

Montana Life and Health Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

Table of Contents

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

SAMPLE

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

SAMPLE

- 1. What is an assurance in the context of life insurance?**
 - A. A customer guarantee on premiums**
 - B. A promise to pay a specified amount upon a defined event**
 - C. An exclusion clause in the policy**
 - D. A guarantee of investment returns**

- 2. What is the role of a claims adjuster in insurance?**
 - A. To sell insurance policies to consumers**
 - B. To investigate and evaluate insurance claims**
 - C. To set insurance premiums for new policies**
 - D. To manage the financial records of the insurance company**

- 3. What are the two main types of life insurance?**
 - A. Short-term and long-term life insurance**
 - B. Term life insurance and permanent life insurance**
 - C. Accidental death insurance and critical illness insurance**
 - D. Universal life and whole life insurance**

- 4. What is "excess loss insurance" designed to do?**
 - A. Cover routine healthcare expenses for insured individuals**
 - B. Protect self-insured employers from catastrophic costs exceeding a certain amount**
 - C. Provide a safety net for insurers against high-risk claims**
 - D. Guarantee medical coverage up to a maximum limit per individual**

- 5. In the context of insurance, what does the payment of claims provision specify?**
 - A. Frequency of payments**
 - B. Conditions for benefit payout**
 - C. Eligibility of beneficiaries**
 - D. Payment methods**

- 6. What is the role of an insurance agent?**
- A. To manage claims for the insurer**
 - B. To represent the insurance company and assist clients**
 - C. To underwrite policies for insurers**
 - D. To provide legal advice to policyholders**
- 7. What is group life insurance?**
- A. A type of life insurance coverage provided to a group of individuals, typically through an employer or association.**
 - B. A type of policy that only covers the employer's life.**
 - C. A temporary form of life insurance that is less expensive.**
 - D. A policy that covers only high-risk individuals in a group.**
- 8. How does a universal life policy differ from whole life?**
- A. Universal life includes no cash value component**
 - B. Universal life offers flexibility in premium payments and death benefits**
 - C. Universal life is cheaper than whole life**
 - D. Universal life cannot accumulate cash value**
- 9. What is generally covered under the "essential health benefits" category?**
- A. Comprehensive vision and dental care**
 - B. Services such as emergency care and hospitalization**
 - C. All medical treatments without limitation**
 - D. Optional wellness services and memberships**
- 10. What is a "preferred provider organization" (PPO)?**
- A. A type of health plan with no restrictions on provider choices**
 - B. A type of health plan that offers a network of preferred providers and allows out-of-network care at a higher cost**
 - C. A plan that covers only urgent care services**
 - D. A health insurance plan that requires referrals to see specialists**

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. What is an assurance in the context of life insurance?

- A. A customer guarantee on premiums
- B. A promise to pay a specified amount upon a defined event**
- C. An exclusion clause in the policy
- D. A guarantee of investment returns

In the context of life insurance, an assurance refers to a promise made by the insurer to pay a specified amount to the policyholder's beneficiaries upon the occurrence of a defined event, typically the death of the insured. This assurance serves as the foundational principle of life insurance, where the insurer agrees to provide financial protection and security to the policyholder's family or dependents in the event of unforeseen circumstances. The defined event is crucial, as it provides clarity on when the payment will be triggered. This promise is what gives life insurance its value, as it helps ensure that financial obligations and needs are met even after the policyholder has passed away. Thus, option B encapsulates the essential purpose of life insurance and the assurance it offers to policyholders and beneficiaries alike.

2. What is the role of a claims adjuster in insurance?

- A. To sell insurance policies to consumers
- B. To investigate and evaluate insurance claims**
- C. To set insurance premiums for new policies
- D. To manage the financial records of the insurance company

The role of a claims adjuster in insurance is centered around investigating and evaluating insurance claims submitted by policyholders. Claims adjusters are responsible for assessing the validity of claims to determine whether the insurance company is liable to pay out benefits. They typically review documentation, speak to witnesses, and inspect any relevant evidence related to the claim. By thoroughly evaluating the details surrounding a claim, claims adjusters help ensure that claims are processed fairly and in accordance with the terms of the insurance policy. This involves not only determining the extent of damages or losses but also ensuring compliance with regulatory and legal requirements. Their expertise is vital for upholding the integrity of the insurance process, guiding both the insured individuals and the insurance company in resolving claims efficiently.

3. What are the two main types of life insurance?

- A. Short-term and long-term life insurance
- B. Term life insurance and permanent life insurance**
- C. Accidental death insurance and critical illness insurance
- D. Universal life and whole life insurance

The correct response identifies term life insurance and permanent life insurance as the two main types of life insurance. Term life insurance provides coverage for a specific period, often ranging from one to thirty years, and pays a death benefit if the insured passes away during that term. This type of insurance is generally more affordable and is designed to provide financial protection for a temporary need, such as raising children or paying off a mortgage. Permanent life insurance, on the other hand, offers coverage that lasts for the insured's entire life, as long as premiums are paid. It also includes a cash value component that grows over time, potentially providing a source of savings or loan options for the policyholder. This type encompasses various subcategories, including whole life, universal life, and variable life insurance, each with different features and flexibility. Understanding the distinction between these two main types of life insurance is crucial for individuals when assessing their long-term financial needs and ensuring they choose the right policy for their circumstances.

4. What is "excess loss insurance" designed to do?

- A. Cover routine healthcare expenses for insured individuals
- B. Protect self-insured employers from catastrophic costs exceeding a certain amount**
- C. Provide a safety net for insurers against high-risk claims
- D. Guarantee medical coverage up to a maximum limit per individual

Excess loss insurance is specifically designed to protect self-insured employers from the financial impact of catastrophic medical costs that exceed a predetermined threshold. This type of insurance acts as a safeguard, mitigating the risk associated with high and unpredictable healthcare expenses that could otherwise significantly burden a self-insured plan. Self-insured employers take on the responsibility of paying for their employees' health claims directly, so if an unexpectedly high claim occurs, it can lead to substantial financial strain. By utilizing excess loss insurance, employers can limit their liability and ensure that they are covered for claims that go beyond their set retention level, providing more predictable budgeting and risk management. This coverage is crucial for maintaining the financial health of self-insured plans while still allowing them to offer comprehensive health benefits to employees.

5. In the context of insurance, what does the payment of claims provision specify?

- A. Frequency of payments**
- B. Conditions for benefit payout**
- C. Eligibility of beneficiaries**
- D. Payment methods**

The payment of claims provision is a critical component of an insurance policy that outlines the specific conditions under which benefits will be paid to policyholders or beneficiaries. This provision typically details what must occur for a claim to be valid, including necessary documentation, the timeframe for filing claims, and any other requirements that must be met to access the benefits of the policy. Understanding the conditions for benefit payout is essential for policyholders to know how and when they can receive the insurance coverage they have been paying for, ensuring clarity and transparency in the claims process. Other aspects such as the frequency of payments, eligibility of beneficiaries, and payment methods are related to the administration and logistics of handling claims but do not specifically define the criteria for benefit payout, which is the primary focus of the payment of claims provision.

6. What is the role of an insurance agent?

- A. To manage claims for the insurer**
- B. To represent the insurance company and assist clients**
- C. To underwrite policies for insurers**
- D. To provide legal advice to policyholders**

The role of an insurance agent is primarily to represent the insurance company and assist clients in finding appropriate coverage that meets their needs. Agents act as intermediaries between the insurer and the insured, helping clients understand various insurance products, their benefits, and limits. They provide valuable insights into different policies and help clients navigate the complexities of coverage options available in the market. In addition to helping clients select the most suitable policies, agents also facilitate the application process, answer questions, and offer ongoing support. They play a critical role in educating clients about insurance, including how to file claims if necessary, though they do not manage claims themselves. Thus, the emphasis is on the relationship and assistance given to clients while representing the insurance company's interests. The incorrect options focus on tasks that do not align with the primary responsibilities of an insurance agent. For example, managing claims is typically the responsibility of claims adjusters, underwriting policies falls under the domain of underwriters who assess risk and set premiums, and providing legal advice is generally outside the scope of an insurance agent's duties, which typically does not encompass legal counsel.

7. What is group life insurance?

- A. A type of life insurance coverage provided to a group of individuals, typically through an employer or association.**
- B. A type of policy that only covers the employer's life.**
- C. A temporary form of life insurance that is less expensive.**
- D. A policy that covers only high-risk individuals in a group.**

Group life insurance is a specific type of life insurance designed to provide coverage to a collection of individuals, usually linked through a common bond, such as employment with the same company or membership in an organization. This arrangement allows members of the group to be insured under a single policy, often resulting in more favorable terms and lower premium costs compared to individual policies. Typically, the employer or the organization holds the master policy and pays the premiums, while the individuals covered may receive life insurance benefits without having to undergo extensive medical underwriting. This makes it an accessible option for many people, as it provides them with essential financial protection in the event of death. In contrast, the other options provided do not accurately depict the characteristics or structure of group life insurance. The other responses either limit coverage to specific individuals, imply a transitional nature of the coverage, or suggest a focus on high-risk individuals, which is not a defining aspect of group life policies. Such policies aim to benefit a wider demographic, making coverage more inclusive and affordable.

8. How does a universal life policy differ from whole life?

- A. Universal life includes no cash value component**
- B. Universal life offers flexibility in premium payments and death benefits**
- C. Universal life is cheaper than whole life**
- D. Universal life cannot accumulate cash value**

A universal life policy differs from whole life primarily in its flexibility regarding premium payments and death benefits, making the selection that highlights this flexibility the most accurate. With universal life insurance, policyholders have the option to adjust their premium payments within certain limits, meaning they can pay more or less in a given period based on their financial situation. Additionally, the death benefit amount is adjustable; policyholders can choose to increase or decrease the coverage as their needs change over time. This contrasts with whole life insurance, which typically requires fixed premium payments and provides a guaranteed death benefit that does not change. This adaptability is particularly valuable for individuals whose financial circumstances may vary or for those who expect their life insurance needs might change over time. The characteristics of universal life insurance reflect a more modern approach to life insurance, focusing on the policyholder's changing needs, which is a key advantage of such policies over the more rigid structure of whole life insurance.

9. What is generally covered under the "essential health benefits" category?

- A. Comprehensive vision and dental care**
- B. Services such as emergency care and hospitalization**
- C. All medical treatments without limitation**
- D. Optional wellness services and memberships**

The "essential health benefits" category includes a set of healthcare service categories that must be covered by health insurance plans, particularly those that comply with the Affordable Care Act (ACA). This category is designed to ensure that individuals have access to necessary services that support their health. Emergency care and hospitalization fall under this category because they are critical components of healthcare that ensure timely treatment and can prevent more serious health issues. Coverage for these services allows individuals to receive immediate care when needed and to be admitted to hospitals for necessary procedures, thereby addressing urgent and essential health needs. Comprehensive vision and dental care, while important, are often not included in the foundational benefits and may be offered as separate plans or optional add-ons. The same applies to optional wellness services and memberships; they enhance health but are not considered essential for basic healthcare coverage. All medical treatments without limitation is not accurate, as essential health benefits do not include every possible treatment or service but rather a defined set that aims to cover major areas of healthcare necessity.

10. What is a "preferred provider organization" (PPO)?

- A. A type of health plan with no restrictions on provider choices**
- B. A type of health plan that offers a network of preferred providers and allows out-of-network care at a higher cost**
- C. A plan that covers only urgent care services**
- D. A health insurance plan that requires referrals to see specialists**

A preferred provider organization (PPO) is characterized by its network of preferred healthcare providers that have agreed to offer services at reduced rates to its members. This arrangement allows individuals to have the flexibility of choosing healthcare providers and specialists within the network, often resulting in lower out-of-pocket costs. At the same time, a PPO policy still permits members to seek care from out-of-network providers, although doing so typically incurs higher costs compared to utilizing in-network services. PPOs are designed to encourage members to seek care from network providers while allowing the freedom to go outside the network when necessary, although at a higher cost. This balance provides both flexibility and cost management, making it an attractive option for many individuals seeking health coverage. The other options do not accurately represent the defining characteristics of a PPO. For instance, a plan with no restrictions on provider choices describes a type of plan, but not specifically a PPO. Additionally, plans that cover only urgent care services or require referrals to see specialists would be referring to different plan structures, such as Health Maintenance Organizations (HMOs) or other limited benefit plans.

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://mtlifeandhealth.examzify.com>

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

SAMPLE