Life License Qualification Program (LLQP) Practice Exam (Sample)

Study Guide

BY EXAMZIFY

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. **According to Florida Law, what is the required minimum percentage of employee participation for a noncontributory group health insurance plan?**

   A. 0%

   B. 25%

   C. 75%

   D. 100%

2. **When determining the premium rate for a Whole Life policy, which factor is crucial?**

   A. Geographical location

   B. Source of income

   C. Risk classification

   D. Marital status

3. **At what minimum age can an individual sign their own life insurance application?**

   A. 15 years

   B. 16 years

   C. 17 years

   D. 18 years

4. **Which statement about a Key Employee Life policy is NOT true?**

   A. The application must be signed by the key employee

   B. Its purpose is to prevent financial loss from the death of a key employee

   C. The beneficiary is named by the key employee

   D. The company owns and pays for the policy

5. **If a corporation's employees share the premium costs, what type of insurance plan do they have?**

   A. Noneligible

   B. Noncontributory

   C. Eligible

   D. Contributory

6. Under which provision can the premiums of a juvenile policy be waived if the premium payor dies?

A. Payor provision

B. Accelerated Benefits provision

C. Assignment provision

D. Waiver of Premium provision

7. In which situation can an autopsy be performed after a death under an Accidental Death and Dismemberment policy?

A. When the cause of death is unknown

B. When the state prohibits this by law

C. When consent for the autopsy is not obtained

D. When foul play was a contributing factor

8. Which action is NOT required before a life insurance policy goes into effect?

A. Policy is delivered

B. Free-look period has expired

C. Insurance company issues policy

D. Initial premium is collected

9. What is a key feature that differentiates disability income policies from other types of insurance?

A. Cash value accumulation

B. Guaranteed renewability

C. Income replacement during disabilities

D. Lower premium rates

10. Which provision suspends premium payments during a period of total disability?

A. Probation Period

B. Grace Period

C. Waiver of Premium

D. Elimination Period

Answers

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

Explanations

1. **According to Florida Law, what is the required minimum percentage of employee participation for a noncontributory group health insurance plan?**

   A. 0%

   B. 25%

   C. 75%

   D. 100%

In Florida, a noncontributory group health insurance plan is one where the employer pays the entire premium without requiring employees to contribute financially. In this context, the law stipulates that there is no minimum percentage requirement for employee participation in such plans. This means that even if only one employee enrolls, the plan can still be valid. Thus, having a minimum participation requirement of 0% indicates that an employer can offer a noncontributory plan regardless of the number of employees who choose to take part. This flexibility is particularly useful for employers who wish to provide health benefits to their employees without the financial burden being shared. This directly supports workforce health and can improve employee morale, making it an appealing option for many employers. The understanding of employee participation levels in different types of group insurance plans is vital, especially since contributory plans may involve higher participation rates to maintain viability and manage risk effectively.

2. **When determining the premium rate for a Whole Life policy, which factor is crucial?**

   A. Geographical location

   B. Source of income

   C. Risk classification

   D. Marital status

In determining the premium rate for a Whole Life policy, risk classification is the crucial factor. Risk classification involves assessing the applicant's health status, lifestyle, occupation, and other factors that may impact their life expectancy. Insurance companies categorize individuals into different risk classes (such as standard, preferred, or substandard) based on this assessment. Classifying an individual's risk accurately helps insurers predict the likelihood of claims being made. A person considered to be at lower risk typically pays lower premiums, while someone deemed higher risk will face higher premiums. This classification directly influences the insurer's profitability and sustainability, as it ensures that premiums are commensurate with the anticipated risk of loss. Other options such as geographical location, source of income, and marital status may influence certain aspects of financial planning or underwriting, but they do not play as significant a role in the foundational calculation of premium rates for Whole Life policies as risk classification does.

3. At what minimum age can an individual sign their own life insurance application?

A. 15 years

B. 16 years

C. 17 years

D. 18 years

In many jurisdictions, the legal age at which an individual can independently enter into contracts, including signing their own life insurance application, is typically 18 years old. This age reflects the general assumption of legal competence, allowing individuals to understand the implications and responsibilities associated with such agreements. Signing a life insurance application is a contractual arrangement that involves declaring health status, acknowledging obligations, and committing to premium payments, which requires a certain level of understanding and maturity that is consistent with reaching adulthood. While some regions may permit individuals younger than 18 to sign certain documents with parental consent or under specific circumstances, the standard practice for most major insurance firms aligns with the legal age of majority, which is usually 18. Therefore, it is essential for insurance advisors to be aware of the applicable local laws when it comes to the age of consent for financial contracts.

4. Which statement about a Key Employee Life policy is NOT true?

A. The application must be signed by the key employee

B. Its purpose is to prevent financial loss from the death of a key employee

C. The beneficiary is named by the key employee

D. The company owns and pays for the policy

In the context of Key Employee Life Insurance policies, it is important to understand the role of the key employee and the company. The primary purpose of such a policy is to protect the business from the financial impact that could result from the untimely death of a vital member of the executive team or other key roles within the organization. The company takes out the policy, pays the premiums, and receives the death benefit if the key employee passes away. Regarding the beneficiary, it is the employer, or the company, that owns the life insurance policy and typically designates itself as the beneficiary. This ensures that the proceeds from the policy can be used to cover potential losses, pay off debts, hire a replacement, or invest in the business during the transition period after the key employee's death. By stating that the beneficiary is named by the key employee, the incorrect assumption is made that the employee has control over who benefits from the policy, which is not the case. The ownership and beneficiary rights belong to the company, reinforcing the policy's purpose of safeguarding the business against financial strain due to the loss of a critical team member. Thus, the statement regarding the key employee naming the beneficiary does not align with the standard practices of Key Employee Life policies.

5. If a corporation's employees share the premium costs, what type of insurance plan do they have?

A. Noneligible

B. Noncontributory

C. Eligible

D. Contributory

When employees share the premium costs of an insurance plan, it is classified as a contributory plan. In a contributory insurance plan, both the employer and the employees contribute to the premium payments. This shared cost structure often leads to higher employee engagement in the plan since they have a financial stake in it. It also allows the employer to provide a more comprehensive benefits package while controlling costs. In contrast, noncontributory plans are fully funded by the employer, meaning employees do not financially contribute to the premiums. Eligible and noneligible designations typically refer to the criteria or conditions under which a plan qualifies for certain benefits or tax treatment, rather than the method of premium payment. The key factor that identifies the plan as contributory is the fact that employees participate in paying for their coverage.

6. Under which provision can the premiums of a juvenile policy be waived if the premium payor dies?

A. Payor provision

B. Accelerated Benefits provision

C. Assignment provision

D. Waiver of Premium provision

The correct answer relates to the "Payor provision," which is specifically designed to address the situation involving juvenile life insurance policies. This provision ensures that if the person responsible for paying the premiums on a life insurance policy for a minor—often a parent or guardian—dies, the insurer will waive future premium payments. This means that the policy will remain in force without the need for ongoing premium payments, which is particularly important since the juvenile policy is intended to protect the child’s future insurability and provide coverage during their formative years. The Payor provision is beneficial for families, as it alleviates financial burdens at a difficult time, ensuring that the coverage continues uninterrupted. This type of provision is not typically found in adult policies, underlining its unique relevance to juvenile insurance products. In contrast, the Accelerated Benefits provision is designed to allow policyholders to access a portion of their death benefit early under certain circumstances, such as terminal illness, but does not pertain to premium payments. The Assignment provision involves transferring ownership of the policy or its benefits to another party, which does not address the issue of premium payments. Lastly, the Waiver of Premium provision generally applies when the insured becomes disabled; it does not specifically connect to the death of a premium

7. In which situation can an autopsy be performed after a death under an Accidental Death and Dismemberment policy?

A. When the cause of death is unknown

B. When the state prohibits this by law

C. When consent for the autopsy is not obtained

D. When foul play was a contributing factor

An autopsy can be performed after a death under an Accidental Death and Dismemberment (AD&D) policy when the cause of death is unknown. This is important because an autopsy serves to clarify the circumstances surrounding the death, especially in cases where the cause may impact the validity of the claim. The AD&D policy typically pays benefits based on specific instances of death or injury caused by an accident; therefore, understanding the precise cause is crucial for determining eligibility for benefits. In situations where the cause of death is ambiguous, an autopsy provides critical evidence that can aid in assessing the claim, ensuring that the insurer can make a fair and informed decision based on the findings. Autopsies are commonly initiated in such cases to ascertain any underlying conditions or external factors that may have contributed to the death. The other scenarios, such as legal prohibitions, lack of consent, or the implication of foul play, generally pertain to restrictions or legal considerations that would prevent an autopsy from being performed, rather than situations where it is permissible and often necessary. Understanding these nuances is vital for managing the complexities surrounding life insurance claims.

8. Which action is NOT required before a life insurance policy goes into effect?

A. Policy is delivered

B. Free-look period has expired

C. Insurance company issues policy

D. Initial premium is collected

The correct answer is the one that identifies the action that is not required before a life insurance policy goes into effect. Before a life insurance policy becomes effective, certain key actions are necessary, including the delivery of the policy, the issuance of the policy by the insurance company, and the collection of the initial premium from the policyholder. The "free-look period" refers to a specified time after the policyholder has received the policy, during which they can review the terms and cancel the policy for a full refund if they are not satisfied. However, this period occurs after the policy is already in effect, meaning the policy has been issued and delivered. Therefore, the expiration of the free-look period does not impact the initial effectiveness of the policy. In summary, while the delivery of the policy, collection of the initial premium, and issuance by the insurance company are critical steps that must be completed for the policy to be in effect, the free-look period is not a prerequisite for the policy to become effective.

9. What is a key feature that differentiates disability income policies from other types of insurance?

A. Cash value accumulation

B. Guaranteed renewability

C. Income replacement during disabilities

D. Lower premium rates

Disability income policies are primarily focused on providing financial support in the event of a disability that prevents an individual from working. This is the fundamental aspect that differentiates them from other types of insurance. When a policyholder becomes disabled, these policies replace a portion of their lost income, ensuring that they can continue to meet their financial obligations despite their inability to work. While features such as guaranteed renewability and cash value accumulation may be present in some insurance products, they are not exclusive to disability income policies. Cash value accumulation, for instance, is more commonly associated with permanent life insurance products rather than disability coverage. Additionally, lower premium rates can vary widely among different insurance types and do not distinctly define the purpose of disability income policies. The primary purpose of disability income insurance—to replace lost income—makes option C the key differentiator, underscoring the essential function of this type of coverage in the realm of insurance products.

10. Which provision suspends premium payments during a period of total disability?

A. Probation Period

B. Grace Period

C. Waiver of Premium

D. Elimination Period

The Waiver of Premium provision is designed to protect policyholders during times of financial hardship due to a total disability. When this provision is in effect, the insurer agrees to waive the requirement for premium payments during a specified period of total disability, ensuring that the policy remains in force without any financial burden on the insured. This is particularly beneficial for individuals who may no longer be able to work and earn income due to their health condition. In contrast, other terms mentioned in the options refer to different aspects of insurance policies. The probation period generally sets a waiting time for coverage to begin, often used to determine whether a policyholder's existing conditions may affect coverage. The grace period allows policyholders a specific time after the premium due date to make payments without losing their coverage. The elimination period refers to a waiting period before benefits are paid out in disability policies. Each of these terms serves a different purpose related to insurance policy management, but the Waiver of Premium specifically addresses the need to suspend premium payments during a time of total disability, making it the correct choice.

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://lifelicensequalificationprogram-llqp.examzify.com

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