

BPI MS INSURANCE PRACTICE TEST (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

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THE FULL VERSION STUDY GUIDE**

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. Under PA99, what is the Accidental Death & Permanent Disablement coverage per person for Children (married) or Siblings (single)?**
 - A. Php 50K
 - B. Php 150K
 - C. Php 100K
 - D. Php 200K
- 2. What is the purpose of a free-look period?**
 - A. To restrict policy cancellation after issuance.
 - B. To set the policy's premium.
 - C. To give the policy owner time to review and cancel without penalty if unsatisfied.
 - D. To decide on riders.
- 3. What is the typical grace period for premium payments across life policies?**
 - A. 30–31 days
 - B. 10 days
 - C. 15 days
 - D. 20 days
- 4. Explain the difference between cash value and net amount at risk in a universal life policy.**
 - A. Cash value is the death benefit; net amount at risk is the savings component.
 - B. Cash value is the savings component; net amount at risk is the death benefit minus cash value, which influences cost of insurance.
 - C. Cash value is the amount paid as premiums; net amount at risk is the guaranteed minimum return.
 - D. Cash value is the amount of policy loans; net amount at risk is the dividends paid.
- 5. What is the accidental death and disablement limit for Diamond in Travel Secure Max?**
 - A. 1,000,000
 - B. 2,500,000
 - C. 3,000,000
 - D. 5,000,000

- 6. ICU Cash Benefit is payable under Hospital Income Protect Plus for which scenario?**
- A. When admitted for any reason
 - B. Only for illness
 - C. Only if dengue
 - D. Due to an accident
- 7. Which option is a Plus benefit?**
- A. Removal of Debris
 - B. Comprehensive Personal Liability Insurance
 - C. Violent Crime Coverage
 - D. Flood Insurance
- 8. What is the burial expense cap for the Spouse coverage under PA99?**
- A. Php 10K
 - B. Php 2K
 - C. Php 7K
 - D. Php 5K
- 9. Dual Purpose Body (DPB) is designed for which vehicle types?**
- A. Sedan and Hatchback
 - B. SUV and Asian Utility Vehicle (AUV)
 - C. Motorcycle
 - D. Truck
- 10. ERA is part of which motor insurance coverage?**
- A. Third-Party Liability coverage
 - B. Fire and Theft coverage
 - C. Comprehensive Motor Insurance Coverage
 - D. Liability only with glass coverage

Answers

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1. C
2. C
3. A
4. B
5. B
6. D
7. A
8. D
9. B
10. C

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Explanations

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1. Under PA99, what is the Accidental Death & Permanent Disablement coverage per person for Children (married) or Siblings (single)?

- A. Php 50K
- B. Php 150K
- C. Php 100K**
- D. Php 200K

In PA99, the amount of Accidental Death & Permanent Disability coverage is set by the dependent's relationship and status. For dependents who are Children and married or Siblings and single, the per-person limit is 100,000 pesos. This means each eligible individual in that category is covered up to 100,000 if an accident results in death or permanent disability. The schedule in the policy specifies this fixed value for that group, while other dependent groups would have different per-person limits.

2. What is the purpose of a free-look period?

- A. To restrict policy cancellation after issuance.
- B. To set the policy's premium.
- C. To give the policy owner time to review and cancel without penalty if unsatisfied.**
- D. To decide on riders.

The free-look period is a short window after you receive a life insurance policy during which you can review the policy terms and decide whether it still meets your needs. If you're not satisfied, you can cancel within this period and get a full refund of any premiums paid, with no penalty. This protection lets you compare what you bought with your expectations and other options you considered, without being locked into a policy you don't want. It's not about setting the premium or deciding on riders. The premium is determined and stated in the policy as issued, and riders are optional features that may be added at issue or later, but they aren't chosen or finalized during the free-look window. The key purpose, then, is to give you a risk-free chance to review and, if needed, cancel for a full refund, ensuring you're truly comfortable with the coverage you're purchasing.

3. What is the typical grace period for premium payments across life policies?

- A. 30–31 days**
- B. 10 days
- C. 15 days
- D. 20 days

Grace period is the window after a premium due date during which the policy remains in force even if the payment hasn't been made yet. Across life policies, this period is typically 30 to 31 days. It gives the policyholder a little extra time to pay without losing coverage. If a death occurs during this grace period, the benefit is still paid, but any overdue premium is deducted from the payout. If the payment isn't made by the end of the grace period, the policy may lapse, though reinstatement is sometimes possible within a revival period by paying the overdue premium (and possibly providing evidence of insurability).

4. Explain the difference between cash value and net amount at risk in a universal life policy.

- A. Cash value is the death benefit; net amount at risk is the savings component.
- B. Cash value is the savings component; net amount at risk is the death benefit minus cash value, which influences cost of insurance.**
- C. Cash value is the amount paid as premiums; net amount at risk is the guaranteed minimum return.
- D. Cash value is the amount of policy loans; net amount at risk is the dividends paid.

In universal life, the cash value is the policy's savings component. It grows over time from premiums and credited interest (or credited rates) and can be accessed later via withdrawals or loans. The net amount at risk is the portion of the death benefit that isn't covered by the cash value, calculated as the death benefit minus the cash value. This net amount at risk is what the insurer uses to determine the cost of insurance charges; when the cash value grows, the net amount at risk shrinks, which can lower the ongoing COI costs, depending on how the death benefit is structured. Tasks like choosing between a level or increasing death benefit affect how this dynamic plays out, but the essential distinction remains: cash value = savings component; net amount at risk = death benefit minus cash value, and it drives the cost of insurance.

5. What is the accidental death and disablement limit for Diamond in Travel Secure Max?

- A. 1,000,000
- B. 2,500,000**
- C. 3,000,000
- D. 5,000,000

The amount is the maximum payout the insurer will provide for accidental death or permanent disability under this travel plan. For Diamond in Travel Secure Max, that maximum is 2,500,000. This means no matter the accident, the AD&D benefit caps at 2.5 million and is paid to the insured or their beneficiary according to the policy terms. The other listed amounts are not the Diamond plan's limit, so they don't apply here. This distinction matters because knowing the exact AD&D limit helps you understand the level of financial protection available in the event of an accident while traveling.

6. ICU Cash Benefit is payable under Hospital Income Protect Plus for which scenario?

- A. When admitted for any reason
- B. Only for illness
- C. Only if dengue
- D. Due to an accident**

ICU Cash Benefit is a fixed daily payment that kicks in when the insured is admitted to an Intensive Care Unit. In Hospital Income Protect Plus, this benefit is specifically triggered when ICU admission follows an accident. The design is to provide support for the sudden, external event that leads to critical care, rather than for illness-related ICU stays. So the accident scenario best explains when this ICU payout occurs. Illnesses, including conditions like dengue, would not trigger this particular benefit even though they might involve hospitalization under other parts of the policy.

7. Which option is a Plus benefit?

- A. Removal of Debris
- B. Comprehensive Personal Liability Insurance
- C. Violent Crime Coverage
- D. Flood Insurance

Removal of Debris is the Plus benefit because debris cleanup after a covered loss is a common extra protection included in Plus plans to cover the costs of removing damaged material. It adds value by handling an often substantial expense that isn't the repair itself. The other options describe coverages that are either standard parts of a policy or require separate policies or riders (like a flood policy or specialized coverage), rather than being an added Plus feature.

8. What is the burial expense cap for the Spouse coverage under PA99?

- A. Php 10K
- B. Php 2K
- C. Php 7K
- D. Php 5K

Burial expense cap is the maximum amount the insurer will pay to cover burial costs for a beneficiary under a specific coverage. For the Spouse coverage under PA99, that fixed amount is Php 5,000. This means the burial benefit will reimburse up to Php 5,000; if burial costs are less, you receive the actual costs, and if they exceed 5,000, the payout does not go beyond 5,000.

9. Dual Purpose Body (DPB) is designed for which vehicle types?

- A. Sedan and Hatchback
- B. SUV and Asian Utility Vehicle (AUV)
- C. Motorcycle
- D. Truck

Dual Purpose Body is about a vehicle design that blends versatility for both passenger use and utility tasks. This kind of body is built to handle different duties—comfortable on-road driving and practical, rugged use when carrying cargo or facing tougher conditions. SUVs and Asian Utility Vehicles are exactly the types that benefit most from this versatility, since they are expected to offer roomy interiors for people and flexible spaces or stronger construction to handle gear and occasional off-road activity. The design supports a robust frame, higher ground clearance, and adaptable interiors that can switch between passenger seating and cargo needs, which is why it fits these vehicle types best. Sedans and hatchbacks emphasize efficiency and comfort in a lighter, less rugged package; motorcycles are two-wheeled and distinct in design; trucks are specialized for payload with different body concepts. So the Dual Purpose Body concept aligns most closely with SUVs and Asian Utility Vehicles.

10. ERA is part of which motor insurance coverage?

- A. Third-Party Liability coverage
- B. Fire and Theft coverage
- C. Comprehensive Motor Insurance Coverage**
- D. Liability only with glass coverage

Emergency Roadside Assistance (ERA) is a support service that helps you when your vehicle breaks down on the road—things like towing, jump-starts, tire changes, fuel delivery, or locksmith help. This on-road assistance is typically bundled with comprehensive motor insurance or offered as an add-on because comprehensive coverage protects your own vehicle against a wide range of risks beyond just third-party liability. In contrast, Third-Party Liability coverage only pays for damage to others and does not include your own vehicle or on-road assistance; Fire and Theft covers loss from fire or theft, not roadside aid; and Liability only with glass covers third-party liability plus limited glass coverage, again without ERA. Therefore, ERA is part of comprehensive motor insurance coverage.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://bpimsinsurance.examzify.com>

We wish you the very best on your exam journey. You've got this!

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