

NEVADA LIFE & HEALTH INSURANCE PRACTICE TEST (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

**VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE**

<https://nevadalifehealthinsurance.examzify.com>



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 happens to dividends in a one-year term option policy?**
 - A. The dividends are returned to the policyholder as cash
 - B. The dividends are used to purchase additional one-year term insurance
 - C. The dividends are used to reduce future premiums
 - D. The dividends are accumulated with interest
- 2. What is the purpose of accelerated death benefits?**
 - A. To increase the policy's cash value
 - B. To allow early payment of the death benefit
 - C. To convert term life insurance to whole life
 - D. To pay dividends to policyholders
- 3. What is rebating in the insurance context?**
 - A. An incentive offered within policy terms
 - B. Any inducement not specified in the insurance policy
 - C. Discounts on policy premiums
 - D. Claims adjustment practices
- 4. In what case is proof of dependency for an insurance policy child's maximum age required annually?**
 - A. After reaching the age of 18
 - B. After reaching the maximum age of coverage
 - C. At any point during coverage
 - D. After one year of coverage
- 5. What is the functionality of paid-up additions in life insurance?**
 - A. They increase policy premiums
 - B. Dividends purchase additional single premium policies
 - C. They eliminate the need for cash value
 - D. They terminate the policy early

- 6. 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
- 7. What is a waiver of premium rider designed to do?**
- A. Waive premiums for beneficiaries upon death
 - B. Waive premiums if the insured becomes totally disabled
 - C. Increase the death benefit payout
 - D. Offer a reduction in premium rates
- 8. What is a common requirement of deductibles in Major Medical Policies?**
- A. They must be paid annually
 - B. They are based on income levels
 - C. They are part of the benefits calculation
 - D. They must be met before benefits are paid
- 9. What does a Medicare Private Fee-for-Service Plan entail?**
- A. Providers are chosen from a national network
 - B. Medicare pays a set amount to a private insurer to cover care
 - C. It only covers emergency services
 - D. It is an HMO plan that requires referrals
- 10. To qualify for Social Security benefits, what must an individual possess?**
- A. A proper insured status only
 - B. A documentary proof of age
 - C. Proper insured status, disability definition, and waiting period
 - D. A medical examination report

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. What happens to dividends in a one-year term option policy?

- A. The dividends are returned to the policyholder as cash
- B. The dividends are used to purchase additional one-year term insurance**
- C. The dividends are used to reduce future premiums
- D. The dividends are accumulated with interest

In a one-year term option policy, dividends are utilized to purchase additional one-year term insurance. This option allows policyholders to enhance their coverage without needing to commit to a more permanent increase in their insurance. By using dividends in this manner, policyholders effectively maximize the benefits of their policy, as they receive additional insurance protection based on the dividends they have accumulated. This method of utilizing dividends is particularly advantageous for those who may not want to increase their premium payments but still seek additional coverage for a limited time. It is essential for policyholders to understand how their dividends can enhance their insurance protections, particularly in temporary policies like the one-year term option. In contrast to the correct choice, other options involve different uses of dividends that do not apply specifically to one-year term insurance policies. For instance, returning dividends as cash, reducing premiums, or accumulating dividends with interest are actions more closely associated with policies designed for cash value accumulation or whole life policies rather than a one-year term option.

2. What is the purpose of accelerated death benefits?

- A. To increase the policy's cash value
- B. To allow early payment of the death benefit**
- C. To convert term life insurance to whole life
- D. To pay dividends to policyholders

Accelerated death benefits are designed to provide policyholders with access to a portion of their death benefit while they are still alive, typically in the event of a chronic or terminal illness. This provision allows individuals facing significant health challenges to use funds that would ultimately go to their beneficiaries for expenses related to their medical care, living expenses, or other necessary costs. The policyholder may receive this early payment under specific circumstances defined in the insurance policy, making it a helpful financial resource when facing critical health issues. It ensures that individuals can manage their financial needs without waiting until their death to unlock the benefits of the policy. In contrast, the other options do not align with the purpose of accelerated death benefits. Increasing the policy's cash value pertains to how whole life policies accumulate value over time rather than providing immediate access to funds. Converting term life insurance to whole life addresses a different aspect of insurance policy options without involving early access to benefits. Lastly, paying dividends to policyholders relates to participating policies where policyholders might receive a share of the insurer's profits but does not connect to accessing death benefits early.

3. What is rebating in the insurance context?

- A. An incentive offered within policy terms
- B. Any inducement not specified in the insurance policy**
- C. Discounts on policy premiums
- D. Claims adjustment practices

Rebating in the insurance context refers to any inducement not specified in the insurance policy. It encompasses practices where an agent or insurer provides additional benefits, discounts, or incentives to potential policyholders outside of the terms set forth in the insurance contract. This could include cash gifts, discounts not officially part of the premium structure, or services that are not outlined in the official terms of the insurance policy. Such practices are often regulated and may be illegal in certain jurisdictions because they can create an uneven playing field among insurance providers and potentially lead to unethical sales tactics. Understanding rebating is crucial because it highlights the need for transparency in insurance transactions and ensures that policyholders are aware of the exact benefits and costs associated with their policies as defined in their contracts. By focusing on providing clear and standardized terms, the insurance industry maintains trust and integrity among consumers.

4. In what case is proof of dependency for an insurance policy child's maximum age required annually?

- A. After reaching the age of 18
- B. After reaching the maximum age of coverage**
- C. At any point during coverage
- D. After one year of coverage

Proof of dependency for an insurance policy child's maximum age is typically required annually after reaching the maximum age of coverage. This is due to the fact that insurance policies often have a specified maximum age limit for dependents, which can vary by policy. Once a child reaches this limit, insurers require proof of dependency to confirm that the dependent still qualifies for coverage under the policy terms. Once the child reaches this maximum age, providing documentation on their dependent status helps the insurance company reassess eligibility for continued coverage. This requirement can help ensure that benefits are appropriately extended to only those who still meet the criteria set forth in the policy. Other options do not align with the standard policy practices regarding dependent eligibility verification.

5. What is the functionality of paid-up additions in life insurance?

- A. They increase policy premiums
- B. Dividends purchase additional single premium policies**
- C. They eliminate the need for cash value
- D. They terminate the policy early

Paid-up additions in life insurance serve to enhance the policy's overall value by allowing policyholders to use dividends to purchase additional coverage that does not require further premium payments. This feature essentially increases the death benefit and cash value of the policy without the need for ongoing premium contributions. The paid-up additions accumulate value over time and can contribute to future dividends themselves, further amplifying the benefits of the policy. The correct choice highlights how dividends can be utilized strategically to obtain additional single premium policies that are fully paid for, adding to the financial security the policyholder can leverage. This enhances the policy's benefits, making it a valuable tool in long-term financial planning. In this context, the other options do not align with the functionality of paid-up additions. They might suggest misinterpretations of how paid-up additions operate within a life insurance policy, leading to confusion about their purpose and benefits.

6. 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.

7. What is a waiver of premium rider designed to do?

- A. Waive premiums for beneficiaries upon death
- B. Waive premiums if the insured becomes totally disabled**
- C. Increase the death benefit payout
- D. Offer a reduction in premium rates

A waiver of premium rider is designed to ensure that if the insured becomes totally disabled, they will not have to pay premiums for their life insurance policy during the period of disability. This rider is particularly valuable because it protects the policyholder who may be unable to work and earn income, thereby alleviating financial stress associated with maintaining their insurance coverage. While the standard benefits of a life insurance policy continue, the waiver of premium rider allows the insured to preserve their policy's benefits without the financial burden of premium payments during a time of hardship. This feature can be vital for maintaining financial security for the insured and their beneficiaries, as it prevents the policy from lapsing due to unpaid premiums. The other choices address different aspects of life insurance but do not align with the specific function of the waiver of premium rider. For example, waiving premiums for beneficiaries upon death pertains to the distribution of benefits after the insured's death, rather than assistance during their lifetime. Increasing the death benefit payout would typically involve a different type of rider or provision. Offering a reduction in premium rates does not correlate with the waiver of premium rider's purpose, which is focused on maintaining existing premium payments if the insured experiences total disability.

8. What is a common requirement of deductibles in Major Medical Policies?

- A. They must be paid annually
- B. They are based on income levels
- C. They are part of the benefits calculation
- D. They must be met before benefits are paid**

In Major Medical Policies, a fundamental feature is that deductibles must be met before the insurance provider pays any benefits. This means that the insured individual is responsible for covering a specified amount of their medical expenses out of pocket before the insurer begins to cover additional costs. This structure is designed to encourage individuals to utilize their health care services responsibly and can help lower the premiums for the policy by sharing some of the costs with the insured. Understanding deductibles is crucial for policyholders, as this requirement directly affects their potential out-of-pocket costs when seeking medical care. The other options presented do not accurately represent the general principles tied to deductibles in Major Medical Policies, such as payment timing or income-based calculations. Thus, recognizing that meeting the deductible is a prerequisite for benefits reinforces the fiscal responsibility of insured individuals in the health care ecosystem.

9. What does a Medicare Private Fee-for-Service Plan entail?

- A. Providers are chosen from a national network
- B. Medicare pays a set amount to a private insurer to cover care**
- C. It only covers emergency services
- D. It is an HMO plan that requires referrals

A Medicare Private Fee-for-Service (PFFS) Plan involves Medicare paying a set amount to a private insurer to cover care. This type of plan allows beneficiaries more flexibility compared to traditional Medicare by enabling them to visit any Medicare-approved provider who agrees to accept the plan's payment terms. In PFFS plans, there isn't a designated network of providers, which differentiates them from other plan types like Health Maintenance Organizations (HMOs) or Preferred Provider Organizations (PPOs). The payment structure plays a significant role in how care is accessed. Private insurers operating these plans have the freedom to establish their rates, but they must comply with Medicare's stipulations. This financial arrangement encourages a broader range of healthcare options for individuals, like specialists and various treatment facilities, without needing referrals, which aligns with the characteristics of a PFFS plan. Other options, such as having providers chosen from a national network, covering only emergency services, or being classified as an HMO plan that requires referrals, do not accurately depict the operational structure of a PFFS plan. Those options reflect different types of Medicare or health plans that have more restrictions and structured networks.

10. To qualify for Social Security benefits, what must an individual possess?

- A. A proper insured status only
- B. A documentary proof of age
- C. Proper insured status, disability definition, and waiting period
- D. A medical examination report

To qualify for Social Security benefits, an individual must meet specific criteria that include having proper insured status, meeting the definition of disability, and completing a waiting period. Proper insured status ensures that the individual has worked enough years and paid the necessary Social Security taxes to be eligible for benefits. The definition of disability is crucial as it outlines the specific medical and functional criteria that must be met for Social Security to recognize an individual as disabled and eligible for benefits. Lastly, there is a waiting period that typically necessitates the person to be disabled for a certain amount of time before benefits begin, ensuring that individuals are indeed in need of assistance over an extended period. This comprehensive set of requirements reflects the Social Security Administration's focus on ensuring that benefits are allotted to individuals who truly meet the strict criteria for disability based on work history and the severity of their condition.

SAMPLE

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!

SAMPLE