

# General Health Insurance Practice Exam (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 the Fair Credit Reporting Act require applicants to be informed about?**
  - A. That a consumer report may be requested**
  - B. That their medical history will be disclosed**
  - C. That they will be denied coverage if they have pre-existing conditions**
  - D. That their credit scores will impact coverage decisions**
- 2. What is a "Health Savings Account" (HSA)?**
  - A. A savings account with no tax benefits for medical expenses**
  - B. A tax-advantaged savings account for medical expenses**
  - C. An investment account for retirement funds**
  - D. A regular savings account with limited withdrawals**
- 3. What does a health insurance premium typically cover?**
  - A. Services not included in the policy**
  - B. The cost of healthcare services**
  - C. Payment for health insurance coverage**
  - D. Annual doctor visits only**
- 4. Which factor is NOT typically associated with patient advocacy?**
  - A. Supporting patients' rights**
  - B. Ensuring equitable access to healthcare**
  - C. Helping patients with financial decisions**
  - D. Improving the quality of care received by patients**
- 5. Why are preventive services covered at no additional cost significant?**
  - A. They encourage timely healthcare and lower overall costs**
  - B. They allow providers to charge more for additional services**
  - C. They limit the number of claims that can be filed**
  - D. They provide a loophole for insurance companies to deny claims**

- 6. What is a "waiting period" in health insurance?**
- A. A time when coverage is unlimited**
  - B. The time frame before certain benefits become available**
  - C. Period of waiting for elective surgeries**
  - D. Duration one must stay enrolled before receiving benefits**
- 7. Which situation describes a representation in insurance?**
- A. A prospect's statement on an application that is held to be SUBSTANTIALLY true**
  - B. A guarantee by the insurance company of coverage**
  - C. An unconditional promise made by the insurer**
  - D. A statement made during a claims process**
- 8. The purpose of the Insuring clause in an Accident and Health policy is to do what?**
- A. Specify the conditions under which benefits are payable**
  - B. Define the premium payment schedule**
  - C. Outline the covered medical conditions**
  - D. Limit the benefits to specific providers**
- 9. A Major Medical policy insured is injured during an auto collision while being pursued by police. If the insured files a claim after being convicted of reckless driving, what is the likely action by the insurance company?**
- A. Deny the claim only**
  - B. Pay the claim without condition**
  - C. Request further investigation**
  - D. Limit the coverage to medical expenses**
- 10. What is the purpose of a Health Savings Account (HSA)?**
- A. To provide supplemental income during retirement**
  - B. To allow tax-free savings for medical expenses**
  - C. To cover long-term care insurance costs**
  - D. To pay for insurance premiums directly**



## **Answers**

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

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## **Explanations**

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**1. What does the Fair Credit Reporting Act require applicants to be informed about?**

- A. That a consumer report may be requested**
- B. That their medical history will be disclosed**
- C. That they will be denied coverage if they have pre-existing conditions**
- D. That their credit scores will impact coverage decisions**

The Fair Credit Reporting Act (FCRA) mandates that consumers be informed when a consumer report is potentially going to be requested in relation to their credit history or other personal information. This law emphasizes transparency and consumer rights, ensuring that individuals are aware that their credit report may be reviewed as part of the application process for credit or insurance. This requirement allows applicants to be cognizant of the potential impact of their personal financial information on applications, helping them understand the process and their rights. The other choices, while they touch upon important aspects of consumer rights and insurance practices, do not accurately reflect the specific requirements set forth by the Fair Credit Reporting Act. The FCRA does not specifically address medical history disclosures, pre-existing conditions, or the direct impact of credit scores on coverage decisions in the same manner as it does with the requirement for informing applicants about consumer reports. Thus, the focus of the FCRA is on the right to know about the use of consumer reports during the application process.

**2. What is a "Health Savings Account" (HSA)?**

- A. A savings account with no tax benefits for medical expenses**
- B. A tax-advantaged savings account for medical expenses**
- C. An investment account for retirement funds**
- D. A regular savings account with limited withdrawals**

A Health Savings Account (HSA) is defined as a tax-advantaged savings account specifically designed to help individuals save for medical expenses. Contributions to an HSA are made with pre-tax dollars, meaning they reduce taxable income, and funds can be withdrawn tax-free when used for qualified medical expenses. This tax benefit makes HSAs a powerful tool for managing healthcare costs and planning for future medical needs. HSAs also offer the potential for growth, as funds can be invested, and interest or investment earnings are not taxed as long as the money remains in the account and is used for qualified expenses. This distinguishes HSAs from regular savings accounts, which do not provide similar tax advantages. The definition and purpose of an HSA clearly align with the attributes mentioned in the correct choice, reinforcing why this option holds significant relevance in discussions about health insurance and personal finance.

### 3. What does a health insurance premium typically cover?

- A. Services not included in the policy
- B. The cost of healthcare services
- C. Payment for health insurance coverage**
- D. Annual doctor visits only

A health insurance premium is a regular payment made to an insurance company to maintain coverage under a health insurance plan. This payment secures access to a range of healthcare services and benefits specified in the insurance policy. By paying the premium, individuals are essentially purchasing a contract for health insurance coverage, which will help cover various medical expenses according to the terms of the policy. The premium doesn't directly cover the costs of individual healthcare services but provides the policyholder with the assurance that those services will be available when needed, under the parameters outlined in their plan. It represents the financial commitment to ensure access to healthcare services, as defined in one's coverage agreement. Other options do not accurately describe what a premium is intended to cover or the benefits that are derived from such payments.

### 4. Which factor is NOT typically associated with patient advocacy?

- A. Supporting patients' rights
- B. Ensuring equitable access to healthcare
- C. Helping patients with financial decisions**
- D. Improving the quality of care received by patients

The factor that is not typically associated with patient advocacy focuses specifically on helping patients with financial decisions. While patient advocacy encompasses a wide range of supportive actions aimed at empowering patients within the healthcare system, it primarily deals with issues related to patients' rights, access to care, and the quality of care they receive. Advocacy efforts are centered around ensuring that patients can effectively navigate the healthcare system, receive appropriate treatments, and have their voices heard in matters affecting their health. Advocates often work to ensure that patients receive necessary information and support regarding their medical rights and the quality of healthcare services provided to them. While financial decisions can impact a patient's healthcare experience, the specific act of helping with these financial choices falls more within the realm of financial counseling or assistance programs rather than direct patient advocacy. Advocates typically work to eliminate barriers to care and promote fundamental patient rights rather than manage the financial aspects of patient care.

**5. Why are preventive services covered at no additional cost significant?**

- A. They encourage timely healthcare and lower overall costs**
- B. They allow providers to charge more for additional services**
- C. They limit the number of claims that can be filed**
- D. They provide a loophole for insurance companies to deny claims**

Preventive services covered at no additional cost are significant because they encourage timely healthcare and contribute to lower overall costs. By ensuring that individuals have access to essential preventive measures—such as vaccinations, screenings, and annual check-ups at no charge—health insurance plans promote early detection and treatment of health issues. This proactive approach can help individuals avoid more serious health problems in the future, which are often more costly to treat. When people utilize preventive services regularly, it can lead to fewer hospitalizations and less need for extensive medical procedures, ultimately reducing healthcare expenses for both insurance providers and policyholders. This emphasis on prevention also fosters a healthier population overall, which is beneficial for society as a whole.

**6. What is a "waiting period" in health insurance?**

- A. A time when coverage is unlimited**
- B. The time frame before certain benefits become available**
- C. Period of waiting for elective surgeries**
- D. Duration one must stay enrolled before receiving benefits**

A "waiting period" in health insurance refers to the time frame before specific benefits or coverage become available to the insured. This means that after purchasing a health insurance policy, there may be a predetermined duration in which the policyholder will not have access to certain benefits. For instance, many insurance plans implement waiting periods for services related to pre-existing conditions, maternity care, or specific treatments to manage the risk and costs. This approach allows insurance companies to mitigate the financial impact of conditions that individuals might seek coverage for right after enrollment. Therefore, the waiting period serves as a protective measure for the insurer while preparing the insured for the eventual utilization of their policy's benefits after the designated time has passed. The other choices do not accurately represent what a waiting period entails. For example, the idea of having unlimited coverage during a waiting period is misleading since waiting periods specifically denote a lack of access to certain benefits rather than an unlimited provision. Similarly, focusing merely on elective surgeries or mere enrollment duration does not comprehensively capture the broader implications of how waiting periods can affect various aspects of an insurance policy.

**7. Which situation describes a representation in insurance?**

- A. A prospect's statement on an application that is held to be SUBSTANTIALLY true**
- B. A guarantee by the insurance company of coverage**
- C. An unconditional promise made by the insurer**
- D. A statement made during a claims process**

In the context of insurance, a representation refers to a statement made by a prospective insured that they believe is true to the best of their knowledge when applying for insurance coverage. When this statement is considered to be substantially true, it influences the decision-making process of the insurer. Representations are not absolute guarantees; instead, they reflect the applicant's honest and reasonable belief about certain facts at the time of application. This is significant because, if misstatements are found to be intentional or substantially false, they could lead to a denial of coverage or cancellation of the policy. Therefore, the accuracy and honesty of representations are pivotal in establishing the contractual relationship between the insurer and the insured. In contrast, a guarantee by the insurance company or an unconditional promise made by the insurer indicates a more binding commitment that does not allow for the nuances of the applicant's statements about their circumstances. A statement made during a claims process pertains to different contexts and obligations and does not fall under the category of representations made during the application phase. Understanding these distinctions helps in comprehending how insurers assess risk and rely on the accuracy of applicants' representations.

**8. The purpose of the Insuring clause in an Accident and Health policy is to do what?**

- A. Specify the conditions under which benefits are payable**
- B. Define the premium payment schedule**
- C. Outline the covered medical conditions**
- D. Limit the benefits to specific providers**

The purpose of the Insuring clause in an Accident and Health policy is to specify the conditions under which benefits are payable. This clause is a fundamental component of the insurance contract as it establishes the insurer's obligation to pay for covered losses when certain conditions are met. It essentially outlines what events or circumstances will trigger the insurer's duty to provide benefits to the insured. The Insuring clause serves to clarify the coverage provided by the policy, including defining the types of accidents or health events that are eligible for coverage. It plays a critical role in helping policyholders understand when they can expect to receive benefits and under what conditions those benefits will be applied. In contrast, options regarding premium payment schedules, outlining covered medical conditions, or limiting benefits to specific providers address different aspects of the insurance policy that do not pertain directly to the core purpose of the Insuring clause. Therefore, the correct focus on conditions for benefit payment solidifies the importance of this clause in the overall structure of an Accident and Health insurance policy.

**9. A Major Medical policy insured is injured during an auto collision while being pursued by police. If the insured files a claim after being convicted of reckless driving, what is the likely action by the insurance company?**

- A. Deny the claim only**
- B. Pay the claim without condition**
- C. Request further investigation**
- D. Limit the coverage to medical expenses**

In the scenario described, the insurance company is likely to deny the claim based on the insured's conviction of reckless driving. Major Medical policies typically include exclusions related to illegal activities, especially when the insured is engaged in reckless behavior that leads to injury. The pursuit by police implies that the insured was involved in a potentially dangerous situation, further emphasizing the reckless nature of the driving. When an insured individual is convicted of reckless driving, this often creates a legal basis for the insurer to deny the claim, as the act may be tied to the nature of the injury sustained in the auto collision. Insurance contracts generally contain terms that limit coverage for losses resulting from the insured's illegal acts or gross negligence. Since the insured was convicted—a finding that provides evidence of illegal behavior—the insurance company is justified in denying the claim on those grounds. This aligns with the principles of insurance that seek to uphold the contract by not providing coverage for damages that arise from misconduct. In summary, the insurance company is likely to deny the claim due to the conviction related to reckless driving, as it falls under the risk of loss that the insurance policy does not cover. This serves to enforce the principle that coverage is not available for injuries sustained while engaging in illegal or reckless activities.

**10. What is the purpose of a Health Savings Account (HSA)?**

- A. To provide supplemental income during retirement**
- B. To allow tax-free savings for medical expenses**
- C. To cover long-term care insurance costs**
- D. To pay for insurance premiums directly**

A Health Savings Account (HSA) is specifically designed to allow individuals to save money tax-free for qualified medical expenses. Contributions to an HSA are tax-deductible, reducing the overall tax burden for individuals who utilize these accounts. The funds in an HSA can be used for a variety of medical costs, including deductibles, copayments, and other out-of-pocket expenses, provided these costs meet the IRS guidelines for qualifying medical expenses. Using an HSA not only encourages individuals to save for health-related costs but also provides the benefit of tax-free growth. This makes HSAs an effective financial planning tool for individuals with high-deductible health plans who want to manage their health care expenses strategically. Other options focus on different financial needs. For instance, while supplemental income during retirement is important, it does not align with the primary function of an HSA. Covering long-term care costs or paying insurance premiums directly are also not within the essence of what HSAs are intended to do; HSAs are focused solely on qualified medical expenses rather than these other financial avenues.



## 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://genhealthinsurance.examzify.com>**

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