

Arkansas Health Insurance Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

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	16

SAMPLE

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

SAMPLE

- 1. What is the primary intent of disability insurance?**
 - A. To cover living expenses during unemployment
 - B. To provide income replacement during periods of disability
 - C. To pay for long-term care services
 - D. To fund retirement savings
- 2. What is the maximum duration of the Contestable Period in a health insurance policy?**
 - A. One year
 - B. Two years
 - C. Three years
 - D. Five years
- 3. What does field underwriting by the producer involve?**
 - A. Completing the application and collecting initial premium
 - B. Conducting a medical examination
 - C. Providing the applicant with an insurance policy
 - D. Undergoing a background check of the client
- 4. The time limit for filing claim disputes is addressed in which provision of an accident and health policy?**
 - A. Exclusions
 - B. Policy renewal
 - C. Legal actions
 - D. Terminations
- 5. What type of insurer allows policyholders to participate in profits through dividends?**
 - A. Stock insurer
 - B. Mutual insurer
 - C. Commercial insurer
 - D. Fraternal insurer

- 6. On what date would Sonya have health insurance coverage if her policy's effective date is May 30?**
- A. April 1
 - B. May 15
 - C. May 30
 - D. June 1
- 7. Which of the following best describes the purpose of Credit Accident and Health Plans?**
- A. Help pay for routine medical expenses
 - B. Help pay off existing loans during periods of disability
 - C. Provide cash value accumulation
 - D. Cover long-term health needs
- 8. Life insurance policies will generally cover losses incurred from which of the following activities?**
- A. Recreational skydiving
 - B. Commercial aviation
 - C. Extreme sports
 - D. Underwater diving
- 9. How is the payout determined if an insured misstates their age on the policy?**
- A. The policy is voided
 - B. Premium refund only
 - C. An amount the premium would have purchased at the correct age
 - D. Half of the original benefit
- 10. Which of the following plans does NOT allow for pre-tax employee contributions?**
- A. Flexible Spending Account (FSA)
 - B. Health Savings Account (HSA)
 - C. Health Reimbursement Arrangement Plan
 - D. Dependent Care Assistance Plan

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. What is the primary intent of disability insurance?

- A. To cover living expenses during unemployment
- B. To provide income replacement during periods of disability**
- C. To pay for long-term care services
- D. To fund retirement savings

The primary intent of disability insurance is to provide income replacement during periods of disability. This type of insurance is designed to replace a portion of an individual's income if they are unable to work due to a qualifying disability, thereby ensuring that they can maintain their financial obligations and meet basic living expenses during a challenging time. Disability insurance typically covers a percentage of an insured's salary, which can help individuals manage their financial needs until they are able to return to work or until the disability period ends. This financial support is crucial for maintaining standard living conditions and not falling into economic hardship due to a loss of income from an inability to perform the duties of one's job. In contrast, other options address different needs. Covering living expenses during unemployment relates more to unemployment insurance rather than disability insurance. Paying for long-term care services falls under long-term care insurance, which is distinctly separate and focuses on helping with daily living activities rather than income replacement. Lastly, funding retirement savings is the goal of retirement plans or retirement savings accounts, which do not provide immediate financial support during periods of disability. Thus, "B" stands out as the most appropriate choice reflecting the core purpose of disability insurance.

2. What is the maximum duration of the Contestable Period in a health insurance policy?

- A. One year
- B. Two years**
- C. Three years
- D. Five years

The correct choice for the maximum duration of the Contestable Period in a health insurance policy is two years. This duration is established by the Uniform Health Insurance Policy Provision Model Act, which many states, including Arkansas, follow. The Contestable Period refers to the timeframe during which an insurance company can investigate and contest a claim based on misrepresentations made by the policyholder during the application process. If a claim is made within this two-year period, the insurer has the right to challenge the validity of the insurance provided. This duration is intended to protect insurance companies from fraud and to ensure that only qualified individuals receive benefits from the policy. After this two-year window closes, the insurer generally cannot contest claims, provided that the policyholder has not committed fraud. This instills confidence in policyholders that their claims will be honored after the contestable period has elapsed.

3. What does field underwriting by the producer involve?

- A. Completing the application and collecting initial premium
- B. Conducting a medical examination
- C. Providing the applicant with an insurance policy
- D. Undergoing a background check of the client

Field underwriting by the producer primarily involves completing the application and collecting the initial premium. This step is crucial as it ensures that the information provided by the applicant is accurate and complete. The producer acts as the first line of verification for the application process, ensuring that all necessary information is gathered to facilitate a smooth underwriting process with the insurance company. By collecting the initial premium, the producer also helps establish the applicant's commitment to the policy, which can lead to a more streamlined issuance of the insurance policy. Proper field underwriting helps to mitigate risks for the insurer by ensuring that the applicant meets the eligibility requirements before the policy is underwritten. The other choices may pertain to activities related to the insurance process but do not specifically capture the field underwriting responsibilities of the producer. Conducting a medical examination is typically a function that occurs later in the underwriting process and may be carried out by a medical professional. Providing the applicant with an insurance policy occurs after underwriting is complete, and undergoing a background check is generally the responsibility of the insurer rather than the producer.

4. The time limit for filing claim disputes is addressed in which provision of an accident and health policy?

- A. Exclusions
- B. Policy renewal
- C. Legal actions
- D. Terminations

The provision that addresses the time limit for filing claim disputes in an accident and health policy is the legal actions provision. This section outlines the timeframe within which a policyholder can bring legal action against the insurer regarding disputes over claims. Typically, this timeframe is specified to ensure that claims are filed in a timely manner and to provide clarity on the legal remedies available to the insured. Setting a time limit helps protect both the insurer, by preventing indefinite liability, and the insured, by establishing a clear period during which they can pursue claims. This provision is crucial as it establishes the contractual obligations of both parties involved in the insurance agreement and underscores the importance of prompt action in the event of a dispute. The other options—exclusions, policy renewal, and terminations—focus on different aspects of the policy, such as what is not covered, how the policy can be renewed, and the conditions under which a policy can be terminated, but they do not specifically address the time limits for legal actions related to claim disputes.

5. What type of insurer allows policyholders to participate in profits through dividends?

- A. Stock insurer
- B. Mutual insurer**
- C. Commercial insurer
- D. Fraternal insurer

A mutual insurer is structured in a way that allows policyholders to have an ownership stake in the company. This is a key aspect of mutual insurance companies; they are owned by the policyholders, and any profits generated by the company can be returned to these policyholders in the form of dividends. Dividends provide policyholders a way to benefit financially from the insurer's success, aligning their interests closely with those of the insurer. This profit-sharing aspect is significant in fostering a sense of community and trust among policyholders. In contrast, other types of insurers, such as stock insurers, are owned by shareholders who profit through stock appreciation and dividends on shares, rather than by returning profits to policyholders. Commercial and fraternal insurers may also issue policies, but they do not generally share profits through dividends in the same way mutual insurers do. For commercial insurers, the focus is typically on generating profit for shareholders, while fraternal insurers operate on a different model that often revolves around providing benefits to members rather than profit sharing in the traditional sense. Thus, mutual insurers uniquely focus on distributing profits back to their policyholders, making them the correct answer to this question.

6. On what date would Sonya have health insurance coverage if her policy's effective date is May 30?

- A. April 1
- B. May 15
- C. May 30**
- D. June 1

The effective date of a health insurance policy marks the day on which the coverage officially begins. When a policy's effective date is specified as May 30, it means that from that date forward, the insured individual is protected under the terms of the policy. Therefore, Sonya would begin to have health insurance coverage starting on May 30 itself. The other options provided are not applicable because they either precede the effective date or suggest a delay in coverage that does not exist. For instance, coverage would not start before the effective date designated by the insurance company, and any date after May 30 would imply that she would not have coverage on that specified date, which contradicts the definition of an effective date.

7. Which of the following best describes the purpose of Credit Accident and Health Plans?

- A. Help pay for routine medical expenses
- B. Help pay off existing loans during periods of disability**
- C. Provide cash value accumulation
- D. Cover long-term health needs

The purpose of Credit Accident and Health Plans is to provide financial assistance to borrowers by helping to pay off existing loans during periods of disability. When a borrower becomes disabled and unable to work due to an accident or health issue, this type of insurance ensures that the borrower can continue to meet their loan obligations without falling into default. This protection is essential for maintaining financial stability during difficult times, as it alleviates the stress of loan payments while the borrower is incapacitated. Other options like helping to pay for routine medical expenses or providing cash value accumulation do not accurately represent the primary function of Credit Accident and Health Plans. These plans are specifically designed to complement financial obligations related to borrowing, rather than to serve as general health insurance or savings mechanisms. Similarly, while covering long-term health needs is important in the broader context of health insurance, it is not the specific focus of Credit Accident and Health Plans, which are short-term solutions to immediate financial struggles caused by disability.

8. Life insurance policies will generally cover losses incurred from which of the following activities?

- A. Recreational skydiving
- B. Commercial aviation**
- C. Extreme sports
- D. Underwater diving

Life insurance policies typically provide coverage for a variety of activities, but certain high-risk activities can complicate or limit that coverage. The correct answer pertains to commercial aviation, which is generally included as a covered activity under life insurance policies. This is because commercial aviation is regulated, and the pilots and aircraft are subject to strict safety and operational standards established by aviation authorities. Most life insurance policies assume that commercial flights are inherently safer due to these regulations, and thus, losses stemming from flights on commercial airlines are usually covered. In contrast, activities such as recreational skydiving, extreme sports, and underwater diving often fall outside the standard coverage parameters due to the high risk involved. Insurers may exclude these activities or require additional riders or adjustments to the policy to provide coverage, reflecting the increased chances of incidents occurring during such activities. Therefore, while life insurance provides comprehensive coverage for routine activities, its terms regarding high-risk activities can vary significantly.

9. How is the payout determined if an insured misstates their age on the policy?

- A. The policy is voided
- B. Premium refund only
- C. An amount the premium would have purchased at the correct age**
- D. Half of the original benefit

The payout determined when an insured misstates their age on the policy aligns with the principle that the insurer will provide a benefit proportional to what the correct age would have warranted. When an individual misrepresents their age, the insurance contract essentially remains valid, but the benefits are adjusted according to what premiums would have purchased had the correct age been stated. Insurers base their premiums on the risk associated with various ages, as older individuals typically have a higher probability of claims. Therefore, if the insured had stated a lower age than true, the insurer recalculates the benefit based on the premiums collected for that incorrect age and the benefits that would be associated with the correct age at the time of the claim. This approach protects both the insurer and the insured—it ensures that the insurer is not unfairly burdened by an inflated benefit based on misinformation, while still allowing the insured to receive a benefit that is fair relative to their actual age. This methodology also illustrates how critical truthful information is in providing an accurate assessment of risk in insurance agreements.

10. Which of the following plans does NOT allow for pre-tax employee contributions?

- A. Flexible Spending Account (FSA)
- B. Health Savings Account (HSA)
- C. Health Reimbursement Arrangement Plan**
- D. Dependent Care Assistance Plan

Health Reimbursement Arrangement Plans (HRAs) do not allow for pre-tax employee contributions because they are employer-funded accounts where employers reimburse employees for qualifying medical expenses. HRAs are designed to give employers flexibility in providing health benefits, and the contributions made by employers are tax-deductible for the employer and not taxable to the employee, but employees do not contribute funds to the HRA directly. In contrast, Flexible Spending Accounts (FSAs), Health Savings Accounts (HSAs), and Dependent Care Assistance Plans allow employees to make contributions that are deducted pre-tax from their paychecks. This pre-tax feature helps reduce the employee's taxable income and can result in tax savings. FSAs allow employees to set aside money for specific medical expenses, HSAs are designed for individuals with high-deductible health plans to save for future medical expenses, and the Dependent Care Assistance Plan allows for pre-tax deductions for dependent care costs.

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://arhealthinsurance.examzify.com>

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

SAMPLE