ACCIDENT AND HEALTH INSURANCE AGENT/BROKER PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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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.

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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!

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Questions

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1. What should Sam expect based on his disability policy?

A. Full benefits regardless of his ability to perform other occupations

B. Full benefits until he can return to work or work in another suitable occupation

C. A full benefit until his health allows him to return to work

D. Full benefits for two years and then a reduced amount based on a formula

2. In disability income insurance, what is typically the definition of total disability?

A. Inability to perform any job

B. Inability to perform one's own occupation

C. Inability to earn income

D. Inability to engage in any gainful activity

3. How long must an individual be without coverage to qualify for the Pre-Existing Condition Insurance Plan (PCIP)?

A. 6 months

B. 9 months

C. 18 months

D. 12 months

4. What action can an insurance company take under a change of occupation provision at the time of claim?

A. Increase the premiums for that individual

B. Pay a reduced benefit for a higher risk occupation

C. Pay the benefits stated in the policy

D. Require a doctor's statement confirming disability

5. What is required from employers regarding continuation of coverage forms for insured individuals?

A. They must provide within 14 days after request.

B. They must maintain a record for 15 years.

C. They must submit to the insurance board.

D. They must notify all employees annually.

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6. A basic medical plan will generally NOT cover which of the following losses?

A. Physician charges

B. Daily room and board

C. Private duty nursing

D. Monthly income from disability

7. What action should an agent take if an application for health insurance has blank items?

A. Submit the application and let underwriters correct it

B. Have the manager initial the changes

C. Initial the application where she made changes

D. Go back to the customer to have them initial changes

8. Which of the following does NOT pertain to the insuring clause in a health policy?

A. Specifies that benefits are subject to policy provisions

B. The insurer's promise to pay benefits for defined losses

C. A definition of losses not covered by the policy

D. Identifies the insurance company and the insured

9. What information is NOT included in the outline of coverage for a health policy?

A. Contractual governing provisions

B. Renewal and cancellation provisions

C. Principal exclusions and limitations

D. An outline of benefits and coverage

10. Which of the following is NOT a necessary qualification for a Long Term Care insurance plan to be deductible?

A. The policy must have a waiting period

B. Only the premiums from a qualified plan can be deductible

C. Only a portion of premiums is recognized for deductions

D. The policy does not have to be state-approved

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Answers

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

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Explanations

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1. What should Sam expect based on his disability policy?

A. Full benefits regardless of his ability to perform other occupations

B. Full benefits until he can return to work or work in another suitable occupation

C. A full benefit until his health allows him to return to work

D. Full benefits for two years and then a reduced amount based on a formula

Sam should expect full benefits until he can return to work or work in another suitable occupation, which aligns with many disability policies that focus on the individual's ability to engage in any occupation they are suited for given their skills and experience, rather than just their previous job. This aspect of the policy highlights the provision known as "any occupation" coverage, which ensures that if a policyholder is unable to perform the specific duties of their usual profession due to a disability, they may still qualify for benefits if they are also unable to pursue other types of gainful employment for which they are reasonably qualified. The idea is to support individuals not just in their recovery, but in their overall employability in the workforce, thus offering a broader safety net than simply covering them until they can return to their old job. The options suggesting that benefits are full until specific health conditions are met or for a limited time, such as two years, limit the conditions under which benefits are paid and do not capture the ongoing nature of support that many comprehensive disability policies intend to provide. Therefore, the expectation of receiving benefits until the individual can return to any suitable work reflects a more comprehensive understanding of how these policies typically operate in practice.

2. In disability income insurance, what is typically the definition of total disability?

A. Inability to perform any job

B. Inability to perform one's own occupation

C. Inability to earn income

D. Inability to engage in any gainful activity

In disability income insurance, the definition of total disability commonly refers to the inability to perform one's own occupation. This means that if a policyholder is unable to carry out the duties of the specific job they held before becoming disabled, they would be considered totally disabled under the terms of the policy. This definition is particularly important because it can affect the benefits paid to the insured; if they can still work in a different capacity but cannot perform their specific job, they may still qualify for benefits. This definition emphasizes the focus on the individual's specific circumstances and expertise, recognizing that disabilities can vary significantly in how they affect one's ability to work. The goal of this provision is to provide income protection tailored to a person's specific professional skills, ensuring that they receive appropriate support if they are unable to continue in their chosen career due to a disability. In contrast, other definitions such as the inability to perform any job, to earn income, or to engage in any gainful activity might broaden the interpretation of disability, potentially leading to confusion about eligibility for benefits in many situations. These definitions could mean that an individual might be considered not totally disabled even if they are unable to fulfill their own occupational responsibilities, which highlights the importance of clearly defined terms in disability insurance policies.

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3. How long must an individual be without coverage to qualify for the Pre-Existing Condition Insurance Plan (PCIP)?

A. 6 months

B. 9 months

C. 18 months

D. 12 months

To qualify for the Pre-Existing Condition Insurance Plan (PCIP), an individual must be without health coverage for a minimum of six months. This requirement is structured to ensure that only those who have been without insurance, and therefore likely face challenges accessing health care due to existing conditions, can benefit from this program. The PCIP was designed to provide a safety net for individuals with pre-existing conditions before the broader Affordable Care Act provisions were enacted. By requiring a six-month gap in coverage, it distinguishes those who have faced barriers to obtaining insurance from those who may not have that pressing need. The other time frames listed, such as nine months, 12 months, or 18 months, do not align with the specific criteria established for the PCIP, which emphasizes a shorter duration without coverage to facilitate immediate assistance to those most in need.

4. What action can an insurance company take under a change of occupation provision at the time of claim?

A. Increase the premiums for that individual

B. Pay a reduced benefit for a higher risk occupation

C. Pay the benefits stated in the policy

D. Require a doctor's statement confirming disability

The change of occupation provision in an insurance policy addresses what happens if a policyholder changes to a more hazardous occupation after purchasing the policy. When a claim is made, one of the actions the insurance company can take is to pay a reduced benefit if the policyholder has moved to a higher risk occupation. This provision is designed to protect the insurer from the increased risk associated with more dangerous jobs. If the policyholder's new occupation has a higher risk of injury or disability than the occupation listed in their policy, the insurer may adjust the claim's payout accordingly. This is a fair approach since premiums are typically based on the risk associated with the original occupation. Increasing premiums specifically due to a change in occupation typically does not occur at the time of a claim. Instead, the premiums are usually adjusted at the renewal time of the policy, and the claim is adjudicated based on the terms of the policy related to the new occupation. The options involving payment of benefits stated in the policy or requiring a doctor's statement are not directly related to how the change of occupation provision is utilized at the time of claim. They address standard procedures unrelated to changes in occupational risk.

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5. What is required from employers regarding continuation of coverage forms for insured individuals?

A. They must provide within 14 days after request.

B. They must maintain a record for 15 years.

C. They must submit to the insurance board.

D. They must notify all employees annually.

Employers are required to provide continuation of coverage forms to insured individuals within 14 days after the request. This requirement is in place to ensure that employees have timely access to important information regarding their health insurance options, particularly when circumstances change, such as termination of employment or a reduction in hours that might affect their eligibility for benefits. By mandating this timeframe, the law helps protect employees' rights to continued health insurance coverage, allowing them to make informed decisions about their healthcare needs without unnecessary delays. This process is essential to maintaining a standard of care and clarity regarding health benefits during transitional phases in an employee's job status.

6. A basic medical plan will generally NOT cover which of the following losses?

A. Physician charges

B. Daily room and board

C. Private duty nursing

D. Monthly income from disability

A basic medical plan primarily focuses on providing coverage for medical expenses associated with healthcare services, which typically include physician visits, hospital stays, and related medical procedures. Therefore, these plans usually cover expenses such as physician charges, daily room and board for inpatient care, and private duty nursing services when medically necessary. Monthly income from disability, however, is fundamentally different from the types of expenses that a basic medical plan is designed to cover. Disability income benefits are intended to replace lost income due to the inability to work as a result of illness or injury. This income protection aspect is generally provided under separate policies or disability insurance plans rather than standard medical coverage. Thus, losses represented by monthly income from disability would not fall under the purview of a basic medical plan.

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7. What action should an agent take if an application for health insurance has blank items?

A. Submit the application and let underwriters correct it

B. Have the manager initial the changes

C. Initial the application where she made changes

D. Go back to the customer to have them initial changes

The appropriate action for an agent to take when an application for health insurance has blank items is to return to the customer to have them initial the changes. This process ensures that the customer is aware of any modifications made to the application and agrees to those changes. Obtaining the customer's initials signifies their consent and understanding, which helps maintain transparency and accuracy in the application process. This step is crucial as it protects both the agent and the insurer by providing a clear record of the customer's approval for any alterations. In contrast, submitting the application without addressing the blanks could lead to issues with underwriting, as the underwriters rely on complete and accurate information to assess risk. Having the manager initial changes or initialing the application on behalf of the customer could create potential conflicts or misunderstandings about who authorized the modifications, which is not in line with proper protocol for handling applications. Thus, returning to the customer for their consent is the most effective and professional approach.

8. Which of the following does NOT pertain to the insuring clause in a health policy?

A. Specifies that benefits are subject to policy provisions

B. The insurer's promise to pay benefits for defined losses

C. A definition of losses not covered by the policy

D. Identifies the insurance company and the insured

The insuring clause in a health policy serves as a foundational component that outlines key elements of the insurance contract. It typically includes the insurer's promise to pay benefits for specified losses, clearly defines the relationship between the insurer and the insured, and specifies that the benefits are subject to the overall provisions of the policy. Therefore, the correct statement highlights that a definition of losses not covered by the policy does not belong to the insuring clause. Instead, exclusions or limitations regarding what is not covered in a policy are generally detailed in a separate section of the policy known as the exclusions or limitations clause. This distinction is important because the insuring clause focuses on what is provided under the policy, whereas exclusions clarify the boundaries of that coverage. This structure helps policyholders understand both the protections afforded to them and the limits of their coverage.

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9. What information is NOT included in the outline of coverage for a health policy?

A. Contractual governing provisions

B. Renewal and cancellation provisions

C. Principal exclusions and limitations

D. An outline of benefits and coverage

The outline of coverage for a health policy is designed to provide potential policyholders with essential information about the terms and conditions of the insurance policy, enabling them to make informed choices. It typically includes key elements such as renewal and cancellation provisions, principal exclusions and limitations, and a clear outline of the benefits and coverage provided by the policy. Contractual governing provisions generally refer to the overarching legal terms and conditions that govern the relationships and obligations of the parties involved in the insurance contract. While these provisions are indeed crucial for understanding the contract's framework, they tend to be more detailed and complex, outlining the legal aspects rather than succinctly presenting the coverage specifics. This type of information may be found in the full policy document rather than the outline of coverage, which focuses more on practical details that a prospective policyholder might need for quick reference. This distinction is why contractual governing provisions are not typically included in the outline of coverage.

10. Which of the following is NOT a necessary qualification for a Long Term Care insurance plan to be deductible?

A. The policy must have a waiting period

B. Only the premiums from a qualified plan can be deductible

C. Only a portion of premiums is recognized for deductions

D. The policy does not have to be state-approved

The correct answer highlights a significant aspect of tax-deductible Long Term Care insurance. For a Long Term Care insurance plan to be deductible, it does not have to be state-approved. This means that even if the policy has not been formally recognized or authorized by the regulatory bodies in the state, the taxpayer may still claim deductions for premiums paid on the policy, provided other criteria are met. In contrast, the other qualifications directly affect the deductibility of premiums. Policies typically need to have a waiting period; this measure helps establish that the coverage is intended for long-term care rather than short-term needs. Additionally, only premiums from plans that meet specific qualifications are eligible for deductions, ensuring that taxpayers are incentivized to invest in genuine long-term care solutions. Furthermore, there are limits on how much of the premiums can be recognized for deductions, which aligns with IRS regulations designed to manage deductions fairly and systematically. This context underscores why state approval is not a necessary criterion for deduction, while the other factors do represent important requirements intended to ensure that only qualified policies are deductible.

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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://accidenthealthinsurance.examzify.com

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

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