

# New York Life, Accident, and Health 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,**

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**SAMPLE**

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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. 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!**

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## **Questions**

- 1. Which of the following would NOT have a restricted ability to enter into a contract?**
  - A. Small employer**
  - B. Minor**
  - C. Incompetent individual**
  - D. Sole proprietorship**
- 2. How is the interest paid during an annuity's payout period typically treated for tax purposes?**
  - A. Exempt from taxes**
  - B. Taxed as a capital gain**
  - C. Taxed as ordinary income**
  - D. Taxed at a lower rate**
- 3. What type of insurance contract identifies individuals by their relationship to a specific organization?**
  - A. Individual insurance**
  - B. Group insurance**
  - C. Universal insurance**
  - D. Temporary insurance**
- 4. Which of the following is NOT a valid contract exchange?**
  - A. An annuity exchanged for a life insurance policy**
  - B. An insurance policy exchanged for another insurance policy**
  - C. An investment account exchanged for a life insurance policy**
  - D. A life insurance policy exchanged for a retirement account**
- 5. Which clause in a health policy specifies the amount of benefits to be paid?**
  - A. Exclusion**
  - B. Insuring**
  - C. Grace period**
  - D. Renewal**



- 6. What is a key aspect of Social Security's disability benefits?**
- A. It's only for short-term disabilities**
  - B. Eligible individuals must be fully insured**
  - C. It provides cash benefits only for injuries**
  - D. Coverage is available regardless of work history**
- 7. What does the guarantee of insurability option allow a long-term care policyowner to do?**
- A. Change policy providers at any time**
  - B. Buy additional coverage at a later date**
  - C. Access life insurance benefits immediately**
  - D. Cancel their policy without penalties**
- 8. How often can health insurance policies include provisions requiring second opinions for specific situations?**
- A. Only once per year**
  - B. At every policy renewal**
  - C. Only for costly procedures**
  - D. For specified elective surgeries**
- 9. What key information must an agent disclose when advertising a life insurance policy?**
- A. The name of the policyholder**
  - B. The name of the actual insurer**
  - C. The policy's premium rates**
  - D. The policy's cash value**
- 10. What is a primary focus of life insurance underwriting?**
- A. Determining the beneficiaries of the policy**
  - B. Assessing the applicant's risk level**
  - C. Calculating the total insurance needs**
  - D. Structuring the payment plans**

## **Answers**

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

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## **Explanations**

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**1. Which of the following would NOT have a restricted ability to enter into a contract?**

- A. Small employer**
- B. Minor**
- C. Incompetent individual**
- D. Sole proprietorship**

A small employer would typically not have a restricted ability to enter into a contract as they are considered a legal entity capable of conducting business and entering into agreements. In many jurisdictions, small employers are treated similarly to larger businesses regarding their ability to engage in contracts, as long as they meet legal requirements. In contrast, minors are generally not allowed to enter into a contract until they reach the age of majority, making their ability to contract restricted. An incompetent individual, such as someone who has been declared legally mentally incompetent, also has limitations on their ability to enter into contracts. Finally, while a sole proprietorship has its unique characteristics, the individual behind the sole proprietorship may have restrictions based on personal legal status, but the business itself can enter contracts. Thus, small employers can interact within the commercial environment without the limitations imposed on minors and incompetent individuals, making them more able to engage in contractual agreements.

**2. How is the interest paid during an annuity's payout period typically treated for tax purposes?**

- A. Exempt from taxes**
- B. Taxed as a capital gain**
- C. Taxed as ordinary income**
- D. Taxed at a lower rate**

During an annuity's payout period, the interest earned is generally classified as ordinary income for tax purposes. This means that any distributions received from the annuity, which includes both the return of the principal and the interest earnings, are taxed at the individual's regular income tax rate. This treatment occurs because the contributions to the annuity were often made with pre-tax dollars, meaning that the tax liability is deferred until the money is withdrawn. Thus, when payouts begin, the interest portion of those payouts is subject to taxation just like wages or salaries. Understanding this classification is essential for individuals making financial plans, as it can impact their overall tax strategy during retirement. The ordinary income tax treatment highlights the importance of careful planning regarding withdrawals from an annuity, as it may influence the tax bracket for individuals receiving these payments.

**3. What type of insurance contract identifies individuals by their relationship to a specific organization?**

- A. Individual insurance**
- B. Group insurance**
- C. Universal insurance**
- D. Temporary insurance**

Group insurance is designed to cover multiple individuals within a specific group, often connected by a common bond such as employment, membership in an organization, or other affiliations. Under this type of contract, insurance coverage is provided to all eligible members of the group, and the policy is typically issued to the organization as a whole rather than to individuals. This allows for easier administration and often results in lower premiums due to the pooling of risk among a large number of insured individuals. Individual insurance, in contrast, is issued to a single person and is tailored to that individual's specific needs, which does not align with the concept of being identified by their relationship to an organization. Universal insurance refers to a type of permanent life insurance with flexible premiums and benefits, while temporary insurance provides coverage for a limited period and is not linked to group membership. Therefore, group insurance is the correct choice because it specifically addresses the connection between individuals and their respective organizations.

**4. Which of the following is NOT a valid contract exchange?**

- A. An annuity exchanged for a life insurance policy**
- B. An insurance policy exchanged for another insurance policy**
- C. An investment account exchanged for a life insurance policy**
- D. A life insurance policy exchanged for a retirement account**

The choice indicating that an annuity is exchanged for a life insurance policy is indeed a valid exchange. In the context of insurance and investment products, exchanges often occur under specific provisions and guidelines. An annuity and a life insurance policy can serve different financial goals—annuities typically focus on providing income during retirement, while life insurance provides financial protection for beneficiaries upon the insured's death. Both types of products are regulated and can often be exchanged under certain circumstances, especially when considering suitability for the policyholder's financial needs. In contrast, the other options involve direct exchanges that frequently occur in common practice within the insurance industry. These exchanges are often established based on similar value, the objective of maintaining coverage, or altering the type of financial instrument one holds. Thus, it is crucial to recognize that while all options may appear related, the nature of the annuity and life insurance relationship specifically reflects a valid contractual principle under insurance law.

**5. Which clause in a health policy specifies the amount of benefits to be paid?**

**A. Exclusion**

**B. Insuring**

**C. Grace period**

**D. Renewal**

The insuring clause in a health policy is critical as it defines the scope of the coverage and specifies the amount of benefits that will be paid to the insured in the event of a covered loss. This clause articulates the insurer's commitment to provide coverage and outlines the circumstances under which benefits will be provided, including the specific monetary limits for various types of claims. In contrast, the exclusion clause identifies circumstances or conditions under which the insurer does not provide coverage, while the grace period clause allows the policyholder a specified amount of time to pay overdue premiums without losing coverage. The renewal clause, on the other hand, deals with the terms under which a policy can be renewed at the end of its term. Understanding these distinctions helps clarify the role of each clause in a health insurance policy.

**6. What is a key aspect of Social Security's disability benefits?**

**A. It's only for short-term disabilities**

**B. Eligible individuals must be fully insured**

**C. It provides cash benefits only for injuries**

**D. Coverage is available regardless of work history**

The key aspect of Social Security's disability benefits is that eligible individuals must be fully insured. This means they need to have accumulated a sufficient number of work credits through their employment, reflecting their contributions to the Social Security system over time. The requirement for full insurance ensures that benefits are provided to those who have demonstrated consistent participation in the workforce, which is crucial for the sustainability and integrity of the program. Unlike short-term disability benefits, which might only cover temporary conditions and may be provided through private insurance or employer-sponsored plans, Social Security disability benefits are designed to support individuals with long-term disabilities that significantly impair their ability to work. Furthermore, the program does not solely provide cash benefits for injuries; it encompasses a broader range of impairments that qualify under the Social Security Administration's definition of disability. Coverage is also specifically tied to work history; therefore, individuals with no work history typically do not meet the eligibility criteria.

**7. What does the guarantee of insurability option allow a long-term care policyowner to do?**

- A. Change policy providers at any time**
- B. Buy additional coverage at a later date**
- C. Access life insurance benefits immediately**
- D. Cancel their policy without penalties**

The guarantee of insurability option in a long-term care policy is designed to provide the policyholder with the ability to purchase additional coverage at a later date without the need for medical underwriting. This means that as long as the option is exercised within the specified time or under specific circumstances outlined in the policy, the insured can increase their coverage regardless of any changes in their health status. This is particularly valuable for individuals who may be concerned about potential health issues that could arise in the future, which could affect their ability to obtain additional insurance or increase coverage elsewhere. The other options do not align with the intent of the guarantee of insurability option. Changing policy providers is not generally covered by this option; rather, it pertains to the ability to secure additional insurance from the current provider. Accessing life insurance benefits immediately involves different policy provisions and is not related to the long-term care elements directly. Cancelling a policy without penalties is typically governed by the terms of the policy itself and not specifically tied to the guarantee of insurability option.

**8. How often can health insurance policies include provisions requiring second opinions for specific situations?**

- A. Only once per year**
- B. At every policy renewal**
- C. Only for costly procedures**
- D. For specified elective surgeries**

The correct answer is that health insurance policies can include provisions requiring second opinions for specified elective surgeries. This practice is often implemented to ensure that patients have access to comprehensive care and confirmation of diagnosis before undergoing significant interventions. Elective surgeries refer to procedures that are not emergencies and can be scheduled in advance, allowing patients the opportunity to seek an additional perspective on their treatment options. Requiring a second opinion can help confirm the necessity of the surgery, explore alternative treatment options, and ensure that patients are making informed decisions regarding their health care. This provision is particularly relevant in cases where the outcomes may substantially impact the patient's quality of life or when the procedures involved carry higher risks. Options suggesting limitations like "only once per year" or "at every policy renewal" do not accurately reflect how second opinions are typically structured in health insurance policies, which are more focused on specific medical situations rather than arbitrary time frames. Additionally, limiting second opinions to "only for costly procedures" overlooks the importance of ensuring the appropriateness of elective surgeries regardless of their cost. Thus, specifying elective surgeries provides a clear and reasonable framework for health insurance companies to operate within regarding second opinion requirements.



**9. What key information must an agent disclose when advertising a life insurance policy?**

- A. The name of the policyholder**
- B. The name of the actual insurer**
- C. The policy's premium rates**
- D. The policy's cash value**

When advertising a life insurance policy, agents are required to disclose the name of the actual insurer. This is crucial because it provides potential customers with transparency regarding the entity that underwrites the insurance coverage. Knowing the insurer can give consumers confidence and credibility, as they can investigate the company's financial stability and reputation in the market. Transparency is also essential in ensuring that consumers are fully informed about the products being offered, which helps to prevent deceptive marketing practices. While the names of the policyholder, premium rates, and cash value may also be relevant in discussions surrounding the policy, the name of the actual insurer is a fundamental requirement in advertising to ensure compliance with regulatory standards and to protect consumers.

**10. What is a primary focus of life insurance underwriting?**

- A. Determining the beneficiaries of the policy**
- B. Assessing the applicant's risk level**
- C. Calculating the total insurance needs**
- D. Structuring the payment plans**

The primary focus of life insurance underwriting is assessing the applicant's risk level. Underwriters analyze various factors about the applicant, such as age, health history, occupation, lifestyle choices, and family medical history. This thorough evaluation helps determine the likelihood that the applicant will file a claim during the policy's life. By understanding the risk involved in insuring an individual, the underwriter can decide on appropriate premium rates and policy terms. The fundamental goal is to ensure that the insurance company adequately protects itself from potential losses while providing coverage that aligns with the applicant's risk profile. In contrast, determining the beneficiaries of the policy primarily concerns the policyholder and is completed as part of the application process rather than underwriting itself. Calculating total insurance needs involves assessing the financial requirements of the policyholder's dependents, which is important for ensuring adequate coverage, but is not the main focus of underwriting. Structuring payment plans relates to how premiums are paid and is more associated with policy administration than underwriting risk.

## 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](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://newyorklifeaccidenthealth.examzify.com>**

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