

Rhode Island Pre-Licensing Life & Health Insurance 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

- 1. Which statement is true regarding a Variable Whole Life policy?**
 - A. It has fixed premium payments**
 - B. A minimum guaranteed death benefit is provided**
 - C. It allows for no investment choice**
 - D. The cash value is not affected by market performance**
- 2. In the course of making a sales presentation, a producer may not say which of the following?**
 - A. "This policy provides full coverage for all your needs."**
 - B. "The Rhode Island Guaranty Association will protect you."**
 - C. "You will definitely get the best premiums with our company."**
 - D. "Your investment is completely safe."**
- 3. What action cannot be taken by the Director of Business Regulation?**
 - A. Activate an insurer's financial reserves**
 - B. Issue new licenses**
 - C. Enforce existing policies**
 - D. Conduct investigations**
- 4. What type of insurance company allows policy owners to elect a governing body?**
 - A. Stock**
 - B. Mutual**
 - C. Fraternal**
 - D. Reciprocal**
- 5. How long may a waiting period for a pre-existing condition under a Medicare Supplement policy extend?**
 - A. 3 months**
 - B. 6 months**
 - C. 12 months**
 - D. 24 months**

- 6. Annuity suitability regulations in the state of Rhode Island require that a producer obtain each of the following criteria EXCEPT?**
- A. Sexual orientation**
 - B. Income level**
 - C. Investment experience**
 - D. Existing financial needs**
- 7. What commonly occurs at the end of a life insurance policy term?**
- A. The policyholder receives a lump sum**
 - B. The insured's policy expires**
 - C. Renewal of the policy at a higher rate**
 - D. The policyholder is guaranteed a refund**
- 8. What is true regarding a minor beneficiary?**
- A. They can receive direct benefits**
 - B. A guardian is normally required**
 - C. They can manage their own policy**
 - D. They have no rights under the policy**
- 9. Which of the following accurately represents a feature of term life insurance?**
- A. It provides coverage for a specific period**
 - B. It accumulates cash value over time**
 - C. It is permanent and does not expire**
 - D. It requires a medical exam for all applicants**
- 10. What does the term 'insuring clause' refer to?**
- A. A clause that states the reasons for policy rejection**
 - B. The section defining the coverage limits**
 - C. A summary of exclusions in the policy**
 - D. A promise of payment for covered losses**

Answers

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

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Explanations

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1. Which statement is true regarding a Variable Whole Life policy?

- A. It has fixed premium payments**
- B. A minimum guaranteed death benefit is provided**
- C. It allows for no investment choice**
- D. The cash value is not affected by market performance**

A Variable Whole Life policy offers a minimum guaranteed death benefit, which means that the policy will pay out a specified amount upon the death of the insured, regardless of the performance of the underlying investments. This is an essential feature that appeals to policyholders, as it provides a level of security in the form of a guaranteed payout, while simultaneously allowing for the potential growth of cash value and death benefits through investment choices made within the policy. In contrast, a Variable Whole Life policy does involve fixed premium payments, making that statement misleading in terms of flexibility. The cash value, on the other hand, is indeed affected by market performance because the policyholder can allocate funds into various investment options, which means the performance of these investments will directly impact the cash value. Therefore, the assertion that there is no investment choice is inaccurate, as one of the defining characteristics of Variable Whole Life policies is the ability to make investment decisions. Lastly, the cash value being unaffected by market performance would misinterpret the nature of how such policies function. The investments can increase or decrease based on market conditions, which can lead to fluctuations in cash value. Overall, the guarantee of a minimum death benefit is a key feature distinguishing Variable Whole Life policies and is fundamental to understanding their structure in relation

2. In the course of making a sales presentation, a producer may not say which of the following?

- A. "This policy provides full coverage for all your needs."**
- B. "The Rhode Island Guaranty Association will protect you."**
- C. "You will definitely get the best premiums with our company."**
- D. "Your investment is completely safe."**

The statement that "The Rhode Island Guaranty Association will protect you" could be misleading in the context of a sales presentation. While it is true that guaranty associations are designed to protect policyholders in the event of an insurance company insolvency, the extent of that protection can vary. Producers should avoid implying that this protection will cover all situations, especially since it does not guarantee absolute safety in all circumstances. Regarding the other options, claiming that a policy provides "full coverage for all your needs" can create unrealistic expectations about the completeness of coverage, leading to potential misunderstandings. Saying that "you will definitely get the best premiums with our company" is problematic because it cannot be guaranteed, as premiums can vary widely based on multiple factors, including individual circumstances and market conditions. Similarly, asserting that "your investment is completely safe" presents an absolute assurance that is not typically achievable in the insurance industry, given the inherent risks involved. In all these cases, the producer must provide accurate and truthful information to maintain ethical standards and comply with regulatory requirements.

3. What action cannot be taken by the Director of Business Regulation?

- A. Activate an insurer's financial reserves**
- B. Issue new licenses**
- C. Enforce existing policies**
- D. Conduct investigations**

The Director of Business Regulation has a variety of roles and responsibilities related to overseeing the insurance industry, which includes issuing licenses, enforcing policies, and conducting investigations. However, activating an insurer's financial reserves involves directly managing or controlling the financial assets of an insurance company, which falls outside the purview of the Director's regulatory authority. Instead, the Director is tasked with oversight and regulation rather than active management of an insurer's financial operations. This distinction is crucial, as it illustrates the separation of regulatory responsibilities from the operational control that insurance companies maintain over their financial practices.

4. What type of insurance company allows policy owners to elect a governing body?

- A. Stock**
- B. Mutual**
- C. Fraternal**
- D. Reciprocal**

A mutual insurance company is one that is owned by its policyholders. In this structure, policy owners have the ability to elect a governing body, typically a board of directors, which represents their interests. The governing body is responsible for making decisions regarding the company's operations, policies, and dividends. This democratic element allows policyholders not only to participate in the governance of the company but also may provide them with additional rights and benefits as they are considered part of the ownership structure. In contrast, a stock insurance company is owned by shareholders who may or may not be policyholders, and the governance is typically determined by the shareholders rather than the policyholders. Fraternal insurance companies are non-profit entities that provide insurance to members of a specific group, and while they do have a governing body, they operate under a different structure focused on social or community benefits rather than direct policyholder governance. Reciprocal insurance exchanges involve a group of subscribers who agree to insure one another, and while they do have some elements of participation, the governance is not solely in the hands of policyholders in the same way it is with mutual companies.

5. How long may a waiting period for a pre-existing condition under a Medicare Supplement policy extend?

- A. 3 months
- B. 6 months**
- C. 12 months
- D. 24 months

The maximum waiting period for a pre-existing condition under a Medicare Supplement policy can extend up to 6 months. This means if you have a pre-existing health issue, the insurance company can impose a waiting period during which they will not cover costs related to that condition. This 6-month limit is consistent across the majority of states as it aligns with the federal guidelines for Medicare Supplement policies. This provision is intended to prevent individuals from waiting until they are sick to purchase insurance, ensuring that these plans remain viable for insurers while also promoting fairness in coverage for individuals who maintain continuous coverage. It's important for beneficiaries to be aware of this waiting period to manage their healthcare and coverage expectations effectively.

6. Annuity suitability regulations in the state of Rhode Island require that a producer obtain each of the following criteria EXCEPT?

- A. Sexual orientation**
- B. Income level
- C. Investment experience
- D. Existing financial needs

In the context of annuity suitability regulations in Rhode Island, producers are required to gather specific information to ensure that an annuity product is suitable for the client's financial situation and goals. The criteria typically include income level, investment experience, and existing financial needs. Sexual orientation is not a relevant factor in determining the suitability of an annuity. The focus of suitability assessments is on financial and investment aspects rather than personal characteristics that do not influence financial decision-making. The main objective of these regulations is to safeguard consumers by ensuring that financial products like annuities align with their financial circumstances, risk tolerance, and objectives, making options like sexual orientation irrelevant in this specific context.

7. What commonly occurs at the end of a life insurance policy term?

- A. The policyholder receives a lump sum**
- B. The insured's policy expires**
- C. Renewal of the policy at a higher rate**
- D. The policyholder is guaranteed a refund**

At the end of a life insurance policy term, it is common for the insured's policy to expire. Term life insurance is specifically designed to provide coverage for a predetermined period, known as the term. If the insured does not pass away during that term, the coverage ceases to exist once the term ends. Unlike whole life or permanent insurance, term life does not accumulate cash value, and therefore, no payout or refund is guaranteed at the conclusion of the term unless the insured has chosen a renewal option, which is not always available or may come with additional costs. This outcome highlights the defining characteristic of term life insurance: it is temporary in nature and solely provides a death benefit during the specified period. Knowing this helps individuals understand their options and the implications of choosing a term life policy as opposed to permanent life insurance products.

8. What is true regarding a minor beneficiary?

- A. They can receive direct benefits**
- B. A guardian is normally required**
- C. They can manage their own policy**
- D. They have no rights under the policy**

When it comes to minor beneficiaries in life insurance policies, it is typically true that a guardian is required to manage their benefits. Minors, who are not legally able to enter into contracts or manage financial affairs on their own, cannot receive benefits directly. Instead, a court-appointed guardian or a parental figure usually manages these funds until the beneficiary reaches the age of majority, which varies by state. This ensures that the minor's interests are protected and that the benefits are used appropriately, as minors lack the legal capacity to make informed decisions regarding financial matters. The other options do not accurately represent the legal and practical realities of how minor beneficiaries are treated, highlighting the necessity of appointing a guardian to oversee the benefits until the beneficiary is legally able to handle them independently.

9. Which of the following accurately represents a feature of term life insurance?

- A. It provides coverage for a specific period**
- B. It accumulates cash value over time**
- C. It is permanent and does not expire**
- D. It requires a medical exam for all applicants**

Term life insurance is defined by its coverage duration, which is limited to a specified period, such as 10, 20, or 30 years. This means the policy will pay a death benefit to the beneficiaries if the insured passes away during that term. Once the term expires, the coverage is no longer in effect unless renewed or converted to a permanent policy, which distinguishes it from whole life insurance, designed to offer lifelong protection and build cash value. The other options highlight features that do not apply to term life insurance. For instance, term life does not accumulate cash value, a characteristic typical of permanent life insurance policies. Additionally, term life insurance is not considered permanent and will expire after the designated period. Lastly, while a medical exam may be required for some applicants, it is not a universal requirement for all term life insurance policies. Each insurer has varying requirements that may or may not include medical exams.

10. What does the term 'insuring clause' refer to?

- A. A clause that states the reasons for policy rejection**
- B. The section defining the coverage limits**
- C. A summary of exclusions in the policy**
- D. A promise of payment for covered losses**

The term 'insuring clause' refers specifically to a promise made by the insurer to pay for certain losses covered by the insurance policy. This clause outlines the insurer's obligation and typically includes a general description of the types of losses that are covered under the policy, as well as the conditions that apply. It sets the foundation for the insurance contract by clearly stating what risks or situations are protected, which is critical for policyholders to understand their coverage. In contrast, the other options address different components of an insurance policy. For instance, a clause about policy rejection specifically deals with why certain claims may not be accepted, rather than the insurer's commitment. A section that defines coverage limits provides information on the maximum amounts that can be claimed, focusing on the boundaries of coverage rather than the promise itself. A summary of exclusions details what is not covered under the policy, which is essential for fully understanding the extent of the coverage but does not encapsulate the insuring promise. Thus, the insuring clause is fundamentally about the insurer's promise to cover specified risks.

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://riprelicensinglifehealthinsurance.examzify.com>

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