

New York Life, Accident, and Health 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

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- 1. According to the Affordable Care Act (ACA), dependent children may remain on their parent's plan until what age?**
 - A. Age 21**
 - B. Age 22**
 - C. Age 25**
 - D. Age 26**
- 2. As of January 1, 2014, what is the restricted annual limit for plans under the Affordable Care Act?**
 - A. \$5000**
 - B. \$10,000**
 - C. No limit**
 - D. \$20,000**
- 3. What characteristic differentiates term life insurance from whole life insurance?**
 - A. Term life has cash value**
 - B. Term life lasts for a specific period**
 - C. Term life costs more over time**
 - D. Term life offers dividends**
- 4. What is the primary purpose of replacement rules in insurance?**
 - A. To enhance premiums**
 - B. To protect the interest of the policyowner**
 - C. To simplify claims processing**
 - D. To limit coverage options**
- 5. 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**

6. Which provision makes the application part of the annuity contract?

- A. Entire Contract clause**
- B. Application clause**
- C. Policy endorsement**
- D. Insurance agreement**

7. In life insurance, what does the term "face value" refer to?

- A. The total amount paid for the policy**
- B. The coverage amount upon death**
- C. The premiums paid over time**
- D. The cash value of the policy**

8. No existing insurance license will be revoked until

- A. The licensee pays a fine**
- B. The licensee has obtained a new license**
- C. The licensee has been afforded a right to a hearing on the charges**
- D. The licensee voluntarily surrenders the license**

9. A policyowner suffers a covered accident and health insurance loss on June 30 and submits proof of loss to the insurer on July 10. If the policyowner cancelled the coverage on July 2, how will the insurance company handle the claim?

- A. The claim will be denied**
- B. The claim will be held until further notice**
- C. Claim must be paid after proof of loss is received**
- D. The claim will be processed but at a reduced amount**

10. Claims settlement practices of insurers are regulated by?

- A. Federal insurance board**
- B. State insurance departments**
- C. Private insurance organizations**
- D. Consumer protection agencies**

Answers

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

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Explanations

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1. According to the Affordable Care Act (ACA), dependent children may remain on their parent's plan until what age?

- A. Age 21**
- B. Age 22**
- C. Age 25**
- D. Age 26**

The Affordable Care Act (ACA) allows dependent children to remain on their parent's health insurance plan until they reach the age of 26. This provision was designed to provide young adults with access to affordable healthcare coverage as they transition from school to work. It helps to ensure that they are covered during a critical time in their lives when they may not yet have employment that offers health benefits. This age limit applies regardless of the child's marital status or whether they live with their parents, making it a significant benefit for many families. By allowing coverage to extend to age 26, the ACA aims to reduce the number of uninsured young adults in the United States and promote better health outcomes for this age group.

2. As of January 1, 2014, what is the restricted annual limit for plans under the Affordable Care Act?

- A. \$5000**
- B. \$10,000**
- C. No limit**
- D. \$20,000**

The Affordable Care Act (ACA) established several regulations regarding healthcare coverage, one of which pertains to annual limits on essential health benefits. As of January 1, 2014, the ACA prohibits health plans from establishing annual dollar limits on most benefits, thereby allowing for comprehensive coverage of essential health services without a cap on the amount of benefits an individual may receive. This means that for essential health benefits, there is no longer a restriction on annual coverage limits, which is why the correct response indicates that there is no limit. This provision aims to ensure that individuals receive necessary medical care without the fear of reaching a financial cap on their benefits, thus promoting access to healthcare services. In contrast, the other response options imply specific financial caps that would restrict coverage, which the ACA specifically seeks to eliminate for essential health benefits.

3. What characteristic differentiates term life insurance from whole life insurance?

- A. Term life has cash value
- B. Term life lasts for a specific period**
- C. Term life costs more over time
- D. Term life offers dividends

The key distinguishing characteristic of term life insurance is that it provides coverage for a specific period of time, often referred to as the "term." This means that the policyholder pays premiums for a predetermined length of time—such as 10, 20, or 30 years—and if the insured individual passes away during this term, the policy pays a death benefit to the beneficiaries. If the term ends and the policyholder is still alive, there is no payout, and the coverage ceases, unless there are options to renew or convert the policy. In contrast, whole life insurance provides coverage for the insured's lifetime as long as premiums are paid, and it typically builds cash value over time. The other options relate to features that do not apply to term life insurance: it does not accumulate cash value, it is generally less expensive initially and may increase in cost if renewed, and it typically does not offer dividends like some whole life policies do. Understanding this fundamental difference helps clarify the types of products available and their appropriateness for varying financial goals and needs.

4. What is the primary purpose of replacement rules in insurance?

- A. To enhance premiums
- B. To protect the interest of the policyowner**
- C. To simplify claims processing
- D. To limit coverage options

The primary purpose of replacement rules in insurance is to protect the interest of the policyowner. These regulations are designed to ensure that consumers are not adversely affected when they switch from one insurance policy to another. Replacement rules require insurance companies and agents to provide clients with essential information regarding the new policy, including any benefits and limitations compared to the old policy. This allows policyowners to make informed decisions and minimizes the risks associated with lapsing or canceling their existing coverage without fully understanding the implications. By focusing on the interests of policyowners, replacement rules help prevent situations where a consumer might unknowingly end up with less favorable coverage or increased costs by switching policies. The creation of transparent processes and mandatory disclosures fosters responsible business practices and consumer protection in the insurance market.

5. 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.

6. Which provision makes the application part of the annuity contract?

- A. Entire Contract clause**
- B. Application clause**
- C. Policy endorsement**
- D. Insurance agreement**

The Entire Contract clause is the correct answer because it ensures that the application, along with the policy document itself, constitutes the complete agreement between the insurer and the policyholder. This provision is critical in annuity contracts because it guarantees that all terms and conditions included in the application, as well as any additional information provided during the application process, are binding and enforceable as part of the contract. This means that if there are any discrepancies between the application and the policy provisions, the Entire Contract clause dictates that the details within the complete contract as issued by the insurer take precedence. In contrast, the other options do not serve the same purpose. The Application clause generally refers to specific terms regarding how the application is evaluated but does not itself make the application part of the contract. Policy endorsements refer to changes or additions made to the policy after it has been issued, while the Insurance agreement typically outlines the coverage but does not specifically encompass the application as part of the binding contract. Therefore, the Entire Contract clause is essential for integrating the application into the annuity contract, ensuring that it is treated as a fundamental component of the agreement.

7. In life insurance, what does the term "face value" refer to?

- A. The total amount paid for the policy**
- B. The coverage amount upon death**
- C. The premiums paid over time**
- D. The cash value of the policy**

In life insurance, "face value" specifically refers to the coverage amount that will be paid out to the beneficiaries upon the insured's death. This is the amount specified in the policy documents and serves as the primary benefit of the life insurance policy. The face value is crucial as it determines the financial support provided to the beneficiaries in the event of the policyholder's passing, ensuring that they receive a specified sum to help with expenses, debts, or living costs. Understanding what face value represents is essential for both agents and policyholders. It differentiates the value of insurance coverage from other aspects of a policy, such as premiums or cash value. While premiums relate to the recurring payments made for the policy, and cash value pertains to any savings component associated with certain types of life insurance, the face value remains a fixed sum intended to grant peace of mind and financial security specified at policy issuance.

8. No existing insurance license will be revoked until

- A. The licensee pays a fine**
- B. The licensee has obtained a new license**
- C. The licensee has been afforded a right to a hearing on the charges**
- D. The licensee voluntarily surrenders the license**

The correct answer emphasizes the legal process that protects a licensee's rights before any punitive actions, such as revocation, are taken. In the insurance industry, due process is a critical principle, which ensures that individuals have the opportunity to defend themselves against charges that could affect their professional standing. When a licensee is faced with potential revocation, it is mandated that they be afforded a right to a hearing on the charges. This hearing allows the licensee to present evidence and argue their case, ensuring fairness and transparency in the disciplinary process. Revocation of a license without this hearing would violate the principles of due process and could lead to wrongful penalties. The context around the other options clarifies why they do not represent the required standard for revocation. Paying a fine does not equate to the necessary legal proceedings that must occur first. Obtaining a new license does not negate the previous one and may indicate ongoing licensure issues. Voluntary surrender might be initiated by the licensee, but it is not a mandated process that precedes the revocation of an existing license.

9. A policyowner suffers a covered accident and health insurance loss on June 30 and submits proof of loss to the insurer on July 10. If the policyowner cancelled the coverage on July 2, how will the insurance company handle the claim?

- A. The claim will be denied**
- B. The claim will be held until further notice**
- C. Claim must be paid after proof of loss is received**
- D. The claim will be processed but at a reduced amount**

In this scenario, the insurance company is required to honor the claim since the loss occurred before the policy was canceled. The key factor is that the accident and the health insurance loss took place on June 30, which is prior to the cancellation date of July 2. Insurance coverage remains in effect for any losses that occur while the policy is active. Therefore, upon receiving the proof of loss submitted on July 10, the insurer must process the claim and pay it based on the terms of the policy. The provision that mandates claims be paid when they occur within the coverage period reinforces the importance of policies that protect the insured while the policy is still active. Thus, even though the cancellation happened shortly after the loss, it does not negate the insurer's obligation to cover claims for incidents occurring prior to that cancellation.

10. Claims settlement practices of insurers are regulated by?

- A. Federal insurance board**
- B. State insurance departments**
- C. Private insurance organizations**
- D. Consumer protection agencies**

The regulation of claims settlement practices of insurers primarily falls under the jurisdiction of state insurance departments. Each state has its own laws and regulations that govern the insurance industry, including how claims must be processed and settled. These state departments ensure that insurers adhere to legal standards, treat policyholders fairly, handle claims in a timely manner, and fulfill their contractual obligations. State insurance departments are responsible for the oversight of all insurance practices within their boundaries, including the approval of insurance rates, ensuring appropriate reserves are maintained, and monitoring the solvency of insurance companies. This oversight is crucial for maintaining public trust and ensuring that consumers receive the benefits they are entitled to when filing a claim. Other options, such as federal insurance boards or private insurance organizations, do not have direct regulatory authority over state-level claims practices. Consumer protection agencies may address broader consumer rights issues but do not specifically regulate insurance claims settlements. Thus, state insurance departments are the correct answer as they provide the necessary regulatory framework to manage and oversee claims settlement processes within the insurance market.

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://newyorklifeaccidenthealth.examzify.com>

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

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