# PSI LIFE, ACCIDENT, HEALTH 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. **Which Settlement Option pays for a specified period, irrespective of who receives the payments?**

   A. Life income

   B. Fixed amount

   C. Fixed period

   D. Cash surrender

2. **What is a key responsibility of Life and Disability Insurance Analysts concerning disclosure?**

   A. Provide services at no cost

   B. State fees must be clearly disclosed

   C. Notify clients of regulatory audits

   D. Confirm client eligibility for policies

3. **Life insurance applications may inquire about prior HIV testing for what specific reason?**

   A. A general health assessment

   B. Obtaining insurance

   C. Policy renewal purposes

   D. To assess lifestyle choices

4. **What is the required notice period for filing a claim after a loss?**

   A. 10 days

   B. 20 days

   C. 30 days

   D. 60 days

5. **What is a common characteristic of term life insurance?**

   A. It builds cash value over time.

   B. It provides coverage for a specific period.

   C. It is always more expensive than whole life insurance.

   D. It can only be purchased at a young age.

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**6. How can a licensee surrender their license for cancellation?**

A. By posting a written statement on their website

B. By calling the Department of Insurance

C. By submitting a written notice to the commissioner

D. By notifying all contracted insurers

**7. What is the intent of the California Financial Information Privacy Act?**

A. To enable the Gramm-Leach-Bliley Act in California.

B. To permit civil lawsuits against those who violate the Gramm-Leach-Bliley Act.

C. To offer greater privacy protections than the federal Gramm-Leach-Bliley Act.

D. To allow more flexibility to financial institutions than the Gramm-Leach-Bliley Act.

**8. What type of authority is created when a producer exceeds the authority expressed in the agency contract and the insurer does not take action?**

A. Implied authority

B. Express authority

C. Apparent authority

D. Inherent authority

**9. What is the primary purpose of permanent insurance?**

A. To provide temporary coverage

B. To provide coverage for a specific period

C. To provide lifetime coverage

D. To provide coverage for only one year

**10. Which statement regarding the regulation and use of an agency name is EXCEPT?**

A. The use of the name must not mislead the public.

B. The company must file with the commissioner and request approval of the name.

C. A name would not be denied if it is too similar to other company names.

D. The name may not imply services for which it is not licensed.

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# Answers

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

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# Explanations

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## 1. Which Settlement Option pays for a specified period, irrespective of who receives the payments?

A. Life income

B. Fixed amount

C. Fixed period

D. Cash surrender

*The correct answer is the option that refers to a settlement option designed to provide payments for a specific duration, regardless of who is receiving the payments. In a fixed period settlement option, the insurer agrees to pay a certain amount of money at regular intervals for a predetermined number of years. Regardless of whether the beneficiary is alive or deceased, the payments continue until the end of the established timeframe. This option is particularly beneficial in scenarios where the policyholder wants to ensure that funds are disbursed over a specific time frame, which may assist beneficiaries in managing financial obligations or planning for future expenses. The key feature of this option is its focus on the schedule of payments rather than the life of the individual receiving them. Thus, the insured's longevity or the beneficiary's life does not influence the scheduled duration of the payments. In summary, the fixed period option gives certainty about the payment duration while supporting sound financial management, making it a suitable choice for those who wish to allocate a steady stream of income over time.*

## 2. What is a key responsibility of Life and Disability Insurance Analysts concerning disclosure?

A. Provide services at no cost

B. State fees must be clearly disclosed

C. Notify clients of regulatory audits

D. Confirm client eligibility for policies

*The key responsibility of Life and Disability Insurance Analysts regarding disclosure is that fees must be clearly disclosed. This is crucial because transparency in the cost of insurance products plays a significant role in consumer protection. It ensures that clients are fully informed about the financial implications of their policies, helping them make educated decisions based on the total costs involved. Clear disclosure of fees also fosters trust between the analyst and the client, as clients appreciate being made aware of all associated costs upfront. This aligns with regulatory requirements aimed at protecting consumers in the insurance market. It is important for analysts to explicitly communicate any fees related to policy purchases or management to avoid any misunderstandings that could arise regarding what clients are paying for. While the other responsibilities mentioned are important in their contexts, they do not specifically address the crucial matter of financial disclosure, which is a vital part of the analyst's responsibilities in ensuring ethical and compliant operations within the insurance field.*

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## 3. Life insurance applications may inquire about prior HIV testing for what specific reason?

A. A general health assessment

B. Obtaining insurance

C. Policy renewal purposes

D. To assess lifestyle choices

*Life insurance applications often inquire about prior HIV testing primarily for the purpose of obtaining insurance. This inquiry is part of the underwriting process, where insurers evaluate the risk associated with insuring an individual. Understanding a person's HIV status can significantly influence the risk assessment because individuals with HIV may face different health outcomes and life expectancies compared to those without the virus. This information allows insurers to make informed decisions regarding coverage options, premium rates, and policy terms. While general health assessments, policy renewals, and lifestyle choices can also play a role in life insurance evaluations, the specific emphasis on HIV testing relates directly to the underwriting considerations tied to acquiring a policy. Having access to this information ensures that the insurance company can accurately price the risk associated with insuring the applicant.*

## 4. What is the required notice period for filing a claim after a loss?

A. 10 days

B. 20 days

C. 30 days

D. 60 days

*The required notice period for filing a claim after a loss is typically 20 days, which reflects the timeframe stipulated in many insurance policies. This notice period allows the insurer enough time to investigate the claim, gather necessary information, and begin processing it appropriately. Timely notice is critical because it helps ensure that any evidence related to the claim is preserved and that all parties are aware of the incident in a reasonable timeframe. While policies may vary slightly, the 20-day window is commonly established in insurance contracts to balance the interests of both the insurer and the insured. This means that within 20 days of the loss, the policyholder must notify the insurance company of the claim so that it can be handled according to the terms outlined in the policy. It is essential for policyholders to familiarize themselves with their specific insurance agreements, as the required notice period can impact the ability to successfully obtain benefits after a loss.*

## 5. What is a common characteristic of term life insurance?

A. It builds cash value over time.

B. It provides coverage for a specific period.

C. It is always more expensive than whole life insurance.

D. It can only be purchased at a young age.

*Term life insurance is designed to provide coverage for a specific period, commonly referred to as the "term." This term can range from as short as one year to as long as 30 years or more. The policy pays a death benefit to the beneficiaries if the insured dies during that specified term. If the insured outlives the term, coverage ends, and there is no payout or cash value accrued at that point. This characteristic distinguishes term life insurance from permanent life insurance policies, which typically provide lifelong coverage and often build cash value. The temporary nature of term life insurance makes it a suitable option for those who need coverage for a set period, such as while raising children or paying off a mortgage.*

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## 6. How can a licensee surrender their license for cancellation?

A. By posting a written statement on their website

B. By calling the Department of Insurance

C. By submitting a written notice to the commissioner

D. By notifying all contracted insurers

*A licensee can surrender their license for cancellation by submitting a written notice to the commissioner. This procedure is typically required by state regulations and ensures that the formal process is documented and acknowledged by the regulatory authority overseeing insurance practices. The written notice serves as an official request for cancellation, which the commissioner processes according to statutory requirements. This approach ensures that the regulatory body is fully aware of the intention to cease operations under the license, allowing for any necessary administrative follow-ups or record-keeping. It also protects the licensee by providing a documented request for cancellation, preventing any potential misunderstandings regarding their licensing status. Other methods, such as posting a statement on a website, calling the Department of Insurance, or notifying all contracted insurers, do not fulfill the legal and procedural requirements set forth for license cancellation. These actions lack the formal recognition and validation needed in regulatory contexts.*

## 7. What is the intent of the California Financial Information Privacy Act?

A. To enable the Gramm-Leach-Bliley Act in California.

B. To permit civil lawsuits against those who violate the Gramm-Leach-Bliley Act.

C. To offer greater privacy protections than the federal Gramm-Leach-Bliley Act.

D. To allow more flexibility to financial institutions than the Gramm-Leach-Bliley Act.

*The California Financial Information Privacy Act was designed with the intent to enhance the privacy protections offered to consumers in comparison to the federal Gramm-Leach-Bliley Act (GLBA). While the GLBA provides certain standards for the protection of consumers' financial information, the California act sets forth more stringent regulations to safeguard this information, ensuring consumers have a greater degree of control over their private financial data. Under this act, consumers are granted specific rights, such as the ability to opt-out of having their personal financial information shared with non-affiliated third parties, which further empowers consumers and provides a heightened level of privacy assurance. By implementing these additional measures, the California Financial Information Privacy Act successfully addresses the concerns of Californians regarding the handling and sharing of their financial information, thereby prioritizing consumer privacy more explicitly than the federal legislation.*

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## 8. What type of authority is created when a producer exceeds the authority expressed in the agency contract and the insurer does not take action?

A. Implied authority

B. Express authority

C. Apparent authority

D. Inherent authority

*The concept of apparent authority comes into play in situations where a producer acts beyond the explicit powers granted in their agency contract, yet the insurer does not intervene or correct this behavior. This form of authority is based on the perception of third parties regarding the producer's ability to act on behalf of the insurer. When the insurer allows the producer to continue engaging in activities that exceed their express authority, it gives the impression that the agent has broader powers than actually defined in the contract. This creates a situation where third parties, such as clients or other insurers, may reasonably assume the producer has the authority to engage in those transactions. Thus, the producer's actions can be viewed as binding on the insurer, even if those actions exceed what was strictly designated in their agreement. The fundamental principle of apparent authority hinges on the idea that an entity cannot later claim that an individual lacked authority when their behavior and the organization's inaction conveyed otherwise to outside parties. This fosters trust and reliability in business relationships, which is crucial in the insurance industry.*

## 9. What is the primary purpose of permanent insurance?

A. To provide temporary coverage

B. To provide coverage for a specific period

C. To provide lifetime coverage

D. To provide coverage for only one year

*The primary purpose of permanent insurance is to provide lifetime coverage. This type of insurance, unlike term insurance which offers coverage for a limited period, is designed to last for the insured's entire lifetime as long as premiums are paid. Permanent insurance often builds cash value over time, which can be borrowed against or withdrawn under certain conditions. This feature is beneficial for long-term financial planning, as it provides not only a death benefit but also a savings component that can contribute to the policyholder's financial needs during their lifetime. In contrast, temporary coverage options focus on short-term needs, which is why they do not fulfill the primary purpose of permanent insurance. Options that indicate limited or specific timeframes do not align with the longstanding security that permanent insurance is meant to provide.*

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**10. Which statement regarding the regulation and use of an agency name is EXCEPT?**

A. The use of the name must not mislead the public.

B. The company must file with the commissioner and request approval of the name.

C. A name would not be denied if it is too similar to other company names.

D. The name may not imply services for which it is not licensed.

*The focus of this question is on the regulatory requirements concerning agency names in the insurance industry. It is essential for agency names to adhere to specific standards to ensure transparency and integrity in how services are presented to the public. The statement that a name would not be denied if it is too similar to other company names is incorrect within the context of regulatory practices. Regulatory authorities prioritize the avoidance of confusion in the marketplace, which can occur when agency names are overly similar to existing companies. This means that if an agency name is deemed too similar to another registered name, it is likely that approval will be denied to maintain clarity for consumers and to prevent potential fraud or misrepresentation. In contrast, the other statements accurately reflect regulatory principles. The name must not mislead the public, which maintains consumer trust. The company is required to file with the commissioner and request approval to ensure compliance with regulations. Additionally, implying services for which the agency is not licensed could lead to misleading consumers about the qualifications and offerings of the agency, which regulatory bodies actively seek to prevent. Thus, the essence of the correct answer lies in the emphasis on consumer protection and clarity in agency representation within the marketplace.*

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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://psilifeaccidenthealth.examzify.com

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

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