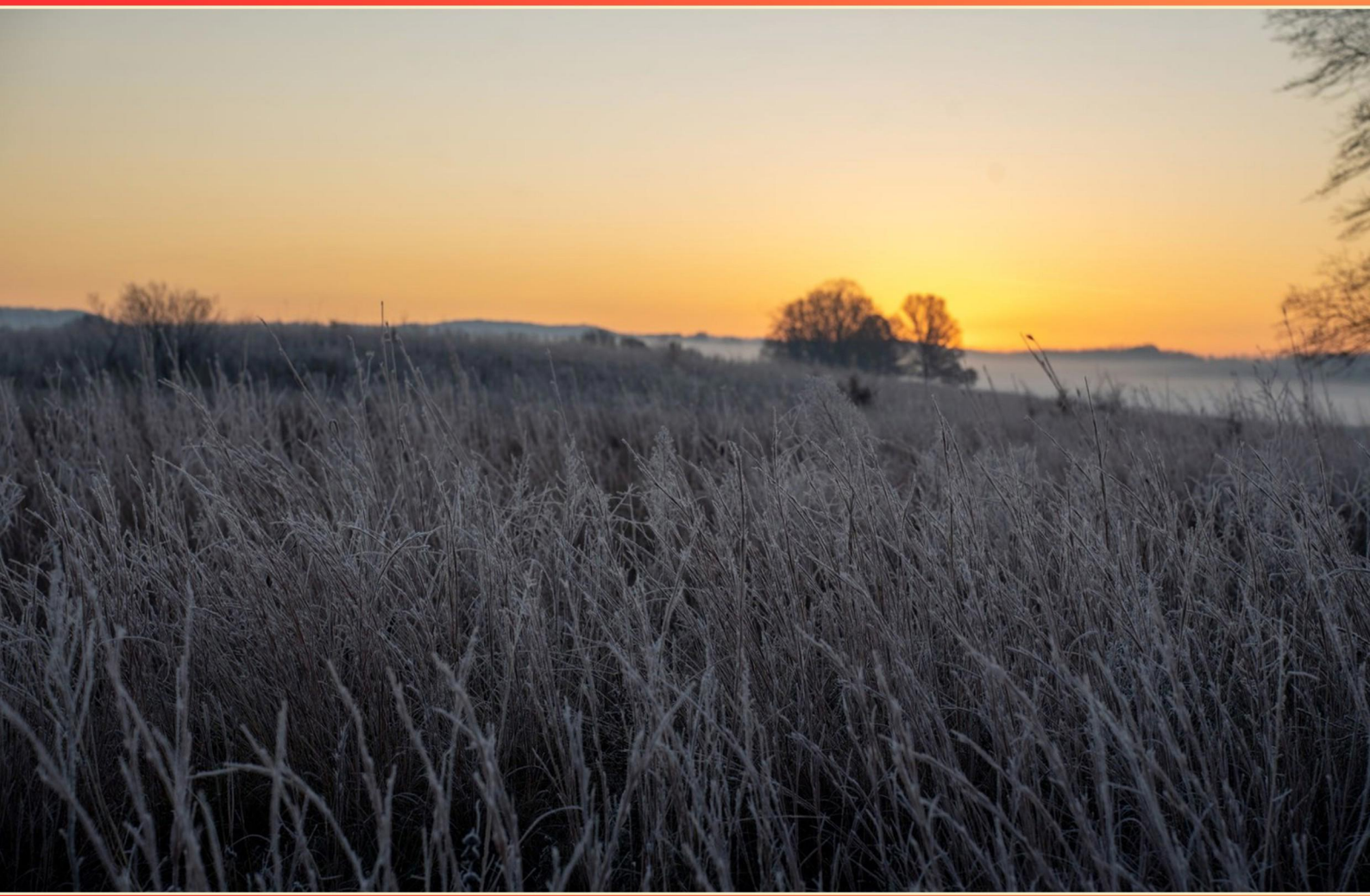
NEBRASKA LIFE AND HEALTH LICENSE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR THE FULL VERSION STUDY GUIDE

https://nelifeanddeathlicense.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 16

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. Which exchange is permitted on a tax-free basis in accordance with Section 1035 of the Tax Code?

A. A cash value life insurance policy for a term life insurance policy

B. A deferred market-value adjusted annuity for an immediate variable annuity

C. An immediate annuity for a deferred annuity

D. A regular investment account for a retirement annuity

2. Which type of authority is typically documented within a producer's contract with an insurer?

A. Implied authority

B. Express authority

C. Apparent authority

D. Limited authority

3. Which of the following types of relationships is presumed NOT to have an insurable interest?

A. Parent and child

B. Spouse and partner

C. Neighbor and friend

D. Business partners

4. Which of the following does NOT qualify as a life insurance advertisement?

A. A commercial aired on television about life insurance

B. A flyer highlighting insurance benefits

C. A memo from an insurer's president to employees

D. A direct mail campaign promoting life insurance policies

5. What benefit does life insurance provide to beneficiaries upon the insured's death?

A. Living benefits

B. Tax deductions

C. Debt coverage

D. Death benefit

SAMPLE

6. How often must the Director of Insurance examine the business transactions, accounts, and records of insurers?

A. Every year

B. Every two years

C. At least once every three years

D. At least once every five years

7. Which factor often influences the premium rates of life insurance policies?

A. Insured's age

B. Color of the policy

C. Policy paper quality

D. Presence of a contestability clause

8. What is the role of personal producing general agents (PPGAs) in the insurance distribution system?

A. To perform underwriting duties

B. To manage marketing campaigns

C. To produce commissions from their own sales and manage career agents

D. To oversee regulatory compliance

9. How long must insurers retain copies of illustrations used in selling life insurance policies?

A. Two years after the policy expires

B. Five years after the policy expires

C. Three years after the policy expires

D. Indefinitely

10. Under what circumstance might a long-term care policy be cancelled by the insurer?

A. For non-payment of premiums.

B. For failing to submit health updates.

C. At any time without prior notice.

D. Only at the policy's anniversary date.

SAMPLE

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. Which exchange is permitted on a tax-free basis in accordance with Section 1035 of the Tax Code?

A. A cash value life insurance policy for a term life insurance policy

B. A deferred market-value adjusted annuity for an immediate variable annuity

C. An immediate annuity for a deferred annuity

D. A regular investment account for a retirement annuity

The correct choice pertains to a deferred market-value adjusted annuity being exchanged for an immediate variable annuity, which is allowed under Section 1035 of the Tax Code for several reasons. Section 1035 facilitates the tax-free exchange of certain life insurance and annuity contracts to encourage consumer mobility and allow policyholders to adapt their financial products to better meet their needs without incurring a tax liability. In this case, the exchange involves two types of annuities, both of which fall under the same category as defined by the Tax Code. When a policyholder exchanges a deferred market-value adjusted annuity for an immediate variable annuity, there is no immediate recognition of gain or income. This is particularly beneficial as it allows individuals to access new features, benefits, or investment strategies offered by the immediate variable annuity while retaining the tax-advantaged status of their funds. In contrast, exchanges involving a cash value life insurance policy for a term life insurance policy, an immediate annuity for a deferred annuity, or a regular investment account for a retirement annuity do not meet the specific criteria outlined in Section 1035. For instance, converting a cash value life policy to a term life policy does not qualify because it is not an exchange

2. Which type of authority is typically documented within a producer's contract with an insurer?

A. Implied authority

B. Express authority

C. Apparent authority

D. Limited authority

Express authority is the type of authority that is explicitly documented within a producer's contract with an insurer. This means that the insurer clearly outlines the specific powers and responsibilities granted to the agent or producer in the contractual agreement. This authority enables the producer to act on behalf of the insurer in accordance with the terms explicitly stated in the contract, allowing them to perform actions such as binding coverage, collecting premiums, or issuing policies. In contrast, implied authority arises from the actions and conduct of the producer, where certain responsibilities are assumed based on the role they fulfill, even if not explicitly stated in the contract. Apparent authority involves the perception from third parties that the producer has the authority to act on behalf of the insurer, which can be misleading if not backed by express authority. Limited authority refers to a specific constraint placed on the producer's powers, but it does not encompass the broad documentation of powers as express authority does. Therefore, the clear documentation of express authority ensures that both the producer and the insurer have a mutual understanding of the responsibilities and permissions involved in their relationship.

SAMPLE

3. Which of the following types of relationships is presumed NOT to have an insurable interest?

A. Parent and child

B. Spouse and partner

C. Neighbor and friend

D. Business partners

The concept of insurable interest is a fundamental principle in insurance, which ensures that the person purchasing the insurance stands to suffer a financial loss if the insured event occurs. In most cases, intimate and close personal relationships are recognized as having an insurable interest due to the potential financial or emotional repercussions of a loss. In this context, a neighbor and friend relationship is typically considered to lack a sufficient financial incentive or obligation that would warrant an insurable interest. While there may be emotional ties, the connection does not usually evidence a financial stake in each other's well-being that the insurance industry recognizes as insurable. Therefore, if something were to happen to one party, the other would not face a substantial financial loss that would justify taking out an insurance policy. On the other hand, relationships like parent and child, spouse and partner, and business partners are often perceived as having a clear insurable interest. Parents and children share a familial relationship that implies emotional and financial dependencies. Spouses or partners have shared financial responsibilities and life commitments that would incite financial repercussions in the case of one partner's loss. Business partners have a vested interest in each other due to shared investments and financial ties, which further magnifies the need for life insurance in case of an unt

4. Which of the following does NOT qualify as a life insurance advertisement?

A. A commercial aired on television about life insurance

B. A flyer highlighting insurance benefits

C. A memo from an insurer's president to employees

D. A direct mail campaign promoting life insurance policies

A memo from an insurer's president to employees does not qualify as a life insurance advertisement because it is an internal communication that is not directed at prospective policyholders. Advertisements are intended to promote products or services to the general public or to potential customers, aiming to increase awareness and encourage purchases. On the other hand, a commercial aired on television, a flyer highlighting insurance benefits, and a direct mail campaign are all outward-facing materials specifically designed to inform potential customers about life insurance options and entice them to consider purchasing a policy. These forms of communication are crafted with the intent of reaching a wider audience outside the organization, fulfilling the criteria of what constitutes insurance advertising.

SAMPLE

5. What benefit does life insurance provide to beneficiaries upon the insured's death?

A. Living benefits

B. Tax deductions

C. Debt coverage

D. Death benefit

The death benefit is the primary advantage that life insurance offers to beneficiaries when the insured passes away. This financial payout is designed to provide financial security for the beneficiaries, helping them cover various expenses that might arise, such as funeral costs, outstanding debts, or ongoing living expenses. The purpose of the death benefit is to ensure that, despite the loss of the primary earner or financial supporter, the beneficiaries can maintain their standard of living and manage their financial obligations effectively. While living benefits, tax deductions, and debt coverage can be associated with life insurance policies or personal financial planning, they do not specifically reflect the core function of life insurance as it pertains to beneficiaries after the death of the insured. Living benefits may allow for benefits to be accessed before death under certain conditions, typically in the event of terminal illness or chronic illness, but they do not directly relate to the benefit to beneficiaries at the time of death. Tax deductions may apply to insurance premiums under certain conditions, but they primarily benefit the policyholder rather than the beneficiaries directly. Debt coverage can refer to the use of life insurance death benefits to pay off debts, but it is not a standalone benefit provided by the policy itself. Ultimately, the death benefit stands as the most significant and expressly defined benefit to beneficiaries

6. How often must the Director of Insurance examine the business transactions, accounts, and records of insurers?

A. Every year

B. Every two years

C. At least once every three years

D. At least once every five years

The Director of Insurance is required to examine the business transactions, accounts, and records of insurers at least once every five years. This timeline allows the regulatory body to ensure that insurers are operating within legal and financial guidelines, safeguarding the interests of policyholders. Regular examinations help maintain the integrity of the insurance market and protect consumers, ensuring that insurers remain financially viable and compliant with state regulations. While more frequent examinations could provide additional oversight, the five-year requirement balances the need for regulatory scrutiny with the operational realities of insurers. Conducting these examinations helps to identify potential financial issues or areas of noncompliance, which can then be addressed proactively. This timeframe also allows insurers to operate without the constant pressures of annual or biannual reviews, which could impact their day-to-day functions and financial planning.

SAMPLE

7. Which factor often influences the premium rates of life insurance policies?

A. Insured's age

B. Color of the policy

C. Policy paper quality

D. Presence of a contestability clause

The age of the insured is a crucial factor in determining the premium rates of life insurance policies. Insurance companies assess risk based on the likelihood of claims, and age is directly correlated to life expectancy. Younger individuals typically present a lower risk of dying soon compared to older individuals, leading to lower premium rates for younger policyholders. As a person ages, the probability of health issues or mortality increases, prompting insurers to raise premiums accordingly to reflect this heightened risk. Other factors such as the color of the policy or the quality of the policy paper have no bearing on the cost of premiums, as they do not influence the risk assessment process used by insurance companies. Similarly, while a contestability clause is an important term in life insurance contracts that affects how claims are handled during the initial period of coverage, it does not impact the calculation of premium rates. Therefore, the age of the insured is the primary and most significant factor influencing life insurance premium costs.

8. What is the role of personal producing general agents (PPGAs) in the insurance distribution system?

A. To perform underwriting duties

B. To manage marketing campaigns

C. To produce commissions from their own sales and manage career agents

D. To oversee regulatory compliance

Personal producing general agents (PPGAs) play a vital role in the insurance distribution system primarily by generating commissions through their own sales while also managing a team of career agents. This dual function allows PPGAs to benefit from their individual sales efforts, which can drive significant income, while concurrently leveraging their experience and expertise to mentor and guide other agents. By producing their own sales, PPGAs contribute directly to the overall revenue of their agency and the insurance company at large. Their ability to train and manage career agents helps in fostering a productive environment that aligns with the company's sales objectives. This leadership aspect is crucial because it enhances the performance of the entire sales team, ensuring that there is a consistent flow of business while also maintaining high standards of service quality. The other choices reflect functions that are not typically the domain of PPGAs. While managing marketing campaigns and regulatory compliance are important aspects of the broader insurance business, these tasks are generally handled by different specialized roles within the organization. Underwriting duties also fall outside the responsibilities of PPGAs, as underwriting is focused on risk assessment and pricing rather than sales and distribution. Therefore, the role of PPGAs is distinctly identified by their capability to both produce business through direct sales and manage agents in their

SAMPLE

9. How long must insurers retain copies of illustrations used in selling life insurance policies?

A. Two years after the policy expires

B. Five years after the policy expires

C. Three years after the policy expires

D. Indefinitely

Insurers are required to retain copies of illustrations used in the sale of life insurance policies for a mandated period of time to ensure compliance with regulatory standards and to provide a means of verification if there are any disputes or inquiries related to the policy sold. Retaining these copies for three years after the policy expires serves as a reasonable timeframe to address potential issues that may arise and maintains accountability for the representations made during the sales process. This three-year retention period also aligns with industry practices regarding documentation for financial transactions and customer interactions, ensuring that insurers have adequate records to support their business activities and to adhere to state regulations that may dictate the duration that records must be kept. By retaining these illustrations, insurers support transparency and maintain trust with policyholders, which is a critical aspect of life insurance operations.

10. Under what circumstance might a long-term care policy be cancelled by the insurer?

A. For non-payment of premiums.

B. For failing to submit health updates.

C. At any time without prior notice.

D. Only at the policy's anniversary date.

A long-term care policy may be cancelled by the insurer primarily for non-payment of premiums. This is a common practice across many types of insurance policies, as it is essential for the insurer to receive regular payments to maintain the coverage. When a premium is not paid, the insurer typically initiates a grace period and may later cancel the policy if payment is not made within that time frame. While other circumstances may involve changes or updates to the policy, they do not usually constitute grounds for cancellation. It is generally not standard for an insurer to cancel a long-term care policy without a valid reason such as non-payment. Moreover, cancellation at the policy's anniversary date is not a common practice; policies usually remain in force as long as premiums are paid and the terms are followed. Therefore, understanding the precise conditions under which a long-term care policy can be cancelled is crucial for policyholders to avoid any discontinuation of coverage that they rely on for long-term care needs.

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://nelifeanddeathlicense.examzify.com

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

SAMPLE