

# Minnesota Life Accident and Health Producer Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

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# Table of Contents

<b>Copyright</b> .....	<b>1</b>
<b>Table of Contents</b> .....	<b>2</b>
<b>Introduction</b> .....	<b>3</b>
<b>How to Use This Guide</b> .....	<b>4</b>
<b>Questions</b> .....	<b>5</b>
<b>Answers</b> .....	<b>8</b>
<b>Explanations</b> .....	<b>10</b>
<b>Next Steps</b> .....	<b>16</b>

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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. Fixed annuities are described as being commingled with the insurer's general assets and typically guarantee a minimum interest rate.**
  - A. They invest in separate accounts and track market returns**
  - B. They are funded by the policyholder's life settlement**
  - C. They are commingled with the insurer's general assets and typically guarantee a minimum interest rate**
  - D. They have no surrender charges**
  
- 2. Rebating in insurance practice refers to offering what?**
  - A. Offering or giving any rebate of premium or anything else of value as an inducement to buy insurance.**
  - B. Charging higher premiums for the same risk.**
  - C. Providing loyalty rewards after policy issue.**
  - D. Selling a policy without authorization.**
  
- 3. In a primary and excess indemnity arrangement, which insurer pays first?**
  - A. The excess insurer**
  - B. The primary insurer**
  - C. They pay pro-rata**
  - D. The insured pays first**
  
- 4. Which statement describes mutual insurers?**
  - A. Not for profit and owned by policyowners**
  - B. For profit and owned by shareholders**
  - C. Managed by a board of directors and par value**
  - D. Not assessable**
  
- 5. Which renewal provision prevents cancellation and prohibits rate changes?**
  - A. Noncancelable**
  - B. Cancelable**
  - C. Guaranteed renewable**
  - D. Conditionally renewable**

- 6. In an HMO, PCP stands for what?**
- A. A hospital administrator**
  - B. A dental specialist**
  - C. A pharmaceutical liaison**
  - D. A Primary Care Physician**
- 7. Under the Fair Credit Reporting Act, which statement is accurate regarding notification when a credit report is ordered?**
- A. The credit report can be ordered without any notice.**
  - B. When a credit report is ordered, the applicant must be notified verbally and in writing.**
  - C. Applicants have no right to obtain a copy of the report.**
  - D. Credit reporting agencies may charge unlimited fees to obtain the report.**
- 8. In the declarations section for life and health policies, which item is typically listed?**
- A. Age of the insured at issue date**
  - B. Period of coverage**
  - C. Policy limits**
  - D. Open peril**
- 9. Which statement about accelerated death benefits and living benefits is true?**
- A. They provide access to a portion of the death benefit if diagnosed with terminal illness**
  - B. They accelerate the policy's annual premiums**
  - C. They increase the death benefit after the insured's death**
  - D. They have no effect on policy face amount**
- 10. Implied authority refers to which of the following?**
- A. Powers given to the agent as part of the agency agreement**
  - B. Powers NOT given by the agency agreement, but necessary to complete the functions allowed in the agency agreement**
  - C. Powers NOT given by the agency agreement, but that a reasonable person would presume the agent has**
  - D. Powers authorized by the agency contract in writing**

## **Answers**

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

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## **Explanations**

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**1. Fixed annuities are described as being commingled with the insurer's general assets and typically guarantee a minimum interest rate.**

**A. They invest in separate accounts and track market returns**

**B. They are funded by the policyholder's life settlement**

**C. They are commingled with the insurer's general assets and typically guarantee a minimum interest rate**

**D. They have no surrender charges**

Fixed annuities provide a predictable, guaranteed return because the funds are placed in the insurer's general account. The insurer pools these products with its other general assets and commits to a minimum interest rate, so the crediting rate is protected from market fluctuations. The insurer bears the investment risk, not the purchaser. This is different from variable annuities, where the contract is funded by separate accounts and the returns depend on market performance. While many deferred fixed annuities do charge surrender penalties for early withdrawals, the essential point about fixed annuities is the general-account backing and the guaranteed minimum rate.

**2. Rebating in insurance practice refers to offering what?**

**A. Offering or giving any rebate of premium or anything else of value as an inducement to buy insurance.**

**B. Charging higher premiums for the same risk.**

**C. Providing loyalty rewards after policy issue.**

**D. Selling a policy without authorization.**

Rebating is offering or giving something of value to induce someone to buy insurance. This practice is illegal in many states because it creates an unfair incentive, encouraging buyers to choose a policy not based on merit or price alone but on the inducement received. The best choice captures this idea exactly: a premium rebate or any other valuable inducement used to persuade a purchase. The other scenarios don't fit rebating. Charging higher premiums for the same risk is simply unfair pricing, not an inducement to buy. Providing loyalty rewards after policy issue is a reward for continuing the relationship, not an inducement used to initiate the purchase. Selling a policy without authorization is fraud and a separate violation, not a rebate.

**3. In a primary and excess indemnity arrangement, which insurer pays first?**

- A. The excess insurer**
- B. The primary insurer**
- C. They pay pro-rata**
- D. The insured pays first**

In a primary and excess indemnity arrangement, the primary insurer pays first. It covers the loss up to its policy limit, and only after that limit is reached does the excess insurer begin to pay the remaining amount, subject to its own limit and attachment point. This sequencing is what defines the relationship between the two layers. For example, if the primary policy has a 1 million limit and the excess policy attaches above 1 million, a total loss of 2.5 million would be settled by paying 1 million from the primary, and the remaining 1.5 million would be covered by the excess insurer (up to the excess limit). The insured does not pay first in this arrangement, aside from any deductibles or self-insured retention that may apply, which are separate from who pays first within the layers. This setup differs from pro-rata sharing, where multiple layers might begin contributing to the loss from the start. In primary and excess, the liability is triggered sequentially, not proportionally across all layers.

**4. Which statement describes mutual insurers?**

- A. Not for profit and owned by policyowners**
- B. For profit and owned by shareholders**
- C. Managed by a board of directors and par value**
- D. Not assessable**

Mutual insurers are owned by the people who hold the policies—the policyowners. Because they don't issue stock, there are no shareholders, and profits aren't directed to investors. Instead, these companies operate on a not-for-profit basis, with any excess earnings returned to policyowners through dividends or reduced premiums on participating policies. The company is managed by a board of directors elected by policyowners, and there's no par value or stock structure to support. This ownership by policyowners is the defining feature that distinguishes mutual insurers from stock insurers, making the description "not for profit and owned by policyowners" the best fit. While some mutuals may also be nonassessable, the key point is who owns the company and how profits are used.

**5. Which renewal provision prevents cancellation and prohibits rate changes?**

- A. Noncancelable**
- B. Cancelable**
- C. Guaranteed renewable**
- D. Conditionally renewable**

This question is about renewal provisions and how they affect cancellation and premium changes. A noncancelable renewal provision provides the strongest protection: the insurer cannot cancel the policy and cannot increase the premium for the term of the policy. In other words, coverage must be renewed and the premium must stay level for the entire term, with only limited exceptions (such as nonpayment or misrepresentation). This is why it best fits a scenario where both cancellation and rate changes are prohibited. By contrast, guaranteed renewable allows continued coverage but may permit premium increases at renewal for a class of insureds; conditionally renewable lets the insurer cancel under certain conditions; and cancelable allows the insurer to cancel or change rates at will.

**6. In an HMO, PCP stands for what?**

- A. A hospital administrator**
- B. A dental specialist**
- C. A pharmaceutical liaison**
- D. A Primary Care Physician**

In an HMO, care is organized through a specific network and you typically select a Primary Care Physician who serves as the entry point for most services. The Primary Care Physician provides routine and preventive care, manages your overall health, and reviews and coordinates any referrals to specialists or hospitals. This gatekeeper role helps ensure you receive appropriate care while keeping costs in check within the plan. So, Primary Care Physician is the term that best describes the PCP in an HMO. The other options don't fit because they refer to roles outside the typical clinical gatekeeper function: a hospital administrator is not a clinician who provides medical care; a dental specialist handles dental care, not general medical care; a pharmaceutical liaison is involved with medications, not providing primary medical care.

**7. Under the Fair Credit Reporting Act, which statement is accurate regarding notification when a credit report is ordered?**

- A. The credit report can be ordered without any notice.**
- B. When a credit report is ordered, the applicant must be notified verbally and in writing.**
- C. Applicants have no right to obtain a copy of the report.**
- D. Credit reporting agencies may charge unlimited fees to obtain the report.**

Notification is required whenever a consumer report may be used in a decision about a person, and the requester must obtain the individual's written authorization. This ensures the applicant knows a report will be pulled and can review or dispute its contents if needed. The statement that the applicant must be notified verbally and in writing captures the dual aspect of the process: a clear written disclosure that a report may be obtained, and the consent that accompanies it. The other options miss important protections: there is notice required before a report is obtained, applicants do have a right to obtain a copy of the report from the reporting agency, and fees charged by agencies are not unlimited.

**8. In the declarations section for life and health policies, which item is typically listed?**

- A. Age of the insured at issue date**
- B. Period of coverage**
- C. Policy limits**
- D. Open peril**

Age at the issue date is listed on the declarations page because it directly affects underwriting and pricing. The declarations provide a snapshot of the policy's essential facts, and the insured's age as of the issue date helps determine the premium and risk class for the contract. It also confirms the starting point for the policy's terms and eligibility. Period of coverage is related to the policy's term, but that detail is typically conveyed by issue and expiration dates rather than a separate "period of coverage" line on the declarations. Policy limits is more a term used in other lines of insurance; in life and health, the key figure is the benefit amount, not a separate limits figure. Open peril is not a concept used in life or health declarations.

9. Which statement about accelerated death benefits and living benefits is true?

- A. They provide access to a portion of the death benefit if diagnosed with terminal illness**
- B. They accelerate the policy's annual premiums**
- C. They increase the death benefit after the insured's death**
- D. They have no effect on policy face amount**

The main idea here is that accelerated death benefits and living benefits let a policyowner access part of the death benefit while the insured is still alive, under defined conditions such as a terminal illness. The statement that they provide access to a portion of the death benefit if diagnosed with terminal illness is true because these riders are designed to provide funds now to help with medical costs or care, rather than waiting until death. They do not accelerate the policy's premiums, and they do not increase the death benefit after death. In fact, the amount paid out early is typically deducted from the remaining death benefit, reducing what would be paid to beneficiaries later. So these features mainly offer early liquidity, often reducing the face amount payable later.

10. Implied authority refers to which of the following?

- A. Powers given to the agent as part of the agency agreement**
- B. Powers NOT given by the agency agreement, but necessary to complete the functions allowed in the agency agreement**
- C. Powers NOT given by the agency agreement, but that a reasonable person would presume the agent has**
- D. Powers authorized by the agency contract in writing**

Implied authority is the power that an agent reasonably needs to carry out the duties the principal has authorized, even though it isn't written in the contract. The best choice captures this idea: powers not spelled out in the agency agreement but necessary to complete the functions the agent is allowed to perform. This lets the agent do what's needed to finish a transaction, such as gathering information, handling routine steps, or taking actions that are customary to fulfill the agency's purpose, without requiring explicit written permission for every tiny step. This differs from express authority, which is the explicit powers stated in the contract or given directly by the principal in writing or verbally. It also differs from apparent authority, which depends on how a third party perceives the agent's authority based on the principal's representations, not on what's actually granted to the agent.

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

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

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