

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

## Study Guide



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

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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. 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!**

## Questions

- 1. Which coverage is typically provided under a major medical policy?**
  - A. Monthly income from disability**
  - B. Home nursing visits**
  - C. Emergency transportation services**
  - D. Outpatient care**
- 2. Which of the following is a primary reason for the establishment of the Affordable Care Act?**
  - A. To enhance private insurance profits**
  - B. To reduce the number of uninsured individuals**
  - C. To increase premium costs**
  - D. To eliminate Medicaid entirely**
- 3. If Melvin has a long-term care policy with a 30-day elimination period and is confined to a nursing home for 9 months, how much will his policy pay?**
  - A. \$27,000**
  - B. \$18,000**
  - C. \$24,000**
  - D. \$17,000**
- 4. 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**
- 5. The clause that identifies the insured and the insurer in an insurance contract is known as what?**
  - A. Time limit on certain defenses clause**
  - B. Benefit outline clause**
  - C. Renewability Clause**
  - D. Insuring Clause**

- 6. What does a "guaranteed renewable" policy ensure for the insured?**
- A. Unlimited coverage without out-of-pocket costs**
  - B. Policy cannot be terminated as long as premiums are paid**
  - C. Automatic increase in coverage over time**
  - D. Fixed policy premium rates**
- 7. According to the Patient Protection and Affordable Care Act, what allows states to combine their SHOP exchange with?**
- A. Commercial insurance companies.**
  - B. Their Medicaid recipients.**
  - C. Their exchange for individual consumers.**
  - D. All of the above.**
- 8. Which of the following is NOT a criterion for a small business to receive a tax credit?**
- A. Pay Employees less than \$50,000 average annual wages**
  - B. Pay at least 50% of each employee's health care insurance premium**
  - C. Have 25 or less full-time equivalent employees for the taxable year**
  - D. Have a net profit less than \$5,000 times the number of employees**
- 9. Which of the following is not a type of health insurance policy?**
- A. Hospital Expense**
  - B. Comprehensive Major Medical**
  - C. Health Maintenance Organization**
  - D. Benefit Structure Agreement**
- 10. What action can an insurance company take under a change of occupation provision at the time of claim?**
- A. Increase the premiums for that individual**
  - B. Pay a reduced benefit for a higher risk occupation**
  - C. Pay the benefits stated in the policy**
  - D. Require a doctor's statement confirming disability**



## **Answers**

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

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## **Explanations**

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**1. Which coverage is typically provided under a major medical policy?**

- A. Monthly income from disability**
- B. Home nursing visits**
- C. Emergency transportation services**
- D. Outpatient care**

Major medical policies are designed to provide extensive coverage for a wide range of healthcare expenses. Among the types of services included in this coverage, outpatient care is a significant component. Outpatient care refers to medical services that do not require an overnight stay in a hospital, such as doctor visits, diagnostic tests, and certain procedures. This coverage is crucial because it addresses many common medical needs that can occur outside of a hospital setting. While other options such as home nursing visits and emergency transportation services may also be included in certain policies, they are not universally covered under all major medical plans. Meanwhile, monthly income from disability insurance is a different type of coverage altogether, unrelated to medical expenses. Hence, outpatient care stands out as a typical provision in major medical policies due to its broad applicability and importance in managing healthcare costs for policyholders.

**2. Which of the following is a primary reason for the establishment of the Affordable Care Act?**

- A. To enhance private insurance profits**
- B. To reduce the number of uninsured individuals**
- C. To increase premium costs**
- D. To eliminate Medicaid entirely**

The Affordable Care Act (ACA) was primarily established to reduce the number of uninsured individuals in the United States. One of the key goals of the ACA was to expand access to health insurance coverage through various measures, including the creation of health insurance marketplaces, the expansion of Medicaid eligibility, and the implementation of provisions that require individuals to have health insurance. By addressing barriers to obtaining insurance, such as pre-existing conditions and guarantees of coverage regardless of health status, the ACA aimed to ensure that more individuals could obtain affordable healthcare. This focus on expanding coverage is central to the law's purpose and highlights the intent to make healthcare more accessible to all Americans, thereby reducing the overall number of uninsured.

**3. If Melvin has a long-term care policy with a 30-day elimination period and is confined to a nursing home for 9 months, how much will his policy pay?**

- A. \$27,000**
- B. \$18,000**
- C. \$24,000**
- D. \$17,000**

In a long-term care insurance policy, the elimination period, also known as the waiting period, is the time that must pass before benefits are payable. Since Melvin has a 30-day elimination period, he will not receive benefits for the first 30 days of his nursing home confinement. Melvin is confined for a total of 9 months, which is equivalent to 270 days. Since the first 30 days do not qualify for benefit payments, the insurance policy will start paying after this period, covering the remaining 240 days of his stay in the nursing home. To determine the total benefit amount for the 240 days, information about the daily benefit amount is needed. If we assume that the policy pays \$100 per day, then the calculation would be:  $240 \text{ days} \times \$100/\text{day} = \$24,000$ . This calculation matches the answer choice indicating that the policy would indeed pay \$24,000, reflecting the total benefits accumulated after the elimination period. This demonstrates an understanding of how long-term care insurance policies typically operate regarding elimination periods and benefit calculations.

**4. 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.

**5. The clause that identifies the insured and the insurer in an insurance contract is known as what?**

- A. Time limit on certain defenses clause**
- B. Benefit outline clause**
- C. Renewability Clause**
- D. Insuring Clause**

The insuring clause is a fundamental component of an insurance contract that explicitly identifies the parties involved, namely the insured and the insurer. This clause serves as a declaration that provides the basic premise of the coverage being offered, detailing what is insured and under what circumstances the insurer will provide payment for covered losses. It succinctly articulates the insurer's promise to pay for certain risks in exchange for the premium paid by the insured. This clause is critical as it defines the scope of the policy and sets the groundwork for understanding what is protected under the terms of the contract. It ensures both parties are clear on their responsibilities and benefits, thus reducing ambiguity regarding what coverage is provided. In contrast, the other options such as a time limit on certain defenses clause, benefit outline clause, and renewability clause each serve different purposes within an insurance policy. The time limit on certain defenses clause typically determines the duration in which the insurer can contest a claim based on misrepresentation or fraud. The benefit outline clause generally lists the specific benefits and coverage provided under the policy, while the renewability clause outlines the terms under which the policy may be renewed. These elements are important, but they do not serve the primary role of identifying the parties to the contract in the same essential way as

**6. What does a "guaranteed renewable" policy ensure for the insured?**

- A. Unlimited coverage without out-of-pocket costs**
- B. Policy cannot be terminated as long as premiums are paid**
- C. Automatic increase in coverage over time**
- D. Fixed policy premium rates**

A "guaranteed renewable" policy provides assurance to the insured that the policy cannot be canceled by the insurer as long as the premiums are paid on time. This characteristic is crucial because it offers the insured a sense of security and stability in coverage, especially in the event of changes in health or circumstances that may affect eligibility for renewal. The guaranteed renewable feature typically means that the insurer must renew the policy, although it may still allow for an increase in premiums, but only on a class basis rather than an individual basis. This protection is particularly valuable for individuals who may develop health issues that could complicate acquiring new coverage. Unlike options implying unlimited coverage or automatic increases, guaranteed renewable policies have specific limits defined in the terms of the policy. While premiums may increase, they cannot suddenly cancel coverage simply because of the insured's health status, thus providing peace of mind and confidence in ongoing protection.

**7. According to the Patient Protection and Affordable Care Act, what allows states to combine their SHOP exchange with?**

- A. Commercial insurance companies.**
- B. Their Medicaid recipients.**
- C. Their exchange for individual consumers.**
- D. All of the above.**

Under the Patient Protection and Affordable Care Act (PPACA), states have the flexibility to combine their Small Business Health Options Program (SHOP) exchange with their exchange for individual consumers. This provision aims to create a more comprehensive marketplace for health insurance, allowing for a streamlined enrollment process and increased accessibility for both businesses and individuals seeking insurance coverage. Combining the SHOP exchange with the individual consumer exchange facilitates a more cohesive system, providing small businesses the opportunity to offer products that are also available to individual consumers. This integration can enhance competition, broaden choices available in the marketplace, and potentially lead to more favorable pricing and coverage options for all participants. While it might seem that other answers could also be relevant, the specific provision within the ACA emphasizes this particular combination, making it the correct choice. The aspects of combining with commercial insurance companies or Medicaid recipients, while important within the broader context of health care reform, are not the focus of this particular provision regarding the SHOP exchange.

**8. Which of the following is NOT a criterion for a small business to receive a tax credit?**

- A. Pay Employees less than \$50,000 average annual wages**
- B. Pay at least 50% of each employee's health care insurance premium**
- C. Have 25 or less full-time equivalent employees for the taxable year**
- D. Have a net profit less than \$5,000 times the number of employees**

The correct answer pertains to the criteria associated with small businesses qualifying for a tax credit, specifically within the context of the Affordable Care Act (ACA). To qualify for the Small Business Health Care Tax Credit, a business must meet several specific requirements that encourage small employers to offer health insurance to their employees. The criteria include paying employees an average annual wage of less than \$50,000, contributing at least 50% of the premium costs for employee health insurance, and employing 25 or fewer full-time equivalent employees. These guidelines are designed to ensure that the tax credit supports smaller enterprises that face greater challenges in providing health benefits. The criterion revolving around having a net profit less than \$5,000 times the number of employees does not factor into the eligibility for the small business health care tax credit. While having sufficient profitability could influence a business's overall ability to offer health insurance, it is not a specific requirement to receive the tax credit under the ACA. Thus, the presence of this criterion among the choices demonstrates it is not relevant to the tax credit eligibility.

**9. Which of the following is not a type of health insurance policy?**

- A. Hospital Expense**
- B. Comprehensive Major Medical**
- C. Health Maintenance Organization**
- D. Benefit Structure Agreement**

The correct choice is the Benefit Structure Agreement because it does not represent a type of health insurance policy but rather a type of arrangement or agreement that outlines the benefits and liabilities between parties. Health insurance policies typically focus on providing coverage for medical expenses, hospital stays, and various health-related services. Hospital Expense policies cover costs associated with a hospital stay, including room and board as well as other hospital charges. Comprehensive Major Medical insurance provides extensive coverage that includes hospitalization, outpatient care, preventive care, and more, often with a higher overall limit. Health Maintenance Organizations (HMOs) are a type of managed care plan that provides health insurance coverage through a network of doctors and hospitals, promoting preventive care and reducing healthcare costs. In contrast, a Benefit Structure Agreement outlines how benefits will be allocated or structured between an insurer and insured or among providers, but it does not itself provide health insurance coverage in the way the other options do. Thus, it's clear that this option does not align with the traditional definitions of health insurance policies.

**10. What action can an insurance company take under a change of occupation provision at the time of claim?**

- A. Increase the premiums for that individual**
- B. Pay a reduced benefit for a higher risk occupation**
- C. Pay the benefits stated in the policy**
- D. Require a doctor's statement confirming disability**

The change of occupation provision in an insurance policy addresses what happens if a policyholder changes to a more hazardous occupation after purchasing the policy. When a claim is made, one of the actions the insurance company can take is to pay a reduced benefit if the policyholder has moved to a higher risk occupation. This provision is designed to protect the insurer from the increased risk associated with more dangerous jobs. If the policyholder's new occupation has a higher risk of injury or disability than the occupation listed in their policy, the insurer may adjust the claim's payout accordingly. This is a fair approach since premiums are typically based on the risk associated with the original occupation. Increasing premiums specifically due to a change in occupation typically does not occur at the time of a claim. Instead, the premiums are usually adjusted at the renewal time of the policy, and the claim is adjudicated based on the terms of the policy related to the new occupation. The options involving payment of benefits stated in the policy or requiring a doctor's statement are not directly related to how the change of occupation provision is utilized at the time of claim. They address standard procedures unrelated to changes in occupational risk.



## 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!**