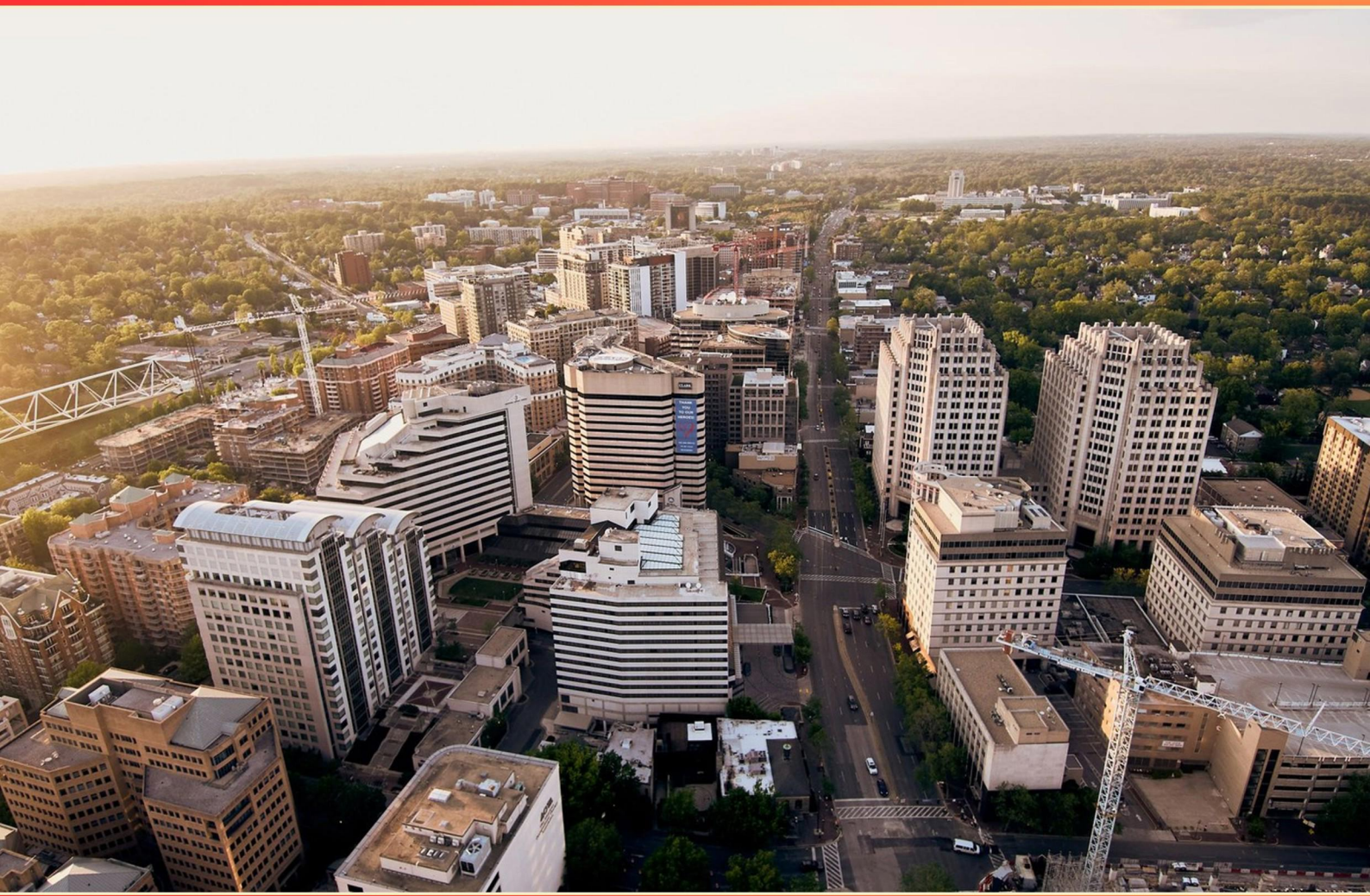
MONTANA STATE LIFE INSURANCE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR THE FULL VERSION STUDY GUIDE

https://montanastatelifeinsurance.examzify.com

Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

Table of Contents

Copyright 1

Table of Contents 2

Introduction 3

How to Use This Guide 4

Questions 5

Answers 8

Explanations 10

Next Steps 15

SAMPLE

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.

SAMPLE

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!

SAMPLE

Questions

SAMPLE

1. When must the insurer deliver the approved application to the debtor if the application is accepted?

A. Within 30 days

B. Within 15 days

C. Within 60 days

D. Immediately

2. How soon must an insurance company notify policyholders about changes in determining nonguaranteed elements?

A. Within 30 days

B. No later than the first payment on the new basis

C. At the next policy renewal

D. Within one year of the change

3. What must the policyholder do before entering into a viatical settlement?

A. Submit a financial report.

B. Obtain a recommendation from an insurance agent.

C. Sign a document acknowledging terminal illness.

D. Sell other assets.

4. Who may be responsible for payment of the insurance premiums or other costs if the insured in a viatical contract returns to health?

A. The insurer

B. The beneficiary

C. The purchaser

D. The policyowner

5. What must an insurer do upon receiving a request regarding personal information?

A. Inform the individual within 15 business days

B. Delete all recorded personal information immediately

C. Provide a summary of the recorded information verbally

D. Inform the individual and permit access to the recorded personal information within 30 business days

SAMPLE

6. What is the time limit for a policyowner to request nonforfeiture options after premiums are not paid?

A. Within 30 days

B. Within 45 days

C. Within 60 days

D. Within 90 days

7. What must insurers guarantee to include in the summary of guaranteed lifetime benefits?

A. A detailed list of all pre-existing conditions

B. Current and projected maximum lifetime benefits

C. A comparison with other insurance policies

D. Only future policy costs

8. When must the death benefit be paid out after proof of death is received?

A. Within 30 days

B. Within 45 days

C. Within 60 days

D. Within 90 days

9. What does the Nonforfeiture Provision protect against?

A. Loss of benefits if premiums are not paid

B. Exclusion of pre-existing conditions

C. Changes in underwriter's fee structure

D. Discontinuation of service if policy lapses

10. Whose accounts or records can the Commissioner examine?

A. Only insurance producers

B. Any insurance producers or adjusters

C. Only individuals with insurance licenses

D. Only policyholders

SAMPLE

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. When must the insurer deliver the approved application to the debtor if the application is accepted?

A. Within 30 days

B. Within 15 days

C. Within 60 days

D. Immediately

The correct answer is that the insurer must deliver the approved application to the debtor within 30 days of acceptance. This is a standard practice in life insurance policies because it ensures that the debtor is informed about the details and terms of the policy they have applied for. It helps in maintaining transparency and allows the debtor to review their coverage, understand their obligations, and confirm that the application has been processed correctly. The timing also serves regulatory purposes, ensuring that consumers are protected and have timely access to important documentation regarding their insurance coverage. By setting a clear timeframe of 30 days, the regulation helps promote efficiency within the insurance industry while ensuring that applicants are kept well-informed.

2. How soon must an insurance company notify policyholders about changes in determining nonguaranteed elements?

A. Within 30 days

B. No later than the first payment on the new basis

C. At the next policy renewal

D. Within one year of the change

An insurance company must notify policyholders about changes in determining nonguaranteed elements no later than the first payment on the new basis because this requirement ensures that policyholders are directly informed of any significant changes that affect how their benefits will be calculated moving forward. Nonguaranteed elements, which may include things like interest rates or dividends, can have a substantial impact on the overall value of the policy. Providing notification at the time of the first payment allows policyholders to understand exactly what to expect based on the revised terms and empowers them to make informed decisions regarding their coverage. This approach promotes transparency and trust between the insurer and the policyholder, ensuring that individuals have up-to-date information on the terms of their insurance policy.

3. What must the policyholder do before entering into a viatical settlement?

A. Submit a financial report.

B. Obtain a recommendation from an insurance agent.

C. Sign a document acknowledging terminal illness.

D. Sell other assets.

Before entering into a viatical settlement, the policyholder must sign a document acknowledging their terminal illness. This step is crucial because a viatical settlement involves selling a life insurance policy to a third party for a lump sum payment, which is typically less than the face value of the policy. The purpose of acknowledging terminal illness is to confirm the policyholder's understanding of their situation and the implications of the settlement. This acknowledgment is important for both legal compliance and to ensure that the policyholder is fully aware of the terms and consequences of entering the settlement. It serves to protect both the individual and the buyer in the transaction, ensuring transparency and informed consent. In the context of entering a viatical settlement, other options such as submitting a financial report, obtaining a recommendation from an insurance agent, or selling other assets are not standard requirements, making the acknowledgment of terminal illness the key action the policyholder must complete.

SAMPLE

4. Who may be responsible for payment of the insurance premiums or other costs if the insured in a viatical contract returns to health?

A. The insurer

B. The beneficiary

C. The purchaser

D. The policyowner

In a viatical contract, the purchaser is an individual or entity that buys the life insurance policy from the insured, typically at a discount, while the insured is often facing terminal illness or chronic health issues. Once the insured's health improves, the responsibilities regarding the life insurance premiums may shift. The correct answer identifies that the purchaser becomes responsible for the payment of premiums and other costs associated with the insurance policy if the insured returns to health. Since the purchaser is now the new policy owner after the viatical settlement, they assume all rights and obligations related to the policy, including the financial responsibilities of maintaining it. In contrast, the insurer's role is to provide coverage based on the terms of the policy, but they do not take on payment responsibilities when a contract is executed. The beneficiary is typically designated to receive the death benefit upon the death of the insured but does not engage with premium payments nor has financial obligations regarding the policy. The original policyowner's rights may have been transferred as part of the viatical transaction, so they are also not responsible for the premiums once the sale is completed.

5. What must an insurer do upon receiving a request regarding personal information?

A. Inform the individual within 15 business days

B. Delete all recorded personal information immediately

C. Provide a summary of the recorded information verbally

D. Inform the individual and permit access to the recorded personal information within 30 business days

When an insurer receives a request regarding personal information, it is required to inform the individual and provide access to the recorded personal information within 30 business days. This requirement is in place to ensure transparency and to protect the rights of individuals by allowing them to know what information is held about them. The 30-day timeframe gives the insurer adequate time to compile the requested information and respond appropriately. This process is vital as it empowers individuals to review and verify their personal data, promoting accountability within the insurance industry. The correct answer reflects these regulatory standards aimed at safeguarding consumer rights while still allowing insurers to manage their operations effectively.

SAMPLE

6. What is the time limit for a policyowner to request nonforfeiture options after premiums are not paid?

A. Within 30 days

B. Within 45 days

C. Within 60 days

D. Within 90 days

The correct answer is that the policyowner has a time limit of 60 days to request nonforfeiture options after premiums are not paid. This period is established to ensure that the policyholder has an adequate amount of time to consider their options and make a decision regarding their nonforfeiture rights. Nonforfeiture options typically include alternatives such as obtaining a paid-up policy or receiving a cash surrender value when premium payments cease, and the designated period provides necessary protection and flexibility for policyowners facing financial difficulties. By allowing a 60-day window, the insurance policy aims to balance the needs of policyholders with the financial integrity of the insurance company, ensuring that policyowners have the opportunity to act without undue pressure or haste. This standard time frame is recognized within the industry and aligns with various regulations that govern life insurance policies.

7. What must insurers guarantee to include in the summary of guaranteed lifetime benefits?

A. A detailed list of all pre-existing conditions

B. Current and projected maximum lifetime benefits

C. A comparison with other insurance policies

D. Only future policy costs

The correct answer emphasizes the importance of providing consumers with a clear understanding of their financial expectations. Insurers are required to include current and projected maximum lifetime benefits in the summary of guaranteed lifetime benefits. This information is crucial because it informs policyholders about the extent of coverage they can expect throughout their lifetime, allowing them to make informed decisions regarding their insurance options. Without this guarantee, policyholders may face unexpected out-of-pocket expenses or discover that they do not have sufficient coverage later in life. In contrast, while a detailed list of pre-existing conditions might be relevant to underwriting decisions, it does not pertain specifically to guaranteed lifetime benefits. Comparisons with other insurance policies can be helpful, but such information is typically not mandated to be included in the summary of guaranteed lifetime benefits. Focusing solely on future policy costs also does not encompass the comprehensive nature of maximum lifetime benefits, which is essential for understanding long-term coverage. Therefore, the emphasis on current and projected maximum lifetime benefits is key to ensuring that policyholders are fully informed.

SAMPLE

8. When must the death benefit be paid out after proof of death is received?

A. Within 30 days

B. Within 45 days

C. Within 60 days

D. Within 90 days

The correct answer indicates that the death benefit must be paid out within 60 days after proof of death is received. This timeframe is established to ensure that beneficiaries receive the benefits in a timely manner, offering financial support at a critical time following the death of the insured. In the context of life insurance policies, the 60-day period allows insurance companies to process the claim efficiently, while also ensuring that they have sufficient time to verify the legitimacy of the claim and any relevant details surrounding the insured's death. This is a standard practice in the industry, reflecting the balance between the insurer's need to conduct due diligence and the beneficiaries' right to receive their entitled benefits without undue delay. Options indicating shorter or longer payment periods do not align with this industry standard, which emphasizes both efficiency and due process in claims handling. This ensures that the beneficiaries are not left in financial uncertainty while waiting for the payout they are entitled to under the terms of the policy.

9. What does the Nonforfeiture Provision protect against?

A. Loss of benefits if premiums are not paid

B. Exclusion of pre-existing conditions

C. Changes in underwriter's fee structure

D. Discontinuation of service if policy lapses

The Nonforfeiture Provision is designed to protect policyholders from losing the benefits accrued in their life insurance policy if they stop making premium payments. This provision ensures that even if a policy lapses due to non-payment, the policyholder has some guaranteed value that can be accessed, such as receiving a cash surrender value, converting the policy to a reduced paid-up insurance, or extending term insurance for a certain period. This protection is vital for policyholders because it provides them with an assurance that they will not lose all their invested premiums if they face financial difficulties and cannot pay their premiums. Therefore, the Nonforfeiture Provision serves as a safety net, allowing the policyholder to retain some value or benefits from their policy, even in adverse situations.

10. Whose accounts or records can the Commissioner examine?

A. Only insurance producers

B. Any insurance producers or adjusters

C. Only individuals with insurance licenses

D. Only policyholders

The Commissioner is authorized to examine the accounts and records of any insurance producers or adjusters. This authority is crucial for the oversight of the insurance industry, ensuring compliance with state laws and regulations, and maintaining the integrity of the insurance marketplace. By examining these records, the Commissioner can assess the financial health of insurance producers and adjusters, investigate potential irregularities, and take appropriate action to protect policyholders and ensure fair practices within the industry. This broad scope of examination ensures that all entities involved in the insurance process are held to a high standard of accountability and transparency. The other options are more restrictive and do not align with the regulatory responsibilities of the Commissioner. For example, limiting the examination to only insurance producers or to individuals with insurance licenses would neglect the important role that adjusters play in the industry. Similarly, only allowing examinations of policyholders would not serve the purpose of regulatory oversight intended to protect consumers and uphold industry standards.

SAMPLE

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://montanastatelifeinsurance.examzify.com

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

SAMPLE