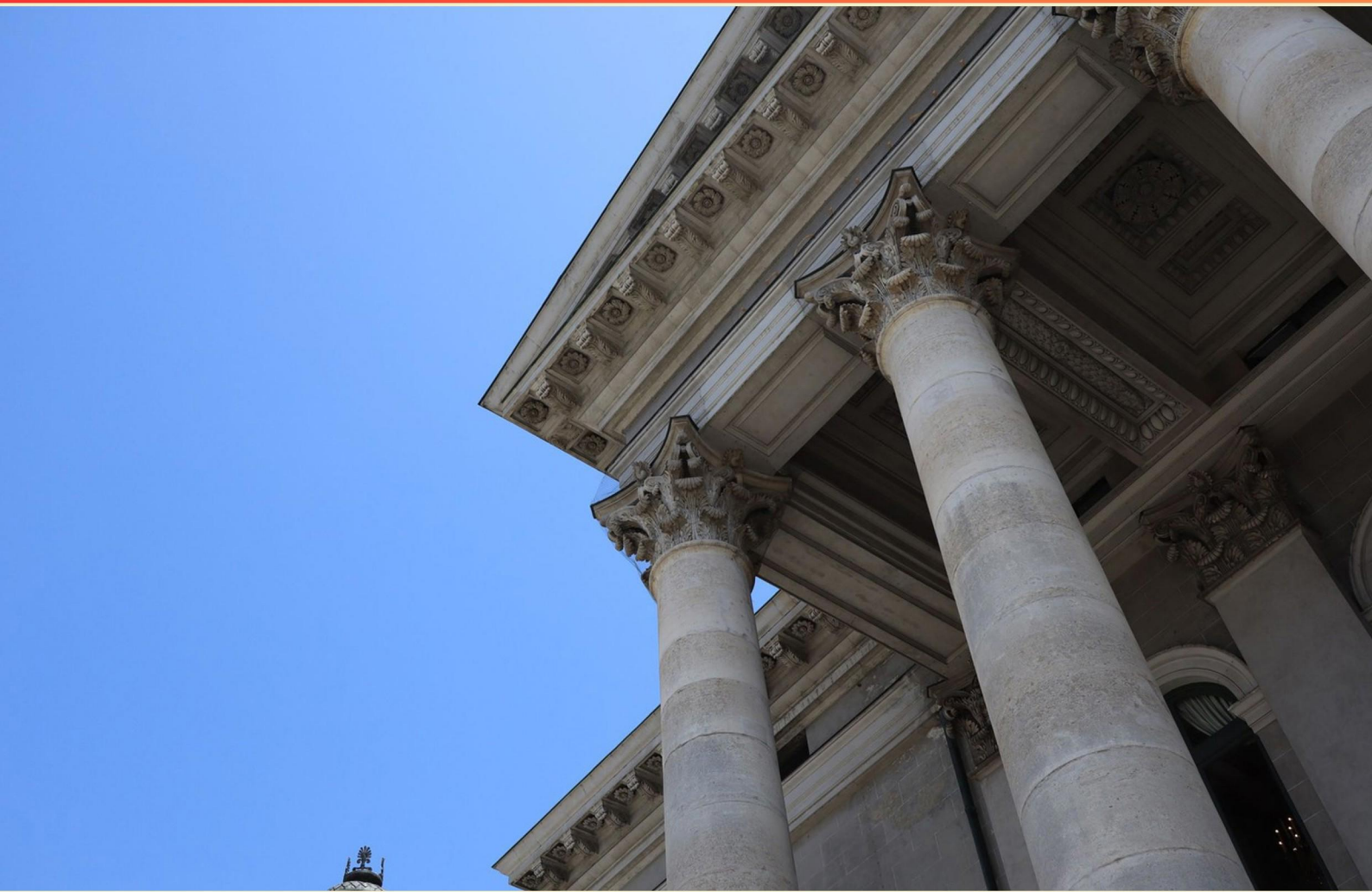


# INDIANA LAWS AND REGULATIONS FOR LIFE AND HEALTH INSURANCE SALES PRACTICE TEST (SAMPLE)

STUDY GUIDE



## SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR  
THE FULL VERSION STUDY GUIDE

<https://inlawsreglifehealthsales.examzify.com>



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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 long does an insurance company in Indiana have to pay a claim after proof of loss is received?**
  - A. 15 days
  - B. 30 days
  - C. 60 days
  - D. 90 days
- 2. What role does a viatical settlement broker play in the settlement process?**
  - A. They provide insurance policies
  - B. They negotiate contracts for a viator
  - C. They underwrite policies
  - D. They investigate claims
- 3. What type of representation is crucial in advertising life insurance policies?**
  - A. Exaggerated claims to attract consumers
  - B. Accurate and truthful representations regarding the policy
  - C. Vague descriptions with enticing visuals
  - D. Complicated terms to attract seasoned investors
- 4. What is the primary purpose of the Indiana Life and Health Guaranty Association?**
  - A. To create new insurance policies for residents
  - B. To protect policyowners of insolvent insurers by paying claims
  - C. To provide discounts on insurance premiums
  - D. To regulate insurance companies in Indiana
- 5. What are the implications of non-payment of premiums by the policyholder in Indiana?**
  - A. Potential cancellation or lapse of coverage
  - B. Automatically extending the policy period
  - C. Increased premium rates
  - D. No implications if notified beforehand

- 6. Which of the following is considered an unfair trade practice?**
- A. Offering policyholders regular updates
  - B. Misrepresenting the terms of a policy
  - C. Providing standard coverage terms
  - D. Conducting thorough market analysis
- 7. Can a policyholder rescind their life insurance policy after the free-look period?**
- A. Yes, at any time with a written notice
  - B. Generally, no, unless fraud is proven
  - C. Yes, but only if they have not filed any claims
  - D. No, once the policy is issued it cannot be changed
- 8. What is NOT a reason for revocation of an insurance license?**
- A. Misrepresentation
  - B. Being convicted of a felony
  - C. Completing continuing education
  - D. Obtaining a license through fraud
- 9. What is not typically a covered service in Indiana group health policies?**
- A. Emergency room visits
  - B. Routine wellness check-ups
  - C. Experimental treatments
  - D. Inpatient care
- 10. What is the maximum age for dependent children to remain on a parent's health insurance policy?**
- A. 19 years
  - B. 24 years
  - C. 26 years
  - D. 30 years

## **Answers**

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

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## **Explanations**

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**1. How long does an insurance company in Indiana have to pay a claim after proof of loss is received?**

- A. 15 days
- B. 30 days**
- C. 60 days
- D. 90 days

*In Indiana, once an insurance company receives proof of loss from a claimant, they are required to take action regarding the claim payment within 30 days. This timeframe is set forth in the state regulations governing the handling of insurance claims, ensuring that policyholders are treated fairly and that claims are processed in a timely manner. The provision is designed to provide a balance between the insurer's need to process claims adequately and the insured's need for prompt claim resolution. By requiring insurers to act within this 30-day period, the regulation helps to minimize unnecessary delays and encourages efficient management of claims. If an insurance company fails to meet this deadline without a valid reason, they may face regulatory penalties or legal repercussions. Thus, understanding this timeframe is critical for both insurance professionals and policyholders in Indiana.*

**2. What role does a viatical settlement broker play in the settlement process?**

- A. They provide insurance policies
- B. They negotiate contracts for a viator**
- C. They underwrite policies
- D. They investigate claims

*A viatical settlement broker plays a crucial role in the viatical settlement process by acting as an intermediary between individuals who are selling their life insurance policies, known as viators, and potential buyers, which could be institutional investors or other entities interested in purchasing those policies. The primary function of the broker involves negotiating the terms of the contract on behalf of the viator. This includes helping the seller understand the offers they receive for their policies and ensuring that they get the most favorable terms available within the settlement. The primary reason for this role is that viators often lack the knowledge or negotiating power to secure the best settlement. By representing the interests of the viator, the broker ensures that the process is fair and beneficial to the seller. This expertise is critical because viatical settlements can involve complex financial and legal issues that need to be navigated expertly. In this context, the other options do not accurately describe the role of a viatical settlement broker. They are not involved in providing insurance policies, underwriting them, or investigating claims related to the policies. Instead, their specific focus is on facilitating the arrangement and negotiation of settlements for those selling their life insurance for immediate cash value, primarily due to terminal illness or severe health conditions.*

### 3. What type of representation is crucial in advertising life insurance policies?

- A. Exaggerated claims to attract consumers
- B. Accurate and truthful representations regarding the policy**
- C. Vague descriptions with enticing visuals
- D. Complicated terms to attract seasoned investors

*Accurate and truthful representations regarding the policy are essential in advertising life insurance policies because they ensure that potential customers receive clear and honest information about the products being offered. This aligns with regulations that promote transparency in insurance marketing and protect consumers from misleading or deceptive practices. Providing accurate representations helps to build trust between insurers and clients, ultimately leading to informed decision-making. Properly depicted information reduces the likelihood of misunderstandings about policy features, benefits, limitations, and costs. Failing to represent policies truthfully can lead to regulatory repercussions and damage a company's reputation. In the highly regulated insurance industry, adherence to ethical advertising practices is crucial for maintaining consumer confidence and the integrity of the market.*

### 4. What is the primary purpose of the Indiana Life and Health Guaranty Association?

- A. To create new insurance policies for residents
- B. To protect policyowners of insolvent insurers by paying claims**
- C. To provide discounts on insurance premiums
- D. To regulate insurance companies in Indiana

*The Indiana Life and Health Guaranty Association is designed primarily to protect policyholders in the event that their insurance provider becomes insolvent. Its central mission is to ensure that individuals and families do not suffer financial loss or disruption of coverage when an insurer fails. By stepping in to pay claims, the association serves a critical role in maintaining trust in the insurance system and safeguarding the financial security of policyholders. This protection is vital because it reassures consumers that their investments in insurance are secure, encouraging them to purchase policies without fear of losing coverage due to an insurer's financial problems. The association typically covers life and health insurance policies, providing peace of mind to policyowners during challenging times. The other options do not align with the core function of the association. The creation of new insurance policies or offering premium discounts falls outside its mandate, as does the regulation of the insurance companies themselves, which is typically the responsibility of state insurance departments.*

**5. What are the implications of non-payment of premiums by the policyholder in Indiana?**

- A. Potential cancellation or lapse of coverage**
- B. Automatically extending the policy period
- C. Increased premium rates
- D. No implications if notified beforehand

*The implications of non-payment of premiums by the policyholder primarily include the potential cancellation or lapse of coverage. When a policyholder fails to pay their premiums on time, the insurance company typically follows a process that may lead to the termination of the policy. This means that the insured would no longer have coverage under that policy, leaving them unprotected in case of a claim. Insurance policies generally include a grace period, allowing for payment of premiums after the due date without immediate cancellation. However, failure to pay within this period will often result in the policy entering a lapse state. If the policy lapses, the insurance company is no longer obligated to provide benefits, which can significantly impact the insured's financial security and health coverage status. In situations where coverage has lapsed due to non-payment, the policyholder would need to go through the process of reinstatement or potentially purchase a new policy, which can involve additional costs and examinations, especially if health status has changed.*

**6. Which of the following is considered an unfair trade practice?**

- A. Offering policyholders regular updates
- B. Misrepresenting the terms of a policy**
- C. Providing standard coverage terms
- D. Conducting thorough market analysis

*Misrepresenting the terms of a policy is classified as an unfair trade practice because it involves providing false or misleading information to a potential policyholder about what the insurance policy covers, its costs, or its benefits. This deceptive practice undermines the transparency and honesty that are essential in the insurance industry. It can lead to a consumer purchasing a policy under false pretenses, making decisions that do not align with their actual needs or understanding of the coverage being provided. This not only negatively impacts the trust in the insurance system but also exposes consumers to potential financial harm. In contrast, offering policyholders regular updates, providing standard coverage terms, and conducting thorough market analysis are all practices that promote transparency and informed decision-making. These practices enhance the relationship between insurers and policyholders and contribute to a fair insurance market. Regular updates ensure policyholders are kept informed of any changes, standard coverage terms ensure consistency and clarity across policies, and market analysis helps in understanding consumer needs and competitive pricing—all essential for ethical business practices in the insurance sector.*

**7. Can a policyholder rescind their life insurance policy after the free-look period?**

- A. Yes, at any time with a written notice
- B. Generally, no, unless fraud is proven**
- C. Yes, but only if they have not filed any claims
- D. No, once the policy is issued it cannot be changed

*After the free-look period, a policyholder typically cannot rescind their life insurance policy unless there is evidence of fraud. The free-look period serves as a trial time frame during which a policyholder can review the policy and cancel it for a full refund if they decide it doesn't meet their needs. Once this period expires, the policy becomes binding, and the insurer generally incurs obligations based on that contract. If the policyholder wishes to cancel the policy after the free-look period, the only common legal grounds for doing so would be if the policyholder can demonstrate that the insurer engaged in fraudulent activity when selling the policy. Fraud could include misrepresentations about the policy terms or benefits that mislead the buyer. For individuals considering this situation, it is crucial to understand their rights post-free-look period, as well as when and how they might seek legal recourse if they suspect fraud. Other responses fail to accurately reflect the rules governing cancellation post-free-look period, as they do not consider legal nuances and the significance of fraud as a valid reason for rescindment.*

**8. What is NOT a reason for revocation of an insurance license?**

- A. Misrepresentation
- B. Being convicted of a felony
- C. Completing continuing education**
- D. Obtaining a license through fraud

*Completing continuing education is not a reason for revocation of an insurance license; rather, it is typically a requirement for maintaining the license. Insurance professionals in Indiana are required to complete a certain number of continuing education hours within a specified period to ensure they stay current with the laws, regulations, and industry practices. Fulfilling this obligation demonstrates a commitment to professionalism and competence in providing insurance services. In contrast, misrepresentation, being convicted of a felony, and obtaining a license through fraud can all result in the revocation of an insurance license, as they violate ethical standards and the trust necessary in the insurance industry. Engaging in any of these actions undermines the integrity of the profession and is taken seriously by regulatory authorities. This distinction highlights the importance of upholding ethical practices while maintaining a necessary level of education in the field.*

**9. What is not typically a covered service in Indiana group health policies?**

- A. Emergency room visits
- B. Routine wellness check-ups
- C. Experimental treatments**
- D. Inpatient care

*In the context of Indiana group health policies, experimental treatments are generally not covered services. This is because such treatments may not have established efficacy or safety profiles recognized by regulatory bodies, and are often still under investigation or clinical trial statuses. Insurers commonly limit coverage to established medical practices and services that have a proven record of effectiveness. In contrast, emergency room visits, routine wellness check-ups, and inpatient care are usually included in health policy coverage basics, as they are recognized as essential healthcare services that address immediate medical needs, preventive care, and necessary treatments requiring hospitalization. These types of services fall within the standard framework of group health insurance benefits aimed at providing comprehensive care to policyholders.*

**10. What is the maximum age for dependent children to remain on a parent's health insurance policy?**

A. 19 years

**B. 24 years**

C. 26 years

D. 30 years

*The maximum age for dependent children to remain on a parent's health insurance policy is 26 years. This provision is part of the Affordable Care Act (ACA), which allows young adults to stay on their parents' health insurance plans until they turn 26, regardless of their marital status, living situation, or financial independence. This rule was implemented to ensure that young adults have access to health insurance during a critical period when they may be transitioning from education to the workforce and may not have employer-sponsored insurance. The ages presented in other options do not reflect the federal requirement, making them incorrect regarding the current law guiding dependent eligibility for health insurance coverage.*

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## 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:

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

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