

Connecticut Life & Health Insurance 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 constitutes the "entire contract" in an accident and health insurance policy?**
 - A. Only the policy itself**
 - B. Policy, endorsements, and attached papers**
 - C. Policy and riders only**
 - D. Policy and application documents**
- 2. Who is normally considered to be the owner of a 403(b) tax-sheltered annuity?**
 - A. The participating employee**
 - B. The employer who sets up the plan**
 - C. The insurance company providing the annuity**
 - D. The plan administrator**
- 3. What happens to a life insurance policy when a person surrenders their modified endowment contract?**
 - A. The policy is automatically reinstated**
 - B. The policyholder receives dividends only**
 - C. The policyholder pays taxes on the gain**
 - D. The policy remains in force indefinitely**
- 4. What is the period called during which a new employee cannot obtain group health insurance coverage?**
 - A. Waiting period**
 - B. Grace period**
 - C. Probationary period**
 - D. Enrollment period**
- 5. Sylvia purchased an annuity for \$100,000 from an inheritance, with no further payments allowed, and income begins in 15 years. This contract is considered a(n)...**
 - A. Immediate annuity**
 - B. Single premium deferred annuity**
 - C. Variable annuity**
 - D. Lifetime annuity**

- 6. When does a family health policy's coverage for a newborn child begin?**
- A. At the moment of birth**
 - B. After the first month of the policy**
 - C. On the child's first birthday**
 - D. Upon application for coverage**
- 7. What type of life insurance policy is commonly used to provide mortgage protection?**
- A. Whole life policy**
 - B. Term life policy**
 - C. Decreasing term policy**
 - D. Universal life policy**
- 8. Which of the following is NOT a function of a health insurance exchange under the Affordable Care Act (ACA)?**
- A. Certifying qualified health plans**
 - B. Resolving applicant discrepancies**
 - C. Contacting employers for coverage changes**
 - D. Evaluating health plan options for consumers**
- 9. Which of the following policies is categorized as a whole life policy?**
- A. Credit life**
 - B. Renewable life**
 - C. Single premium life**
 - D. Convertible life**
- 10. Who is responsible for reporting any name or address changes of the licensee to the Commissioner?**
- A. The insurance company**
 - B. The policy owner**
 - C. The licensee**
 - D. The applicant**

Answers

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

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Explanations

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1. What constitutes the "entire contract" in an accident and health insurance policy?

- A. Only the policy itself**
- B. Policy, endorsements, and attached papers**
- C. Policy and riders only**
- D. Policy and application documents**

In an accident and health insurance policy, the "entire contract" refers to a comprehensive compilation of all documents that are part of the agreement between the insurer and the insured. This includes the main policy document, any endorsements that may modify the terms or conditions of coverage, and any papers that are attached to the policy at the time it is issued, such as the application. This definition establishes that the entire contract encompasses not just the policy text, but any supplementary documents that are integral to understanding the coverage provided. This is essential for ensuring that both parties are clear on the terms and conditions, as well as any endorsements that could alter the original agreement. In this context, the correct option reflects the need for a complete understanding of all components involved in the insurance contract. The other options are limited in their scope. For example, only including the policy itself overlooks critical information that might be conveyed in endorsements and attached papers, which are essential for a full understanding of the coverage. Similarly, focusing solely on riders or application documents fails to recognize the broader context needed for a comprehensive contract understanding.

2. Who is normally considered to be the owner of a 403(b) tax-sheltered annuity?

- A. The participating employee**
- B. The employer who sets up the plan**
- C. The insurance company providing the annuity**
- D. The plan administrator**

The participating employee is typically considered the owner of a 403(b) tax-sheltered annuity because this type of plan is designed primarily for the benefit of employees, particularly those working in educational and certain non-profit organizations. The employees contribute to the annuity and have control over their accounts, including decisions related to investments within the plan. In a 403(b) plan, the employer may facilitate the plan and provide access to various investment options, but the individual employee is the one who owns their contributions and retirement funds. This structure empowers employees to manage their retirement savings actively, making them the rightful owners of the tax-sheltered annuity. Understanding this ownership aspect is crucial for grasping how 403(b) plans function compared to other retirement plans, such as 401(k)s, where employees also retain ownership of their accounts.

3. What happens to a life insurance policy when a person surrenders their modified endowment contract?

- A. The policy is automatically reinstated**
- B. The policyholder receives dividends only**
- C. The policyholder pays taxes on the gain**
- D. The policy remains in force indefinitely**

When a policyholder surrenders a modified endowment contract (MEC), they trigger a tax event that is considered a distribution of funds. Because a MEC is classified under the Internal Revenue Code as a life insurance policy that has exceeded certain premium limits, any gain that has accumulated in the policy becomes subject to taxation when the policy is surrendered. The gain refers to the amount that is above what the policyholder has paid in premiums. Therefore, the policyholder will need to pay taxes on any gains realized at the time of surrender. This taxation occurs because the IRS treats distributions from MECs differently compared to traditional life insurance policies, where the cash value can generally grow without immediate tax implications. In essence, surrendering a MEC means acknowledging the growth may be taxable, which is a significant consideration for policyholders contemplating surrendering their policy. In contrast, reinstatement or indefinite continuation of the policy does not apply upon surrender, nor do dividends become relevant in this transaction, as it's primarily concerning the tax implications of surrendering the contract.

4. What is the period called during which a new employee cannot obtain group health insurance coverage?

- A. Waiting period**
- B. Grace period**
- C. Probationary period**
- D. Enrollment period**

The correct answer is the term commonly referred to in employer-sponsored health plans as a "Probationary period." This is the timeframe after an employee starts their job but before they become eligible to enroll in the group health insurance plan. During this period, the employee is typically not allowed to access the benefits of the insurance plan, which often serves as a time for both the employee and employer to assess if the employment relationship will work out. This concept is important because it delineates a clear boundary given to new hires regarding their benefits enrollment. This helps employers manage risks and costs in relation to employee turnover and allows for administrative processes to be streamlined. The term "Waiting period" could also be relevant but typically refers to the span of time after enrollment during which coverage is not yet active, rather than addressing the initial eligibility criteria based on employment. Enrollment periods relate to specific time frames during which employees can enroll or make changes to their health insurance plans, but these are separate from the initial employment probation. The "Grace period" generally refers to a timeframe allowed for late premium payments without loss of coverage and is not applicable in the context of initial enrollment eligibility.

5. Sylvia purchased an annuity for \$100,000 from an inheritance, with no further payments allowed, and income begins in 15 years. This contract is considered a(n)...

- A. Immediate annuity
- B. Single premium deferred annuity**
- C. Variable annuity
- D. Lifetime annuity

The correct answer is a single premium deferred annuity. This type of annuity involves making a single upfront payment, which in this case is the \$100,000 Sylvia inherited. The term "deferred" indicates that the income payments from the annuity will not begin immediately upon purchase, which aligns with the fact that Sylvia's payments will commence in 15 years. In contrast, an immediate annuity would start making payments right away after the purchase, which is not applicable here given the delay in income commencement. A variable annuity involves investment options that fluctuate with market performance, and while these can be structured similarly to deferred annuities, the nature of Sylvia's purchase does not indicate an investment component. Lastly, a lifetime annuity typically ensures payments for the lifetime of the annuitant, which could also apply to deferred annuities, but the defining characteristic in this scenario is primarily the deferred income start date. Hence, the description of Sylvia's contract as a single premium deferred annuity is accurate and captures the key elements of the arrangement.

6. When does a family health policy's coverage for a newborn child begin?

- A. At the moment of birth**
- B. After the first month of the policy
- C. On the child's first birthday
- D. Upon application for coverage

A family health policy typically provides coverage for a newborn child starting at the moment of birth. This approach ensures that the newborn is immediately covered for any medical needs that may arise during the early days of life, which are often critical. Most insurance policies recognize the unique circumstances surrounding childbirth and the vulnerable health status of newborns, making it essential for coverage to be in place right from the start. This continuous coverage is also designed to avoid any gaps in protection, which could result in significant out-of-pocket expenses for parents if additional medical care is needed shortly after birth. The other options do not align with standard insurance practices regarding newborn coverage. Coverage beginning after a specified time, such as after the first month of the policy or on the child's first birthday, would leave newborns unprotected during critical early healthcare moments. Moreover, needing to apply for coverage after a child's birth would not align with the common provisions that automatically extend coverage to newborns in family health policies.

7. What type of life insurance policy is commonly used to provide mortgage protection?

- A. Whole life policy**
- B. Term life policy**
- C. Decreasing term policy**
- D. Universal life policy**

A decreasing term policy is commonly used to provide mortgage protection because its face value decreases over time, which aligns with the decreasing balance of a mortgage as the borrower makes payments. The primary purpose of this type of insurance is to ensure that if the borrower passes away, the payout will cover the remaining mortgage balance, thereby protecting the borrower's family from being burdened with the mortgage debt. In contrast, whole life policies offer permanent coverage with a cash value component, making them less suitable for the need to match a decreasing debt obligation like a mortgage. A term life policy provides coverage for a specific period but doesn't necessarily decrease in value over time, which means it may not correspond effectively to the mortgage balance. Universal life policies also offer permanent coverage with flexibility in premiums and death benefits, but, similar to whole life, they do not decrease in coverage as the mortgage balance decreases. Therefore, a decreasing term policy precisely meets the specific needs for mortgage protection.

8. Which of the following is NOT a function of a health insurance exchange under the Affordable Care Act (ACA)?

- A. Certifying qualified health plans**
- B. Resolving applicant discrepancies**
- C. Contacting employers for coverage changes**
- D. Evaluating health plan options for consumers**

A health insurance exchange under the Affordable Care Act (ACA) serves several essential functions designed to facilitate access to health insurance for individuals and small businesses. One of the primary roles of a health insurance exchange is to certify qualified health plans. This means they review and determine which health insurance plans meet the specific criteria set by the ACA before allowing them to be offered on the exchange. Another key function is resolving applicant discrepancies. This involves ensuring that the information provided by applicants is accurate and complete, which is necessary for determining eligibility for subsidies and enrollment in appropriate health plans. Evaluating health plan options for consumers is also a critical component of an exchange's responsibilities. Exchanges provide a platform where consumers can easily compare different health plans based on factors such as coverage options and costs, helping them make informed decisions. Contacting employers for coverage changes, however, is not a standard function of health insurance exchanges. While exchanges are involved in health plan administration and consumer enrollment, the direct communication with employers regarding coverage changes does not fall within their primary activities. Instead, employers typically manage their own health plan offerings and communicate changes directly to employees, independent of the exchange's operations.

9. Which of the following policies is categorized as a whole life policy?

- A. Credit life**
- B. Renewable life**
- C. Single premium life**
- D. Convertible life**

Single premium life insurance is categorized as a whole life policy because it provides coverage that lasts for the insured's entire lifetime, as long as the premiums are paid. In this case, the policy is bought with a single lump sum premium payment at the outset, which then leads to a guaranteed death benefit and cash value accumulation over time. Since whole life insurance is structured to remain in force for the insured's lifetime and build cash value, single premium life fits this definition perfectly. Whole life policies, including single premium life, are known for their stability, and policyholders can depend on a fixed premium, which does not change throughout the life of the policy. This predictability of cost is an appeal for many policyholders looking for long-term coverage. The other types of policies listed do not classify as whole life policies. Credit life typically covers a loan amount and is not designed for lifetime coverage. Renewable life allows for renewals but is usually term insurance, not whole life. Convertible life offers the policyholder the option to convert from term to whole life but is not itself classified as whole life until the conversion occurs.

10. Who is responsible for reporting any name or address changes of the licensee to the Commissioner?

- A. The insurance company**
- B. The policy owner**
- C. The licensee**
- D. The applicant**

The licensee is responsible for reporting any name or address changes to the Commissioner. This responsibility is crucial as maintaining up-to-date contact information allows for effective communication between the insurance regulatory authority and the licensed individual. It ensures that the licensee receives important notifications, updates, and compliance requirements related to their licensure and the insurance industry in general. This requirement is part of the regulatory framework governing insurance practices, which helps maintain the integrity and accountability of licensed professionals. Keeping the Commissioner informed of such changes supports the orderly operation of the insurance market and aids in the enforcement of regulations designed to protect consumers. In this context, the other parties mentioned do not bear the responsibility for reporting changes. The insurance company may maintain records but is not directly accountable for reporting the personal information of its agents. The policy owner and the applicant are involved in different roles within the insurance process and do not typically have the responsibility of updating the Commissioner's records regarding the licensee's personal information.

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://ctlifeandhealthinsurance.examzify.com>

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