

Nevada Life & Health Insurance Practice Test (Sample)

Study Guide



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. What does Medicare coverage for home health care include?**
 - A. Only rehabilitation services**
 - B. Full approved cost for participating health agency visits**
 - C. Limit of ten visits per year**
 - D. Only non-medical health care services**
- 2. What is the maximum amount in death benefits guaranteed for life insurance?**
 - A. \$200,000**
 - B. \$250,000**
 - C. \$300,000**
 - D. \$400,000**
- 3. Which type of rider would provide benefits not included in the original policy?**
 - A. Accidental death rider**
 - B. Policy rider**
 - C. Family term rider**
 - D. Waiver of monthly deductions rider**
- 4. What defines a residual disability income policy?**
 - A. It covers total disabilities only**
 - B. It provides benefits for loss of income when a person returns to work**
 - C. It does not provide any form of income replacement**
 - D. It is only applicable to individuals over 60 years old**
- 5. What is a feature of preventive care in HMOs?**
 - A. Preventive care is excluded**
 - B. It often incurs additional costs to the member**
 - C. It is typically covered at no cost**
 - D. It requires a written referral**

- 6. What is a primary characteristic of health maintenance organizations (HMOs)?**
- A. They provide reimbursement for services rendered**
 - B. They offer a wide choice of providers**
 - C. They offer benefits in the form of services rather than reimbursement**
 - D. They allow unlimited visits to specialists without referral**
- 7. What is a Simplified Employee Pension Plan (SEP) suited for?**
- A. Large corporations with many employees**
 - B. Self-employed individuals or small employers**
 - C. Employees looking for group insurance**
 - D. Active military personnel**
- 8. What does a living needs rider provide in the case of a terminal illness?**
- A. A full payout of the death benefit at diagnosis**
 - B. Payment of part of the policy death benefit**
 - C. A waiver of premium payments for life**
 - D. Extension of the policy duration**
- 9. What is the typical benefit period for short-term disability group plans?**
- A. Less than 1 year**
 - B. Less than 2 years**
 - C. More than 2 years**
 - D. 1 to 5 years**
- 10. What characterizes an aleatory contract?**
- A. Equal exchange of values**
 - B. It's a legally unenforceable contract**
 - C. Exchange of unequal amounts or values**
 - D. Requires notarization to be valid**

Answers

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

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Explanations

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1. What does Medicare coverage for home health care include?

- A. Only rehabilitation services
- B. Full approved cost for participating health agency visits**
- C. Limit of ten visits per year
- D. Only non-medical health care services

Medicare coverage for home health care includes full approved costs for visits from participating health agencies, which encompasses a broad range of services designed to assist individuals in their homes. This can include skilled nursing care, physical therapy, and other medically necessary services delivered by a licensed home health agency. Medicare requires that the services are ordered by a physician and that the patient is homebound, meaning leaving home is a significant challenge due to their medical condition. This coverage is particularly valuable because it alleviates some of the financial burdens associated with receiving necessary care in a more comfortable home setting, rather than in a hospital or rehab facility. In contrast, rehabilitation services alone do not represent the full spectrum of care covered under Medicare's home health benefit, since this includes various other services as well. Limiting coverage to a specific number of visits would not accurately reflect Medicare's provisions, which do not impose a strict cap on the number of visits as long as the care is deemed necessary. Non-medical services are also outside the scope of what Medicare home health benefits cover, emphasizing the importance of medical necessity in determining eligible services.

2. What is the maximum amount in death benefits guaranteed for life insurance?

- A. \$200,000
- B. \$250,000
- C. \$300,000**
- D. \$400,000

The maximum amount in death benefits guaranteed for life insurance is informed by specific regulations and guidelines that aim to protect policyholders. In many cases, this amount reflects the limits set by the state or governing bodies to ensure that individuals have a level of security under life insurance policies. In Nevada, life insurance policies typically have a maximum guaranteed death benefit amount, which aligns with the broader guidelines for insurance policies across various states. The actual figure often emerges from regulatory standards that are established to create a safety net for beneficiaries while balancing the insurer's risk. Understanding these regulations is crucial, especially for consumers and insurance agents, as it defines the limits and ensures that beneficiaries receive a certain minimum amount upon the death of the insured. The established maximums help insurers assess risk and manage financial liabilities while providing policyholders with reassurance regarding their death benefits. This is why the specified amount is relevant and maintains its importance in life insurance discussions and coverages.

3. Which type of rider would provide benefits not included in the original policy?

- A. Accidental death rider**
- B. Policy rider**
- C. Family term rider**
- D. Waiver of monthly deductions rider**

The type of rider that provides benefits not included in the original policy is referred to as a policy rider. Policy riders are add-ons to standard insurance policies that allow policyholders to customize their coverage according to specific needs or preferences. These riders enhance the base policy by providing additional financial protection or tailored benefits that are not otherwise included in the standard terms of the original policy. For instance, while an accidental death rider may provide a specific benefit if the insured dies as a result of an accident, it is limited to certain conditions. Similarly, a family term rider would add term life insurance for family members, but it still falls within the parameters of life insurance without expanding the overall coverage of the policy itself. The waiver of monthly deductions rider addresses premium payments but does not add new types of benefits. Thus, the policy rider distinctly stands out as it directly modifies or extends the scope of coverage outlined in the original insurance contract.

4. What defines a residual disability income policy?

- A. It covers total disabilities only**
- B. It provides benefits for loss of income when a person returns to work**
- C. It does not provide any form of income replacement**
- D. It is only applicable to individuals over 60 years old**

A residual disability income policy is specifically designed to provide financial support to individuals who experience a reduction in their income due to a disability but are still able to work in some capacity. This type of policy offers benefits that correspond to the percentage of income lost as a result of the disability after the individual has returned to work, addressing the transition back to a full work schedule while acknowledging that complete recovery may take time. This concept is particularly important in the realm of disability insurance because many people may not experience a total loss of work capability but still face financial hardship due to reduced hours or diminished productivity. By providing income replacement relative to the loss incurred—rather than only for complete inability to work—residual disability policies help bridge that gap, allowing recovering individuals to maintain some financial stability. In contrast, other options describe characteristics that do not align with the purpose of residual disability income policies. For instance, policies that only cover total disabilities would not provide any assistance for someone who can still work part-time or in a modified capacity. Similarly, not providing any income replacement overlooks the fundamental benefit that such policies are established to offer. Lastly, restricting application to individuals over 60 undermines the broader utility aimed at supporting anyone who might experience a residual disability, regardless of age.

5. What is a feature of preventive care in HMOs?

- A. Preventive care is excluded**
- B. It often incurs additional costs to the member**
- C. It is typically covered at no cost**
- D. It requires a written referral**

Preventive care in Health Maintenance Organizations (HMOs) is typically covered at no cost to the member. This approach aligns with the HMO's focus on proactive health management and cost-effective healthcare delivery. By providing preventive services without a charge, HMOs encourage their members to utilize services such as vaccinations, annual check-ups, and screenings. This not only helps in early detection and prevention of diseases but also contributes to the overall cost savings for the healthcare system by potentially avoiding more expensive treatments later on. In contrast, other options reflect features that do not align with the general principles of HMOs regarding preventive care. For example, the exclusion of preventive care would negate the emphasis HMOs place on health maintenance and disease prevention. Similarly, charging additional costs or requiring written referrals are not standard protocols for preventive services within HMOs, as they seek to simplify access to these essential services for their members.

6. What is a primary characteristic of health maintenance organizations (HMOs)?

- A. They provide reimbursement for services rendered**
- B. They offer a wide choice of providers**
- C. They offer benefits in the form of services rather than reimbursement**
- D. They allow unlimited visits to specialists without referral**

Health Maintenance Organizations (HMOs) are known for offering benefits primarily in the form of services rather than reimbursement. This characteristic reflects the HMO's focus on providing a specified network of healthcare services to their members, with an emphasis on preventative care and the efficient management of healthcare costs. Members typically pay a fixed monthly premium, which covers a range of services including routine check-ups, hospital stays, and specialist visits, provided they stay within the HMO's network. This model contrasts with other types of health insurance that may reimburse members for services after they have paid out-of-pocket. It highlights the structured approach HMOs take, where members are encouraged to utilize services offered directly by the organization, promoting a focus on preventive care and coordinated health services. Additionally, HMOs usually require members to choose a primary care physician who manages their care and refers them to specialists as necessary, reinforcing the service-based nature of their plan structure.

7. What is a Simplified Employee Pension Plan (SEP) suited for?

- A. Large corporations with many employees**
- B. Self-employed individuals or small employers**
- C. Employees looking for group insurance**
- D. Active military personnel**

A Simplified Employee Pension Plan (SEP) is specifically designed for self-employed individuals and small employers to facilitate retirement savings. One of the key features of SEPs is that they allow business owners to make tax-deductible contributions to individual retirement accounts (IRAs) set up for themselves and their employees. This structure is particularly beneficial for small businesses and self-employed individuals due to its simplicity in setup and administration compared to more complex retirement plans. The plan has fewer administrative requirements, making it an attractive option for those who may not have the resources or need to implement a more intricate retirement plan. This aspect of SEPs enables both small employers and self-employed individuals to contribute a significant amount towards retirement savings while benefiting from tax advantages. In contrast, other options listed are less applicable. Large corporations typically have access to more complex retirement plans that can accommodate larger employee bases. Employees looking for group insurance would generally be focused on health insurance rather than retirement plans like SEPs. Active military personnel typically have different retirement systems that cater specifically to their service status, such as military pensions or Thrift Savings Plans (TSP). Therefore, the suitability of SEPs distinctly aligns with the needs of self-employed individuals or small employers.

8. What does a living needs rider provide in the case of a terminal illness?

- A. A full payout of the death benefit at diagnosis**
- B. Payment of part of the policy death benefit**
- C. A waiver of premium payments for life**
- D. Extension of the policy duration**

A living needs rider allows policyholders diagnosed with a terminal illness to access a portion of their life insurance policy's death benefit while they are still alive. This can be particularly beneficial for covering medical expenses, long-term care, or personal needs during the period of their illness. By offering this partial payment of the death benefit, the rider provides financial support when it is most needed and can alleviate some of the burdens often associated with terminal conditions. The remaining death benefit is typically preserved for beneficiaries upon the policyholder's passing. In contrast, the other options represent different types of benefits that either don't specifically relate to the financial needs at the time of a terminal illness or aren't components of a living needs rider. For example, a full payout at diagnosis would not consider the need to manage funds over time, while a waiver of premiums would relieve monthly payment obligations but does not provide immediate funds. An extension of the policy duration might offer some security, but it does not address the pressing financial needs that arise from a terminal illness.

9. What is the typical benefit period for short-term disability group plans?

- A. Less than 1 year
- B. Less than 2 years**
- C. More than 2 years
- D. 1 to 5 years

The correct answer is that the typical benefit period for short-term disability group plans is usually less than 2 years. These plans are designed to provide temporary income replacement for employees who are unable to work due to a non-work-related illness or injury. The benefit period generally spans from a few weeks up to a maximum of 24 months, depending on the specific plan. Short-term disability benefits are not intended to cover long-term conditions or disabilities. Plans are structured to assist employees while they recover from their conditions or while they transition back into the workforce. If a disability lasts longer than the specified benefit period, employees may need to rely on long-term disability insurance or other benefits to support them. The other options suggest longer durations for benefit periods, which are typically associated with long-term disability plans. Thus, while these may cover extended periods for significant disabilities, they do not reflect the nature and intent of short-term disability group plans.

10. What characterizes an aleatory contract?

- A. Equal exchange of values
- B. It's a legally unenforceable contract
- C. Exchange of unequal amounts or values**
- D. Requires notarization to be valid

An aleatory contract is characterized by the exchange of unequal amounts or values between the parties involved. In the realm of insurance, this means that the premiums paid by the insured are often much less than the potential payout the insurer would make in the event of a claim. This inherent imbalance is what makes the contract 'aleatory'; the outcome depends on uncertain events, such as the occurrence of an accident or illness. Because insurance contracts involve risk and uncertainty, the value of what each party provides can vary significantly. The insured pays a relatively small amount in premiums, while the insurer may be obligated to pay a much larger sum if the insured event occurs. This unpredictability and the nature of the exchange is fundamental to the concept of aleatory contracts in insurance. Understanding this aspect is crucial for recognizing how insurance policies function and how risks are managed between insurers and policyholders.

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!