

North Dakota Health Insurance 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,

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 from reliable sources accurate, complete, and timely information about this product.

SAMPLE

Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	6
Answers	9
Explanations	11
Next Steps	17

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. 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!

SAMPLE

Questions

SAMPLE

- 1. What does the Incontestability Clause state?**
 - A. The policy is invalid after 10 years**
 - B. Insurers cannot dispute a policy's validity after 5 years**
 - C. Insurers cannot dispute the validity of a policy after a specified period of 2 years**
 - D. The policy is automatically void after 2 years**
- 2. What is a stop loss limit?**
 - A. The maximum amount an insured pays for coinsurance**
 - B. An unlimited coverage period**
 - C. A limit on overall medical expenses**
 - D. A method for reducing premiums**
- 3. Which of the following is a national health insurance program covering the elderly?**
 - A. Medicaid**
 - B. Medicare**
 - C. Tri-Care**
 - D. Social Security**
- 4. What does the cancellation provision state regarding pending claims?**
 - A. Pending claims are not affected by cancellation**
 - B. Pending claims become void upon cancellation**
 - C. The insurer is required to cover claims for 30 days post-cancellation**
 - D. Pending claims must be resubmitted if a policy is canceled**
- 5. What does "balance billing" refer to?**
 - A. When insurance pays for all medical costs**
 - B. When a provider bills a patient for the difference not covered by insurance**
 - C. When a patient receives a refund from the insurance company**
 - D. When a patient is not billed at all**

6. Which is NOT an optional policy provision mentioned?

- A. Change of occupation**
- B. Continuation of benefits**
- C. Misstatement of age**
- D. Cancellation**

7. Which of the following is a common exclusion in insurance policies?

- A. Accidental injury at home**
- B. Living overseas**
- C. Routine check-ups**
- D. Non-emergency medical procedures**

8. What is the main objective of the Affordable Care Act (ACA)?

- A. To decrease the number of healthcare providers**
- B. To expand healthcare coverage and improve delivery**
- C. To reduce health insurance premiums for everyone**
- D. To eliminate all pre-existing conditions exclusions**

9. How do state insurance departments contribute to consumer protection?

- A. By providing free insurance to all residents**
- B. By regulating the quality of health care services**
- C. By regulating and overseeing the insurance industry**
- D. By managing healthcare provider networks**

10. Which of the following best describes independent living facilities?

- A. They offer 24-hour nursing care**
- B. They focus on rehabilitation services**
- C. They are alternatives to hospital care**
- D. They provide temporary housing only**

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. What does the Incontestability Clause state?

- A. The policy is invalid after 10 years
- B. Insurers cannot dispute a policy's validity after 5 years
- C. Insurers cannot dispute the validity of a policy after a specified period of 2 years**
- D. The policy is automatically void after 2 years

The Incontestability Clause is a provision typically found in life insurance policies that provides certainty for policyholders. It states that after a designated period, usually two years from the policy's effective date, insurers cannot contest the validity of a policy based on misstatements or omissions made by the insured in the application. This means that once this period has elapsed, the insurer is bound by the terms of the policy and cannot refuse to pay claims, except in cases of fraud. This clause is significant because it protects policyholders by ensuring that after the specified period, they have a guarantee of coverage regardless of any minor discrepancies or mistakes in their initial application. This fosters trust in the insurance process, providing peace of mind that once the two years have passed, the policy is secure and the insurer cannot invalidate it on grounds that would have been contestable during the initial period. Other options contain inaccurate timelines or misinterpret the nature of the clause. There is no stipulation that policies become invalid after a set duration, nor do insurers have a longer contestability period than the two years specified in the correct choice.

2. What is a stop loss limit?

- A. The maximum amount an insured pays for coinsurance**
- B. An unlimited coverage period
- C. A limit on overall medical expenses
- D. A method for reducing premiums

A stop loss limit refers to the maximum amount that an insured individual pays out of pocket for covered healthcare expenses, including coinsurance, before their health insurance plan begins to cover 100% of the remaining costs for the rest of the policy year. This mechanism is designed to protect insured individuals from excessive financial strain due to high medical expenses, ensuring that there is a cap on their financial responsibility. Once the insured reaches this limit, the insurance company is obligated to cover all additional costs for covered services, which supports the policyholder in managing unexpected healthcare expenses. Understanding this concept is crucial for both insurance professionals and policyholders, as it directly relates to the financial protection offered by a health insurance plan.

3. Which of the following is a national health insurance program covering the elderly?

- A. Medicaid**
- B. Medicare**
- C. Tri-Care**
- D. Social Security**

Medicare is a national health insurance program specifically designed to provide coverage for individuals aged 65 and older, as well as for certain younger individuals with disabilities or specific diseases. The program is funded primarily through payroll taxes, premiums, and government funding, ensuring that elderly individuals have access to a wide range of health services, including hospital care (Part A), medical insurance (Part B), and prescription drug coverage (Part D). Medicaid, while also a health insurance program, primarily serves low-income individuals and families rather than focusing specifically on elderly coverage. Tri-Care is a health care program specifically for military personnel, veterans, and their dependents, which is not geared towards the general elderly population. Social Security provides financial support for retired individuals but does not offer health insurance coverage. Therefore, Medicare stands out as the correct answer because of its targeted services specifically for the elderly population.

4. What does the cancellation provision state regarding pending claims?

- A. Pending claims are not affected by cancellation**
- B. Pending claims become void upon cancellation**
- C. The insurer is required to cover claims for 30 days post-cancellation**
- D. Pending claims must be resubmitted if a policy is canceled**

The cancellation provision's statement regarding pending claims emphasizes that these claims are not impacted by the cancellation of the insurance policy. This means that any claims that have already been submitted and are awaiting approval or payment will still be honored by the insurer despite the policy's cancellation. Understanding this aspect is crucial for policyholders because it ensures that they do not lose coverage for claims they have already initiated, thus providing a sense of security and protection even during the transition out of their policy. The other options suggest scenarios where pending claims are somehow affected by the policy's cancellation, either becoming void, requiring coverage for a limited time, or needing to be resubmitted. However, these do not align with the fundamental principle that pending claims remain valid and are processed according to the terms of the policy that was in effect at the time of submission.

5. What does "balance billing" refer to?

- A. When insurance pays for all medical costs
- B. When a provider bills a patient for the difference not covered by insurance**
- C. When a patient receives a refund from the insurance company
- D. When a patient is not billed at all

Balance billing refers specifically to the practice where a healthcare provider bills a patient for the difference between the provider's charges and the amount covered by the insurance. This typically occurs when the provider is not in-network with the patient's insurance plan, leading to scenarios where the total billed amount exceeds what the insurance is willing to pay. The patient is then responsible for paying this balance directly to the provider. In the context of health insurance, this practice can lead to unexpected out-of-pocket costs for patients, which is why understanding balance billing is crucial. It's important for patients to be aware of whether their healthcare provider is in-network to avoid such situations.

6. Which is NOT an optional policy provision mentioned?

- A. Change of occupation
- B. Continuation of benefits**
- C. Misstatement of age
- D. Cancellation

The correct answer is that "continuation of benefits" is not an optional policy provision. In health insurance policies, certain provisions are considered standard and are typically mandatory, ensuring that individuals can retain their benefits even under specific circumstances, such as transitioning to a different plan. The concept of continuation of benefits often relates to scenarios like COBRA (Consolidated Omnibus Budget Reconciliation Act), which mandates that employers with group health plans offer continued coverage to employees and their beneficiaries after certain qualifying events. This provision guarantees that employees can maintain health insurance coverage when they might otherwise lose it, thus protecting their access to necessary medical care. In contrast, optional policy provisions like change of occupation, misstatement of age, and cancellation allow insurers to customize policies based on individual needs or risk assessments. These provisions can significantly affect the policyholder's rights and the insurance company's obligations but are not universally required within all health insurance contracts. Therefore, "continuation of benefits" stands out as a necessary safeguard, reinforcing the right to ongoing health coverage in critical times.

7. Which of the following is a common exclusion in insurance policies?

- A. Accidental injury at home**
- B. Living overseas**
- C. Routine check-ups**
- D. Non-emergency medical procedures**

Living overseas is a common exclusion in many health insurance policies, particularly for plans that are designed to provide coverage within a specific geographic area, such as a country or region. Health insurance companies often limit coverage for individuals who are residing outside of their main service area because they may be unable to provide adequate access to healthcare services or may not have contracted providers in the area where the insured is living. This exclusion is significant because it can leave policyholders without financial protection in the event of health issues while they are abroad, thus underscoring the importance of understanding the limitations of one's health insurance policy when considering living or traveling overseas. In contrast, accidental injuries at home, routine check-ups, and non-emergency medical procedures typically fall within the scope of coverage, depending on the specific terms of the policy. These elements are generally viewed as standard medical incidents or services that health insurance is designed to cover. As such, they usually do not reflect standard exclusions like living overseas does.

8. What is the main objective of the Affordable Care Act (ACA)?

- A. To decrease the number of healthcare providers**
- B. To expand healthcare coverage and improve delivery**
- C. To reduce health insurance premiums for everyone**
- D. To eliminate all pre-existing conditions exclusions**

The main objective of the Affordable Care Act (ACA) is to expand healthcare coverage and improve delivery. This legislation was enacted to address the significant number of Americans who were uninsured or underinsured prior to its passage. By creating health insurance marketplaces, offering subsidies for low-income individuals, and expanding Medicaid eligibility, the ACA aimed to make healthcare more accessible to a broader population. Additionally, the ACA introduced provisions to enhance the quality of care provided, such as requiring health plans to cover essential health benefits and implementing measures to increase preventive care. This comprehensive approach not only sought to increase the number of people with health insurance but also aimed to improve the overall health system's efficiency and effectiveness in delivering care. While the ACA did indeed include measures to phase out pre-existing condition exclusions, that was just one among many of its broader goals, making expanding healthcare coverage and improving delivery its overarching aim.

9. How do state insurance departments contribute to consumer protection?

- A. By providing free insurance to all residents**
- B. By regulating the quality of health care services**
- C. By regulating and overseeing the insurance industry**
- D. By managing healthcare provider networks**

State insurance departments play a crucial role in consumer protection by regulating and overseeing the insurance industry. This involves setting and enforcing standards for insurance companies to ensure that they operate fairly and responsibly. They monitor the financial health of insurers to ensure that they can meet their obligations to policyholders, thereby helping to protect consumers from company insolvency.

Additionally, state insurance departments handle consumer complaints, offer assistance with disputes, and provide resources and education about insurance products and rights. This regulation helps create a safer and more reliable insurance market for consumers, ensuring that they have access to necessary coverage and recourse in case of issues with their insurers. In contrast, providing free insurance to all residents is not a function of state insurance departments; instead, it involves broader policy decisions potentially made at the legislative level. Regulating the quality of health care services is generally under the purview of public health departments rather than insurance regulators. Lastly, managing healthcare provider networks is typically a function of health insurance companies, not a responsibility of state insurance departments.

10. Which of the following best describes independent living facilities?

- A. They offer 24-hour nursing care**
- B. They focus on rehabilitation services**
- C. They are alternatives to hospital care**
- D. They provide temporary housing only**

Independent living facilities are designed to offer older adults or individuals with disabilities a way to maintain autonomy while having access to supportive services. The primary focus of these facilities is to provide a residential setting where residents can live independently in their own apartments or units while benefiting from community activities and some assistance as needed. These facilities are alternatives to hospital care because they offer a supportive environment without the intensive medical services found in hospitals. They typically do not provide 24-hour nursing care or significant rehabilitation services, as those are more characteristic of assisted living or skilled nursing facilities. Furthermore, independent living arrangements are not limited to temporary housing; they are intended for long-term residency where individuals can enjoy an active lifestyle while having the option to receive minimal assistance if required. This type of living arrangement is especially appealing for individuals looking to retain their independence while still having access to a community and some level of support.

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://ndhealthinsurance.examzify.com>

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

SAMPLE