

NORTH CAROLINE HEALTH INSURANCE – ACCIDENT AND SICKNESS PRACTICE TEST (SAMPLE) STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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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. Before suing for nonpayment, the policyowner must wait at least how long after submitting proof of loss?**
 - A. 30 days
 - B. 60 days
 - C. 90 days
 - D. 120 days
- 2. To be eligible for State Continuation, what condition must be met?**
 - A. Employment for at least the previous 90 days prior to application for continuation
 - B. Employment for at least the previous 60 days prior to application
 - C. Employment for at least the previous 180 days prior to application
 - D. Employment for at least the previous 30 days prior to application
- 3. When may a CE extension be requested, and what fee applies?**
 - A. Within 30 days before the end of the compliance period and pay \$75
 - B. Within 60 days before the end of the period and pay \$25
 - C. Within 30 days after the end of the period and pay \$75
 - D. At any time and pay \$50
- 4. When replacement of existing Group Health Insurance occurs, the liability for coverage must begin within how many days by the new insurer?**
 - A. 5 days
 - B. 10 days
 - C. 15 days
 - D. 20 days
- 5. Which of the following is a criterion of a viable insurance contract?**
 - A. Policy tax treatment
 - B. Large number of similar exposures
 - C. Investment returns
 - D. Flexible premium frequency

- 6. When does the insurer pay claims under Time Payment of Claims by the insurer?**
- A. After 60 days
 - B. Immediately upon receipt of proof of loss
 - C. After investigation
 - D. At end of policy year
- 7. Which contract reimburses expenses incurred?**
- A. Indemnity
 - B. Valued
 - C. Reimbursement
 - D. Warranty
- 8. Which statement about First Dollar coverage is true?**
- A. No deductible is required
 - B. Deductible applies before benefits
 - C. Co-insurance applies after deductible
 - D. Maximum out-of-pocket limit is waived
- 9. When is SSDI considered a trigger?**
- A. Disability is expected to last 24 months
 - B. Disability is expected to last 12 months or more
 - C. Disability is permanent
 - D. Disability is expected to last 6 months
- 10. Which organization creates insurance policies for Property and Casualty insurers?**
- A. Regulates insurance commissioners.
 - B. Creates insurance policies for Property and Casualty insurers.
 - C. Sets rates for NC risks.
 - D. Appoints agents.

Answers

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

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Explanations

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1. Before suing for nonpayment, the policyowner must wait at least how long after submitting proof of loss?

- A. 30 days
- B. 60 days**
- C. 90 days
- D. 120 days

After proof of loss is submitted, the policy typically requires a waiting period before you can bring a lawsuit for nonpayment. This gap gives the insurer time to review, adjust, and pay claims if due. The standard minimum for health insurance policies is sixty days, which is why sixty days is the correct choice. A shorter period, like thirty days, usually isn't enough time for the insurer to complete the claims process. Longer periods, such as ninety or one hundred twenty days, aren't the usual minimum and aren't the standard answer in most practice questions, even though some policies could vary.

2. To be eligible for State Continuation, what condition must be met?

- A. Employment for at least the previous 90 days prior to application for continuation**
- B. Employment for at least the previous 60 days prior to application
- C. Employment for at least the previous 180 days prior to application
- D. Employment for at least the previous 30 days prior to application

State Continuation lets an employee keep their employer-sponsored coverage for a limited time after leaving work, but eligibility hinges on having a minimum period of prior employment. You must have been employed for at least 90 days immediately before applying. That 90-day threshold ensures the program serves those with a stable relationship to the employer's plan. Shorter periods (like 60 or 30 days) wouldn't meet the requirement, and a longer period (like 180 days) would exclude some with legitimate need. So, the 90-day prior-employment rule is the qualifying condition.

3. When may a CE extension be requested, and what fee applies?

- A. Within 30 days before the end of the compliance period and pay \$75**
- B. Within 60 days before the end of the period and pay \$25
- C. Within 30 days after the end of the period and pay \$75
- D. At any time and pay \$50

This question focuses on when a CE extension can be requested and the fee that applies. The correct rule is that you may request a CE extension only within the 30 days leading up to the end of the compliance period, and the fee is \$75. This timing gives a last-minute grace window before the renewal deadline, allowing you to complete any remaining CE requirements while keeping the process within a defined deadline. Requests outside this window—such as after the period ends or well before it—aren't addressed by this provision, and the associated fees in those scenarios don't match the rule.

4. When replacement of existing Group Health Insurance occurs, the liability for coverage must begin within how many days by the new insurer?

- A. 5 days
- B. 10 days
- C. 15 days**
- D. 20 days

When a group health policy is replaced, the goal is seamless coverage so there's no gap for employees. The standard requirement is that the new insurer assumes responsibility within 15 days after the replacement takes effect. This 15-day window protects employees during the transition and ensures claims processing starts promptly as the new policy begins. Shorter windows (like 5 or 10 days) can be impractical and risk gaps, while a longer window (such as 20 days) delays coverage unnecessarily.

5. Which of the following is a criterion of a viable insurance contract?

- A. Policy tax treatment
- B. Large number of similar exposures**
- C. Investment returns
- D. Flexible premium frequency

In insurance, viability hinges on pooling a large number of similar exposures so the insurer can predict losses with reasonable accuracy. With many similar risks spreading across a broad base, the law of large numbers smooths out the individual loss variability, allowing actuarial methods to estimate expected losses, set premiums that cover claims and expenses, and keep the contract financially sustainable. The other factors listed—tax treatment of the policy, investment returns, and the ability to vary premium frequency—are not fundamental criteria for a contract's viability. They may influence product design or profitability, but they don't establish the insurer's ability to predict losses and price risk across a population.

6. When does the insurer pay claims under Time Payment of Claims by the insurer?

- A. After 60 days
- B. Immediately upon receipt of proof of loss**
- C. After investigation
- D. At end of policy year

Time payment of claims means the insurer must settle promptly once the insured provides proof of loss. The key idea is that once the necessary documentation showing that a loss occurred and the amount due is submitted, payment is due without unnecessary delay. This protects the insured from waiting months or being forced into lengthy investigations before receiving benefits. So, the correct approach is that payment happens immediately after the insurer receives proof of loss. Delaying until an investigation is completed, waiting 60 days, or paying only at the end of the policy year would undermine the purpose of timely settlement. Proof of loss is the claim documentation the insured provides, and once that is received, the insurer is expected to remit payment promptly, subject to any policy terms and proper validation.

7. Which contract reimburses expenses incurred?

- A. Indemnity
- B. Valued
- C. Reimbursement**
- D. Warranty

Reimbursement contracts are designed to repay the insured for the actual medical expenses they incur, up to the policy's limits. With this type of plan, you can pay the provider first and then submit receipts or a claim to get back the amount that your plan covers for covered services. The key idea is that the payment matches the expenses incurred, not a fixed amount. In contrast, a valued contract pays a fixed dollar amount regardless of the actual charges, so the payout isn't tied to what was spent. A warranty isn't a health insurance payment arrangement at all. Indemnity is a broad term about compensation for losses, but the specific mechanism described here—reimbursing actual expenses incurred—fits a reimbursement contract most directly.

8. Which statement about First Dollar coverage is true?

- A. No deductible is required**
- B. Deductible applies before benefits
- C. Co-insurance applies after deductible
- D. Maximum out-of-pocket limit is waived

First-dollar coverage means the insurer pays for covered expenses from the very first dollar spent, so you do not have to meet a deductible before benefits kick in. That's why the statement that no deductible is required is true. You might still have co-pays or coinsurance for certain services, and there is usually some maximum out-of-pocket limit, but the deductible itself does not apply under first-dollar coverage. The ideas that a deductible would apply before benefits, or that coinsurance would occur only after a deductible, or that the maximum out-of-pocket limit would be waived, don't align with first-dollar coverage.

9. When is SSDI considered a trigger?

- A. Disability is expected to last 24 months
- B. Disability is expected to last 12 months or more**
- C. Disability is permanent
- D. Disability is expected to last 6 months

The key idea is how long a disability must be expected to last for SSDI to apply. For SSDI, a condition is considered a disability when it's expected to last at least 12 months or to result in death. That 12-month threshold is what makes SSDI a trigger in many insurance contexts—it's the point at which a serious, long-term impairment is recognized as disabling by the government, and benefits can begin or be coordinated with other coverage. Understanding this also helps explain why the other durations aren't the trigger: 6 months is too short to meet SSDI's long-term requirement, 24 months is tied to Medicare eligibility after SSDI, and simply labeling a condition as permanent doesn't specify a duration. The 12-month-or-longer rule is the standard SSDI criterion for disability.

10. Which organization creates insurance policies for Property and Casualty insurers?

- A. Regulates insurance commissioners.
- B. Creates insurance policies for Property and Casualty insurers.**
- C. Sets rates for NC risks.
- D. Appoints agents.

In insurance, the actual policy language and terms are drafted by the entity that issues the coverage—the insurer itself. Regulators don't write policy wording; they review and approve forms and rates to ensure compliance with state law. Pricing (setting rates) and appointing agents are separate functions that support the policy but don't involve creating the policy text. So the organization that creates insurance policies for property and casualty insurers is the insurer—the company that issues the policy.

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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://nchealthinsuranceaccidentsickness.examzify.com>

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

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