

Kansas Life & Health Insurance Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	9
Explanations	11
Next Steps	17

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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. What is a disability elimination period best described as?

- A. Time deductible**
- B. Coverage waiting period**
- C. Claim submission period**
- D. Policy renewal period**

2. What is usually true about whole life insurance policies compared to term life?

- A. Whole life insurance does not require a health questionnaire**
- B. Whole life insurance typically costs more than term life insurance**
- C. Whole life insurance coverage is limited to twelve months**
- D. Whole life insurance has no cash value**

3. What does the term "maximum out-of-pocket limit" refer to?

- A. The total out-of-pocket expenses in a lifetime for an insured**
- B. The maximum amount that an insured must pay before 100% of costs are covered**
- C. The cap on costs for emergency medical services**
- D. The total premium costs paid by an insured in a year**

4. How is "risk classification" used in insurance underwriting?

- A. To determine the types of coverage for each policyholder**
- B. To categorize applicants based on their risk levels**
- C. To prioritize claims based on their value**
- D. To evaluate the financial stability of insurers**

5. What type of annuity has a cash value that is based upon the performance of its underlying investment funds?

- A. Fixed annuity**
- B. Immediate annuity**
- C. Variable annuity**
- D. Indexed annuity**

6. What provision can help keep a Whole Life policy in force if the premium payment is not made and there is sufficient cash value?

- A. Grace period**
- B. Automatic policy loan**
- C. Conversion option**
- D. Cash surrender option**

7. How does disability income insurance differ from long-term care insurance?

- A. Disability income insurance provides coverage for accidents only**
- B. Long-term care insurance pays for hospital stays**
- C. Disability insurance provides income if unable to work due to a disability**
- D. Long-term care insurance covers diseases only**

8. What is being delivered to the proposed insured during a policy delivery?

- A. Insurance contract**
- B. Premium payment receipt**
- C. Conditions of the coverage**
- D. Group policy documentation**

9. How do life insurance companies handle cases where the insured commits suicide within the contract's stated Contestable period?

- A. Claims are fully paid**
- B. Claims are denied under the Suicide clause of the policy**
- C. Claims are adjusted based on the circumstances**
- D. Claims are stored until the contestable period ends**

10. What is the payment structure of a family maintenance policy after the insured's death?

- A. Income from the date of death to the insured's original age**
- B. Income from the date of death until the face amount is paid**
- C. Income from the date of death to the end of the preselected period**
- D. Income until the policyholder decides to terminate the policy**

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Answers

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

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Explanations

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1. What is a disability elimination period best described as?

- A. Time deductible**
- B. Coverage waiting period**
- C. Claim submission period**
- D. Policy renewal period**

A disability elimination period is best recognized as a time deductible. This term refers to the duration that must pass after a disability occurs before an individual becomes eligible to receive benefits from a disability insurance policy. Essentially, it acts like a waiting period; the insured must be disabled for a certain number of days (the elimination period) before the insurance company starts providing benefit payments. This concept is integral to understanding how disability insurance works, as it encourages individuals to consider how long they can afford to wait for benefits after a disability incident. The duration of the elimination period can vary between policies, and typically, the longer the elimination period, the lower the premiums for the policy, reflecting the shared risk between the insured and the insurer.

2. What is usually true about whole life insurance policies compared to term life?

- A. Whole life insurance does not require a health questionnaire**
- B. Whole life insurance typically costs more than term life insurance**
- C. Whole life insurance coverage is limited to twelve months**
- D. Whole life insurance has no cash value**

Whole life insurance is designed to provide lifelong coverage, which contributes to its higher cost compared to term life insurance. One of the key features of whole life insurance is that it includes an investment component, allowing the policy to accumulate cash value over time. This cash value grows at a guaranteed rate and can be borrowed against or withdrawn, which adds to the overall expense of the policy. In contrast, term life insurance provides coverage for a specified period (such as 10, 20, or 30 years) and does not accumulate cash value, making it generally more affordable. Because term insurance is designed to be a pure death benefit without the additional cash value features, it is less expensive compared to whole life insurance. Understanding the fundamental differences in cost structure between whole life and term life is crucial for consumers when making decisions based on their insurance needs and financial goals.

3. What does the term "maximum out-of-pocket limit" refer to?

- A. The total out-of-pocket expenses in a lifetime for an insured
- B. The maximum amount that an insured must pay before 100% of costs are covered**
- C. The cap on costs for emergency medical services
- D. The total premium costs paid by an insured in a year

The term "maximum out-of-pocket limit" refers specifically to the maximum amount that an insured individual must pay for covered healthcare services during a policy year before their health insurance plan pays 100% of the costs for covered services for the remainder of that year. This limit is critical as it provides financial protection to insured individuals by capping their out-of-pocket expenses, which can include deductibles, copayments, and coinsurance. Once the insured reaches this limit, their insurance will fully cover any additional medical expenses during that coverage period. This aspect of healthcare insurance helps promote access to necessary medical services, as individuals are protected from excessive financial burdens. Understanding this concept is essential for evaluating health insurance plans and for managing healthcare costs effectively.

4. How is "risk classification" used in insurance underwriting?

- A. To determine the types of coverage for each policyholder
- B. To categorize applicants based on their risk levels**
- C. To prioritize claims based on their value
- D. To evaluate the financial stability of insurers

Risk classification in insurance underwriting is crucial as it allows insurers to categorize applicants based on their levels of risk. When an insurance company assesses an individual or entity seeking coverage, it looks at multiple factors such as age, health history, lifestyle choices, and occupation. This process helps the insurer gauge the likelihood of the applicant making a claim in the future. By segmenting applicants into different risk categories, insurers can determine appropriate premiums and coverage options that align with the level of risk presented. For example, a healthier individual may fall into a lower risk category, thus qualifying for lower premiums, while someone with significant health issues might be classified as higher risk, leading to higher premiums. This systematic approach helps maintain the sustainability of the insurance pool by ensuring that premiums are aligned with the risk associated with each policyholder.

5. What type of annuity has a cash value that is based upon the performance of its underlying investment funds?

- A. Fixed annuity**
- B. Immediate annuity**
- C. Variable annuity**
- D. Indexed annuity**

A variable annuity is designed to have a cash value that fluctuates based on the performance of the underlying investment options chosen by the policyholder, such as stocks, bonds, or mutual funds. This type of annuity allows for potential growth linked to market performance, offering the possibility of higher returns compared to fixed annuities, which offer a guaranteed return. In a variable annuity, the cash value isn't fixed; instead, it varies with the investment results, allowing policyholders to benefit from market upswings while also exposing them to the risks of market downturns. This characteristic distinguishes variable annuities from fixed and indexed annuities, which have either stable, predetermined return rates or returns linked to a specific index but not directly to the performance of various investment funds.

6. What provision can help keep a Whole Life policy in force if the premium payment is not made and there is sufficient cash value?

- A. Grace period**
- B. Automatic policy loan**
- C. Conversion option**
- D. Cash surrender option**

The correct answer highlights the significance of the automatic policy loan provision in whole life insurance. When a policyholder fails to make a premium payment, the automatic policy loan feature allows the insurance company to deduct the overdue premium from the cash value of the policy. This provision ensures that the policy remains in force despite the missed payment, as the cash value is utilized to cover the unpaid premium. This mechanism provides a level of protection for the policyholder, allowing them to maintain their coverage even during financially challenging times. The other options, while relevant to whole life policies, do not specifically address the issue of keeping the policy active when premiums are unpaid. The grace period offers a buffer time for premium payments but does not directly utilize cash value to maintain coverage. The conversion option allows for changing policies but is unrelated to missed payments, and the cash surrender option refers to ending the policy for cash, which would not help in keeping the policy active. Thus, the automatic policy loan stands out as the most suitable solution for ensuring a whole life policy remains in force when premiums are not promptly paid.

7. How does disability income insurance differ from long-term care insurance?

- A. Disability income insurance provides coverage for accidents only**
- B. Long-term care insurance pays for hospital stays**
- C. Disability insurance provides income if unable to work due to a disability**
- D. Long-term care insurance covers diseases only**

Disability income insurance is designed to provide financial support to individuals who are unable to work due to a disability, which can result from an injury, illness, or other health-related issues. This type of insurance typically pays a percentage of the insured person's income for a specified period, helping them to cover living expenses during their recovery or adjustment period. In contrast, long-term care insurance is intended to cover services related to chronic health issues or disabilities that require assistance with activities of daily living, such as bathing, dressing, or eating. This type of insurance kicks in when individuals require extended care that is not generally covered by traditional health insurance or Medicare. The other choices do not accurately describe the distinctions between these two types of insurance. For instance, stating that disability income insurance only covers accidents is misleading, as it also covers disabilities resulting from illnesses. Likewise, long-term care insurance is not limited to hospital stays, as it encompasses various types of care, including in-home services and assisted living facilities. Lastly, stating that long-term care insurance only covers diseases is inaccurate; it provides coverage for a range of conditions that necessitate long-term care, not solely for diseases.

8. What is being delivered to the proposed insured during a policy delivery?

- A. Insurance contract**
- B. Premium payment receipt**
- C. Conditions of the coverage**
- D. Group policy documentation**

During the policy delivery, the proposed insured receives the insurance contract. This document is crucial as it outlines the terms and conditions of the insurance coverage, the rights and obligations of both parties, and the specifics of the policy, including coverage limits, premium amounts, and any exclusions or riders. Delivering the insurance contract is essential because it officially activates the policy and provides the insured with a clear understanding of their coverage. While the premium payment receipt, conditions of the coverage, and group policy documentation may also be part of the overall insurance process, they do not encompass the entire set of terms and agreements that the policy contract represents. The insurance contract serves as the primary legal agreement between the insurer and the insured, clarifying what is covered and under what circumstances.

9. How do life insurance companies handle cases where the insured commits suicide within the contract's stated Contestable period?

- A. Claims are fully paid**
- B. Claims are denied under the Suicide clause of the policy**
- C. Claims are adjusted based on the circumstances**
- D. Claims are stored until the contestable period ends**

When an insured commits suicide within the contestable period of a life insurance policy, the claim is typically denied under the suicide clause of the policy. This clause is specifically included to protect insurance companies from the risk of adverse selection, in which individuals purchase life insurance with the intent to benefit financially from their own death. During the contestable period, which usually lasts for the first two years of the policy, insurers have the right to investigate the circumstances surrounding the death of the insured. If it is determined that the death was indeed a result of suicide, the insurance company is within its rights to deny the claim based on this clause, as the policy usually stipulates that coverage for suicide is excluded for a defined period following the contract's initiation. Consequently, claims related to suicide during this time frame do not result in benefits paid out to beneficiaries.

10. What is the payment structure of a family maintenance policy after the insured's death?

- A. Income from the date of death to the insured's original age**
- B. Income from the date of death until the face amount is paid**
- C. Income from the date of death to the end of the preselected period**
- D. Income until the policyholder decides to terminate the policy**

A family maintenance policy provides a combination of life insurance protection and a form of income replacement for the beneficiaries after the insured's death. The correct answer indicates that the structure of payments under this type of policy is designed to provide a steady income for a defined period that has been preselected by the policyholder, starting from the date of the insured's death. This approach is particularly valuable for families who may rely on the deceased's income for their daily living expenses; it allows for financial stability during a difficult time. The payment continues for the specified duration, ensuring that the family receives a predetermined amount of income, rather than a lump sum immediately, which they may struggle to manage. In contrast, other responses do not accurately capture the payment structure of a family maintenance policy. For instance, one suggests payments continue until the face amount is paid, which could create confusion as this policy provides income rather than just a death benefit lump sum. Another option implies that payments continue until the policyholder decides to terminate the policy, which is not applicable since the payments are only supposed to last for a specific, chosen timeframe after the death of the insured.

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://kansaslifeandhealthinsurance.examzify.com>

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

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