

New Jersey Life and Health State Practice Exam (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. After receiving written proof of loss, what is the waiting period for an insured to bring legal action against an accident and health insurer?**
 - A. 30 days**
 - B. 60 days**
 - C. 90 days**
 - D. 180 days**
- 2. What must all Medicare Supplement policies contain regarding pre-existing conditions?**
 - A. They are not allowed to exclude any pre-existing conditions**
 - B. They may only be excluded for a maximum of 6 months**
 - C. They can exclude conditions indefinitely**
 - D. They must cover all pre-existing conditions after 30 days**
- 3. If a producer disregards a subpoena issued by the Commissioner, what can the Commissioner do?**
 - A. Dismiss the case**
 - B. Impose an administrative penalty**
 - C. Take legal action**
 - D. Issue a warning**
- 4. Which factor would typically NOT influence life insurance rates?**
 - A. Health status**
 - B. Sex**
 - C. Location**
 - D. Hobbies and personal interests**
- 5. Which of the following is NOT a duty of the Commissioner?**
 - A. Maintain consumer advocacy programs**
 - B. Provide insurance education**
 - C. Establish insurer rates**
 - D. Regulate insurance companies' practices**

- 6. What guarantees that the statements supplied by an insurance applicant are true?**
- A. Contractual agreement**
 - B. Disclosure document**
 - C. Warranty**
 - D. Endorsement**
- 7. What document is issued to each employee of an employer health plan?**
- A. Policy statement**
 - B. Certificate**
 - C. Enrollment form**
 - D. Insurance card**
- 8. What type of insurance typically protects against losses related to accidents and deaths?**
- A. Property insurance**
 - B. Life insurance**
 - C. Health insurance**
 - D. Liability insurance**
- 9. What is typically true regarding the cost of premiums based on the underwriting requirements met by the applicant?**
- A. Premiums do not change**
 - B. Premiums are usually lower for higher-risk applicants**
 - C. Premiums are set based on applicant's health history**
 - D. Premiums are fixed for all applicants**
- 10. What allows for the exclusion of policy proceeds from taxable income upon the insured's death?**
- A. Life insurance policy**
 - B. Endowment policy**
 - C. Term insurance policy**
 - D. Health insurance policy**

Answers

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

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Explanations

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1. After receiving written proof of loss, what is the waiting period for an insured to bring legal action against an accident and health insurer?

- A. 30 days
- B. 60 days**
- C. 90 days
- D. 180 days

In New Jersey, after an insured has provided written proof of loss to an accident and health insurer, there is a designated waiting period of 60 days before the insured can initiate legal action against the insurer. This timeframe is established to allow the insurer adequate opportunity to review the claim and respond appropriately. The intent behind this regulation is to encourage resolution and ensure that any disputes regarding claims can be managed efficiently before escalating to legal action. Waiting periods, like the 60-day stipulation, help promote prompt claim processing and reduce unnecessary litigation, fostering a more cooperative relationship between insurers and insured parties. Understanding this timeframe is crucial for those in the insurance practice, ensuring they can inform policyholders of their rights and responsibilities effectively.

2. What must all Medicare Supplement policies contain regarding pre-existing conditions?

- A. They are not allowed to exclude any pre-existing conditions
- B. They may only be excluded for a maximum of 6 months**
- C. They can exclude conditions indefinitely
- D. They must cover all pre-existing conditions after 30 days

Medicare Supplement policies, also known as Medigap plans, have specific regulations regarding pre-existing conditions that are essential for consumers to understand. According to federal guidelines, these policies may exclude coverage for pre-existing conditions, but such exclusions are limited. The maximum exclusion period for pre-existing conditions is capped at six months. This six-month exclusion period begins on the first day of coverage under the Medigap policy. If an individual has a pre-existing condition that was diagnosed or treated within six months prior to the start of their Medigap coverage, that condition can be excluded from coverage during the initial period. After this six-month timeframe, the policy must cover the pre-existing condition without any additional waiting period. This regulation ensures that individuals have access to timely healthcare services without indefinite restrictions. Other potential answers do not align with the established regulations. For instance, stating that no exclusions are permitted overlooking the legal framework that allows limited exclusions is incorrect, as is the idea of indefinite exclusions or coverage after only 30 days. Understanding this six-month rule is crucial for anyone navigating Medicare Supplement insurance to ensure they receive the coverage they expect.

3. If a producer disregards a subpoena issued by the Commissioner, what can the Commissioner do?

- A. Dismiss the case**
- B. Impose an administrative penalty**
- C. Take legal action**
- D. Issue a warning**

When a producer disregards a subpoena issued by the Commissioner, the Commissioner has the authority to impose an administrative penalty as a form of enforcement. This is crucial because subpoenas are legal documents that compel individuals to provide testimony or produce evidence in a legal proceeding. Ignoring such a subpoena undermines the regulatory process and the powers vested in the Commissioner to conduct investigations and ensure compliance with insurance laws. Administrative penalties may vary in severity and can include fines or other disciplinary measures designed to uphold the integrity of the insurance regulatory framework. By imposing penalties, the Commissioner can deter future non-compliance and maintain order within the insurance industry. Other potential actions, such as dismissing the case, taking legal action, or issuing a warning, may not apply or might be less effective in addressing the specific issue of non-compliance with a subpoena. Instead, the imposition of an administrative penalty serves both as a consequence for the producer and as a stern reminder of the legal obligations imposed on insurance professionals.

4. Which factor would typically NOT influence life insurance rates?

- A. Health status**
- B. Sex**
- C. Location**
- D. Hobbies and personal interests**

Life insurance rates are influenced by various factors that help insurers assess the risk involved in providing coverage. Health status plays a critical role, as individuals with pre-existing conditions or poor health may present a higher risk to insurers. Similarly, sex is a factor because statistical differences in longevity and health risks between genders can affect premium calculations. Hobbies and personal interests can also influence rates, particularly if they involve high-risk activities, such as skydiving or scuba diving, which may lead to a greater likelihood of accidents. Location, on the other hand, is less commonly a direct factor in determining individual life insurance rates. While population health trends, average life expectancies, and even crime rates in certain areas may indirectly factor into an insurer's overall risk assessment, they do not typically influence rates in the same direct manner as the other listed factors. Insurers often focus on individual risk assessments rather than broader geographical considerations, which is why location is typically not a primary influence on life insurance rates.

5. Which of the following is NOT a duty of the Commissioner?

- A. Maintain consumer advocacy programs**
- B. Provide insurance education**
- C. Establish insurer rates**
- D. Regulate insurance companies' practices**

The role of the Commissioner of Insurance encompasses various responsibilities aimed at supervising the insurance market and protecting consumers. One of the key duties of the Commissioner includes maintaining consumer advocacy programs, which serve to educate and assist policyholders in understanding their rights and choices within the insurance landscape. This duty reinforces the importance of consumer protection and advocacy in the industry. Additionally, providing insurance education to both consumers and insurers is crucial. The Commissioner may initiate programs to increase awareness and understanding of insurance products, helping consumers make informed decisions. Regulating insurance companies' practices is another essential duty, ensuring that insurers operate fairly and adhere to legal standards. This includes monitoring companies for compliance with state insurance laws and taking action against those that violate regulations. However, establishing insurer rates does not fall under the duties of the Commissioner. Rate-making is typically the responsibility of individual insurers. While the Commissioner does have the authority to review and approve certain aspects of rate filings, they do not directly set rates for insurers. This distinction clarifies why the task of establishing insurer rates is not considered a core duty of the Commissioner.

6. What guarantees that the statements supplied by an insurance applicant are true?

- A. Contractual agreement**
- B. Disclosure document**
- C. Warranty**
- D. Endorsement**

The correct choice is a warranty because, in the context of insurance, a warranty is a specific type of statement or promise made by the applicant regarding the truthfulness and accuracy of certain information provided in the application. Warranties differ from representations in that they must be true in every respect. If a warranty is found to be false, it can provide grounds for the insurer to deny a claim or void the policy altogether, regardless of whether the false statement was intentional or not. In contrast, a contractual agreement establishes the overall terms and conditions of the insurance policy but does not specifically guarantee the truthfulness of the statements made by the applicant. A disclosure document typically serves to inform the applicant about the terms and conditions of a policy but does not certify their accuracy. Lastly, an endorsement is an amendment or addition to a policy that modifies its coverage or terms but does not pertain to the truth of information provided in the application process.

7. What document is issued to each employee of an employer health plan?

- A. Policy statement**
- B. Certificate**
- C. Enrollment form**
- D. Insurance card**

The correct answer is that a certificate is issued to each employee of an employer health plan. This certificate serves as a summary of the health insurance coverage provided under the employer's plan. It details the benefits, coverage limits, and the rights and obligations of the policyholder. Employees receive this document to understand their coverage and how to access healthcare services under the employer-sponsored plan. The other options do not accurately represent the document typically issued to employees. A policy statement refers to the comprehensive outline of the insurance contract but is not specifically distributed to individual employees. An enrollment form is used when employees sign up for the plan, but it is not a document that summarizes benefits or coverage details. An insurance card, while important for identification and access to healthcare services, is not issued as a formal summary of the plan's details like the certificate is. Therefore, in the context of employer health plans, the certificate is the key document provided to each employee.

8. What type of insurance typically protects against losses related to accidents and deaths?

- A. Property insurance**
- B. Life insurance**
- C. Health insurance**
- D. Liability insurance**

Life insurance is designed specifically to provide financial protection to beneficiaries in the event of the policyholder's death. When someone passes away, life insurance pays out a predetermined sum of money, which can help cover immediate expenses such as funeral costs or long-term financial obligations, such as mortgage payments or children's education. This form of insurance not only provides peace of mind to the insured but also financial security to their loved ones, ensuring that they are taken care of following an unexpected loss. Property insurance, on the other hand, protects against losses related to physical damage or loss of property, which is not relevant to accidents and deaths. Health insurance covers medical expenses but does not directly address death. Liability insurance protects individuals from claims resulting from injuries and damage to other people or property, but again, it does not specifically relate to losses from death. Hence, life insurance is the most appropriate type of coverage for protecting against losses related to accidents and deaths.

9. What is typically true regarding the cost of premiums based on the underwriting requirements met by the applicant?

- A. Premiums do not change**
- B. Premiums are usually lower for higher-risk applicants**
- C. Premiums are set based on applicant's health history**
- D. Premiums are fixed for all applicants**

When considering the cost of premiums in the context of underwriting requirements met by the applicant, it is important to recognize that premiums are indeed influenced by the applicant's health history. Insurance companies assess the health status, medical history, lifestyle choices, and other relevant factors to determine risk levels associated with insuring an individual. Typically, individuals with a favorable health history—such as good medical records, lower body mass indexes, and non-smoking status—are seen as lower risks. Consequently, they may receive lower premiums. On the other hand, applicants with serious health issues, chronic conditions, or risky behavior (like smoking) may be considered higher risk, leading to higher premium costs to offset that risk. This careful calibration based on an applicant's health background ensures that the insurance company can sustain its operations while providing coverage to a diverse portfolio of insured individuals. Hence, the correlation between premiums and health history is a fundamental principle of how underwriting functions within the insurance industry.

10. What allows for the exclusion of policy proceeds from taxable income upon the insured's death?

- A. Life insurance policy**
- B. Endowment policy**
- C. Term insurance policy**
- D. Health insurance policy**

The exclusion of policy proceeds from taxable income upon the insured's death is primarily associated with a life insurance policy. When an individual passes away, the benefit paid to the beneficiaries from a life insurance policy is generally received tax-free. This tax treatment is designed to provide financial support to beneficiaries without imposing a tax burden on them during a time of loss. Life insurance policies are specifically structured to provide a death benefit, which is one of their key features. The tax-free status of these benefits is rooted in federal tax laws, which establish that policy proceeds paid out upon the death of the insured are not considered income for tax purposes. This distinction is crucial for individuals planning their estate and considering the financial implications for their dependents. While endowment and term insurance policies also fall under the umbrella of life insurance, the key element here is the nature of the policy providing a death benefit that qualifies for tax-free proceeds. Health insurance policies, on the other hand, serve a different purpose—covering medical expenses—rather than providing a death benefit, which is why they do not contribute to this specific tax treatment.

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://newjersey-lifeandhealth.examzify.com>

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