AFLAC INSURANCE PRACTICE EXAM (SAMPLE)

STUDY GUIDE

SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Table of Contents

Copyright 1
Table of Contents 2
Introduction 3
How to Use This Guide 4
Questions 5
Answers 8
Explanations 10
Next Steps 15

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. Kelly purchases a health insurance policy issued on a conditionally renewable basis. The insurance company has a right to decline renewal of the policy for

A. reasons stated in the contract

B. any reason without notice

C. no reason at all

D. reasons not specified in the contract

2. Which of the following is available ONLY if the consumer purchases coverage in the health insurance exchange?

A. Guaranteed issue

B. Access to premium tax credits and reduced cost sharing

C. No preexisting condition exclusions

D. Free preventative care

3. What term describes a renewable provision where premiums can increase only within rate classes?

A. Noncancellable clause

B. Flexible pricing

C. Guaranteed Renewable provision

D. Level premium

4. Risk ____ is the process of analyzing exposures that create risk and designing programs to handle them.

A. Avoidance

B. Reduction

C. Management

D. Transfer

5. Which of the following statements BEST describes a double indemnity provision in travel accident insurance?

A. Benefits are doubled under certain circumstances stated in the policy

B. Benefits are doubled for all claims

C. Benefits are paid only for medical expenses

D. Coverage automatically ends after a year

6. Under the Pregnancy Discrimination Act of 1978, employers must treat pregnancy in the same manner as which of the following?

A. As any other disability

B. As a medical condition

C. A temporary impairment

D. Not subject to disability considerations

7. Disability (accident and health) policies that cover hospital expenses for adults MUST include coverage for

A. Home health care

B. Hospice care

C. Skilled nursing care

D. Outpatient services

8. Disability benefits are typically how compared to pre-disability earnings?

A. Much more than before

B. About the same as before

C. Somewhat less

D. Significantly more than before

9. During an insurer's examination, the insurer is expected to do what?

A. Refuse to provide records

B. Be cooperative and assist in the examination procedures

C. Delay the examination indefinitely

D. Limit access to records

10. When the Insurance Commissioner requests information from an intermediary or other licensed individual, what is required?

A. The individual reply promptly in writing or in any other designated form

B. The individual must respond within 30 days

C. The information is confidential and not required to be provided

D. The Commissioner can require no response

Answers

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

Explanations

1. **Kelly purchases a health insurance policy issued on a conditionally renewable basis. The insurance company has a right to decline renewal of the policy for**

   A. reasons stated in the contract

   B. any reason without notice

   C. no reason at all

   D. reasons not specified in the contract

Conditionally renewable means the insurer can decline to renew only for specific reasons that are written into the policy. Those grounds are the exact conditions listed in the contract (for example, nonpayment of premium, misrepresentation, or other stated circumstances). Because the reasons are pre-defined in the policy, the insurer cannot refuse renewal for reasons not described there. That's why the correct statement is that renewal can be declined for reasons stated in the contract.

2. **Which of the following is available ONLY if the consumer purchases coverage in the health insurance exchange?**

   A. Guaranteed issue

   B. Access to premium tax credits and reduced cost sharing

   C. No preexisting condition exclusions

   D. Free preventative care

Subsidies that lower your monthly premium and out-of-pocket costs are tied to buying coverage through the health insurance exchange. These are premium tax credits and cost-sharing reductions, and they're available only to people who enroll in plans purchased on the marketplace and who meet income guidelines. If you shop outside the exchange, you generally don't qualify for those subsidies, so you'd pay the full premium and higher out-of-pocket costs. Protections like guaranteed issue, no preexisting condition exclusions, and free preventive care are ACA features that apply to ACA-compliant plans whether you buy on or off the exchange, so they aren't exclusive to marketplace enrollment.

3. **What term describes a renewable provision where premiums can increase only within rate classes?**

   A. Noncancellable clause

   B. Flexible pricing

   C. Guaranteed Renewable provision

   D. Level premium

Renewal provisions govern how a policy can be renewed and how premiums may change. A guaranteed renewable provision requires the insurer to renew the policy to a specified date, and at each renewal the premiums can increase, but only within the established rate class. This means price changes apply to groups of insureds with similar risk, not to individuals, allowing gradual, class-wide adjustments as the insured ages. That's why this term fits the description of a renewable provision where premiums can rise only within rate classes. The other terms don't fit: a noncancellable clause would prevent premium increases; a level premium keeps premiums constant; flexible pricing isn't the standard term used here.

4. Risk ____ is the process of analyzing exposures that create risk and designing programs to handle them.

A. Avoidance

B. Reduction

C. Management

D. Transfer

Risk management is the process of identifying exposures that create risk and designing programs to handle them. This describes the overall approach of recognizing where losses could occur, evaluating their likelihood and impact, and creating coordinated strategies to control, transfer, or prevent those losses. Within this framework, specific tactics like avoidance (eliminating the exposure), reduction (lowering the chance or severity of a loss), and transfer (shifting risk to another party, such as through insurance) are used as part of the broader program. The key idea is the structured, ongoing management of risk rather than any single tactic.

5. Which of the following statements BEST describes a double indemnity provision in travel accident insurance?

A. Benefits are doubled under certain circumstances stated in the policy

B. Benefits are doubled for all claims

C. Benefits are paid only for medical expenses

D. Coverage automatically ends after a year

Double indemnity in travel accident insurance means the insurer will pay twice the normal benefit, but only for specific events defined in the policy. This provision increases the payout when a covered accidental event occurs, such as accidental death or a specified loss, and only under the circumstances the policy lays out. It's not a blanket increase for every claim, nor is it about medical expenses or about coverage ending after a set time. Those aspects relate to different components of the policy, while double indemnity is specifically about the payout being doubled for defined events during the covered trip.

6. Under the Pregnancy Discrimination Act of 1978, employers must treat pregnancy in the same manner as which of the following?

A. As any other disability

B. As a medical condition

C. A temporary impairment

D. Not subject to disability considerations

The Pregnancy Discrimination Act requires that pregnancy be treated the same as any other disability for purposes of employment benefits and accommodations. This means if an employer provides disability leave, protections, or accommodations to employees with other medical conditions or disabilities, they must extend the same treatment to pregnant employees. The intent is to prevent special rules for pregnancy and ensure parity in how workplace policies are applied across medical conditions. This isn't saying pregnancy is a disability itself, but that policies affecting disability or medical conditions must be applied to pregnancy in the same way. The other options don't fit because they narrow the comparison or suggest pregnancy is exempt from disability considerations, which the act does not permit.

7. Disability (accident and health) policies that cover hospital expenses for adults MUST include coverage for

A. Home health care

B. Hospice care

C. Skilled nursing care

D. Outpatient services

Hospital expense coverage in disability policies must include skilled nursing care because after a hospital stay, many patients need medically supervised nursing services to recover. Skilled nursing care involves licensed nursing and other medical services provided to help with ongoing treatment and monitoring, and this level of care is a common extension of inpatient services. Including it protects the policyholder from substantial costs that can arise during recovery in a skilled nursing facility or similar setting, rather than just covering the hospital stay itself. Home health care, hospice care, and outpatient services are important benefits in many plans, but they aren't required as part of hospital expense coverage. Home health care and outpatient services occur outside the hospital, and hospice is for end-of-life care; they're typically addressed separately within a policy.

8. Disability benefits are typically how compared to pre-disability earnings?

A. Much more than before

B. About the same as before

C. Somewhat less

D. Significantly more than before

Disability benefits are designed to provide financial support when you can't work, but they're not meant to fully replace your salary. They're typically calculated as a portion of your pre-disability earnings, and the exact amount varies by policy or program. Because of this partial replacement and because taxes or other income can affect the net amount, the payment you receive is usually somewhat less than what you earned before. That's why the best description is that disability benefits are somewhat less than pre-disability earnings.

9. During an insurer's examination, the insurer is expected to do what?

A. Refuse to provide records

B. Be cooperative and assist in the examination procedures

C. Delay the examination indefinitely

D. Limit access to records

Cooperation with regulatory examinations is essential. When a state regulator conducts an examination of an insurer, the company is expected to assist the process by providing records, books, and other requested information, and by making key personnel available for interviews. This cooperation ensures an accurate assessment of financial condition, compliance with laws, and protection of policyholders. Refusing records, delaying the examination, or restricting access would undermine oversight and can lead to enforcement actions, so being cooperative and assisting the examination procedures is the correct expectation.

10. When the Insurance Commissioner requests information from an intermediary or other licensed individual, what is required?

A. The individual reply promptly in writing or in any other designated form

B. The individual must respond within 30 days

C. The information is confidential and not required to be provided

D. The Commissioner can require no response

When a regulator asks for information from an intermediary or licensed individual, you are expected to respond promptly in writing or in the form the agency designates. This requirement keeps a clear, auditable record of what was requested and what was provided, and it helps the Commissioner review and address regulatory matters without unnecessary delay. The exact timeline isn't fixed to a specific number in all cases; "promptly" means as soon as reasonably possible and in the method the regulator specifies, such as a written reply or an electronic submission. Confidential nature of some information doesn't excuse withholding a response when the regulator has requested it under the proper authority, and regulators do have the authority to require a response. So providing a timely, properly formatted reply ensures compliance and supports transparency in the regulatory process.

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://aflacinsurance.examzify.com

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