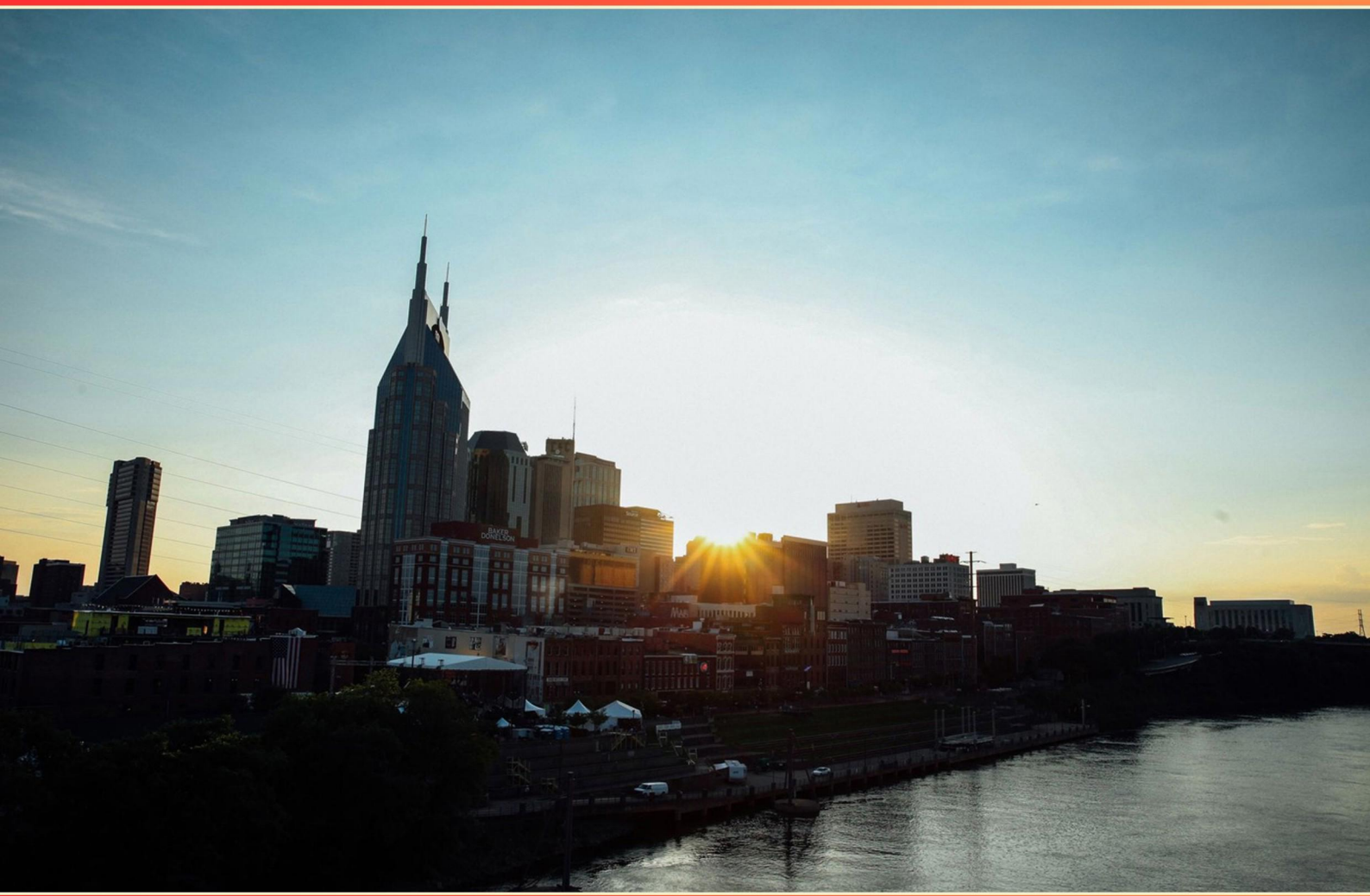
TENNESSEE LIFE AND HEALTH INSURANCE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR THE FULL VERSION STUDY GUIDE

https://tennesseelifeandhealthinsurance.examzify.com

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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 type of insurer pays directly to hospitals and doctors for services rendered?**

   A. Service insurer

   B. Indemnity insurer

   C. Health maintenance organization

   D. Managed care organization

2. **What is the term for a false or incomplete comparison of policies aimed at inducing a person to drop existing coverage?**

   A. Twisting

   B. Switching

   C. Misleading

   D. Coercion

3. **Which of the following provides financial support for specified loss from an accident?**

   A. Basic Insurance

   B. Accidental Death and Dismemberment Policy

   C. Group Disability Income Policy

   D. Major Medical Insurance

4. **What is the standard coverage for a normal risk individual if the premium for a substandard risk is the same?**

   A. $15,000

   B. $20,000

   C. $25,000

   D. $30,000

5. **What type of endowment pays off only if the insured lives to maturity?**

   A. Pure Endowment

   B. Endowment

   C. Adjustable Life Insurance

   D. Modified Whole Life

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6. What period follows a covered accident or illness when no benefits are provided to the insured?

A. Elimination period

B. Exclusion period

C. Grace period

D. Benefit lapse

7. Which type of health insurance plan often emphasizes preventive care and wellness?

A. Preferred Provider Organization (PPO)

B. Health Maintenance Organization (HMO)

C. Indemnity plan

D. Exclusive Provider Organization (EPO)

8. Which insurance term refers to a situation where the insured cannot work for a limited period but retains their job?

A. Total disability

B. Residual disability

C. Partial disability

D. Presumptive disability

9. What defines the amount paid for a loss due to dismemberment in insurance terms?

A. Insuring sum

B. Capital sum

C. Death benefit

D. Principal set

10. If your address changes, what should you do within the specified time frame?

A. Notify your insurance company

B. Notify the NAIC

C. Notify the Commissioner

D. Notify your clients

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Answers

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

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Explanations

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1. What type of insurer pays directly to hospitals and doctors for services rendered?

A. Service insurer

B. Indemnity insurer

C. Health maintenance organization

D. Managed care organization

The type of insurer that pays directly to hospitals and doctors for services rendered is a service insurer. This model operates by providing coverage for specific healthcare services rather than reimbursing policyholders. Service insurers typically have arrangements with healthcare providers to deliver comprehensive care, which allows them to handle payments directly, facilitating a more seamless experience for patients and providers alike. This approach contrasts with indemnity insurers, which generally reimburse policyholders after they pay for medical services, requiring individuals to submit claims for reimbursement. Focused on the traditional fee-for-service model, indemnity insurers offer a different structure compared to service insurers. Health maintenance organizations (HMOs) and managed care organizations (MCOs) primarily emphasize network models, where members usually need to seek care from a network of providers. While HMOs manage care and costs by encouraging preventive measures and limiting access to specific providers, they also deal with payments differently than service insurers, often covering services through negotiated rates rather than direct payments for each service rendered. Understanding the distinction between these types of insurers is crucial for recognizing how healthcare delivery models function within the insurance landscape, especially in Tennessee's regulations.

2. What is the term for a false or incomplete comparison of policies aimed at inducing a person to drop existing coverage?

A. Twisting

B. Switching

C. Misleading

D. Coercion

The term used to describe a false or incomplete comparison of insurance policies designed to persuade a person to drop their existing coverage is "twisting." In the insurance field, twisting is an unethical practice where an agent misrepresents one policy in order to convince a consumer to replace it with another, usually leading to the loss of coverage and often resulting in financial loss for the policyholder. This practice undermines the integrity of the insurance industry and can leave consumers with gaps in their insurance coverage. In contrast, switching generally refers to the act of changing policies or providers, but it does not inherently suggest deception or manipulation in the comparison process. Misleading is a broader term that can apply to various types of inaccurate information but does not specifically pertain to the comparative analysis of insurance policies. Coercion involves forcing someone to act against their will, which is different from presenting misleading information to persuade someone to change their insurance. Therefore, twisting is the most accurate term for the deceptive practice described in the question.

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3. Which of the following provides financial support for specified loss from an accident?

A. Basic Insurance

B. Accidental Death and Dismemberment Policy

C. Group Disability Income Policy

D. Major Medical Insurance

The Accidental Death and Dismemberment (AD&D) Policy specifically provides financial support in the event of losses that occur as a direct result of an accident. This type of policy typically pays a benefit if the insured dies or suffers a severe injury, such as losing a limb or eyesight, due to an accident. The focus of AD&D coverage is on accidental events, distinguishing it from other types of insurance that may cover broader health issues or injuries resulting from non-accident-related causes. In contrast, basic insurance generally provides coverage for a range of basic healthcare services but does not specifically address losses due to accidents. A group disability income policy is designed to replace income lost due to a temporary or permanent disability, which may not specifically tie benefits to accidental incidents. Major medical insurance focuses on covering a wide range of healthcare expenses resulting from illnesses or injuries, but it doesn't provide specific financial support for accidental losses in a direct manner like an AD&D policy does.

4. What is the standard coverage for a normal risk individual if the premium for a substandard risk is the same?

A. $15,000

B. $20,000

C. $25,000

D. $30,000

The standard coverage for a normal risk individual is typically determined by underwriting guidelines and is often based on various factors, including age, health conditions, lifestyle, and claims experience. In this scenario, if the premium for a substandard risk is the same as that for a normal risk, it suggests that the insurer is aware of the higher risk associated with the substandard individual but is maintaining a consistent rate structure for simplicity or for competitive reasons. The choice of $20,000 likely reflects a balance that insurers commonly set for life insurance coverage limits for individuals with standard health profiles. This amount is considered reasonable for a wide range of applicants and promotes accessibility to coverage without overstepping typical underwriting limits for normal risk. Additionally, the options provided may illustrate common coverage amounts that insurance policies often feature. The selection of $20,000 as the standard coverage aligns with expectations for entry-level or basic life insurance products commonly offered in the market, geared towards individuals with good health standing. Thus, the reasoning behind selecting this figure lies in its commonality as a coverage amount in typical insurance policies while ensuring affordability and accessibility for a broader audience.

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5. What type of endowment pays off only if the insured lives to maturity?

A. Pure Endowment

B. Endowment

C. Adjustable Life Insurance

D. Modified Whole Life

A pure endowment is a type of insurance contract that provides a benefit to the policyholder only if they survive to the end of the policy term, also known as maturity. This means that if the insured lives until the specified maturity date, they will receive a predetermined sum. If the insured passes away before reaching this date, no benefit is paid out to the beneficiaries. The essence of a pure endowment is its focus on survival, distinguishing it from other life insurance products that offer death benefits regardless of the policyholder's lifespan. In contrast, a standard endowment combines elements of both life insurance and savings, paying out either upon death before the maturity date or at the end of the term if the insured is still alive. Adjustable life insurance and modified whole life policies include features that cater to changing needs and may involve endowment aspects, but they do not match the strict definition of a pure endowment, which is solely about benefits triggered by survival to maturity. Thus, when considering the characteristics of each type, the pure endowment is the clear choice in relation to the question asked.

6. What period follows a covered accident or illness when no benefits are provided to the insured?

A. Elimination period

B. Exclusion period

C. Grace period

D. Benefit lapse

The period that follows a covered accident or illness during which no benefits are provided to the insured is known as the elimination period. This term is commonly used in health insurance policies, particularly in disability insurance and long-term care plans. The elimination period is essentially a waiting period during which the insured is responsible for their own expenses. It acts as a type of deductible; the insured must wait for a specified time frame before they begin to receive benefits for their claims. Understanding this concept is crucial for policyholders, as it directly impacts financial planning and expectations regarding when benefits will begin after a qualifying event. The elimination period is meant to help insurance companies manage risk and ensure that benefits are utilized for genuine long-term needs rather than short-term incidents.

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7. Which type of health insurance plan often emphasizes preventive care and wellness?

A. Preferred Provider Organization (PPO)

B. Health Maintenance Organization (HMO)

C. Indemnity plan

D. Exclusive Provider Organization (EPO)

A Health Maintenance Organization (HMO) is designed to emphasize preventive care and wellness as a core aspect of its structure. HMOs provide integrated health services and typically require members to choose a primary care physician (PCP) who serves as a gatekeeper for referrals to specialists. This model encourages members to engage in preventive care measures, such as regular check-ups, immunizations, and wellness programs, as these services often come at little or no cost to the member, reinforcing a focus on maintaining health rather than just treating illness. Preventive care is essential in the HMO model because it aims to reduce the overall cost of healthcare by preventing serious health issues from developing. HMOs also frequently implement programs and incentives to promote healthy lifestyles, such as weight management or smoking cessation programs. Members' engagement in preventive services helps lower the incidence of chronic diseases and encourages a proactive approach to health management. While other types of plans can also include preventive care features, such as PPOs and EPOs, they do not incorporate preventive care to the same extent as an HMO. Indemnity plans typically offer more flexibility in choosing healthcare providers but do not specifically emphasize preventive care within their structure. Thus, the focus on preventive measures and wellness activities is a defining characteristic

8. Which insurance term refers to a situation where the insured cannot work for a limited period but retains their job?

A. Total disability

B. Residual disability

C. Partial disability

D. Presumptive disability

The term that refers to a situation where the insured cannot work for a limited period but retains their job is known as residual disability. This type of disability occurs when an individual may not be able to perform all of their job functions due to an injury or illness, but still maintains some capacity for work and is able to perform certain duties. Residual disability benefits are designed to provide financial assistance to those who experience a partial loss of earnings due to their condition. This coverage recognizes that the insured is not entirely unable to work, but is still affected enough to warrant support. It focuses on the income lost due to the disability rather than complete inability to perform any job functions. In contrast, total disability typically indicates a complete inability to perform any occupation, while partial disability suggests the ability to perform some but not all functions of one's job. Presumptive disability refers to specific conditions that are assumed to be totally disabling, regardless of the insured's ability to work. These other terms do not capture the nuanced situation of being able to work partially or intermittently while still experiencing a limitation due to a disability.

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9. What defines the amount paid for a loss due to dismemberment in insurance terms?

A. Insuring sum

B. Capital sum

C. Death benefit

D. Principal set

In insurance terms, the amount paid for a loss due to dismemberment is defined as the capital sum. This term refers specifically to the fixed benefit that is paid out when an individual suffers from a qualifying loss, such as the loss of a limb or a similar significant bodily injury, as outlined in a dismemberment policy or rider. The capital sum is predetermined and set forth in the policy details, allowing insured individuals to understand the financial compensation associated with specific types of dismemberment. This benefit is distinct from other types of payouts, such as the death benefit, which is typically related to the passing of the insured individual, or an insuring sum, which generally describes the total coverage amount provided by a policy. Understanding the functions and roles of these terms is crucial for comprehending how insurance contracts specify benefits and how policyholders can expect to be compensated in the event of certain types of losses.

10. If your address changes, what should you do within the specified time frame?

A. Notify your insurance company

B. Notify the NAIC

C. Notify the Commissioner

D. Notify your clients

If you change your address, the most appropriate action to take is to notify the Commissioner. In Tennessee, the Commissioner of the Department of Commerce and Insurance oversees the regulation of insurance practices, including the requirement for insurance agents and companies to keep their contact information current. This ensures that all communications, renewals, and important documents reach the correct address. Providing this notification is crucial because it maintains transparency and accountability within the insurance process, protecting both the insurer and the insured. Keeping the Commissioner informed helps to ensure that your licensing and any regulatory obligations are met without issues caused by outdated contact information.

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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://tennesseelifeandhealthinsurance.examzify.com

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

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