

Field Underwriting Procedures Practice Test (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

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- 1. How should a field underwriter respond to an inconsistency between reported medical history and exam results?**
 - A. Document, verify, and request additional information.**
 - B. Conclude insurability solely based on partial data.**
 - C. Deny the application automatically.**
 - D. Document, verify with independent sources, and request additional information if needed.**

- 2. Misrepresentation in underwriting can lead to which risk?**
 - A. Improved underwriting terms**
 - B. No impact**
 - C. Market risk**
 - D. Lapse or denial due to misrepresentation**

- 3. Compliance with state regulations during field activities**
 - A. Ignore regulatory changes and proceed.**
 - B. Rely solely on memory of past interviews.**
 - C. Rely on client promises instead of disclosures.**
 - D. Follow company policies, stay updated on regulatory changes, perform required disclosures, and avoid prohibited practices.**

- 4. Agent's premium collection responsibilities**
 - A. Collect initial premium, explain payment options, ensure receipt retention, and report any premium issues to underwriting or compliance.**
 - B. Collect premium only after the policy is issued.**
 - C. Underwriter collects premium.**
 - D. The applicant pays premium at renewal only.**

- 5. What is the role of policy replacements and how do field underwriters assess them?**
 - A. Replacements involve transferring coverage from one policy to another; underwriters assess lapse risk, new medical info, and potential misrepresentation; may require additional disclosures.**
 - B. They involve adding a rider to the policy.**
 - C. They involve surrendering the policy and receiving cash value.**
 - D. They are not reviewed during underwriting.**

- 6. How should field underwriters handle potential misrepresentation discovered during the interview?**
- A. Continue the interview and overlook any discrepancy.**
 - B. Pause the interview, document the discrepancy, request clarification or documentation, and adjust underwriting decisions or decline if misrepresentation is confirmed.**
 - C. Disclose the discrepancy to the applicant's employer.**
 - D. Terminate the interview and deny all future applications.**
- 7. Attending Physician's Statement definition: submitted by whom?**
- A. The insurer's medical director**
 - B. The applicant's attorney**
 - C. The applicant's employer**
 - D. A medical practitioner who treated the applicant for a prior medical problem**
- 8. A take-it-or-leave-it contract prepared by the insurer and not negotiated is a**
- A. Unilateral contract**
 - B. Aleatory contract**
 - C. Contract of adhesion**
 - D. Conditional contract**
- 9. When does the free-look period begin? (delivery-based rule)**
- A. On the policy issue date.**
 - B. On delivery of the policy to the insured.**
 - C. At the policy's renewal.**
 - D. After the policy has been in force for 60 days.**

10. What is a suicide clause and how does it relate to field underwriting?

- A. A policy excludes death by suicide within a specified period; field underwriting ensures the applicant intent is legitimate and documentation reflects this.**
- B. A policy pays double if the death is by suicide.**
- C. A suicide clause is not used in life insurance.**
- D. Suicide clauses require the client to disclose any past attempts only.**

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Answers

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

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Explanations

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1. How should a field underwriter respond to an inconsistency between reported medical history and exam results?

A. Document, verify, and request additional information.

B. Conclude insurability solely based on partial data.

C. Deny the application automatically.

D. Document, verify with independent sources, and request additional information if needed.

Inconsistencies between what a person reports about their health and what the exam or records show require a careful, evidence-based approach. Start by documenting the discrepancy clearly in the file, noting both the reported history and the exam findings, with dates and sources. Then seek verification from independent sources—such as medical records from the treating clinician, lab results, prescription histories, or other reliable data—with the applicant’s consent. If those verifications don’t resolve the discrepancy or additional details are needed, request the applicant or clinician to provide more information to clarify the situation. This method ensures an accurate, well-supported basis for underwriting decisions and avoids making assumptions from incomplete data. Automatically conclude insurability or deny based on partial information would bypass essential verification and could lead to unfair or incorrect outcomes.

2. Misrepresentation in underwriting can lead to which risk?

A. Improved underwriting terms

B. No impact

C. Market risk

D. Lapse or denial due to misrepresentation

When underwriting information is false or incomplete and it’s material to the risk, the insurer cannot rely on that contract. If a material misrepresentation is discovered, the insurer may void the policy or deny a claim because the risk wasn’t accurately assessed in the first place. That makes lapse or denial due to misrepresentation the realistic consequence you should remember. This isn’t about getting better terms, which misrepresentation would not justify, nor is it about market conditions changing risk in general. It’s specifically about the contract being invalidated or a claim being rejected due to the false information.

3. Compliance with state regulations during field activities

- A. Ignore regulatory changes and proceed.
- B. Rely solely on memory of past interviews.
- C. Rely on client promises instead of disclosures.
- D. Follow company policies, stay updated on regulatory changes, perform required disclosures, and avoid prohibited practices.**

Compliance with state regulations during field activities hinges on staying current with the rules and acting within them at all times. The best approach is to follow your company's policies, keep up to date with regulatory changes, perform all required disclosures, and avoid prohibited practices. Using company policies provides a clear, approved framework to guide your actions, so you don't rely on memory or past routines that might be outdated. Regularly reviewing regulatory changes ensures you know what must be disclosed and what is no longer permitted, which protects both the client and the company and keeps you in good standing with the regulator. Disclosures are a key part of staying compliant; you must communicate material facts and terms that could affect decisions and outcomes, and you should document these disclosures to create an verifiable trail. Avoiding prohibited practices—such as misrepresentation, withholding important information, or using client promises in place of required disclosures—helps prevent regulatory penalties and maintains ethical standards. Relying on memory or client promises without verifying against current rules creates risk because regulations evolve and non-compliance can have serious consequences.

4. Agent's premium collection responsibilities

- A. Collect initial premium, explain payment options, ensure receipt retention, and report any premium issues to underwriting or compliance.**
- B. Collect premium only after the policy is issued.
- C. Underwriter collects premium.
- D. The applicant pays premium at renewal only.

The main concept here is that at the point of sale, the agent is responsible for managing premium collection and related duties to ensure the policy can be issued smoothly and kept in force. Collecting the initial premium is essential because coverage typically becomes binding only once payment has been received or arranged. Explaining payment options helps the insured choose a plan that fits their finances, reducing the chance of late or missed payments. Keeping receipts is important for both parties—it provides proof of payment and creates an auditable record in case questions arise later. Reporting any premium issues to underwriting or compliance ensures problems are addressed promptly, such as shortfalls, incorrect billing, or payment delays, so the policy isn't inadvertently canceled and the company remains compliant with pricing and underwriting rules. Other options aren't aligned with the role: the underwriting department doesn't handle premium collection, and initial premiums are not typically collected after issuance or only at renewal—the initial payment is meant to be collected before or at binding to put the policy in force, with renewals handling future premiums.

5. What is the role of policy replacements and how do field underwriters assess them?

- A. Replacements involve transferring coverage from one policy to another; underwriters assess lapse risk, new medical info, and potential misrepresentation; may require additional disclosures.**
- B. They involve adding a rider to the policy.**
- C. They involve surrendering the policy and receiving cash value.**
- D. They are not reviewed during underwriting.**

When a policy is being replaced, the client is transferring protection from an existing policy to a new one. Field underwriters review this carefully because replacements can change the risk in several ways. Lapse risk is a key concern: the old policy could lapse before the new policy issues, or the timing could leave the insured uninsured for a period. New medical information matters because health status can change over time, and the new policy might be underwritten differently than the old one. Misrepresentation risk is also important—the applicant might try to obtain better terms by not fully disclosing information or by presenting a different health picture for the replacement. Because replacements can involve disclosures and documentation to ensure the transaction is proper and not intended to manipulate coverage, underwriters may require extra disclosures. This is why the option describing transferring coverage from one policy to another and highlighting lapse risk, new medical information, and potential misrepresentation (with possible additional disclosures) is the best fit. Replacing coverage is not simply adding a rider, nor is it merely surrendering a policy for cash value, and it is indeed reviewed during underwriting.

6. How should field underwriters handle potential misrepresentation discovered during the interview?

- A. Continue the interview and overlook any discrepancy.**
- B. Pause the interview, document the discrepancy, request clarification or documentation, and adjust underwriting decisions or decline if misrepresentation is confirmed.**
- C. Disclose the discrepancy to the applicant's employer.**
- D. Terminate the interview and deny all future applications.**

When potential misrepresentation is found during an applicant interview, the right approach is to pause the interview, document the discrepancy in detail, and ask the applicant for clarification or supporting documentation. This step keeps the underwriting process accurate and verifiable and creates a solid audit trail. Once the new information is obtained, the underwriter can adjust the decision accordingly—this might mean applying different terms, seeking additional information, or declining the risk if the misrepresentation is confirmed and material. Continuing the interview and overlooking discrepancies invites unreliability into the risk assessment. Disclosing the discrepancy to an applicant's employer violates privacy and isn't part of the underwriting process. Terminating the interview and denying all future applications is overly broad and doesn't reflect the need to verify and resolve each situation based on facts and materiality.

7. Attending Physician's Statement definition: submitted by whom?

- A. The insurer's medical director**
- B. The applicant's attorney**
- C. The applicant's employer**
- D. A medical practitioner who treated the applicant for a prior medical problem**

The Attending Physician's Statement is a medical report provided by the physician who treated the applicant for the medical problem. This doctor, already familiar with the condition, reviews the diagnosis, treatment, meds, and prognosis to give the insurer a detailed clinical perspective that underwriting needs. It isn't submitted by the insurer's medical director, the applicant's attorney, or the applicant's employer; it comes from the treating clinician who has direct knowledge of the medical issue. This direct source helps the underwriter assess risk more accurately when basic questions about the condition arise.

8. A take-it-or-leave-it contract prepared by the insurer and not negotiated is a

- A. Unilateral contract**
- B. Aleatory contract**
- C. Contract of adhesion**
- D. Conditional contract**

The situation describes an adhesion contract. It's a standard form drafted by the insurer and offered to the insured on a take-it-or-leave-it basis, with little or no opportunity to negotiate the terms. The insured must accept the policy as written or go without coverage, which is exactly what "adhere" implies in this kind of agreement. While insurance can involve promises from both sides and payments may depend on a future loss (making it seem aleatory), that aspect isn't what defines the contract type here. It's the standardized, non-negotiable terms set by the insurer that make it an adhesion contract.

9. When does the free-look period begin? (delivery-based rule)

- A. On the policy issue date.**
- B. On delivery of the policy to the insured.**
- C. At the policy's renewal.**
- D. After the policy has been in force for 60 days.**

The main idea is when the insured gets to review the policy. Under a delivery-based rule, the free-look period starts when the policy is delivered to the insured. Once delivery occurs, the insured has the specified number of days to review and cancel if they choose, with premiums refunded and coverage voided. The issue date, renewal, or a set waiting time after the policy is in force do not start the free-look clock under this rule. The focus is on the moment of delivery to the insured, not when the policy was issued.

10. What is a suicide clause and how does it relate to field underwriting?

- A. A policy excludes death by suicide within a specified period; field underwriting ensures the applicant intent is legitimate and documentation reflects this.**
- B. A policy pays double if the death is by suicide.**
- C. A suicide clause is not used in life insurance.**
- D. Suicide clauses require the client to disclose any past attempts only.**

Suicide clauses in life insurance exclude payment of the death benefit if death results from suicide within a specified period after the policy is issued. Field underwriting is the on-site or immediate evaluation of the applicant's information during application to confirm the applicant's intent, verify health and history, and ensure supporting documentation properly reflects the risk being insured. This combination protects the insurer: if death occurs during that period, a claim is denied per the policy terms, and field underwriting helps ensure there's no misrepresentation or deceptive setup behind the policy. The best choice captures both parts: the exclusion itself and the field underwriter's job of validating intent and maintaining accurate, complete documentation. Other statements misstate how suicide clauses work (they aren't a double payout, and they are indeed used) or oversimplify what must be disclosed (it's about truthful, complete material information, not just past attempts).

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://fieldunderwritingprocedures.examzify.com>

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

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