form"?
- A. Letter of warning
 - B. Counseling
 - C. Three months suspension
 - D. Retraining on Health Insurance

C14/3.1(f)

47. What serves as a starting or reference point for the advisers to recommend further A & H insurance recommendations to their clients?
- A. Client's existing Health Insurance Policies
 - B. Client's pay increase
 - C. Client's promotion
 - D. Client's affordability

C14/eg 14.3

48. Compute maintenance cost using TPD Method. Given: Monthly Income : \$4000; Monthly Expenses :\$2000; No of years income needed : 21; Expected rate of return : 5%; Inflation Rate : 2% ; Existing fund : \$0
- A. \$381,060
 - B. \$739,920
 - C. \$762,118
 - D. \$1,417,766

C14/4.2.4

49. Calculation of how much Critical Illness Insurance the client needs is more of an art than a science as there are many uncertainties. Which of these factors would be most important?
- A. Whether the client has the means to pay the premium.
 - B. Need to know the client's family medical history to determine which disease the client is most susceptible.
 - C. Obtain the latest attending physician statement as an indication of his current physical condition.
 - D. Occupational risk classification of the client.

C15/2.1

50. Which of the following product is often associated with providing maintenance costs for a client?
- A. Disability Income Insurance
 - B. Dread Disease
 - C. Hospital Cash Insurance
 - D. Managed Healthcare Insurance

Mock Exam 1 Answers

Question	Answer	Question	Answer
1.	D	26.	A
2.	D	27.	C
3.	B	28.	D
4.	B	29.	C
5.	D	30.	D
6.	B	31.	D
7.	B	32.	C
8.	C	33.	C
9.	D	34.	C
10.	B	35.	A
11.	C	36.	C
12.	A	37.	D
13.	C	38.	B
14.	C	39.	B
15.	D	40.	C
16.	C	41.	D
17.	A	42.	C
18.	C	43.	A
19.	A	44.	D
20.	A	45.	B
21.	D	46.	A
22.	D	47.	A
23.	C	48.	A
24.	B	49.	B
25.	A	50.	A

Workings

Qn 6.

Ans:

$$(\$182.31 + \$227.89 + \$102.5 + \$102.5) \times 95\% \text{ (enjoy family discount of 5\%)} = \$584.44$$

Qn 14

Ans :

$$\$5000 \times 75\% = \$3750$$

$$\$3750 \times 12 \times *47.5754 = \$2,140,893$$

* 47.5754 (factor from Table A1 – 3%; 30 years)

Qn 16

Ans:

$$\$4000 - \$1500 / \$4000 \times \$3000 = \$1875$$

Qn 25

Ans: Lifetime limit of 1000 days X \$100 per day = \$100,000

Qn 31

Workings:

Total Premiums paid	= \$1,235
less MediShield Life premium	= <u>\$485</u>
Balance	= \$750
less Medisave payable	= <u>\$600</u> (capped at \$600 for that age group)
Cash payable	= \$150

Qn 34

Workings

Total Bill	= \$8000
less deductible	= <u>\$1,500</u>
Claimable amount	= \$6,500

Co- insurance is the percentage of claimable amount (\$6,500) which she must pay on top of the deductible.

$$\$1,501 \text{ to } \$5,000 - 10\% \times \$3,500 = \$350$$

$$\$5,001 \text{ to } \$8,000 - 5\% \times \$3,000 = \$150$$

$$\text{Co - insurance payable} = \$350 + \$150 = \$500$$

Qn 48

Ans:

$$\begin{aligned} \$2000 \times 12 &= \$24,000 \times 15.8775 \text{ (table A2; 3\%; 21 years)} \\ &= \$381,060 \end{aligned}$$



Mock Exam 2

C 1/3

1. Healthcare system in Singapore consists of namely:
 - A. Primary Healthcare Services, Hospital Services, Traditional Chinese Medicine.
 - B. Hospital Services, Intermediate and Long Term Care Services.
 - C. Primary Healthcare Services, Hospital Services, Intermediate and Long Term Care Services.
 - D. Traditional Chinese Medicine, Primary Healthcare Services and Intermediate and Long Term Care Services.

C1/3.1

2. Chronic Disease Management Programme (CDMP) under Community Health Assist Scheme (CHAS), does not cover which disease?
 - A. Diabetes Mellitus
 - B. Hypertension
 - C. Root Canal Treatment
 - D. Chemotherapy

C2/2.1.1(iii)

3. Which is included in Catastrophic Outpatient Treatment for Medical Expense Insurance?
 - A. Outpatient Liver Charges
 - B. Outpatient Heart Charges
 - C. Outpatient Cancer charges
 - D. Outpatient Tuberculosis Charges

C2/1.1(a)

4. Which of the following is NOT covered under Daily Room and Board Charges in a Medical Expense Insurance?
 - A. Accommodation
 - B. Meals
 - C. General Nursing Services
 - D. Medicines and drugs

C2/3.3

5. If Mr Tan is enquiring about buying a policy for himself, his wife and 2 sons. Premium is as follows:

Himself	= \$500
His wife	= \$700
1 son	= \$300

After considering he would like to cover only himself and his wife. How much family discount did he enjoy?
 - A. \$0
 - B. \$60
 - C. \$75
 - D. \$90

C2/3.5

6. Which of the following is Not part of expense participation?
- A. Deductibles.
 - B. Co-insurance
 - C. Pro- ration factor
 - D. Co-ordination of benefits

C2/3.5.1

7. Mr. Tan and his family were injured while on holiday. They were covered under MEI, with a deductible of \$3000 and a co-insurance of 10%. Determine the total amount payable to Mr. Tan, given hospital bills as follows:
Mr. Tan - \$15,000
Mrs. Tan - \$20,000
Son - \$2,500
Daughter – \$3,200
- A. \$26,280
 - B. \$31,680
 - C. \$33,630
 - D. \$36,630

C2/6

8. Coverage on a life insured who is covered under Medical Expense Insurance will terminate when:
- A. The total amount of claims has reached the annual limit.
 - B. When the insured attains the age of 80.
 - C. When the insured enters full time military service.
 - D. When the insured enters National Service Reservist Training.

C3/2

9. Which of the following is NOT a feature of Group Medical Insurance Policy?
- A. Policy continues after one employee makes a claim.
 - B. All employees must undergo medical examination.
 - C. There are many life insureds in one master contract.
 - D. The policy covers all employees below the statutory retirement age.

C3/3

10. Mr. Tan would like his wife to be included under his company's Group Medical Insurance Policy. What would the commencement date of cover for Mrs. Tan be?
- A. Anytime within 30 days after marriage.
 - B. Anytime within 15 days after marriage.
 - C. Anytime within the half year after marriage.
 - D. Anytime as and when Mr. Tan apply for her to be included and cover approved by underwriting.

C3/4.3

11. Coverage for which plan will expires at statutory retirement age?
- A. Medical Expense Insurance
 - B. Private Shield Plans
 - C. Portable Medical Benefit Scheme
 - D. Transferable Medical Insurance Scheme

C3/4.4

12. Employers providing their employees with a Shield Plan can claim how many percent of tax deduction on their employees' total remunerations?
- A. 1%
 - B. 2%
 - C. 3%
 - D. 4%.

C4/Table 4.1

13. Which of the following is a characteristic of Disability Income Insurance?
- A. Maximum sum assured is based on the salary.
 - B. Choice of deferred period.
 - C. Partial disability is not covered.
 - D. Incorporated into life policies.



C4/Eg 4.3

14. David has a monthly income of \$6,000 and has bought a Disability Income policy at 75% of his monthly income with a 3% escalation benefit. He is disabled and made a claim successfully on 1-1-2000. What is the amount that he will receive on the 1-3-2001?
- A. \$4,500
 - B. \$6,000
 - C. \$4,635
 - D. \$4,770

C4/6.2.1

15. Which type of payment will not affect Disability Benefit Payout?
- A. Rental Income
 - B. Salary from ex-employer
 - C. Workman Compensation
 - D. TPD benefits under Life Insurance Policies

C4/7

16. Which of the following is **NOT** a feature of a Disability Income Insurance policy?
- A. Premium based on age band.
 - B. No surrender value.
 - C. No assignment is allowed.
 - D. Can be issued as a stand-alone.

C5/3.1

17. Which of the following least describes Long Term Care Insurance payment?
- A. Monthly Basis
 - B. Daily Basis
 - C. Disability Based Basis
 - D. Yearly Basis

C5/3.2.1

18. Which factor is the most important factor affecting premium for LTCI Plans?
- A. Renewability
 - B. Number of exclusions
 - C. Number of Activities of Daily Living
 - D. Insured's choice of distribution channels

C5/3.2.1b

19. Which of the following condition is covered by Long Term Care Insurance?
- A. Parkinson's disease
 - B. Neurosis
 - C. Psychiatric illness
 - D. Dementia from Alzheimer's Disease

C5/9

20. The following are exclusions under LTCI policies **EXCEPT**:
- A. All pre-existing conditions, which were not fully declared and described by the insured at the time of application.
 - B. Alcoholism and drug abuse.
 - C. Any form of Acquired Immune Deficiency Syndrome (AIDS) or infection by any Human Immunodeficiency Virus (HIV).
 - D. Self inflicted injury.

C6/2.2

21. Which of the following is FALSE regarding Critical Illness riders?
- A. Critical Illness riders do not acquire cash value.
 - B. It can also be issued as a Stand Alone Policy.
 - C. Packaged Critical Illness Policies may accumulate cash value, hence have non forfeiture options.
 - D. There is no minimum and maximum sum assured restriction.

C6/2.2&2.7

22. Critical Illness cover will be terminated:
- A. When the policyowner exercise paid up option under Non forfeiture option.
 - B. When the policy is converted into an extended term insurance policy.
 - C. When the insured is diagnosed with a critical illness.
 - D. When an invalid critical illness claim has been made.

C6/2.3.1

23. You are proposing a 50% Acceleration Dread Disease Policy to your client for his wife who is a homemaker. In this case, you should also propose to attach a
- A. Waiver of Premium Rider to the policy.
 - B. Disability Income Insurance Rider to the policy.
 - C. Dread Disease Waiver of Premium Rider to the policy.
 - D. Total and Permanent Disability Benefit Rider to the policy.

C6/2.3.1

24. Which of the following type of CI Cover you may not need to attached a Critical Illness Waiver of Premium Rider?
- A. Acceleration Type
 - B. Additional Type
 - C. Both types
 - D. None of the types



C6/3.3.1

25. Which of the following regarding Standalone Hospital Cash Insurance is false?
- A. Free death benefit
 - B. Triple payment if hospitalized overseas due to accident
 - C. Double payment if in Intensive Care Unit
 - D. Get well benefit

C7/3

26. Which component of managed healthcare is not used to contain and control healthcare expenditure?
- A. Accessibility
 - B. Cost
 - C. Quality of Care
 - D. Wide healthcare coverage

C7/3.1

27. Primary care physician in Managed Healthcare Plan is NOT known as the following names:-
- A. Backbone of Managed Healthcare plans
 - B. Gatekeepers
 - C. Personal Physician
 - D. Specialist

C7/4.1.5

28. Which of the following offers the broadest consumer choice of physicians and clinical settings?
- A. Staff Model
 - B. Group Model
 - C. Network Model
 - D. Mixed Model HMO

C7/4.2

29. What are Preferred Provider Organisations(PPOs)?
- A. PPOs are gatekeepers.
 - B. PPOs allow clients to see specialist with referrals.
 - C. PPOs require greater "out of pocket" payments from members.
 - D. PPOs allow clients to choose to stay in the network or outside the network at point of service.

C8/2.1.1 to 2.1.3

30. Which of the following regarding means-testing is false?
- A. It is used to target subsidies.
 - B. It is used to target B2 & C class wards in a public hospital.
 - C. Medical benefits are based on the monthly income of the patient.
 - D. It is not used for day surgery and Accidental & Emergency (A & E) services.

C8/3.2.1(g)

31. Which of the following regarding maternity charges is true of the Medisave Maternity Package?
- A. It allows a female CPF members or her family members to use Medisave to pay for pre-delivery expenses (eg consultations and ultrasound) & delivery expenses.
 - B. Medisave accounts of the patient, her spouse and immediate family can be used for treatments under this Package.
 - C. Only female CPF members can use their Medisave to pay.
 - D. It allows for Assisted Conception Procedures to pay in full.

C8/3.2.3

32. John married with no children was hospitalised and stayed in a B1 class ward in a public hospital. Whose Medisave can be used to pay for his hospitalisation?
- A. John's immediate family members eg spouse and his parents.
 - B. John's spouse, brothers and sisters.
 - C. John's own Medisave and that of his spouse and children.
 - D. All of the above.

C8/4.5, Eg 8.1

33. Miss Tan, a Singaporean was hospitalised in a government hospital for 10 days in a Class C Ward. Calculate how much will MediShield Life pays, given the following details;

Total hospital bills = \$5,850

Deductible = \$1,500

Co-insurance applies on the following rates:

From \$0- \$5000 - 10%

From \$5,001 to \$10,000 - 5%

More than \$10,000 - 3%

- A. \$3,958
- B. \$3,915
- C. \$4,350
- D. \$4,133



C8/5.2

34. Mr. Tan age 77 next birthday bought an IP Policy. His net premium for Integrated Shield Plan is \$3,512 after enjoying all subsidies, out of which premium for his MediShield Life constitutes \$517. How much must he pay in cash?
- A. \$995
 - B. \$2,095
 - C. \$2,395
 - D. \$2,995

C9/3

35. Which of the following are found in the Policy Schedule?
- A. Name, NRIC of Insured
 - B. Name, NRIC of Beneficiary
 - C. Claim procedures
 - D. Insurer's contractual rights

C9/5.8

36. The Renewal Provision in a Health Insurance Contract describes:
- A. Insurer's right to increase premium on policy.
 - B. Insured's right to renew his policy under certain conditions.
 - C. Circumstances which the insurer has the right to offer a change in plan.
 - D. Insured's right to renew at certain dates.

C9/9

37. What are endorsements found in a Health Insurance Policy Contract?
- A. Promise to pay by insurer
 - B. Restrict the scope of coverage
 - C. Actively At Work
 - D. Legal actions which insured can take against insurer

C8/4.6

38. Section 10 of the The MediShield Life Scheme Act 2015 states that :
- A. Rights of the insured person arising from the insurance cover under the Scheme are transferable.
 - B. The Insurance Act will apply to the Scheme.
 - C. A policy of insurance issued under the Scheme does not create any legal or equitable trust.
 - D. Section 73 of the Conveyancing & Law Property Act (Cap 61) will have an effect on the policy issued under the Scheme.

C11/3.1.2

39. Medical Aspects of Underwriting requires the consideration of _____.
- A. Financial Factors
 - B. Current Physical Condition
 - C. Occupational Factors
 - D. Age Factors

C11/3.4.2

40. What is NOT an advantage of Moratorium Underwriting?
- A. Insured will have the certainty as to what is covered at the point of joining, rather than at claim.
 - B. Insured need only provide basic information about himself.
 - C. Need not disclose the details of medical history.
 - D. Pre-existing conditions is covered after a few years, should it recur later, subject to conditions.

C11/4.4

41. An underwriter needs to know more about a client's medical history which the medical examination was not able to reveal. What form does he need?
- A. Agent's Statement
 - B. Attending Physician's Statement
 - C. Supplementary Questionnaires
 - D. Fact Find Form

C12/15

42. An A&H Insurance Intermediary are required to disclose in writing to their clients before fact find stage:
- A. Potential conflict of interest
 - B. His qualifications
 - C. No. of times insurer receives claims
 - D. Detrimental switch

C12/52(h)

43. Which of these offences under MAS Notice 120 is not considered a criminal offence and does not attract any penalties?
- A. Failure to disclose the conditions under which payment of policy moneys will not be made to insured.
 - B. Failure by the A&H representative to use only marketing materials that has been approved by the insurance intermediary.
 - C. Documents given to the insured are kept up to date.
 - D. Opinions expressed and facts are not differentiated.

C13/App 13A (pg 244)

44. For policies sold through direct marketing and telemarketing, insurer must ensure:
- A. A follow up letter to advise clients to read the Guide to Health Insurance and product summary which is enclosed.
 - B. A follow up letter to advise clients to return the policy to them if they find it unsuitable.
 - C. A follow up letter to advise clients to collect the Guide to Health Insurance and product summary from insurer.
 - D. A follow up letter to advise clients that an adviser will call on them to deliver and explain the Guide to Health Insurance and product summary.

C13/App 13A (pg 246)

45. Under LIA Guidelines which documents, should insurer under Corporate Business make available to insured members' of a voluntary plans?
- A. "Know Your Client' form
 - B. "Our Advice & Reason Why" form
 - C. Your Guide to Health Insurance
 - D. Benefit Illustration

C13/App 13B(pg 276)

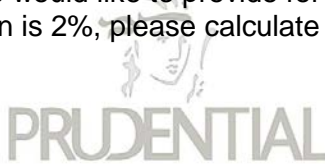
46. When recommending a **Group A&H Policy**, what must be given to the client before the client applies for the product?
- A. Group Insurance Fact Find Form.
 - B. Your Guide to Health Insurance.
 - C. Our Reasons and Why form.
 - D. Product Summary.

C14/3.3

47. Most group insurance is issued without medical examination as the risk for the insurer diminishes as the size of the group increases. This is known as _____.
- A. The law of large numbers.
 - B. Principle of Utmost Good Faith.
 - C. Principle of Ordinary Good Faith.
 - D. Principle of insurable interest.

C14/Eg 14.3

48. Mr Tan has a monthly income and expenditure of \$7,000 and \$5,000 respectively. His son is currently 2 years old and he would like to provide for his son till age 25. Assuming that the interest rate is 5% and inflation is 2%, please calculate his maintenance cost.
- A. \$ 406,486
 - B. \$1,016,214
 - C. \$1,076,130
 - D. \$1,422,700



C14/4.1.1

49. Mr. Lim the prospective client does not have an emergency fund, you should:
- A. still recommend suitable products.
 - B. ensure he ticks Type 1 of the application type.
 - C. not recommend any policies as it may affect his ability to service the policies.
 - D. recommend disability income insurance.

C15/2.1

50. Which of the following policy is MOST suitable for meeting the maintenance costs of a client?
- A. Personal Accident Policy (with medical expense benefit)
 - B. Critical Illness Insurance
 - C. Long Term Care Insurance
 - D. Disability Income Insurance

Mock Exam 2 Answers

Question	Answer	Question	Answer
1.	C	26.	D
2.	D	27.	D
3.	C	28.	D
4.	D	29.	C
5.	B	30.	C
6.	D	31.	A
7.	A	32.	A
8.	C	33.	A
9.	B	34.	B
10.	A	35.	A
11.	D	36.	A
12.	B	37.	B
13.	B	38.	C
14.	C	39.	B
15.	D	40.	A
16.	A	41.	B
17.	D	42.	A
18.	C	43.	C
19.	D	44.	A
20.	C	45.	C
21.	D	46.	A
22.	B	47.	A
23.	C	48.	B
24.	A	49.	C
25.	A	50.	D

Workings

Qn.5

Ans:

$$(\$500 + \$700) \times 5\% = \$60$$

Qn 7

Ans:

Mr. Tan : $\$15,000 - \$3,000 = \$12,000 - \$1,200$ (coinsurance 10%) = \$10,800Mrs. Tan : $\$20,000 - \$3,000 = \$17,000 - \$1,700$ (coinsurance 10%) = \$15,300

Son : cannot claim as expense is below deductible

Daughter : $\$3,200 - \$3,000 = \$200 - \20 (coinsurance 10%) = \$180Hence total payable = $\$10,800 + \$15,300 + \$180 = \mathbf{\$26,280}$

Qn.14

Ans:

$$\$6000 \times 75\% = \$4500$$

$$\$4500 + (3\% \times \$4500) = \$4635$$

Qn 33

Total bills	= \$5,850
less deductible	= <u>\$1,500</u>
Claimable amount	= \$4,350
*less co-insurance	= <u>\$392.5</u>
MediShield Life pays	= \$3,957.5

Calculate co-insurance

\$1,501 to \$5,000 - 10% x \$3,500 = \$350

\$5,001 to \$10,000 - 5% x \$850 = \$42.5

Co - insurance payable = \$350 + \$42.5 = \$392.5

Qn 34

Workings:

Total Premiums paid	= \$3,512
less MediShield Life premium	= <u>\$517</u>
Balance	= \$2,995
less Medisave payable	= <u>\$900</u> (capped at \$900 for that age group)
Cash payable	= \$2095

Qn. 48

Ans:

$$\begin{aligned} \$5000 \times 12 &= \$60,000 \times 16.9369 \text{ (table A2 - 3\% ' 23 yrs)} \\ &= \$1,016,214 \end{aligned}$$



Mock Exam 3

C1/3.1

1. Which of the following healthcare services is not considered as the three main types in Singapore?
 - A. Western Medical Science.
 - B. Traditional Chinese Medicine
 - C. Both A and B.
 - D. Intermediate and Long Term Care Services.

C1/4

2. Singapore healthcare financing framework comprises of which of the following?
 - A. MediShield Life, Medifund & ElderShield
 - B. Medisave, Medifund and Interim Assistance Programme for the Elderly (IDAPE).
 - C. Government subsidies, Medisave and individual savings.
 - D. Government subsidies, individual savings and insurance.

C2/2.2.3

3. Which of the following regarding Medical Expense Insurance is true?
 - A. Only per policy year limits are stated.
 - B. Miscarriage due to ectopic pregnancy is covered.
 - C. Payment is on a per charged benefits basis.
 - D. Policy will not cease if it reaches the lifetime limit.

C2/2.2.8

4. Final Expenses Benefit in a Medical Expense Insurance covers:
 - A. Death that occurs within a specified no. of days after leaving the hospital and is a result of the cause of the hospitalization.
 - B. Death that occurs during hospitalization or within a specified no. of days after discharge from the hospital.
 - C. The cost of medical evacuation of patients and repatriation of mortal remains.
 - D. Death that occurs after a waiting period of 30 days, from the issue date or reinstatement date of the policy before any claim is payable.

C2/3.5.1

5. When one is required to pay a deductible regardless of the no. of claims made in a year, this type of deductible is known as:
 - A. Per Annum Deductible
 - B. Per Disability/Per Year Deductible
 - C. Per Disability/ Per Claim Deductible
 - D. Per Disability/Per Annum Deductible

C2/3.5.1

6. Mrs Lim has bought a Medical Expense Insurance with a deductible for \$10,000 for 1st June 2012 to 31st May 2013. On 1st Sept 2012, she encountered an accident and the total claimable medical expenses were \$3,000. In March 2013, she went for surgery to remove her womb and the medical costs were \$8,000. How much can Mrs Lim claim, given that a per-disability/per claim deductible applies?
- A. \$11,000
 - B. \$8,000
 - C. \$1,000
 - D. \$0

C2/3.5.1

7. Which is the most suitable plan type to recommend to a client who has financial constraint?
- A. with deductible
 - B. with co-insurance
 - C. both deductible and co-insurance
 - D. no deductible and co-insurance

C2/3.12

8. All integrated Shield Policies are guaranteed renewable. Which of the following is Not True?
- A. Insurer cannot terminate the policy owing to poor claims experience.
 - B. Insurer cannot terminate the policy owing to insured's poor health condition.
 - C. Insurer cannot terminate the policy if policyowner continues to pay his premium till death occurs.
 - D. Insurer cannot terminate the policy owing to insured's change in occupation.

C3/2

9. Which of the following characteristics of group insurance describes multiple lives under one contract?
- A. Master contract
 - B. Plan continuation
 - C. Experience rating
 - D. Minimal underwriting

C3/3.1

10. Which of the following must be disclosed to the participants for Group Voluntary A&H Policies?
- A. Premium is fully paid by the employer.
 - B. They have a say in the type of coverage that they want.
 - C. Contractual rights of the insurer.
 - D. Duration of coverage is until age 62.

C3/3.2

11. Which of the following is the most important factor for the underwriter when underwriting Group Insurance?
- A. Gender & age.
 - B. Health & financial status.
 - C. Smoking habit and family history.
 - D. Occupational risks.

C3/4.2.1

12. Which of the following is NOT TRUE of the employer to qualify for Transferable Medical Insurance Scheme (TMIS)?
- A. Must have a group size of 11 or more employees.
 - B. To take up a Group Medical Expense Insurance Plan.
 - C. Insure at least 50% of its local employees.
 - D. Pay 50% of the premium for the Group Medical Expense Insurance coverage.

C4/5.1.3

13. Which of the following is most stringent in the definition of Total Disability under Disability Income Insurance?
- A. Own Occupation
 - B. Any Occupation
 - C. Modified Occupation
 - D. Similar Occupation



C4/5.3

14. If an insured who has been receiving disability benefits under a Disability Income policy returns to work, but suffers a relapse within a specified period of time for the same cause, most insurers will:
- A. Waive the deferment period and benefit payments will recommence immediately.
 - B. Waive the deferred period and benefit payments will be at least 25% lower as it is considered a partial disability.
 - C. Treat it as a new claim, for the purpose of determining the duration of the benefit payment period.
 - D. Treat it a new claim and subject insured to the waiting period again.

C4/6.2d

15. The following data is to be used for this question and Qn. 15,16 and 17
Mary, a lecturer bought a DI Policy, became disabled on 30/6/08. Her details as follows:
Salary : \$8000 per month ;
Her expenses: \$3000 per month;
Annual Escalation Benefit : 3% ;
6 Month Deferred Period chosen.

When will she received the first payment from the insurer and for how much?

- A. 1/1/2009 for \$8000
 - B. 1/1/2009 for \$6000
 - C. 31/12/2008 for \$6180
 - D. 31/12/2008 for \$2250
16. When will the escalation benefit kicked in and how much will she get?
- A. 30/6/2009 for \$8240
 - B. 31/12/2008 for \$5150
 - C. 1/2/2009 for \$6080
 - D. 1/1/2010 for \$6180
17. Mary subsequently on 1/2/2010 found a job as a tutor which pays her \$2000 a month. Calculate partial disability benefit payable on 1/2/2010.
- A. \$3,090
 - B. \$4,500
 - C. \$4,635
 - D. \$4,180



C5/3.2

18. Which of the following criteria for payment of Long Term Care Insurance Benefit is False?
- A. Need to be hospitalised.
 - B. Need not be hospitalised.
 - C. Use the benefits to pay for the cost of engaging a maid.
 - D. Use the benefits to pay for costs of staying in a nursing home.

C5/3.2.2

19. In Long Term Care insurance, the deferred period is defined as a period of time:
- A. after the insured is certified by a medical practitioner that he is unable to perform specified numbers of ADLs.
 - B. from the inception of the policy or any reinstatement of the policy
 - C. from the commencement date of the policy.
 - D. from the time the insured is hospitalized.

C5/4

20. When a person requires an assistive rehabilitation device, which of the following benefits available under a Long Term Care plan could provide it?
- A. Rehabilitation Benefit
 - B. Extended Care Benefit
 - C. Surgical and Prosthesis Device
 - D. Financial Assistance with Adaptation

C5/9

21. Which of these exclusions apply to Long term Care Insurance?
- A. All forms of AIDS.
 - B. Participation in a felony, riot or insurrection.
 - C. Flying other than a fare paying passenger.
 - D. Convalescent & special nursing care, general medical checkup.

C6/2.3.1

22. 100% Acceleration Dread Disease Policy is MOST suitable for clients who:
- A. has dependents.
 - B. has sufficient life insurance.
 - C. disability income insurance.
 - D. wish to stay in A class or B1 class wards when hospitalized.



C6/2.3.1

23. Mr Tan has a Critical Illness Policy with a 50% acceleration benefit. The policy also has a Critical illness waiver of premium rider attached to it. After a dread disease claim by Mr Tan, which of the following statement(s) regarding the premium is most true?
- A. remain unchanged
 - B. premium is waived for the full sum assured
 - C. premium reduced in proportion to how the basic sum assured is reduced.
 - D. premium will be reduced by 50%.

C6/5.5

24. Group Dental Care will terminate under which event?
- A. Insured enters full time military service.
 - B. Insured exercises one of the non forfeiture options.
 - C. Insured could claim from other sources like Workmen Compensation.
 - D. Insured reaches age 60.

C6/5.6

25. Which of the following is TRUE regarding claims on Group Dental Care?
- A. Insured can only use insurer panel of dentists.
 - B. Insured have to make payment first and file a claim with insurer for reimbursement if he uses his own dentists.
 - C. Insured has to make payment first whether or not he uses his own or insurer's panel of dentists.
 - D. The dental clinic will bill the insurer directly for bills incurred.

C7/3

26. How does Managed Healthcare Organizations control expenditure on healthcare?
- A. Controlling the premium charged to members.
 - B. Enrolment fees for members.
 - C. Implementing enrolment fees for non utilisation of services by members.
 - D. Accessibility.

C7/3.2

27. Which of the following is not a feature of the cost management of Managed Healthcare Organisations?
- A. Large member enrolment
 - B. Consumer choices for healthcare services
 - C. Negotiated Provider Fees
 - D. Government subsidies on hospitals

C7/4.14

28. Which one of the following models do the physicians actively continue to develop their own private practices?
- A. Staff Model HMO
 - B. Group Model HMO
 - C. Independent Practitioners Association (IPA) HMO
 - D. Network Model HMO

C7/6.5

29. When making a claim under Managed Healthcare Insurance, the documents to be provided are :-
- A. original medical bill
 - B. claimant's NRIC
 - C. letter from employer
 - D. letter from Attending Physician confirming the necessity of the treatment.

C8/3

30. Medisave can be used to pay for medical expenses for all CPF members except for who that is neither a Singapore Citizen nor Singapore Permanent Resident ?
- A. Grandparents
 - B. Children
 - C. Parents
 - D. Non of the above

C8/3.2.1 (e)

31. Under Chronic Disease Management Programme, Medisave can be used to pay for which expenses?.
- A. Wheelchairs
 - B. Prostheses
 - C. Drugs and Medications (including non-standard drugs)
 - D. Glucometers

C8/4.5, Eg 8.1

32. Mr. Tan age 60 years was hospitalised for 10 days in a Class B2 Ward. Calculate how much will MediShield Life pays, given the following details:

Bill after subsidies = \$8,100

Deductible = \$2,000

Co-insurance applies on the following rates:

From \$0 - \$5000 - 10%

From \$5,001 to \$10,000 - 5%

More than \$10,000 - 3%

How much must Mr. Tan pays in cash?

- A. \$5,795
- B. \$5,645
- C. \$2,455
- D. \$2,305

C8/ 5.1.1

34. Under the structure of Integrated Shield Plans (IPs), John will enjoy the benefits from the MediShield Life within his IP Policy. However regarding serious pre-existing conditions, _____.

- A. he may be excluded by both his IP Policy and MediShield Life.
- B. he will be covered by his IP Policy if he is covered by MediShield Life.
- C. should he be excluded by his IP Policy, MediShield life will pro-rate the benefits payable.
- D. should he be excluded by his IP Policy, MediShield life will cover him for life.

C8/7.1

34. Uncle Lim, a Singapore Citizen would like to know if he qualifies for all the subsidies under "Pioneer Generation" in Singapore. Pioneer refers to _____.
- A. Age 16 years and above in 1965.
 - B. Born on or after 31 December 1949.
 - C. Age 65 years and above in the year 2014.
 - D. All of the above.

C9/3

35. In a Health Insurance Policy Contract, what is included in Policy Schedule?
- A. Premiums and effective date of cover.
 - B. Name and NRIC of Beneficiaries.
 - C. Nature and objective of plan.
 - D. Risks of the product.

C9/5.8

36. The Renewal Provision describes:
- a. Insurer's right to renew the coverage.
 - b. Insured's right to have his coverage renewed
 - c. Insurer's right to decrease sum assured
 - d. Insurer's right to cancel the coverage.

C9/8.3

37. Physical examination provision is included in Disability Income Policies to enable insurer to;
- A. have the insured examined by the insurer's doctor at the insured's expense.
 - B. have the insured examined by the insured's doctor at the insurer's expense.
 - C. have the insured examined by the insurer's doctor at the insurer's expense.
 - D. have the insured examined by the insured's choice of doctors on a contributory basis.

C10/2

38. Which of the following key factors is NOT used in computing premium for Health Insurance Products?
- A. Investment Income
 - B. Mode of Premium
 - C. Operating expenses
 - D. Occupation

C11/3.3.2

39. Underwriters look particularly for applicant's earning and overall financial situation in underwriting:
- A. Long Term Care Insurance
 - B. Disability Income Insurance
 - C. Critical Illness
 - D. Managed Health Care

C11/3.3.3

40. Cognitive assessment is normally required during the underwriting stage for which plan?
- A. Long Term Care Insurance.
 - B. Basic Medical Expense Insurance.
 - C. Eldershield.
 - D. Disability Income Insurance.

C11/3.3.4

41. Which of the following factor is most important for underwriting Critical Illness Insurance?
- A. Family history.
 - B. Overall financial condition.
 - C. Cognitive impairment.
 - D. Age and gender.

C11/4.2

42. Agent's statement is needed to:
- A. Let underwriter knows why that product is recommended.
 - B. Indicate applicant's approximate net worth.
 - C. Clarify situations that is unquestionable.
 - D. Indicate information that is important to the applicant.

PRUDENTIAL

C12/18

43. Which of the following is considered an offence and liable to a fine not exceeding \$25,000 or imprisonment for a term not exceeding 12 months or both?
- A. Failure to comply with the "Know Your Client" requirements.
 - B. Failure to have a reasonable basis for providing advice.
 - C. Failure to use marketing materials approved by the intermediary.
 - D. Failure to provide and explain the benefit illustration or product summary to the insured.

C13/App 13A(pg 242)

44. What is not included under the Product Information Section in the LIA & GIA Guidelines on Disclosure Requirements?
- A. Benefits Schedule Table
 - B. Premium rates
 - C. Definition of activities of daily living
 - D. Waiting period

C13/13B(pg 259)

45. The requirement of using fact find form, LIA Guidelines on Needs- Based Sales Process for individual health insurance products does not apply to:
- A. Direct marketing
 - B. Personal Accident Policy
 - C. Eldershield
 - D. All of the above

C13/App 13B(pg 260)

46. "Application Type 1" in the Fact Find Form means:
- A. Full completion of the Fact Find Form and the client wishes to receive the representative's recommendation of product suitability.
 - B. Partial completion of the Fact Find Form and the client wishes to receive the representative's recommendation of product suitability.
 - C. It is the client responsibility to ensure product suitability.
 - D. Client did not undergo any needs analysis.

C14/3.1(f)

47. What is true of the minimum requirements when the client chooses Type 1, 2, or 3 of the Application Types in the Fact Find Form?
- A. Personal Information
 - B. Recommendation
 - C. Existing health polices
 - D. Health conditions



C14/Eg 14.3

48. Calculate Maintenance Cost given these assumptions:

Monthly income needed	= \$1,500
No. of years income needed	= 21
Rate of return	= 5%
Inflation rate	= 2%
Existing Life Insurance	= \$150,000

- A. \$350,139
- B. \$285,795
- C. \$135,794
- D. \$87,705

C8/7.2 & 6.3

49. Which difference and/or similarity between ElderShield and Interim Disability Assistance Programme for the Elderly (IDAPE) is true?
- A. Must pay premiums for both scheme and the schemes in turn pays based on the inability of perform at least 3 ADLs.
 - B. Those making claims under IDAPE will be subject to a means testing, but not ElderShield .
 - C. Free-look applies to both schemes .
 - D. Recipient of the payouts will need to pay \$50 for a clinic assessment which is borne by the insurer if the claim is assessed to be payable.

C8/7.2

50. Interim Disability Assistance Program For The Elderly was launched by the Government to take care of needy Singaporeans who were not eligible to join ElderShield Scheme because of reasons of _____.
- A. their age
 - B. health
 - C. age and health
 - D. age, health and poor



Mock Exam 3 Answers

Question	Answer	Question	Answer
1.	B	26.	D
2.	D	27.	D
3.	B	28.	C
4.	A	29.	A
5.	C	30.	A
6.	D	31.	C
7.	C	32.	C
8.	C	33.	D
9.	A	34.	D
10.	B	35.	A
11.	A	36.	D
12.	D	37.	C
13.	B	38.	D
14.	A	39.	B
15.	B	40.	A
16.	D	41.	A
17.	C	42.	B
18.	A	43.	D
19.	A	44.	D
20.	D	45.	D
21.	B	46.	A
22.	B	47.	A
23.	C	48.	C
24.	A	49.	B
25.	B	50.	C

Workings

Qn. 15

Ans:

Deferred period 6 months from 30/6/08, hence payable on 1/1/09.

Payments = \$8000 x 75% = **\$6000**

Qn. 16

Ans:

Escalation will be effective on the 2nd year ie 1.1.2010 at \$6180 (\$6000 + \$6000 x3%)

Qn 17.

Ans:

(\$8000 - \$2000)/\$8000 x \$6180 = **\$4635**

Qn 32

Total bills	= \$8,100
less deductible	= <u>\$2,000</u>
Claimable amount	= \$6,100
*less co-insurance	= <u>\$ 455</u>
MediShield Life pays	= \$5,645
Cash payable	= \$8,100 - \$5,645 = \$2,455

Calculate co-insurance

\$2001 to \$5,000 - 10% x \$3,000 = \$300

\$5,001 to \$10,000 - 5% x \$3,100 = \$155

Co - insurance payable = \$300 + \$155 = \$455

Qn 48

Ans:

\$1500 X 12 = \$18,000

\$18,000 X 15.8775 (table A2– 21 yrs; 3%) = \$\$285,794

\$285,794 – \$150,000 (life insurance) = \$135,794



Mock Exam 4

C1/2.3

1. To ensure healthcare remains affordable, how does the government enhanced support for Singaporeans?
 - A. Expand Medisave to cover all types of outpatient treatments.
 - B. Enhancing collective responsibility of healthcare through MediShield Life.
 - C. Reduce Government healthcare expenditure through MediShield Life.
 - D. Increase Government share of national healthcare expenditure by providing more choices of hospitals and polyclinics.

C1/4

2. Which of the following is not true regarding universal coverage provided by the Singapore Government?
 - A. Universal access, but no 100% subsidy to avoid over-consumption.
 - B. Compulsory healthcare savings through Medisave.
 - C. Risk Pooling via MediShield Life and Medifund.
 - D. Endowment fund set up for needy Singaporeans.

C2/2.2

3. The other benefits provided by the insurers under Medical Expense Insurance include:
 - A. Miscarriage Benefit
 - B. Gamma Knife Charges
 - C. Emergency Accidental Treatment
 - D. Anesthetist's Fees

C2/2.2.1

4. Under Medical Expense Insurance, when the Insured Person is a recipient, Major Organ Transplant Benefit covers:
 - A. Donor Costs
 - B. Cost of Surgeries
 - C. Acquisition of Organ
 - D. Recipient Costs

C2/3.5.1

5. Nelson Tan has a medical expense insurance policy which has a deductible of \$2000 per policy year from 1st Jan to 31st Dec 2013. He was warded for high fever in 1st Apr and incurred a bill of \$1200 for a two day stay in the hospital. Four months later, he was treated in hospital due to a fracture of the leg and incurred a hospital bill of \$2100. How much can Nelson claim from the insurer under per annum deductible?
 - A. \$\$100
 - B. \$1300
 - C. \$2000
 - D. \$3300

C2/3.9

6. Waiting Period is Not applicable for:
- A. Accidental Injury
 - B. Sickness
 - C. First year of coverage
 - D. Disease

C2/3.10

7. A waiting period protects _____, by ensuring that individuals are not able to make claims shortly after joining and cancelling membership.
- A. members within the portfolio
 - B. insured party
 - C. insurer
 - D. Insured and Insurer

C2/3.13

8. Which of the following exclusions and limitations under Medical Expense Insurance is FALSE?
- A. To avoid the policyowner selecting against the insured.
 - B. To make premium more affordable.
 - C. To avoid policyowner receiving reimbursement twice and making a profit.
 - D. To define more clearly the necessary medical care and treatment.

PRUDENTIAL

C3/3.1

9. Which type of Group Medical Expense Insurance Plans gives the employees some control over the plan?
- A. Voluntary Plan
 - B. Compulsory Plan
 - C. Compulsory Plan and Voluntary Plan
 - D. None

C3/3.2

10. Which of the following factors are considered the most important to the underwriters in Individual Insurance underwriting?
- A. Eligibility
 - B. Choice of plan
 - C. Gender and age
 - D. Health and financial status

C4/2 &8

11. Peter is covered with a Disability Income and has been receiving benefits. However, he recovered from his disability,
- A. the insurance cover will continue covering if Peter starts paying premium.
 - B. policy will terminate as maximum limit of benefit reached.
 - C. policy continues paying benefits to Peter.
 - D. policy provides for a reduced benefit to be paid to Peter.

C4/5.4

12. Mr. Sim has requested for a Disability Income Policy with a short benefit period. Hence insurer will:
- A. Charge a lower premium.
 - B. Charge a higher premium.
 - C. Reduce the payouts.
 - D. Increase the payouts.

C4/6.2.1

13. The disability benefit payable under a Disability Income policy will be reduced by the following sources of income:
- A. payments from other insurance against illness/ sickness.
 - B. any gains from other insurance investment policies.
 - C. any continuing salary derived by the insured from the occupation engaged immediately prior to disability.
 - D. if the insured fails to pay any premiums due for the Disability Income policy.

C4/7,5/8

14. Disability Income is similar to Long Term Care in that:
- A. If insured recovers from the disability, payment will stop but policy will not be terminated if premiums are paid by the insured.
 - B. Benefits are level throughout the policy period.
 - C. They cover hospitalization charges.
 - D. Available only to working adults with earned salary.

C4/9

15. Benefits under a Disability Income Insurance policy will cease upon occurrence of any of the following events:
- A. when the insured changes his occupation.
 - B. when the benefit period expired.
 - C. when the insured fails to pay his premiums due.
 - D. when the insured changes from full-time employment to part-time employment.

C3/3.2 Table

16. Which of the following is not true of Group Insurance?

- A. The group must have been formed for some purpose other than to obtain insurance.
- B. Underwriting of the group on the whole is based on gender and age.
- C. Premium is age related.
- D. The individual life insured's coverage stop when he leaves the group.

C3/4.2.2

17. How does the "continuation benefits" under the TMIS benefits the employee?

- A. To continue enjoying hospitalization coverage from the termination for 12 months.
- B. To enjoy automatic coverage under the New Employer Group Medical Expense Plan.
- C. Waiver of exclusion on pre existing medical conditions when joining his new employer.
- D. Enjoy a lower entitlement of either the new employer TMIS plan or prior employer TMIS plan.

C5/4

18. What is Extended Care Benefit under Long Term Care Insurance?

- A. 2 times of the monthly benefit payable to assist the insured to perform an ADL.
- B. An extra monthly benefit given to the insured.
- C. To extend the payout period of Eldershield.
- D. To increase the monthly payment under Eldershield.

C5/4

19. In Long Term Care Insurance, Financial Assistance with Adaptation Benefit is:

- A. An extra specified amount paid daily.
- B. An extra monthly benefit.
- C. A specified amount, 2 times the monthly benefit.
- D. A specified sum more than the sum assured payable in special interval time.

C5/7

20. The following features of LTCI are **FALSE EXCEPT**:

- A. Plans cover advanced dementia due to Acquired Immune Deficiency Syndrome.
- B. It can either be non-participating or participating, depending on the basic plan.
- C. Premiums are escalating based on age bands.
- D. Should the insured recover from his disability, payments will stop.

C6/3.1.1

21. Which of the following is **NOT** a feature of Hospital Cash Insurance?

- A. Waiting period applies for illness and injury.
- B. Waiting period does not apply for injury.
- C. Benefit payments not affected by payments from other medical insurance policies.
- D. Mostly guaranteed renewable on a yearly basis.

C6/3.1.1

22. Which of the following situation will be covered during the waiting period for a Hospital Cash Insurance Policy?
- A. Kidney failure
 - B. Miscarriage
 - C. Food poisoning
 - D. None of the above

C6/5.3

23. Group Dental Insurance usually does NOT cover
- A. Scaling and polishing of teeth.
 - B. Wisdom tooth extraction.
 - C. Pre-existing dental conditions.
 - D. Replacement of stolen dentures.

C6/5.3

24. Which of the following does Group Dental Care insurance **NOT** cover?
- A. Pre-existing dental conditions.
 - B. Medicine given.
 - C. Wisdom tooth extraction.
 - D. Scaling, polishing and root canal treatment.



C6/4.3

25. Which of the following is provided under Emergency Medical Evacuation in the Medical Expense Benefits under Travel Insurance?
- A. Travel and accommodation expenses.
 - B. Transportation of deceased insured's mortal remains to his country of origin.
 - C. Hospital deposit guarantees.
 - D. Covers the cost of moving insured to another place to seek treatment because of inadequate local medical services.

C7/4.1

26. Which of the following type is the most restrictive under Managed Healthcare Plans?
- A. Point of Service Plans
 - B. Preferred Provider Organisations
 - C. Health Maintenance Organisations
 - D. Traditional Medical Expense Insurance

C7/6.2

27. Which of the following is NOT true of Managed Healthcare Insurance?

- A. It excludes pre-existing conditions.
- B. Payments are reduced by reimbursements from Work Injury Compensation and other forms of insurance.
- C. Deductibles and Co-insurance do not apply in Managed Healthcare Insurance.
- D. Members have a choice of in-network or out-network providers.

C7/6.2

28. Deductibles and Co- Insurance are found in which kind of policy?

- A. Disability Income Insurance Policy
- B. Hospital Cash Income Policy
- C. Managed Healthcare Insurance
- D. Transferable Medical Insurance Scheme

C7/6.5

29. Which is true regarding claims procedure for Managed Healthcare?

- A. Members who use in network care are not required to file any claims with insurer.
- B. Members who use out of network providers are not required to file claims with insurer.
- C. Documents to be submitted to insurer is original bill and disability report.
- D. No need to inform insurer for both in network or out of network care.

C8/4.3

30. As an insurance scheme, MediShield Life premiums will be _____.

- A. lower than MediShield as all are covered under this scheme, hence premiums are risk-pooled to support payouts .
- B. lower than MediShield as the bulk of the costs covering serious illness is taken up by the Government.
- C. higher than MediShield as those with serious pre-existing conditions are covered and they have to pay additional premiums.
- D. higher than MediShield as it has better benefits than MediShield on the whole.

C8/4.4.1

31. Singapore Citizens who are eligible can receives subsidies up to 50% of their MediShield Life's premiums. It is based on the lower-to middle-income families with household monthly income per person of \$2,600 & below. This subsidy is _____.

- A. Transitional Subsidies
- B. Pioneer Generation Subsidies
- C. Premium Subsidies
- D. Additional Premium Support Subsidies

C8/5.2 & 5.3

32. Jay age 50 years bought an Integrated Shield Plan (IP) with the following details. Calculate how much of the premium is payable by cash?
- Premium for IP Policy = \$1,100
 - MediShield Life Premium = \$585
 - Riders on IP Policy = 485
- A. \$400
B. \$485
C. \$475
D. 0

C8/7.1.4 & 6

33. Wally bought an ElderShield 400 Plan at the age of 60. His premiums was \$789. Five years later, in the year 2014, he was unable to perform at least 3 ADLs under the plan, how much benefits will he received in total on the first month?
- A. \$400
B. \$500
C. \$4800
D. \$6000

C8/5.4

34. In the event that a person with an existing IP Policy switches to a new IP Policy with another insurer, what will happen?.
- A. He would have two IP Policies, hence benefits would be higher.
B. The benefits from his original IP Policy would be transferred to his new IP Policy, including pre-existing conditions.
C. His original IP Policy would be terminated, but he need not go through underwriting for his new IP Policy.
D. His original IP Policy would be terminated, he need to go through underwriting for his new IP Policy and may lose coverage for his existing medical conditions under the original IP Policy.

C9/8.3

35. Physical examination provision is included in Disability Income Polices to enable insurer to;
- A. have the insured examined by the insurer's doctor at the insured's expense.
B. have the insured examined by the insured's doctor at the insurer's expense.
C. have the insured examined by the insurer's doctor at the insurer's expense.
D. have the insured examined by the insured's choice of doctors on a contributory basis.

C9/4.2k

36. Which of the following least describes pre-existing condition?
- A. Of which the insured is not aware.
B. In respect of which the insured showed symptoms.
C. For which the insured received treatment or medical advice.
D. Of which the insured should reasonably have been aware.

C9/5.1

37. What is included in the “Entire Contract Clause” in a Health Insurance Contract?

- A. Policy Document and Proposal Form.
- B. Policy Document and Fact Find Form.
- C. Policy Document and Insuring clause.
- D. Policy Document and Schedule of Benefits.

C10/3.5

38. The following statement about parameters in pricing of Health insurance is true?

- A. Increase in proportion of females in a group will reduce the premiums.
- B. Increase in morbidity experience will reduce premiums.
- C. Increase in persistency will decrease premiums.
- D. Increase in participation rate will increase premiums.

C11/6.2.1

39. Modified Underwriting does not include:

- A. Charge extra premiums.
- B. Increase deductible on the policy.
- C. Reduce premium-paying.
- D. A longer deferred period.

C11/3.3.3

40. The detection of any early cognitive impairment is essential when underwriting:

- A. Dread Disease Insurance.
- B. Disability Income Insurance.
- C. Long Term Care Insurance.
- D. Managed Healthcare Insurance.

C11/3.5.5

41. In group underwriting, over representation by a highly paid class could result in:

- A. Higher than average medical claim.
- B. Higher than desired rate of turnover.
- C. Higher budget for a better plan.
- D. Higher than average bonus payment.

C11/6.2.1

42. For which of the following is ‘extra premiums’ **NOT** commonly used for sub-standard risks?

- A. Disability Income.
- B. Medical Expense Insurance.
- C. Long Term Care Insurance.
- D. Dread Disease Insurance.

C12/52(g)

43. Which of the following constitutes the Best Practice Standards on Information Disclosure and Provision Of Advice?
- A. Jargon should be avoided in order not to mislead clients.
 - B. Information provided should be presented in plain language, easy for the insured and insurer to understand.
 - C. Information provided must be sufficient to help the insured makes a right decision.
 - D. Opinions must be unambiguously stated that it is a statement of opinion.

C13/App 13A(pg 244)

44. Post- sales disclosure, in the form of a “follow-up” letter” must be made by the insurer through telemarketing channels. This letter does not attempt to do:
- A. Advises the proposer to read the 2 compulsory documents.
 - B. Highlights the “14 day Free Look” period.
 - C. Highlights the 30 days grace period.
 - D. Request proposer to return the enclosed pre-paid reply card to the insurer.

C13/App13A(pg 245)

45. Regarding post-sale disclosure on modifications to the product information or key product provision, insurer must observe which of the following that is true?
- A. Give advance notice at least 14 days before modifications take effect.
 - B. Only modified terms need to be shown.
 - C. Obtain written acceptances of the modified terms.
 - D. Print size of modified term should be smaller than the rest of the text on the notification letter.

C13/App 13B(pg 262)

46. Under LIA Guidelines, insurer is required to intervene to rectify erroneous recommendations by its representatives during which period?
- A. Deferred Period
 - B. Waiting Period
 - C. Survival Period
 - D. Free Look Period

C14/3.1(i)

47. Client wants to replace existing Health Policy. The insurer should advise on which of the following?
- A. Client will get a discount on the new policy.
 - B. Insurer should mention that the new policy will be considered a sub standard risk.
 - C. Insurer should advise on the disadvantages of replacing health insurance policy.
 - D. Client will enjoy the same conditions as the original policy.

C14/Eg 14.3

48. Mr. Lim has recently bought Dread Disease Insurance. He is concerned about Mrs. Lim, who is a housewife, his son who is a newborn and their future daily expenses should anything happen to him. Given that his family's monthly expenses amount to \$3,000, with existing inflation rate of 2% and investment return of 7%, how much would Mrs. Lim require in the event that Mr. Lim is not around, assuming number of years income needed is 21.
- A. \$630,775
 - B. \$47,632
 - C. \$484,639
 - D. \$554,940

C8/6

49. Mary wishes to purchase ElderShield Supplement Plans to complement her current ElderShield. The premium for ElderShield and ElderShield supplement is S\$900 and S\$1400 respectively. How much must Mary pay in cash ?
- A. S\$2,300
 - B. S\$1,700
 - C. S\$1,400
 - D. S\$800

C8/4.5, Eg 8.1

50. Melvin, a Singapore Citizen was hospitalised for an operation and he stayed in a Class A ward for 18 days, his total hospital bill amounted to \$16,500. Calculate for this bill, how much will MediShield Life claim computation will be based on ?.

Given:

Pro-ration - 35%

Deductible = \$2,000

Co-insurance applies on the following rates:

From \$0 - \$5000 - 10%

From \$5,001 to \$10,000 - 5%

More than \$10,000 - 3%

- A. \$5,775
- B. \$5,075
- C. \$4,776
- D. \$4,765

Mock Exam 4 Answers

Question	Answer	Question	Answer
1.	B	26.	C
2.	C	27.	C
3.	A	28.	C
4.	B	29.	A
5.	B	30.	D
6.	A	31.	C
7.	A	32.	B
8.	A	33.	B
9.	A	34.	D
10.	D	35.	C
11.	A	36.	A
12.	A	37.	A
13.	C	38.	C
14.	A	39.	C
15.	B	40.	C
16.	C	41.	A
17.	A	42.	B
18.	B	43.	D
19.	C	44.	C
20.	D	45.	C
21.	A	46.	D
22.	C	47.	C
23.	D	48.	C
24.	B	49.	D
25.	D	50.	A

Workings

Qn 5

Ans:

$$\$1200 + \$2100 - \$2000 = \$1,300$$

Qn 32

Total Premiums paid	= \$1,100
less MediShield Life premium	= \$585
Balance	= \$515
less Medisave payable	= \$515 (capped at \$600 for that age group)
Cash payable	= \$0
add premium on riders	= \$485
Total payable in cash	= \$485

Qn 33

Ans : \$500 (\$400 from ElderShield and \$100 from Pioneer Generation Disability Assistance Scheme as he was already age 65).

Qn 48

Ans:

$$\begin{aligned}
 \$3000 \times 12 &= \$36,000 \times 13.4622(\text{table A2} - 5\%, 21 \text{ years}) \\
 &= \$484,639
 \end{aligned}$$

Que 49

Ans:

$$\$1,400 - \$600 = \$800$$

Qn 50

Ans:

Total bill = \$16,500

(pro-ratio) 35% of \$16,500 = \$5,775

