

# Florida Life and Health Insurance License 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

- 1. What does PPO stand for, and how does it differ from HMO?**
  - A. Primary Provider Organization; it has a smaller network**
  - B. Preferred Provider Organization; it allows more flexibility in choosing healthcare providers**
  - C. Public Provider Organization; it is government-funded**
  - D. Personal Provider Organization; it focuses on individualized care plans**
- 2. What is a health savings account (HSA)?**
  - A. A savings account for retirement**
  - B. A tax-advantaged account used to pay for qualified medical expenses**
  - C. An account for funding life insurance policies**
  - D. A type of investment account for health-related stocks**
- 3. The Consideration clause in a life insurance policy indicates that a policyowner's consideration consists of what?**
  - A. A legal document**
  - B. The initial premium and a completed application**
  - C. A monthly premium**
  - D. An annual statement**
- 4. What is considered defamation in the context of unfair trade practices?**
  - A. Falsifying insurance claims**
  - B. Misleading policy comparisons**
  - C. Making malicious statements about financial condition**
  - D. Ignoring client inquiries**
- 5. Who does an agent represent during the solicitation of insurance?**
  - A. A client seeking insurance**
  - B. Their insurance company**
  - C. The beneficiary of the policy**
  - D. A third-party advisor**

- 6. Which of these do NOT constitute policy delivery?**
- A. Mailing the policy to the policyowner**
  - B. Handing the policy to the insured person**
  - C. Policy issued with a rating**
  - D. Electronic delivery of the policy document**
- 7. Who owns a stock insurance company?**
- A. The policyholders**
  - B. The board of directors**
  - C. The stockholders**
  - D. The government**
- 8. Which feature of a group Term Life policy enables an individual to leave the group and continue their insurance without providing evidence of insurability?**
- A. The conversion privilege**
  - B. The renewable option**
  - C. The transferable option**
  - D. The extension privilege**
- 9. What does whole life insurance provide?**
- A. Temporary coverage for selected years**
  - B. Permanent coverage that lasts for the insured's lifetime**
  - C. Coverage primarily for minors**
  - D. Insurance only in the case of critical illness**
- 10. A policyowner's rights are limited under which type of beneficiary designation?**
- A. Revocable**
  - B. Irrevocable**
  - C. Tertiary**
  - D. Contingent**

## **Answers**

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

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## **Explanations**

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**1. What does PPO stand for, and how does it differ from HMO?**

- A. Primary Provider Organization; it has a smaller network**
- B. Preferred Provider Organization; it allows more flexibility in choosing healthcare providers**
- C. Public Provider Organization; it is government-funded**
- D. Personal Provider Organization; it focuses on individualized care plans**

PPO stands for Preferred Provider Organization. This type of health plan is designed to give members greater flexibility when it comes to choosing healthcare providers compared to other plans, like Health Maintenance Organizations (HMOs). One of the primary characteristics of a PPO is that it allows members to see any healthcare provider without requiring a referral, and typically offers better benefits for services received from providers within their preferred network. This flexibility is a significant distinction from HMOs, which generally require members to select a primary care physician and get referrals for specialist care. Moreover, while members of a PPO can visit out-of-network providers, they usually face higher out-of-pocket costs compared to those who use in-network services. This balance allows for a more personalized approach to healthcare, catering to members' preferences for provider choice and care pathways.

**2. What is a health savings account (HSA)?**

- A. A savings account for retirement**
- B. A tax-advantaged account used to pay for qualified medical expenses**
- C. An account for funding life insurance policies**
- D. A type of investment account for health-related stocks**

A health savings account (HSA) is specifically designed to offer individuals a tax-advantaged way to save and pay for qualified medical expenses. Contributions to an HSA can be made pre-tax, reducing an individual's taxable income, and funds within the account can grow tax-free. When used for qualified medical expenses, withdrawals from the HSA are also tax-free. This triple tax advantage makes HSAs an effective financial tool for managing healthcare costs, especially for those with high-deductible health plans. The other options do not accurately describe the function or purpose of an HSA. For instance, while retirement savings accounts are important, they do not directly relate to the acquisition of qualified medical expenses as HSAs do. Additionally, HSAs are not designed for funding life insurance policies or serving as investment accounts for health-related stocks, which further clarifies their specific role in the healthcare financial landscape.

**3. The Consideration clause in a life insurance policy indicates that a policyowner's consideration consists of what?**

- A. A legal document**
- B. The initial premium and a completed application**
- C. A monthly premium**
- D. An annual statement**

A life insurance policy is a contract between the policyowner and the insurance company. The Consideration clause states what the policyowner must provide in order to receive insurance coverage. Option A is incorrect because a legal document is not considered as the policyowner's consideration. Option C is incorrect because a monthly premium is only a periodic payment and does not reflect the initial agreement between the policyowner and the insurance company. Option D is incorrect because an annual statement is simply a report of the policy's status and does not constitute the policyowner's consideration. Only option B, the initial premium and a completed application, fulfills the requirements of the Consideration clause. This means that the policyowner must pay the initial premium and submit a completed application in order to receive insurance coverage.

**4. What is considered defamation in the context of unfair trade practices?**

- A. Falsifying insurance claims**
- B. Misleading policy comparisons**
- C. Making malicious statements about financial condition**
- D. Ignoring client inquiries**

Defamation is the act of making false and damaging statements about someone or something. In the context of unfair trade practices, it specifically refers to making malicious statements about someone's financial condition. This can include spreading rumors or false information about a company's finances, which can damage their reputation and potentially harm their business. The other options do not fit the definition of defamation and are therefore incorrect. Falsifying insurance claims and misleading policy comparisons may be considered unethical or fraudulent, but they do not involve making damaging statements about someone's financial condition. Ignoring client inquiries is also not related to defamation.

**5. Who does an agent represent during the solicitation of insurance?**

- A. A client seeking insurance**
- B. Their insurance company**
- C. The beneficiary of the policy**
- D. A third-party advisor**

An agent represents the insurance company during the solicitation of insurance because they are the ones selling the insurance policies on behalf of the company. Option A and C are incorrect because while an agent may work with a client to obtain insurance, they ultimately represent the insurance company. Option D is incorrect because the agent is not a third-party advisor; their main role is to sell insurance on behalf of the company.

**6. Which of these do NOT constitute policy delivery?**

- A. Mailing the policy to the policyowner**
- B. Handing the policy to the insured person**
- C. Policy issued with a rating**
- D. Electronic delivery of the policy document**

Policy delivery typically refers to the physical or electronic delivery of a policy document to the policy owner or insured person. Option C, policy issued with a rating, does not fit this definition as it pertains to the underwriting process and not the delivery of the policy itself. Options A, B, and D all involve the actual delivery of the policy document to the intended recipient.

**7. Who owns a stock insurance company?**

- A. The policyholders**
- B. The board of directors**
- C. The stockholders**
- D. The government**

A stock insurance company is owned by its stockholders or shareholders. This means that the individuals or entities who have invested in the company's stock are the owners and have a stake in the company's profits and decision-making. The policyholders (option A) are simply customers who purchase insurance policies from the company, whereas the board of directors (option B) is a group of individuals responsible for overseeing the management of the company, but they do not have ownership rights. The government (option D) is not typically involved in owning or managing a stock insurance company, unless it is a state-sponsored or nationalized insurance company.

**8. Which feature of a group Term Life policy enables an individual to leave the group and continue their insurance without providing evidence of insurability?**

- A. The conversion privilege**
- B. The renewable option**
- C. The transferable option**
- D. The extension privilege**

A group Term Life policy typically covers a group of people under a single policy, such as employees of a company or members of an organization. The conversion privilege allows an individual covered under this policy to leave the group and continue their insurance without providing evidence of insurability, meaning they do not need to undergo a medical exam or provide other proof of their health status. This privilege is valuable because it allows individuals to maintain their insurance coverage even if they leave the group for any reason, such as leaving their job or organization. The other options are incorrect because they do not offer this same flexibility. The renewable option allows an individual to renew their coverage at the end of the policy term, but evidence of insurability may be required. The transferable option allows an individual to transfer their coverage to a new group, but evidence of insurability may also be required. The extension privilege allows an individual

**9. What does whole life insurance provide?**

- A. Temporary coverage for selected years
- B. Permanent coverage that lasts for the insured's lifetime**
- C. Coverage primarily for minors
- D. Insurance only in the case of critical illness

Whole life insurance is designed to provide permanent coverage that lasts for the entire lifetime of the insured, as long as the premiums are paid. This type of policy not only ensures that a death benefit is paid upon the insured's passing but also has a cash value component that accumulates over time. This cash value can be accessed by the policyholder during their lifetime through loans or withdrawals, providing financial flexibility. The key feature of whole life insurance is its lifelong nature, distinguishing it from other types of life insurance that may only offer temporary coverage for a specified term. This ensures that beneficiaries are guaranteed a payout, regardless of when the insured passes away, thus serving as a reliable form of financial protection. Additionally, whole life policies typically have stable premium amounts throughout the insured's life, adding to the predictability and long-term planning for both the policyholder and their beneficiaries.

**10. A policyowner's rights are limited under which type of beneficiary designation?**

- A. Revocable
- B. Irrevocable**
- C. Tertiary
- D. Contingent

Irrevocable beneficiary designation means that the policyowner cannot change or revoke the chosen beneficiary without their consent. This limits the policyowner's rights to change the beneficiary as they please. The other options are incorrect because - Revocable beneficiary designation allows the policyowner to change or revoke the beneficiary at any time without their consent. - Tertiary beneficiary designation refers to the order in which beneficiaries are entitled to receive the benefits, not the limitations on the policyowner's rights. - Contingent beneficiary designation means the chosen beneficiary will receive the benefits only if the primary beneficiary is unable to. It does not limit the policyowner's rights in any way.

## 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](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://floridalifehealth.examzify.com>**

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