

NORTH CAROLINA ACCIDENT AND HEALTH PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE

<https://ncaccidenthealth.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 is the term used for an insurance company formed under the laws of Canada in North Carolina?**
 - A. Domestic company
 - B. Foreign company
 - C. Alien company
 - D. International company
- 2. For how long must every insurance agent/broker maintain their records and documents for insurance transactions?**
 - A. 3 years
 - B. 5 years
 - C. 7 years
 - D. 10 years
- 3. All of the following statements regarding group health insurance are true, EXCEPT:**
 - A. Employer typically pays the premium
 - B. Benefits are often subject to lower deductibles
 - C. An individual policy is given to each member
 - D. Coverage can extend to dependents
- 4. After an insured gives notice of loss, what must they do if the insurer does not provide forms?**
 - A. Submit an additional claim
 - B. File written proof of loss
 - C. Wait for 30 days
 - D. Contact the state department
- 5. How must an applicant demonstrate knowledge to be licensed in accident and health insurance in North Carolina?**
 - A. Pass a set of practice tests
 - B. Complete 20 hours of approved instruction
 - C. Provide prior work experience
 - D. Pass a background check

- 6. Which of the following entities is NOT considered a managed care organization?**
- A. Health Maintenance Organization (HMO)
 - B. Preferred Provider Organization (PPO)
 - C. Medical Information Bureau (MIB)
 - D. Exclusive Provider Organization (EPO)
- 7. Which type of insurance policy provides coverage that pays a set amount per day during hospitalization?**
- A. Major Medical
 - B. Term Life
 - C. Hospital Indemnity
 - D. Disability Insurance
- 8. Under which of the following circumstances will the benefits under COBRA continuation coverage end?**
- A. Employee reaches retirement age
 - B. Individual elects not to continue coverage
 - C. All group health plans are terminated by the employer
 - D. Individual changes to another job
- 9. How many days is the grace period for a health policy that is paid on a quarterly basis in North Carolina?**
- A. 15 days
 - B. 30 days
 - C. 31 days
 - D. 60 days
- 10. What is considered a "chronic illness" in health insurance?**
- A. A long-term health condition that requires ongoing medical attention or limits activities of daily living
 - B. A temporary condition that resolves within a year
 - C. An acute health issue requiring immediate care
 - D. A mental health condition that improves with therapy

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. What is the term used for an insurance company formed under the laws of Canada in North Carolina?

- A. Domestic company
- B. Foreign company
- C. Alien company**
- D. International company

The term "alien company" is used to refer to an insurance company that is incorporated under the laws of a foreign country outside of the United States, specifically in this case, Canada. In the context of North Carolina and U.S. insurance terminology, an alien company operates in states like North Carolina but is not incorporated there. This classification is significant because it helps distinguish between companies based on their legal origin and regulatory jurisdiction. A domestic company would be one chartered under North Carolina law, while a foreign company is one that is incorporated in another state within the U.S. The term international company generally refers to companies that operate on a global scale but does not specifically address the incorporation aspect relevant to the question. Thus, "alien company" accurately captures the status of an insurance entity formed under another country's laws, such as Canada, when operating within North Carolina.

2. For how long must every insurance agent/broker maintain their records and documents for insurance transactions?

- A. 3 years
- B. 5 years**
- C. 7 years
- D. 10 years

In North Carolina, insurance agents and brokers are required to maintain records and documents related to insurance transactions for a period of five years. This requirement ensures that there is a documented history of the transactions that can be reviewed in the case of disputes, audits, or regulatory inquiries. Retaining records for five years helps to protect both the agents/brokers and their clients, providing a clear trail of all interactions and transactions that have taken place. Maintaining records for the specified duration also aligns with best practices in the insurance industry, allowing for sufficient time to address any issues that may arise after a policy is sold or a claim is made. The five-year window balances the need for adequate documentation while avoiding excessive retention of records that may no longer be relevant.

3. All of the following statements regarding group health insurance are true, EXCEPT:

- A. Employer typically pays the premium
- B. Benefits are often subject to lower deductibles
- C. An individual policy is given to each member**
- D. Coverage can extend to dependents

In the context of group health insurance, the statement that individuals receive a separate policy is inaccurate. In a typical group health insurance plan, coverage is provided to a group of people, usually employees of an organization. Rather than each member having their own individual policy, the coverage is structured as a collective plan where all members are included under one policy or contract. This structure allows for more efficient premium rates and coverage options, as the risk is pooled across the entire group rather than assessed individually. In contrast, individual health insurance policies are designed for single individuals and would require separate underwriting for each policyholder, which is not the case in group plans. The other statements reflect accurate characteristics of group health insurance. Employers frequently pay a significant portion of the premium, making the insurance more affordable for employees. Furthermore, group plans often feature lower deductibles and can extend coverage to the dependents of employees, allowing families to be included under the same insurance umbrella. These factors contribute to the overall appeal of group health insurance for both employers and employees.

4. After an insured gives notice of loss, what must they do if the insurer does not provide forms?

- A. Submit an additional claim
- B. File written proof of loss**
- C. Wait for 30 days
- D. Contact the state department

When an insured gives notice of loss and the insurer does not provide the necessary claims forms, the insured is still obligated to file written proof of loss. This is a crucial step in the claims process, as it formalizes the claim by providing documentation of the incident and the associated losses. Written proof of loss typically includes information such as the date of the loss, the circumstances surrounding it, and any relevant documentation that supports the claim, such as receipts or police reports. In many insurance policies, the requirement to submit proof of loss is a condition for coverage, meaning that failure to provide this documentation can delay or even deny the claim, regardless of whether forms were provided by the insurer. The other options, while they may seem relevant to the claims process, do not satisfy the requirement placed upon the insured in the absence of forms. Simply submitting another claim, waiting for a period of time, or contacting state authorities would not fulfill the need to properly document and substantiate the loss to the insurer. Therefore, the obligation to file written proof of loss is essential for the processing of the claim.

5. How must an applicant demonstrate knowledge to be licensed in accident and health insurance in North Carolina?

- A. Pass a set of practice tests
- B. Complete 20 hours of approved instruction**
- C. Provide prior work experience
- D. Pass a background check

To be licensed in accident and health insurance in North Carolina, an applicant must complete 20 hours of approved instruction. This requirement ensures that the applicant has a foundational understanding of insurance principles, regulations, policy types, and other essential topics regarding accident and health insurance. Completing this educational requirement prepares the applicant for the responsibilities they will undertake as a licensed insurance agent. While practice tests may be useful for preparation, they do not fulfill the training requirement necessary for licensing. Prior work experience is not a substitute for formal education mandated by the state, and a background check, while a standard procedure for ensuring candidate suitability and integrity, does not provide the specific knowledge needed for the field. Thus, the completion of the specified number of hours in approved instruction is critical for ensuring that the applicant has a competent level of understanding before being entrusted to serve clients in the accident and health insurance sector.

6. Which of the following entities is NOT considered a managed care organization?

- A. Health Maintenance Organization (HMO)
- B. Preferred Provider Organization (PPO)
- C. Medical Information Bureau (MIB)**
- D. Exclusive Provider Organization (EPO)

The Medical Information Bureau (MIB) is indeed not considered a managed care organization. Managed care organizations are designed to provide health care services in a cost-effective manner while ensuring quality care for members. They typically involve networks of providers, negotiated rates, and cost-sharing features to manage the overall costs of health care delivery. In contrast, MIB operates as a nonprofit organization that provides information about the medical histories of insurance applicants to help insurance companies assess risk. Their primary function is to help insurers make informed underwriting decisions, rather than providing direct health care services or managing provider networks. Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs), and Exclusive Provider Organizations (EPOs) all engage in managing health care services, making them integral components of the managed care landscape. Their focus includes controlling utilization, coordinating care, and providing services at agreed-upon costs. Thus, the distinction lies in the role and function each entity plays within the health care system, with MIB being an information resource rather than a care management entity.

7. Which type of insurance policy provides coverage that pays a set amount per day during hospitalization?

- A. Major Medical
- B. Term Life
- C. Hospital Indemnity**
- D. Disability Insurance

Hospital Indemnity insurance is designed specifically to provide a daily, fixed cash benefit for each day an insured individual is hospitalized. This type of policy serves as a supplemental insurance, helping cover extra expenses associated with hospitalization, such as out-of-pocket costs that traditional health insurance may not fully address, like copayments or deductibles. Unlike major medical insurance, which covers a wide range of healthcare services and usually pays based on the actual costs incurred, hospital indemnity provides a predetermined benefit amount regardless of the specific costs of hospitalization. This benefit provides a sense of financial security by ensuring the insured receives a confirmed benefit for each day of confinement in a hospital. The other types of insurance mentioned serve different purposes. For example, term life insurance provides a death benefit to beneficiaries and does not offer any hospitalization coverage. Major medical insurance is broader and covers comprehensive medical expenses, while disability insurance replaces lost income due to a disability but does not specifically offer daily benefits for hospital stays. Thus, hospital indemnity stands out as the suitable choice for coverage that pays a set amount per day during hospitalization.

8. Under which of the following circumstances will the benefits under COBRA continuation coverage end?

- A. Employee reaches retirement age
- B. Individual elects not to continue coverage
- C. All group health plans are terminated by the employer**
- D. Individual changes to another job

COBRA (Consolidated Omnibus Budget Reconciliation Act) allows eligible individuals to continue their group health coverage under certain circumstances, typically after experiencing a qualifying event. One key circumstance under which COBRA continuation coverage ends is when all group health plans offered by the employer are terminated. If the employer no longer offers any health plans, then there is no coverage to continue under COBRA. This is distinct from other scenarios: the situation where an employee reaches retirement age may not immediately affect COBRA coverage, as it can extend until other qualifying events occur. An individual electing not to continue coverage is a personal choice and results in termination of their COBRA coverage, but does not represent an overarching rule for all beneficiaries. Lastly, the act of changing jobs does not automatically end COBRA coverage; rather, the duration of coverage depends on the qualifying events related to the original job loss or event leading to COBRA eligibility. Therefore, the termination of all group health plans by the employer is the definitive circumstance that ends benefits under COBRA continuation coverage.

9. How many days is the grace period for a health policy that is paid on a quarterly basis in North Carolina?

- A. 15 days
- B. 30 days
- C. 31 days**
- D. 60 days

In North Carolina, the grace period for a health insurance policy that is paid on a quarterly basis is indeed 31 days. This means that if a policyholder fails to make a premium payment by the due date, they are afforded an additional 31 days to complete the payment without losing coverage. This provision ensures that policyholders have some leeway in their financial obligations and can avoid unintended lapses in insurance coverage. The 31-day grace period applies specifically to policies with premium payments that are made quarterly. Other payment frequencies, such as monthly or annually, may have different grace period terms, but for quarterly payments, the 31-day rule is consistent across the board in North Carolina. This creates a protective measure for consumers, allowing them to maintain their health insurance coverage even during times when they may face temporary financial challenges.

10. What is considered a "chronic illness" in health insurance?

- A. A long-term health condition that requires ongoing medical attention or limits activities of daily living**
- B. A temporary condition that resolves within a year
- C. An acute health issue requiring immediate care
- D. A mental health condition that improves with therapy

A chronic illness in health insurance is characterized as a long-term health condition that necessitates ongoing medical attention or significantly restricts an individual's ability to perform daily activities. This definition emphasizes that chronic illnesses typically last for an extended duration—often several months or longer—and require consistent management, which can include continuous medical treatment, lifestyle adjustments, and caregiver assistance. This is important in the context of health insurance because chronic illnesses can lead to higher medical costs and a need for sustained care, which influences how insurance products are designed, how coverage is provided, and how risks are assessed by insurers. Examples of chronic illnesses include diabetes, heart disease, and arthritis, among others, each of which presents unique ongoing healthcare needs. Conditions that are temporary and resolve within a year, acute health issues requiring immediate care, or mental health conditions that improve with therapy do not qualify as chronic illnesses. Temporary conditions do not involve the long-term management typical of chronic illnesses, while acute issues are often focused on urgent care rather than sustained treatment. Mental health issues that show improvement might require ongoing support but do not fit the general concept of chronic illness unless they persist without resolution over time.

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://ncaccidenthealth.examzify.com>

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

SAMPLE