FLORIDA LIFE AND HEALTH INSURANCE LICENSE PRACTICE TEST (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 can be a consequence of an insurance policy lapse?

A. The policy premiums increase immediately

B. The policy becomes more valuable

C. The insured loses coverage until the policy is reinstated

D. The insured receives a refund for unused premiums

2. Who generally needs a buy-sell agreement in a business?

A. Only large corporations

B. Businesses with multiple owners or partners

C. Startups with no established ownership

D. Only family-run businesses

3. When is the face amount of a Whole Life policy paid?

A. Only when the insured dies.

B. When the insured reaches a certain age.

C. When the policy accumulates enough cash value.

D. When the insured dies or at the policy's maturity date, whichever happens first.

4. What is the standard exclusion regarding suicide in life insurance policies?

A. Coverage is excluded for one year

B. Coverage is excluded if insured commits suicide within two years

C. There are no exclusions for suicide

D. Coverage is excluded for five years

5. What is Medicare designed to do?

A. Provide health coverage primarily for individuals aged 65 and older

B. Offer life insurance to all age groups

C. Serve as primary insurance for children under 18

D. Act as a private insurance alternative for younger adults

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6. Disability policies do NOT normally pay for disabilities arising from which of the following?

A. Work-related accidents

B. Sports injuries

C. War

D. Natural disasters

7. What is the agreement called in a life insurance contract that specifies a sum of money will be paid to a designated person upon the insured's death?

A. Beneficiary clause

B. Insuring agreement

C. Premium agreement

D. Death benefit provision

8. A stock life insurance company issuing both participating and nonparticipating policies operates on what plan?

A. A mixed plan

B. A stock plan

C. A mutual plan

D. A dual-choice plan

9. Why are exclusions important in an insurance policy?

A. To clarify what is covered under the policy

B. To increase the policy's cost

C. To guarantee payment for all claims

D. To reduce the number of policyholders

10. What type of life insurance offers flexible premiums and an adjustable death benefit?

A. Term Life

B. Whole Life

C. Universal Life

D. Variable Life

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Answers

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

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Explanations

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1. What can be a consequence of an insurance policy lapse?

A. The policy premiums increase immediately

B. The policy becomes more valuable

C. The insured loses coverage until the policy is reinstated

D. The insured receives a refund for unused premiums

When an insurance policy lapses, one significant consequence is that the insured loses coverage until the policy is reinstated. A lapse occurs when the policyholder fails to pay the premium due, leading to a termination of the contract by the insurer. As a result, the insured is no longer protected under that policy, meaning they do not have coverage for any claims that might arise during the lapse period. This situation can have serious financial implications, especially in cases where the insured may need to file a claim for an event that occurs while the policy is inactive. To regain coverage, the policyholder would typically need to go through a reinstatement process, which may involve paying back premiums and possibly providing evidence of insurability, depending on the terms of the policy. In contrast, a sudden increase in premiums, an increase in the policy's value, or receiving a refund for unused premiums typically do not occur as direct consequences of a lapse. Insurance policies are designed to protect individuals from loss during the active period of the insurance, and lapsing effectively voids that protection until reinstatement is complete.

2. Who generally needs a buy-sell agreement in a business?

A. Only large corporations

B. Businesses with multiple owners or partners

C. Startups with no established ownership

D. Only family-run businesses

A buy-sell agreement is a crucial legal document for businesses with multiple owners or partners because it outlines the process for transferring ownership if one of the owners needs to sell their share, such as due to retirement, death, or other circumstances. This agreement helps to ensure a smooth transition of ownership and provides clarity on how the business will be valued and how transactions will be handled, thus protecting both the remaining owners and the departing owner's heirs. While large corporations and family-run businesses might also benefit from buy-sell agreements, these agreements are especially vital in situations where multiple owners are involved, as they can prevent disputes and provide a structured approach to ownership transfer. Additionally, startups with no established ownership would typically not require such agreements until they have designated partners or owners, as there may not be a clear need for terms regarding ownership transfer at that early stage.

3. When is the face amount of a Whole Life policy paid?

A. Only when the insured dies.

B. When the insured reaches a certain age.

C. When the policy accumulates enough cash value.

D. When the insured dies or at the policy's maturity date, whichever happens first.

Whole Life policies typically have a fixed death benefit, or face amount, that is paid out to the beneficiary upon the death of the insured. However, there is another factor that can affect when the face amount is paid out the policy's maturity date. A Whole Life policy reaches maturity when the insured reaches a certain age, usually around 100 years old. At this point, the policy's cash value will equal the face amount and the policy will be paid out. So while the face amount of a Whole Life policy is primarily paid out upon the insured's death, it can also be paid out at the policy's maturity date.

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4. What is the standard exclusion regarding suicide in life insurance policies?

A. Coverage is excluded for one year

B. Coverage is excluded if insured commits suicide within two years

C. There are no exclusions for suicide

D. Coverage is excluded for five years

The provision regarding suicide in life insurance policies typically states that if the insured commits suicide within two years of the policy's effective date, the insurer will not pay the death benefit. This timeframe is known as the suicide clause and aims to prevent individuals from purchasing life insurance with the intent to commit suicide shortly thereafter in order to provide a benefit to their beneficiaries. The two-year period serves as a safeguard for insurance companies, allowing them to review the circumstances around the death and assess any potential premeditated intent. After this period has passed, coverage for suicide is generally included, and the policyholder's beneficiaries will receive the death benefit. Other options do not align with the standard practices in the insurance industry. Some policies may vary, but the two-year exclusion is widely recognized and established in many life insurance contracts.

5. What is Medicare designed to do?

A. Provide health coverage primarily for individuals aged 65 and older

B. Offer life insurance to all age groups

C. Serve as primary insurance for children under 18

D. Act as a private insurance alternative for younger adults

Medicare is specifically designed to provide health coverage primarily for individuals who are aged 65 and older. This federal program plays a crucial role in ensuring that older adults have access to necessary medical services, helping to cover costs associated with hospital stays, medical visits, preventative care, and prescription drugs. By focusing on the needs of older adults, Medicare serves as a vital safety net, addressing the unique health challenges that often arise with aging. While there are components of Medicare that may extend benefits to certain younger individuals with disabilities, its primary purpose remains centered on the aging population. This clearly aligns with the widespread understanding of who Medicare serves and highlights its importance in the landscape of American healthcare for seniors. The other options incorrectly describe Medicare, as they either refer to populations it does not typically cover or suggest purposes that are outside the program's established role in providing medical assistance for older adults.

6. Disability policies do NOT normally pay for disabilities arising from which of the following?

A. Work-related accidents

B. Sports injuries

C. War

D. Natural disasters

Disability policies typically do not cover disabilities resulting from war, as this type of policy is meant to provide financial support for disabling conditions that limit an individual's ability to work. While work-related accidents, sports injuries and natural disasters can lead to disabilities, they are not excluded from coverage under disability policies as they are often caused by unforeseen circumstances. War, on the other hand, is considered a known risk and therefore not covered by disability policies.

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7. What is the agreement called in a life insurance contract that specifies a sum of money will be paid to a designated person upon the insured's death?

A. Beneficiary clause

B. Insuring agreement

C. Premium agreement

D. Death benefit provision

In a life insurance contract, the insuring agreement is the section that outlines the specific terms and conditions of the policy, including how much coverage is being provided and what events will trigger the payment of funds from the insurance company. The beneficiary clause (A) is a separate section that identifies the designated person who will receive the payout. The premium agreement (C) is also a separate section that outlines how much the policyholder must pay for the coverage. The death benefit provision (D) is a separate clause that dictates when and how much money will be paid out to the designated beneficiary. Therefore, while these options may be related to a life insurance contract, they do not directly refer to the specific agreement that specifies the payout upon the insured's death.

8. A stock life insurance company issuing both participating and nonparticipating policies operates on what plan?

A. A mixed plan

B. A stock plan

C. A mutual plan

D. A dual-choice plan

A stock life insurance company issuing both participating and nonparticipating policies does not operate on a stock plan, as that would only involve issuing nonparticipating policies. It also does not operate on a mutual plan, as that would only involve issuing participating policies. It is not a dual-choice plan, as that refers to a plan that allows policyholders to switch between participating and nonparticipating policies. A mixed plan is the most appropriate answer, as it encompasses both participating and nonparticipating policies.

9. Why are exclusions important in an insurance policy?

A. To clarify what is covered under the policy

B. To increase the policy's cost

C. To guarantee payment for all claims

D. To reduce the number of policyholders

Exclusions are crucial in an insurance policy because they explicitly define what is not covered under the terms of the policy. By outlining these exclusions clearly, the insurer helps policyholders understand the specific circumstances or types of events that will not be compensated. This clarity is essential for managing expectations regarding coverage and ensuring that policyholders are well-informed about the limits of their protection. Moreover, exclusions serve to delineate the insurer's risks and can help prevent misunderstandings that might lead to disputes when a claim is made. While recognizing exclusions helps in understanding policy limits, it does not inherently increase costs, guarantee payments for all claims, or impact the number of policyholders. Instead, they are a key component in ensuring that both parties have a clear understanding of coverage, thereby protecting the insurer from undue risk and ensuring that policyholders are aware of necessary safeguards in their financial planning.

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10. What type of life insurance offers flexible premiums and an adjustable death benefit?

A. Term Life

B. Whole Life

C. Universal Life

D. Variable Life

Universal Life insurance offers flexible premiums and an adjustable death benefit. Term Life insurance only provides coverage for a set amount of time and does not have adjustable features. Whole Life insurance typically has fixed premiums and a set death benefit. Variable Life insurance offers investment options but does not allow for flexibility in premiums. Therefore, Universal Life is the only option that fits the given criteria.

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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://floridalifehealth.examzify.com

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

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