VIRGINIA LIFE AND 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. What is another term for the cash payment settlement option?

A. Lump sum

B. Principal amount

C. Face amount

D. Proceeds

2. What is an insurance premium?

A. The amount paid periodically to keep a policy in force

B. The total coverage amount provided by the insurer

C. The fees paid for policy changes

D. The savings accrued in a whole life policy

3. What term describes attachments added to life insurance policies that can modify existing provisions?

A. Conditions

B. Restrictions

C. Exclusions

D. Riders

4. Under what condition could a daughter, named as a contingent beneficiary, collect the death benefit if her father dies?

A. With the primary beneficiary's written consent

B. If the insured died from accidental means

C. If the primary beneficiary predeceases the insured

D. The primary and contingent beneficiaries share death benefits equally

5. What happens to the accumulated cash value of a whole life insurance policy if a policyholder chooses to receive a cash surrender?

A. The policyholder continues to have coverage for life

B. The policyholder loses all insurance coverage

C. The cash value is reinvested in a new policy

D. The policy remains in force at a reduced amount

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6. What do "Lifetime reserve days" coverage in Medicare provide?

A. Days of outpatient care covered after retirement

B. Additional days of inpatient hospital care that can be used after the initial benefit period

C. A set number of days for skilled nursing facility stays

D. A one-time payment for emergency conditions

7. Which non-forfeiture option typically provides coverage for the longest period of time?

A. Reduced paid-up

B. Extended term

C. Paid-up option

D. Accumulated at interest

8. What is "loss ratio" in insurance?

A. The ratio of claims paid to total insurance premiums collected

B. A percentage of policies that result in claims

C. The amount of profit made from insurance premiums

D. The cost of managing insurance claims

9. In a life insurance policy, what does "permanency" imply?

A. That the policy can be canceled at any time

B. That the coverage will remain in effect throughout the insured's life, assuming premiums are paid

C. That premium payments can be increased at any time

D. That the policy is only active during a specific time frame

10. What is a "contestability period" in a life insurance policy?

A. A time after which the policy can no longer be canceled

B. The duration in which claims can be contested for misrepresentation

C. A period of free coverage offered by the insurer

D. The time allowed for policyowners to review their policy

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Answers

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

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Explanations

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1. What is another term for the cash payment settlement option?

A. Lump sum

B. Principal amount

C. Face amount

D. Proceeds

The cash payment settlement option is often referred to as a lump sum. This term indicates that the beneficiary, upon the insured's death, will receive a single payment of the total death benefit as opposed to receiving it in installments or through other settlement methods. This option is straightforward and provides immediate access to the full amount of the insurance policy, allowing the beneficiary to use the funds as needed without waiting for future payments. Other terms like principal amount and face amount typically refer to the original value or coverage amount of the policy rather than the settlement method. The term proceeds is more general and can refer to the entire amount received from a life insurance policy, but it doesn't specifically imply the method of payment, such as a lump sum. Thus, lump sum is the most accurate and commonly used term to describe the cash payment settlement option in life insurance contexts.

2. What is an insurance premium?

A. The amount paid periodically to keep a policy in force

B. The total coverage amount provided by the insurer

C. The fees paid for policy changes

D. The savings accrued in a whole life policy

An insurance premium is the amount of money that an individual or business must pay periodically to maintain an insurance policy in force. This payment is essential as it compensates the insurance company for the risk it assumes when providing coverage. The premium can be paid monthly, quarterly, annually, or through other payment arrangements, depending on the terms set by the insurer and the policyholder's preference. Understanding this concept is crucial because it directly affects the policy's active status; if the premium is not paid, the policy may lapse, leaving the policyholder without coverage. The other options do represent relevant aspects of insurance but do not define what a premium is. For instance, the total coverage amount pertains to the extent of financial protection offered, while fees for policy changes and savings accrued in a whole life policy are components related to specific features or modifications of insurance products.

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3. What term describes attachments added to life insurance policies that can modify existing provisions?

A. Conditions

B. Restrictions

C. Exclusions

D. Riders

The term that describes attachments added to life insurance policies that can modify existing provisions is "riders." Riders are special endorsements that allow policyholders to customize their coverage. They can provide additional benefits or alter the terms of the original policy. For instance, a rider might allow for the addition of critical illness coverage, allow for a waiver of premium under certain conditions, or enhance the death benefit in specific scenarios. Riders enable policyholders to tailor their insurance policies to better fit their needs, which is a significant feature. Their inclusion helps ensure that the policy can be adapted as the policyholder's circumstances change. This flexibility can add considerable value to a life insurance policy, making it more pertinent to an individual's life situation. In contrast, the other terms—conditions, restrictions, and exclusions—serve different purposes. Conditions typically describe the obligations or requirements that must be met for the policy to remain valid. Restrictions outline limitations that may affect the coverage. Exclusions detail specific scenarios or circumstances under which the policy will not pay benefits. Therefore, riders stand out as the specific elements designed to modify and enhance the provisions of existing policies.

4. Under what condition could a daughter, named as a contingent beneficiary, collect the death benefit if her father dies?

A. With the primary beneficiary's written consent

B. If the insured died from accidental means

C. If the primary beneficiary predeceases the insured

D. The primary and contingent beneficiaries share death benefits equally

The condition where a daughter, named as a contingent beneficiary, could collect the death benefit upon her father's death is if the primary beneficiary predeceases the insured. In insurance policies, a primary beneficiary is first in line to receive the death benefit. The contingent beneficiary, on the other hand, is a secondary party who only receives the benefits if the primary beneficiary is unable to do so. If the primary beneficiary passes away before the insured (in this case, the father), then the contingent beneficiary (the daughter) becomes eligible to receive the death benefit. This ensures that the death benefit can still be distributed according to the insured's wishes, even if the primary choice is no longer available. Other conditions, such as requiring the primary beneficiary's consent or stipulations regarding the manner of death, would not automatically assign the death benefit to the contingent beneficiary. Additionally, while different arrangements can exist regarding the division of benefits between primary and contingent beneficiaries, a straightforward sharing of death benefits does not automatically mean the contingent beneficiary collects without the conditions being met. Thus, the correct scenario focuses on the primary beneficiary's status in relation to the insured's death.

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5. What happens to the accumulated cash value of a whole life insurance policy if a policyholder chooses to receive a cash surrender?

A. The policyholder continues to have coverage for life

B. The policyholder loses all insurance coverage

C. The cash value is reinvested in a new policy

D. The policy remains in force at a reduced amount

When a policyholder chooses to receive a cash surrender from a whole life insurance policy, they effectively terminate the policy, which results in the loss of all insurance coverage. The cash surrender value is the amount that the policyholder receives after canceling the policy, which is the accumulated cash value minus any outstanding loans or fees. As a result of this action, the policyholder will no longer be insured under that policy. The other options describe scenarios that do not occur with a cash surrender. For instance, coverage cannot continue after surrendering the policy, and the cash value is not reinvested into a new policy, nor does the policy remain in force at a reduced amount once it is surrendered. Thus, the decision to cash surrender the policy directly impacts the policyholder's insurance coverage, leading to a complete loss of that protection.

6. What do "Lifetime reserve days" coverage in Medicare provide?

A. Days of outpatient care covered after retirement

B. Additional days of inpatient hospital care that can be used after the initial benefit period

C. A set number of days for skilled nursing facility stays

D. A one-time payment for emergency conditions

Lifetime reserve days in Medicare are crucial for beneficiaries who require extended inpatient hospital care. Under Medicare Part A, after a beneficiary has used up their standard benefit period, which allows for up to 90 days of care, they can access additional inpatient days known as lifetime reserve days. Specifically, each beneficiary is granted 60 lifetime reserve days over their lifetime that can be utilized when their inpatient hospital care exceeds the initial benefit period. When a patient is hospitalized and the stay extends beyond the usual coverage, these reserve days can help cover the cost of the additional days in the hospital, albeit at a higher coinsurance rate. Therefore, the correct answer highlights the additional inpatient hospital care coverage that lifetime reserve days provide when initial benefits are exhausted. This understanding is essential for comprehending the way Medicare supports patients who may face prolonged hospital stays due to serious medical conditions.

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7. Which non-forfeiture option typically provides coverage for the longest period of time?

A. Reduced paid-up

B. Extended term

C. Paid-up option

D. Accumulated at interest

The reduced paid-up non-forfeiture option is typically the one that provides coverage for the longest period of time because it allows the policyholder to convert their existing whole life insurance policy into a paid-up insurance policy with a reduced face value. This means the policyholder does not have to pay further premiums, yet still retains some level of coverage indefinitely. In contrast, while the extended term option provides coverage for a specific term and is typically for a shorter duration, the reduced paid-up option essentially preserves the value of the policy, albeit at a lower face amount, allowing coverage to continue as long as the policyholder is alive. The paid-up option is similar but is generally less relevant as it refers to the policy being fully paid and no longer needing premiums, lacking the context of a non-forfeiture situation. The accumulated at interest option just means that the cash value accumulates interest but does not provide insurance coverage. Therefore, the reduced paid-up option effectively balances the needs of retaining coverage and not requiring further premium payments, extending the duration of protection for the policyholder.

8. What is "loss ratio" in insurance?

A. The ratio of claims paid to total insurance premiums collected

B. A percentage of policies that result in claims

C. The amount of profit made from insurance premiums

D. The cost of managing insurance claims

The concept of "loss ratio" in insurance refers to the ratio of claims paid to total insurance premiums collected. This measurement is crucial for insurers as it indicates the financial health of an insurance company. A higher loss ratio suggests that a larger proportion of premiums is being used to pay claims, which could signal potential issues such as underpricing of policies or an increase in claims frequency. Conversely, a lower loss ratio may indicate that the insurer is effectively managing risks and claims, leading to better profitability. This metric is particularly useful for insurance companies to assess performance over time and make decisions about price adjustments, underwriting practices, and reserve management. It reflects a balance between the amount of premium income received and the claims being paid out, essentially measuring the effectiveness of an insurer's risk assessment and pricing strategies. Other options do not accurately define loss ratio. Although some may relate to aspects of insurance operations, they do not encapsulate the fundamental definition of loss ratio itself. Understanding this key term is vital for anyone studying insurance practices, as it directly impacts financial outcomes for insurers and their ability to remain solvent while providing coverage to policyholders.

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9. In a life insurance policy, what does "permanency" imply?

A. That the policy can be canceled at any time

B. That the coverage will remain in effect throughout the insured's life, assuming premiums are paid

C. That premium payments can be increased at any time

D. That the policy is only active during a specific time frame

The concept of "permanency" in a life insurance policy signifies that the coverage is designed to remain in effect for the entirety of the insured's life, provided that premium payments are maintained. This element of permanency is a cornerstone of whole life insurance and similar types of policies, where the intention is to ensure that the beneficiaries will receive a death benefit no matter when the insured passes away, as long as the policy remains active through the payment of premiums. This provides both the policyholder and their beneficiaries peace of mind, knowing that the insurance coverage is stable and enduring. The other options relate to characteristics that do not embody the principle of permanency. For instance, the ability to cancel the policy at any time indicates flexibility rather than permanence. Changes in premium payment structures can introduce uncertainty, contradicting the concept of a stable, lasting policy. Lastly, a time-specific activity contrasts fundamentally with the idea of lifelong coverage, clearly demonstrating that permanency refers to the enduring nature of the policy itself.

10. What is a "contestability period" in a life insurance policy?

A. A time after which the policy can no longer be canceled

B. The duration in which claims can be contested for misrepresentation

C. A period of free coverage offered by the insurer

D. The time allowed for policyowners to review their policy

A "contestability period" in a life insurance policy refers to the duration during which the insurer has the right to contest or deny a claim based on misrepresentation or omission of information in the application. This typically lasts for the first two years after the policy is issued. During this time, if the insurer discovers that a policyholder misrepresented information when applying for coverage, they can refuse to pay claims. This period is critical because it protects the insurer from fraudulent applications while also encouraging applicants to provide honest and accurate information. The other options do not accurately reflect the concept of a contestability period. The first option incorrectly suggests that the policy cannot be canceled after this period, which is not true, as policies may still be subject to cancellation for various reasons apart from contestability. The third option inaccurately states that a contestability period involves free coverage, while the fourth option misinterprets it as a review period for policyholders, which does not relate to claims contestation.

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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://valifeandhealth.examzify.com

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

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