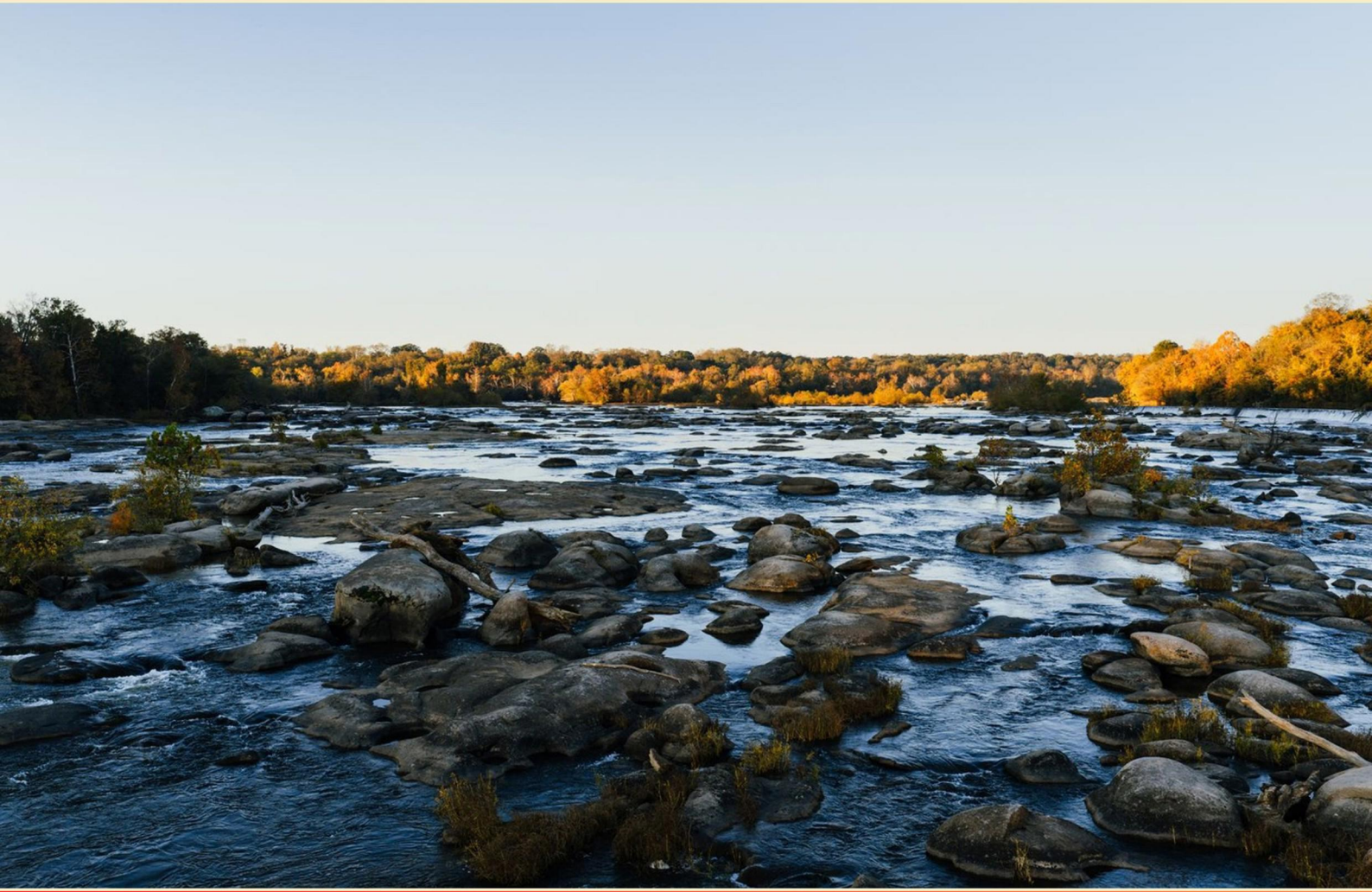
VIRGINIA STATE LIFE, HEALTH AND ANNUITIES PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR THE FULL VERSION STUDY GUIDE

https://virginia-lifehealthandannuities.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. A preferred provider plan and an indemnity plan are similar in which aspect?

A. Both require referral from a primary care doctor

B. Both pay on a fee-for-service basis

C. Both cover only in-network providers

D. Both exclude coverage for specialized services

2. What type of insurance provides coverage for a specified period of time?

A. whole life insurance

B. term insurance

C. universal life insurance

D. variable life insurance

3. A Guaranteed Renewable provision permits what regarding premiums?

A. They can be increased at any time

B. They can only be increased per rate class

C. They remain fixed for the policy's life

D. They decrease over time

4. How is the benefit amount for Social Security disability determined?

A. Based on the individual's savings

B. Based on the average earnings during a person's working years

C. Based on the number of dependents

D. It is a fixed amount for all applicants

5. How do benefit payments fluctuate over time in a variable life annuity?

A. Benefit payments stay fixed

B. Reflects changes in the market value of assets in a separate account

C. Annuitant controls any benefit payment changes

D. Any benefit payment fluctuations have to be approved in writing by the owner

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6. What health insurance provision requires that the application becomes part of the policy?

A. Entire contract clause

B. Free look period

C. Grace period

D. Change of beneficiary clause

7. With a group disability income policy, what is true for employees paying for additional residual disability coverage?

A. All benefits received are taxable

B. Residual benefits are tax-free

C. Only employer-paid benefits are tax-free

D. They receive no tax benefits

8. Which of the following is NOT subject to the promise to pay in an insuring clause?

A. How the premium is calculated

B. Policy provisions

C. Policy conditions

D. Policy exclusions

9. In the disclosure of an insured's nonpublic information, what are the three obligations of the insurer?

A. Evaluate, document, and report

B. Give notice, explain, and allow opting out

C. Notify, investigate, and review

D. Advise, disclose, and amend

10. What is the primary advantage of a noncancelable insurance policy?

A. Lower premiums over time

B. Insurer cannot change terms until a certain age

C. Can be easily converted to another type of policy

D. Provides guaranteed approval for all medical conditions

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Answers

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

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Explanations

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1. A preferred provider plan and an indemnity plan are similar in which aspect?

A. Both require referral from a primary care doctor

B. Both pay on a fee-for-service basis

C. Both cover only in-network providers

D. Both exclude coverage for specialized services

Both a preferred provider plan and an indemnity plan pay for healthcare services based on a fee-for-service basis. This means that both types of plans reimburse healthcare providers for each service rendered to patients. In a preferred provider organization (PPO), patients can see any provider, but they usually have lower out-of-pocket costs when they use providers that are part of the network. On the other hand, indemnity plans typically provide greater flexibility, allowing beneficiaries to see any healthcare provider without network restrictions, albeit often with higher deductibles and coinsurance. The focus on fee-for-service in both plans reflects how medical expenses are reimbursed, emphasizing the individual pricing of services rendered rather than requiring patients to navigate through extensive network protocols or obtain referrals as might be typical in managed care plans. This characteristic is what mirrors the commonality between these two types of plans. In contrast, requiring referrals, limiting coverage to in-network providers, or excluding specialized services do not align with the fundamental features of both plan types, as preferred provider plans allow some flexibility, and indemnity plans emphasize choice without requiring referrals.

2. What type of insurance provides coverage for a specified period of time?

A. whole life insurance

B. term insurance

C. universal life insurance

D. variable life insurance

Term insurance is designed to provide coverage for a specified period of time, such as 10, 20, or 30 years. This type of insurance is particularly appealing because it allows individuals to obtain a larger amount of coverage at a lower cost compared to permanent insurance policies. It is ideal for those looking to protect their families or dependents during critical financial periods, such as raising children or paying off a mortgage, without the long-term financial commitment of whole or universal life insurance. In term insurance, if the insured passes away during the term, the beneficiaries receive the death benefit. However, if the term expires and the insured is still alive, the coverage ends, and there is no payout or cash value accumulated. This creates a clear distinction from the other types of life insurance, which typically offer lifelong coverage and may also accumulate cash value over time.

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3. A Guaranteed Renewable provision permits what regarding premiums?

A. They can be increased at any time

B. They can only be increased per rate class

C. They remain fixed for the policy's life

D. They decrease over time

A Guaranteed Renewable provision in insurance policies ensures that the policyholder has the right to renew their coverage regardless of health status or changes in risk. This provision specifically influences how premiums can be adjusted over time. Under this provision, while the insurance company can increase premiums, these increases must occur uniformly across a defined group or "rate class." This means that all policyholders within the same rate class may experience a premium increase based on the insurer's assessment of risk or loss ratios for that class, rather than on an individual basis. This establishes fairness and stability in premium adjustments, allowing the insurer to manage risks while granting policyholders the assurance that they can maintain their coverage without being penalized individually for personal health changes. The other options suggest various scenarios for premium adjustments that do not align with the principles of a Guaranteed Renewable provision, such as unrestricted increases at any time or decreasing premiums over time, which do not typically occur under this particular framework.

4. How is the benefit amount for Social Security disability determined?

A. Based on the individual's savings

B. Based on the average earnings during a person's working years

C. Based on the number of dependents

D. It is a fixed amount for all applicants

The benefit amount for Social Security disability is determined based on the average earnings during a person's working years. This amount is calculated using a formula that takes into account the individual's highest-earning years, usually the 35 years in which the person earned the most. The Social Security Administration uses these earnings to calculate a person's Primary Insurance Amount (PIA), which serves as the basis for their disability benefits. Essentially, the more a person has paid into the Social Security system through payroll taxes while working, the higher their disability benefits will be. This system is designed to provide support that correlates with a person's contribution to the program.

5. How do benefit payments fluctuate over time in a variable life annuity?

A. Benefit payments stay fixed

B. Reflects changes in the market value of assets in a separate account

C. Annuitant controls any benefit payment changes

D. Any benefit payment fluctuations have to be approved in writing by the owner

In a variable life annuity, benefit payments are tied to the performance of investment options chosen by the annuity owner, which are held in a separate account. This means that as the market value of the underlying assets fluctuates—reflecting gains or losses in investments—so too do the benefit payments received by the annuitant. If the investments perform well, the benefit payments may increase, thereby providing greater income to the annuitant. Conversely, if the investments perform poorly, the benefit payments may decrease. This linkage to investment performance is a defining characteristic of variable life annuities as opposed to fixed products, where benefit payments remain constant regardless of market conditions. Therefore, the correct understanding is that the variability in payment amounts directly mirrors the changes in the market value of the associated assets in the separate account.

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6. What health insurance provision requires that the application becomes part of the policy?

A. Entire contract clause

B. Free look period

C. Grace period

D. Change of beneficiary clause

The provision that requires the application to become part of the health insurance policy is known as the entire contract clause. This clause establishes that the insurance policy, along with the application and any associated endorsements, constitutes the complete agreement between the insurer and the insured. This is significant because it ensures that both parties operate under the same understanding of the contract's terms and conditions. It protects the policyholder by holding the insurer accountable to what was initially agreed upon in the application, ensuring that no outside documents or modifications can alter the contract without the permission of the insured. This aspect of the provision enhances transparency and reinforces that the details provided during the application process are integral to the coverage. In contrast, a free look period allows policyholders a specific timeframe to review the policy and return it for a full refund if they decide they no longer want it. A grace period is the time allowed for the payment of premiums after their due date without the policy lapsing. The change of beneficiary clause pertains to the policyholder's ability to change who receives benefits upon their death. These elements do not inform the binding nature of the application as part of the contract.

7. With a group disability income policy, what is true for employees paying for additional residual disability coverage?

A. All benefits received are taxable

B. Residual benefits are tax-free

C. Only employer-paid benefits are tax-free

D. They receive no tax benefits

When employees pay for additional residual disability coverage under a group disability income policy, the benefits they receive are generally tax-free. This tax treatment is a significant advantage for those who purchase this type of coverage, as it allows individuals to receive income when they are partially disabled without the burden of taxation that could reduce their financial support during recovery. The reasoning behind this tax exemption is rooted in IRS guidelines regarding individual contributions to insurance premiums. When employees pay the premiums for their own disability coverage, the benefits they later receive from that coverage are not considered taxable income. This makes the residual disability benefits more valuable to the insured, as they can rely on these funds without worrying about how much will be deducted for tax purposes. Additionally, this tax provision encourages employees to seek out additional protection, knowing that in the event of partial disability, they will have access to funds that maintain their financial wellbeing without added tax liabilities.

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8. Which of the following is NOT subject to the promise to pay in an insuring clause?

A. How the premium is calculated

B. Policy provisions

C. Policy conditions

D. Policy exclusions

The insuring clause of an insurance policy is a fundamental component that outlines the insurer's promise to pay for covered losses or claims under certain conditions. This promise is typically specific to the coverage provided in the policy and sets the framework for the benefits that will be paid in the event of a covered incident. Calculating how the premium is determined is typically a separate aspect of the insurance contract. It involves factors such as the insured's risk profile, the type and amount of coverage, underwriting guidelines, and market conditions. This calculation does not relate directly to the insuring clause, which is focused on the obligations of the insurer regarding payment for claims, rather than the specifics of premium assessment. Therefore, it does not fall under the promise to pay as explicitly stated in the insuring clause. On the other hand, policy provisions, conditions, and exclusions are all integral parts of the insurance contract that can influence or define the parameters of the promise made in the insuring clause. Policy provisions establish the rules and guidelines that govern the insurance contract, while conditions often set out what the insured must do to maintain coverage. Policy exclusions define circumstances or events that are not covered by the policy, thus having a direct impact on the insurer's obligation to pay claims. Because of

9. In the disclosure of an insured's nonpublic information, what are the three obligations of the insurer?

A. Evaluate, document, and report

B. Give notice, explain, and allow opting out

C. Notify, investigate, and review

D. Advise, disclose, and amend

The correct answer highlights the obligations of an insurer when it comes to handling the nonpublic information of an insured. Giving notice is crucial, as it enables the insured to be aware of how their personal information is being used and the potential risks involved. Explaining the insurer's practices concerning the collection and sharing of this information helps the insured understand their rights and what measures are taken to protect their data. Allowing opting out gives the insured control over their information, enabling them to choose whether or not they want their data shared with third parties. Together, these obligations reflect a commitment to transparency and consumer empowerment in the management of personal data, which is essential for fostering trust between the insurer and the insured.

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10. What is the primary advantage of a noncancelable insurance policy?

A. Lower premiums over time

B. Insurer cannot change terms until a certain age

C. Can be easily converted to another type of policy

D. Provides guaranteed approval for all medical conditions

A noncancelable insurance policy is particularly advantageous because it guarantees that the insurer cannot change the terms of the policy, including premiums or benefits, until the policyholder reaches a certain age or milestone, typically as stipulated in the contract. This means that once the policy is issued, it remains unchanged for the duration specified in the policy, providing a significant level of security and predictability for the policyholder. This is crucial for individuals who want to make sure that their insurance terms will not be altered, especially as they grow older or if their health status changes. Such policies can offer peace of mind and financial stability, knowing that the coverage will continue without unwelcome adjustments that could impact affordability or coverage. The other options, while they may describe aspects of insurance policies, do not reflect the distinguishing benefit of a noncancelable policy as effectively. For instance, lower premiums over time might be typical of certain policy types but is not guaranteed with a noncancelable policy. The ability to convert to another type of policy is a feature found in many other policies, but it is not an exclusive advantage of noncancelable policies. Lastly, guaranteed approval for all medical conditions is generally not true in insurance, as underwriting will still evaluate risk factors regardless of the policy type

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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://virginia-lifehealthandannuities.examzify.com

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

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