

# Accident and Health Insurance Agent/Broker Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

**This is a sample study guide. To access the full version with hundreds of 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.

# 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. Don't worry about getting everything right, 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, and take breaks to retain information better.**

## **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.**

## **7. Use Other Tools**

**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**

- 1. What is the term for the process requiring dentists to submit a plan for treatment exceeding a specified amount?**
  - A. Pre-authorization**
  - B. Pre-certification**
  - C. Pre-operative notification**
  - D. Prospective treatment planning**
- 2. What is a common exclusion that appears in health policies?**
  - A. No coverage for drug or alcohol related illness**
  - B. Hernia from an accident**
  - C. Travel outside of the USA**
  - D. Injury in the act of committing a felony**
- 3. For how many months can benefits and premiums be suspended under a Medicare Supplement policy if the individual is determined eligible for Social Security disability benefits?**
  - A. 40 months**
  - B. 24 months**
  - C. 10 months**
  - D. 52 months**
- 4. What does Medicare Part A cover after a hospital stay?**
  - A. Long-term care in non-approved facilities**
  - B. Skilled nursing care**
  - C. Routine hospital visits**
  - D. Emergency ambulance services**
- 5. What is one of the major differences between private and government insurance?**
  - A. Government insurance can be either Federal or state**
  - B. Both private and government have disability coverage**
  - C. Government insurance is more efficient to run**
  - D. Private insurance can deny coverage to individuals**



- 6. Which of the following best describes a TPA arrangement in health insurance?**
- A. It involves a direct insurance contract with the employer.**
  - B. It facilitates the processing of claims and administrative services.**
  - C. It is a form of risk pooling among multiple employers.**
  - D. It provides individual coverage for employees.**
- 7. Continuing education is required for insurance producers to ensure they:**
- A. Maintain industry knowledge**
  - B. Get commission bonuses**
  - C. Sell more products**
  - D. Avoid legal penalties**
- 8. What is the main purpose of the Fair Credit Reporting Act?**
- A. To rule that insurance is primarily regulated on a state-level with minimal federal oversight.**
  - B. To rule that insurance transactions crossing state lines are not treated as interstate commerce.**
  - C. To rule that insurance transactions crossing state lines are interstate commerce.**
  - D. To regulate the way credit information is collected and used.**
- 9. Which of the following conditions is NOT a feature of disability and long term care plans regarding the waiver of premium?**
- A. The insured must be totally disabled**
  - B. Premiums are waived for a limited time**
  - C. Coverage remains in force during the waiver period**
  - D. All premium payments are refunded**
- 10. All long-term care policies are guaranteed renewable. Which of the following is true about a noncancellable policy?**
- A. Policy cannot be cancelled as long as premiums are paid**
  - B. Provisions of the policy can be changed**
  - C. The insurer can decline to renew**
  - D. The insurer can change the policy premium**

## **Answers**

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

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## **Explanations**

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**1. What is the term for the process requiring dentists to submit a plan for treatment exceeding a specified amount?**

- A. Pre-authorization**
- B. Pre-certification**
- C. Pre-operative notification**
- D. Prospective treatment planning**

The correct answer is the term "pre-authorization." Pre-authorization is a critical process in dental insurance plans that requires providers, such as dentists, to submit a treatment plan for approval to the insurer before proceeding with any procedures that exceed a certain cost threshold. This process helps ensure that the proposed treatments are medically necessary and covered under the patient's insurance policy, preventing unexpected expenses for both the patient and the provider. By obtaining pre-authorization, both the dentist and the patient can have clarity on what will be financially covered, allowing for better financial planning. It also helps to streamline the claims process after the treatment has been rendered, as the insurer has already reviewed and approved the proposed procedures. Other terms listed may refer to different aspects of treatment approval but do not accurately capture the specific process of requiring a dentist to provide a treatment plan prior to exceeding a certain financial limit. Pre-certification generally relates to more broad forms of medical services across healthcare and may not specifically apply to dental treatments. Pre-operative notification could indicate informing the insurer about upcoming procedures, yet it isn't focused strictly on the approval of costs. Lastly, prospective treatment planning is more about the planning stages of dental care rather than the approval process tied to cost thresholds.

**2. What is a common exclusion that appears in health policies?**

- A. No coverage for drug or alcohol related illness**
- B. Hernia from an accident**
- C. Travel outside of the USA**
- D. Injury in the act of committing a felony**

The choice regarding injury in the act of committing a felony is commonly found in health policies as an exclusion. Insurers typically outline that they will not cover expenses related to injuries sustained while engaging in illegal activities. This exclusion helps insurers manage risk and prevents individuals from exploiting health insurance coverage for actions that are both unlawful and risky. In contrast to the chosen answer, exclusions related to drug or alcohol-related illnesses, while also common, may vary significantly between policies and may not be universal. Hernias, while often categorized differently for coverage purposes, can be addressed under specific conditions such as accidents, which means they might not always be excluded outright. Travel outside of the USA can be covered in some policies but generally includes restrictions or may require additional stipulations. Understanding these exclusions is crucial for consumers and agents alike, as they can have substantial implications on the coverage and benefits that one might expect from a health insurance policy.

**3. For how many months can benefits and premiums be suspended under a Medicare Supplement policy if the individual is determined eligible for Social Security disability benefits?**

**A. 40 months**

**B. 24 months**

**C. 10 months**

**D. 52 months**

The correct answer is based on the provisions outlined for Medicare Supplement policies regarding individuals who qualify for Social Security disability benefits. When a person becomes eligible for Social Security disability benefits, their Medicare Supplement policy allows for benefits and premium payments to be suspended for a duration of 24 months. This suspension period provides individuals the flexibility to manage their financial resources during a time when they may have lost their regular income due to disability. Understanding the significance of this 24-month period is also key. It aligns with the waiting period for Medicare coverage to start for those receiving disability benefits. Once the 24 months have elapsed, beneficiaries are then eligible to reinstate their Medicare Supplement without needing to go through medical underwriting, thus ensuring they can maintain their healthcare coverage through a crucial transitional period.

**4. What does Medicare Part A cover after a hospital stay?**

**A. Long-term care in non-approved facilities**

**B. Skilled nursing care**

**C. Routine hospital visits**

**D. Emergency ambulance services**

Medicare Part A primarily covers inpatient care, including a range of services for individuals who have been hospitalized. After a qualifying hospital stay, Medicare Part A specifically provides coverage for skilled nursing care, which is essential for recovery and rehabilitation following a hospital discharge. This type of care typically occurs in a skilled nursing facility and includes services such as physical therapy, occupational therapy, and other specialized care that requires professional medical staff. The coverage is contingent on the individual having had an inpatient hospital stay of at least three consecutive days and needing the skilled services to aid in their recovery. This makes it crucial for recovery from serious health issues, ensuring patients receive the appropriate care as they transition from hospital to home or other settings. Other options do not accurately describe the coverage under Medicare Part A. For instance, long-term care in non-approved facilities is not covered by Medicare Part A. Routine hospital visits and emergency ambulance services fall under different types of Medicare coverage or other insurance options, as they do not directly relate to the post-hospital stay skilled nursing care provided by Part A. Thus, skilled nursing care is correctly recognized as a benefit of Medicare Part A after a hospital stay.

**5. What is one of the major differences between private and government insurance?**

- A. Government insurance can be either Federal or state**
- B. Both private and government have disability coverage**
- C. Government insurance is more efficient to run**
- D. Private insurance can deny coverage to individuals**

One of the major differences between private and government insurance is that government insurance can be structured at both the federal and state levels. This distinction highlights how government insurance programs can vary significantly based on the jurisdiction and specific legislative framework that governs them. For instance, federal programs such as Medicare and Medicaid operate nationally under federal guidelines, while state-run programs may provide additional or different services tailored to the specific needs of their populations. This dual-level structure allows for a broader range of coverage options based on geographic and demographic factors, which is not typically a feature of private insurance, where offerings are usually uniform across the company's service areas. In contrast, while both types of insurance may provide disability coverage, this does not distinguish them fundamentally from one another. The efficiency of government insurance compared to private insurance can vary, and it's often a subject of debate rather than a definitive fact. Finally, the ability of private insurance to deny coverage based on underwriting practices is a characteristic that sets private insurance apart from government programs that are often required to accept applicants regardless of pre-existing conditions, making the understanding of these distinctions vital for navigating the insurance landscape.

**6. Which of the following best describes a TPA arrangement in health insurance?**

- A. It involves a direct insurance contract with the employer.**
- B. It facilitates the processing of claims and administrative services.**
- C. It is a form of risk pooling among multiple employers.**
- D. It provides individual coverage for employees.**

A TPA (Third-Party Administrator) arrangement in health insurance primarily refers to the facilitation of claims processing and the provision of administrative services on behalf of insurance companies or self-insured employers. By leveraging the expertise and resources of a TPA, employers can streamline claims management, ensure compliance with regulations, and enhance their overall administrative efficiency without having to handle these processes internally. In this context, TPAs play a pivotal role in managing health benefits by effectively acting as intermediaries between the employer and the insurance provider, overseeing functions such as claims processing, enrollment, and customer service. This allows employers, especially those who are self-insured, to focus more on their core operations while ensuring that their employees' health claims are handled promptly and accurately. The other options focus on direct insurance contracts, risk pooling, and individual coverage, which do not accurately capture the primary function of a TPA. A TPA arrangement is specifically about administrative efficiency rather than direct insurance relationships or individual employee coverage.

**7. Continuing education is required for insurance producers to ensure they:**

- A. Maintain industry knowledge**
- B. Get commission bonuses**
- C. Sell more products**
- D. Avoid legal penalties**

Continuing education is essential for insurance producers primarily to maintain industry knowledge. The insurance landscape is continuously evolving due to changes in regulations, new products, and emerging industry trends. By engaging in ongoing education, producers stay informed about the latest developments, which empowers them to provide accurate information and meet the needs of their clients effectively. Maintaining industry knowledge not only helps producers enhance their skills and confidence in selling insurance products, but it also ensures that they understand the legal compliance aspects pertinent to their practice. This ultimately leads to better service for clients, informed decision-making, and a more robust professional reputation. Other options like commission bonuses, selling more products, or avoiding legal penalties may be outcomes of being well-informed but are not the primary reasons for the requirement of continuing education. Instead, the fundamental goal revolves around enhancing the knowledge base and competency of insurance producers.

**8. What is the main purpose of the Fair Credit Reporting Act?**

- A. To rule that insurance is primarily regulated on a state-level with minimal federal oversight.**
- B. To rule that insurance transactions crossing state lines are not treated as interstate commerce.**
- C. To rule that insurance transactions crossing state lines are interstate commerce.**
- D. To regulate the way credit information is collected and used.**

The main purpose of the Fair Credit Reporting Act (FCRA) is to regulate the way credit information is collected, used, and distributed by consumer reporting agencies. This legislation was enacted to ensure that individuals have the right to know what information is being reported about them, to ensure that this information is accurate, and to promote fairness and privacy in the handling of consumer information. The FCRA sets guidelines for how consumer credit information is shared and provides consumers with certain rights, including the right to dispute inaccurate information on their credit reports. This understanding is essential for those in the insurance industry, as insurers often rely on credit information to assess risk, determine premiums, and make underwriting decisions. Maintaining compliance with the FCRA is crucial for protecting consumer rights and ensuring fair practices in the way credit information is utilized. In the context of the other options, while they may pertain to regulatory parameters within the insurance industry, they do not address the primary focus of the FCRA, which centers specifically on consumer credit information and its management. Therefore, the option recognizing the regulation of credit information collection and use aligns directly with the core intent of the Fair Credit Reporting Act.



**9. Which of the following conditions is NOT a feature of disability and long term care plans regarding the waiver of premium?**

- A. The insured must be totally disabled**
- B. Premiums are waived for a limited time**
- C. Coverage remains in force during the waiver period**
- D. All premium payments are refunded**

The correct answer addresses a fundamental aspect of disability and long-term care insurance regarding the waiver of premium feature. Typically, when an insured becomes totally disabled and meets the conditions specified in the policy, premiums may indeed be waived to keep the coverage in force. However, it is important to understand that under these plans, there is usually no provision for refunding all premium payments made during the period of disability once the waiver is activated. This characteristic distinguishes the waiver of premium feature from other policy benefits. The other options reflect standard features of such insurance plans. For instance, a waiver of premium usually does require that the insured must be totally disabled, which ensures that the premium waiver applies only under significant circumstances. Additionally, the waiver is often for a limited time, meaning that there is usually a duration after which the premium payments would resume unless the disability continues. Coverage typically remains in force during the waiver period, ensuring that the insured remains protected even if they cannot pay premiums due to their disability, which further highlights the goal of providing security during times of critical need. The key takeaway is that while insurers may waive future premiums during a period of total disability, they do not refund prior premiums, thus making the statement about refunding all premium payments the correct choice in

**10. All long-term care policies are guaranteed renewable. Which of the following is true about a noncancellable policy?**

- A. Policy cannot be cancelled as long as premiums are paid**
- B. Provisions of the policy can be changed**
- C. The insurer can decline to renew**
- D. The insurer can change the policy premium**

A noncancellable policy is designed to provide a significant degree of security for the policyholder. The primary feature of such a policy is that it cannot be cancelled by the insurer as long as the premiums continue to be paid on time. This means that once a noncancellable policy is issued, the insurer is obligated to uphold the terms of the policy throughout the duration of coverage, ensuring that the policyholder has guaranteed access to benefits without the risk of the policy being terminated or cancelled. This characteristic distinguishes noncancellable policies from other types of policies that might allow changes to be made by the insurer, including cancellation, non-renewal, or adjustments to premium rates. The stability provided by a noncancellable policy is especially important for long-term care coverage, where individuals seek reassurance that they will remain insured even as their health status changes over time. This security is vital for proper long-term planning and financial stability in healthcare choices.

## 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](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://accidenthealthinsurance.examzify.com>**

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