FLA HEALTH, LIFE AND ANNUITY PRACTICE EXAM (SAMPLE)

STUDY GUIDE

SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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

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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 term describes the portion of premium that has not yet been earned?

A. Earned Premium

B. Unearned Premium

C. Net Premium

D. Gross Premium

2. Which optional rider enables the policyowner to purchase additional amounts of coverage at predetermined times without proof of insurability?

A. Annual Renewable Rider

B. Waiver of Premium Rider

C. Guaranteed Insurability Rider

D. Accelerated Death Benefit Rider

3. Which term describes employer-provided coverage such as medical, disability, retirement, and death benefits?

A. Naturopath

B. Stock Insurer

C. Employee benefit plans

D. Policies

4. What is the insurer's basic promise to pay specified benefits to a designated person in the event of a covered loss? It states the scope and limits of coverage 'We insure to INSURE you for...'?

A. Insuring Clause (or Insuring Agreement)

B. Exclusion Clause

C. Beneficiary Clause

D. Rider Clause

5. A waiver of premium provision may be included with which kind of policy?

A. Life Insurance

B. Health Insurance

C. Disability Income

D. Annuity

6. **In a Group Life Insurance policy, the insured is typically considered to be which of the following?**
   A. Employer
   B. Beneficiary
   C. Employee
   D. Insurer

7. **A retirement savings plan approved by the Internal Revenue Service that provides individuals with a tax benefit is called what?**
   A. Qualified retirement plan
   B. Traditional IRA
   C. Nonqualified retirement plan
   D. SIMPLE IRA

8. **Life insurance of commercial companies not issued on the weekly premium basis, including forms such as temporary (term) and permanent (whole), is called what?**
   A. Term Insurance
   B. Ordinary Life Insurance
   C. Group Life Insurance
   D. Whole Life Insurance

9. **What is the term for evenly distributing benefits among all named living beneficiaries?**
   A. Pro Rata
   B. Per Capita
   C. Per Stirpes
   D. Equal Shares

10. **Which sequence correctly describes the progression from hazard to insurance?**
   A. Hazard -> Peril -> Loss -> Insurance
   B. Insurance -> Loss -> Peril -> Hazard
   C. Peril -> Hazard -> Insurance -> Loss
   D. Loss -> Hazard -> Peril -> Insurance

Answers

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

Explanations

1. Which term describes the portion of premium that has not yet been earned?

A. Earned Premium

B. Unearned Premium

C. Net Premium

D. Gross Premium

The concept here is how insurance premiums are recognized over the policy period. When a premium is paid upfront for coverage spanning future days, not all of that money has been earned yet. The portion that hasn't been used to provide coverage is recorded as a liability called the unearned premium. As time passes and the insurer provides coverage each day, that portion becomes earned premium and is moved from the liability to revenue. The other terms describe different ideas: earned premium is the portion already earned through time, net premium is the amount retained after deductions like reinsurance, and gross premium is the total premium charged before any deductions. So the term for the portion not yet earned is unearned premium.

2. Which optional rider enables the policyowner to purchase additional amounts of coverage at predetermined times without proof of insurability?

A. Annual Renewable Rider

B. Waiver of Premium Rider

C. Guaranteed Insurability Rider

D. Accelerated Death Benefit Rider

Guaranteed insurability rider lets you buy extra life insurance at specific times or events without needing to prove health at those times. This option protects your ability to increase coverage later, even if your health has changed, and the new premiums are based on your age when you exercise the option and the amount you choose. There's usually a cap on how much you can add at each chosen time. Other riders serve different purposes: annual renewable term renews coverage each year with potential underwriting at renewal, not a guaranteed future increase; waiver of premium simply waives premiums if you become disabled and doesn't add coverage; accelerated death benefit lets you access part of the death benefit early due to a terminal illness, not buy more coverage.

3. Which term describes employer-provided coverage such as medical, disability, retirement, and death benefits?

A. Naturopath

B. Stock Insurer

C. Employee benefit plans

D. Policies

Employer-provided coverage across medical, disability, retirement, and death benefits is described as employee benefit plans. This term captures the package of benefits an employer offers to employees as part of compensation, often funded through group plans and covering multiple areas like health insurance, disability protection, retirement savings, and life insurance. It differs from individual policies, which are contracts bought by a person on their own, and from unrelated terms like naturopaths or stock insurers, which don't describe the workplace benefits package.

4. What is the insurer's basic promise to pay specified benefits to a designated person in the event of a covered loss? It states the scope and limits of coverage 'We insure to INSURE you for...'?

A. Insuring Clause (or Insuring Agreement)

B. Exclusion Clause

C. Beneficiary Clause

D. Rider Clause

The insuring clause is the insurer's promise to pay the specified benefits to a designated person if a covered loss occurs. It states the scope and limits of coverage, often with language like "We insure to insure you for…" and forms the contract's fundamental obligation. This clause is the policy's backbone, defining what the insurer will pay and under what conditions, rather than detailing exclusions, who receives the benefits, or any additional coverage added by riders. So the best description is the insuring clause (or insuring agreement).

5. A waiver of premium provision may be included with which kind of policy?

A. Life Insurance

B. Health Insurance

C. Disability Income

D. Annuity

The key idea is that a waiver of premium is a built in protection that lets you skip premium payments if you become totally disabled, so the policy won't lapse just because you can't work. This makes it a natural fit for disability income policies. Those policies are designed to replace lost earnings during a disability, so it aligns perfectly to also waive premiums during that same period. In other words, you don't have to worry about losing coverage when your ability to earn an income is impaired—the policy remains in force while you receive benefits. That seamless protection during disability is why the waiver of premium is most appropriately included with disability income coverage.

6. In a Group Life Insurance policy, the insured is typically considered to be which of the following?

A. Employer

B. Beneficiary

C. Employee

D. Insurer

In a group life policy, the person whose life is protected by the policy is the insured. The plan is typically issued to the employer (the sponsor) as the master policy, and eligible employees become insured under that policy. The employer usually pays and is the policyowner, but is not the person insured. The insurer is the company issuing the coverage, and beneficiaries are the individuals designated to receive the death benefit, not the insured. So, the insured in this setup is the employee.

7. A retirement savings plan approved by the Internal Revenue Service that provides individuals with a tax benefit is called what?

A. Qualified retirement plan

B. Traditional IRA

C. Nonqualified retirement plan

D. SIMPLE IRA

Qualified retirement plans are retirement arrangements that meet IRS and ERISA standards, offering favorable tax treatment to participants. They are typically employer-sponsored and include plans like 401(k)s, 403(b)s, and other employer-defined benefit or defined contribution plans. The key tax benefits come from pretax or tax-deductible contributions, tax-deferred growth of earnings, and favorable rules on withdrawals, which is why they're described as IRS-approved and tax-advantaged. Nonqualified plans don't meet those qualifications and don't receive the same broad tax advantages; they're not designed to receive the same ERISA protections or tax treatment. While some individual accounts (like traditional IRAs) are tax-advantaged, the standard term that captures the IRS-approved, tax-benefiting group of employer plans is a qualified retirement plan.

8. Life insurance of commercial companies not issued on the weekly premium basis, including forms such as temporary (term) and permanent (whole), is called what?

A. Term Insurance

B. Ordinary Life Insurance

C. Group Life Insurance

D. Whole Life Insurance

This is about the broad category of life insurance sold by commercial insurers on standard, non-weekly premium plans. Ordinary life insurance covers policies that aren't issued on a weekly premium basis and includes both term (temporary protection for a set period) and whole life (permanent protection for life). The weekly-premium type is a different category known as industrial or weekly-premium life insurance, while group life refers to coverage provided to a defined group, such as employees. So the described mix of term and permanent policies under standard premium arrangements fits under ordinary life insurance.

9. What is the term for evenly distributing benefits among all named living beneficiaries?

A. Pro Rata

B. Per Capita

C. Per Stirpes

D. Equal Shares

Distributing the benefit evenly among all named living beneficiaries is described by the term per capita. Per capita means each living beneficiary gets an equal share of the policy's death benefit. If a named beneficiary dies before payment, that share goes to the remaining living beneficiaries, not to the deceased's heirs. This is different from a proportional pro rata split, which bases shares on a set proportion rather than equal amounts to the living. It's also different from per stirpes, where a deceased beneficiary's share would pass to their descendants. So the formal term for equal, living-only distribution is per capita.

10. Which sequence correctly describes the progression from hazard to insurance?

<u>A. Hazard -> Peril -> Loss -> Insurance</u>

B. Insurance -> Loss -> Peril -> Hazard

C. Peril -> Hazard -> Insurance -> Loss

D. Loss -> Hazard -> Peril -> Insurance

In risk terms, a hazard is a condition that increases the chance of a peril occurring. A peril is the actual event that can cause a loss. When that peril happens and a loss results, insurance is the mechanism that transfers or mitigates that financial impact. So the natural sequence is hazard   peril   loss   insurance. Starting with insurance or with a loss doesn't fit the cause-and-effect flow. Insurance is a tool used to address risk after the risk event occurs, not something that comes before a hazard, and a loss doesn't precede the peril that causes it.

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://flahealthlifeannuity.examzify.com

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