

Nevada Life & Health Insurance Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of questions,

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 from reliable sources accurate, complete, and timely information about this product.

SAMPLE

Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	6
Answers	9
Explanations	11
Next Steps	17

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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

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!

SAMPLE

Questions

- 1. What dictates the payment in the relative value approach?**
 - A. The date of service**
 - B. The type of healthcare provider**
 - C. The assigned points for each procedure**
 - D. The location of the surgery**
- 2. Which of the following is a key characteristic of disability income insurance?**
 - A. It is optional for most insurance programs**
 - B. It replaces lost income during periods of disability**
 - C. It provides coverage for medical expenses only**
 - D. It is designed for short-term financial needs**
- 3. What must be established for an insurance contract to be legally binding?**
 - A. Presence of witnesses**
 - B. Written agreement only**
 - C. Competent parties and legal purpose**
 - D. Standard industry practices**
- 4. In increasing term insurance, how does the death benefit change?**
 - A. It decreases yearly**
 - B. It remains constant**
 - C. It increases each year**
 - D. It is based on the policyholder's age**
- 5. What are the three basic forms of whole life insurance?**
 - A. Straight, variable, and index**
 - B. Straight, limited-pay, and single premium**
 - C. Term, whole, and universal**
 - D. Assured, term, and adjustable**

- 6. What does the term 'insurer' refer to in health insurance?**
- A. A company that provides disability income**
 - B. A company that underwrites health plans**
 - C. An individual receiving health benefits**
 - D. A regulatory body overseeing health policies**
- 7. In indexed whole life insurance, what does the cash value depend on?**
- A. The performance of the insurer's bond portfolio**
 - B. The performance of the equity index**
 - C. The fixed interest rate offered**
 - D. The total premiums paid**
- 8. What percentage of costs do Platinum metal level plans cover?**
- A. 60%**
 - B. 70%**
 - C. 80%**
 - D. 90%**
- 9. Which benefit is NOT typically covered under Social Security for those who are fully insured?**
- A. Survivor benefits**
 - B. Medicare benefits**
 - C. Long-term disability benefits**
 - D. Retirement benefits**
- 10. What type of life insurance pays benefits only upon the death of the last insured person?**
- A. Term life insurance**
 - B. Whole life insurance**
 - C. Survivorship life insurance**
 - D. Universal life insurance**

Answers

SAMPLE

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

SAMPLE

Explanations

1. What dictates the payment in the relative value approach?

- A. The date of service
- B. The type of healthcare provider
- C. The assigned points for each procedure**
- D. The location of the surgery

In the relative value approach, the payment is primarily determined by the assigned points for each procedure. This method uses a point system to quantify the complexity, time, and resources required for various medical services. Each procedure or service typically has a specific point value attached to it, which reflects its relative difficulty or the level of expertise required. Once the points are assigned, these values can be multiplied by a dollar amount to arrive at the payment for that particular service. This structure is advantageous because it standardizes payments across different services and ensures that providers are compensated fairly based on the effort and resources that go into delivering care. While factors such as the type of healthcare provider, the date of service, and the location of the surgery can influence the overall healthcare costs or insurance reimbursements, they do not directly dictate payments in the relative value approach. Instead, these elements may have roles in different reimbursement methodologies not based on a relative value system.

2. Which of the following is a key characteristic of disability income insurance?

- A. It is optional for most insurance programs
- B. It replaces lost income during periods of disability**
- C. It provides coverage for medical expenses only
- D. It is designed for short-term financial needs

Disability income insurance is primarily designed to provide financial support to individuals who are unable to work due to a disability. The key characteristic of this type of insurance is that it replaces a portion of the lost income that the individual would have earned had they not been disabled. This financial assistance helps cover essential living expenses, enabling policyholders to maintain their standard of living while they recover from their condition. The focus on income replacement distinguishes disability income insurance from other types of coverage that may only address medical expenses or short-term financial needs. It is crucial for individuals, especially those who rely heavily on their income for daily living costs, to have this assurance in place.

3. What must be established for an insurance contract to be legally binding?

- A. Presence of witnesses**
- B. Written agreement only**
- C. Competent parties and legal purpose**
- D. Standard industry practices**

For an insurance contract to be legally binding, it is essential that it is formed between competent parties and serves a legal purpose. Competent parties refers to individuals who possess the legal capacity to enter into a contract, meaning they are of legal age, sound mind, and not under duress or undue influence. The legal purpose ensures that the contract does not involve illegal activities or violate public policy. Contracts that meet these criteria are enforceable in a court of law, which is fundamental to maintaining trust and order within the insurance industry. The legal framework surrounding contracts ensures that terms are adhered to and can be upheld, benefitting both the insurer and the insured. The presence of witnesses, while sometimes beneficial, is not a requisite for an insurance contract to be considered legally binding. Similarly, a written agreement, though a common practice for clarity and evidence, is not strictly necessary in all jurisdictions or circumstances, especially in cases where oral agreements are permissible. Standard industry practices may guide how contracts are drafted and executed, but they do not determine the legal validity of a contract. Therefore, the critical components are the capacity of the parties involved and the legality of the contract's purpose.

4. In increasing term insurance, how does the death benefit change?

- A. It decreases yearly**
- B. It remains constant**
- C. It increases each year**
- D. It is based on the policyholder's age**

In increasing term insurance, the death benefit is designed to rise at predetermined intervals or by a specified amount each year. This structure is particularly beneficial for policyholders who anticipate that their insurance needs will increase over time, perhaps due to inflation, increasing dependents, or growing financial responsibilities. The consistent increase in death benefit helps ensure that the coverage remains relevant and adequately addresses the potential financial needs of beneficiaries at the time of the insured's passing, rather than remaining static and possibly falling short as the value of money changes. By selecting an increasing term policy, individuals can effectively plan for future needs, knowing that their life insurance coverage will adapt correspondingly. This differentiates it from other forms of term insurance where the benefits either decrease or remain constant.

5. What are the three basic forms of whole life insurance?

- A. Straight, variable, and index
- B. Straight, limited-pay, and single premium**
- C. Term, whole, and universal
- D. Assured, term, and adjustable

The three basic forms of whole life insurance are indeed straight, limited-pay, and single premium. Each of these forms offers lifetime coverage with a savings component that can accumulate cash value over time. Straight whole life insurance provides coverage for the insured's entire life, with premiums that remain level throughout the policy's duration. This form is the most traditional and straightforward type of whole life insurance. Limited-pay whole life insurance offers the same lifetime coverage, but premiums are paid only for a specified period, such as 10, 20 years, or until a certain age. Once the premiums are fully paid, the policy remains in force for the life of the insured without requiring further payments. Single premium whole life insurance involves a one-time upfront payment that covers the insured for their entire life. This type of policy immediately builds cash value, which can be beneficial for those looking for a long-term investment option without the need for ongoing premium payments. Understanding these different forms of whole life insurance is crucial for recognizing how they cater to different financial planning needs and customer circumstances. Each option offers unique features that can benefit policyholders based on their financial goals and preferences.

6. What does the term 'insurer' refer to in health insurance?

- A. A company that provides disability income
- B. A company that underwrites health plans**
- C. An individual receiving health benefits
- D. A regulatory body overseeing health policies

The term 'insurer' in health insurance specifically refers to a company that underwrites health plans. This means the insurer is responsible for designing, pricing, and ultimately managing the health insurance policies that individuals and groups purchase. Insurers take on the financial risk associated with providing health coverage, determining which services are covered, the terms of those coverages, and the premium amounts. The role of an insurer is crucial in the health insurance landscape, as they also engage in risk assessment and pooling mechanisms to ensure that enough funds are collected through premiums to cover the claims made by insured parties. This allows them to effectively underwrite health plans, deciding on the eligibility of applicants and managing claims. The other choices refer to different entities or concepts incompatible with the definition of an insurer. For instance, a company providing disability income does not encompass the broader range of services provided by health insurers. An individual receiving health benefits is a policyholder rather than an insurer. A regulatory body would oversee compliance and market practices but does not underwrite policies itself. Thus, the correct understanding of 'insurer' aligns perfectly with the function of underwriting health plans.

7. In indexed whole life insurance, what does the cash value depend on?

- A. The performance of the insurer's bond portfolio**
- B. The performance of the equity index**
- C. The fixed interest rate offered**
- D. The total premiums paid**

In indexed whole life insurance, the cash value is linked to the performance of a specified equity index, such as the S&P 500. This means that the cash value will increase in relation to the performance of that index, allowing policyholders to benefit from market gains while still enjoying the stability of whole life insurance. The design of indexed whole life insurance typically includes a floor to prevent losses, ensuring that the cash value will not decrease even if the index performs poorly. The choice related to the performance of the insurer's bond portfolio pertains to other types of insurance products that might guarantee returns through fixed investments. The fixed interest rate offered refers more to traditional whole life policies or other guaranteed products that focus on stable returns rather than market performance. Lastly, while total premiums paid contribute to the overall value and benefits of the policy, they do not specifically dictate how the cash value grows in indexed whole life insurance, which is fundamentally tied to the performance of the chosen equity index.

8. What percentage of costs do Platinum metal level plans cover?

- A. 60%**
- B. 70%**
- C. 80%**
- D. 90%**

Platinum metal level plans are designed to offer a high level of coverage for medical expenses. Specifically, these plans cover approximately 90% of costs, meaning that out-of-pocket expenses for insured individuals are significantly reduced. This high coverage level is intended for those seeking comprehensive health care and who may expect to use more health services, as they will benefit from lower costs when accessing care. Individuals who select Platinum plans typically pay higher premiums in exchange for this extensive coverage, making it a good fit for those who anticipate higher healthcare needs. The structure of these plans is part of a broader categorization of metal levels that also include Gold, Silver, and Bronze, each providing different levels of coverage and premium costs.

9. Which benefit is NOT typically covered under Social Security for those who are fully insured?

- A. Survivor benefits**
- B. Medicare benefits**
- C. Long-term disability benefits**
- D. Retirement benefits**

Long-term disability benefits are not typically covered under Social Security for individuals who are fully insured. Instead, Social Security provides a range of benefits primarily designed for retirement, disability, and survivorship. Survivor benefits support family members after the death of a breadwinner, ensuring financial stability for dependents. Medicare benefits assist with healthcare costs for individuals aged 65 and older, as well as certain younger individuals with disabilities. Retirement benefits offer financial support once an individual reaches the qualifying age and has contributed to the Social Security system. In contrast, long-term disability benefits are generally provided through private insurance policies or employer-sponsored plans rather than Social Security, which focuses more on the specific categories mentioned above. This distinction helps clarify the types of coverage Social Security offers and supports understanding the limitations of its benefits.

10. What type of life insurance pays benefits only upon the death of the last insured person?

- A. Term life insurance**
- B. Whole life insurance**
- C. Survivorship life insurance**
- D. Universal life insurance**

Survivorship life insurance, also known as second-to-die insurance, is specifically designed to provide a death benefit only after both insured individuals have passed away. This type of policy can be particularly advantageous for couples or business partners who wish to ensure that their beneficiaries receive a payout only after both of them have died. It helps in planning for estate taxes or providing financial support for heirs after the final insured person passes away. In contrast, term life insurance pays benefits only if the insured dies during a specified term. Whole life insurance provides a death benefit at any time as long as premiums are paid and has a cash value component. Universal life insurance also pays out upon death but has flexible premiums and investment options. None of these other types of insurance stipulate that benefits are only payable upon the death of the last insured person, which is the defining feature of survivorship life insurance.

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://nevadalifehealthinsurance.examzify.com>

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