

Tennessee Life and Health Insurance Practice Exam (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. What type of insurance is typically designed for coverage off the job?**
 - A. Workers compensation**
 - B. Temporary disability**
 - C. Nonoccupational coverage**
 - D. Life insurance**
- 2. Which type of insurance pays off the balance of a loan at the insured's death?**
 - A. Credit life**
 - B. Whole life**
 - C. Term life**
 - D. Limited pay**
- 3. Which type of insurance pays high dollar amounts after the insured meets the deductible?**
 - A. Basic Medical Coverage**
 - B. Accidental Death and Dismemberment Policy**
 - C. Major Medical Insurance**
 - D. Group Disability Income Policy**
- 4. What type of Medicare plan includes both Part A and Part B?**
 - A. Medicare Part A**
 - B. Medicare Part B**
 - C. Medicare Advantage**
 - D. Medicare Part D**
- 5. Which insurance policy provides whole life and decreasing term coverage for the breadwinner to support a surviving family?**
 - A. Family income policy**
 - B. Family maintenance policy**
 - C. Family policy**
 - D. Joint life policy**

- 6. How many hours of education are necessary for obtaining an accident and health insurance license?**
- A. 15 hours**
 - B. 20 hours**
 - C. 25 hours**
 - D. 30 hours**
- 7. How much insurance coverage does a substandard risk have if they pay the same premium as a normal risk with a \$20,000 coverage?**
- A. \$15,000**
 - B. \$20,000**
 - C. \$25,000**
 - D. \$30,000**
- 8. Which type of report provides comprehensive information about the financial and moral background of an insurance applicant?**
- A. Medical Information Report**
 - B. Investigative Consumer Report**
 - C. Consumer Credit Report**
 - D. Insurance Underwriting Report**
- 9. Which type of insurance plan allows for contributions that can be used to pay for non-reimbursed medical expenses?**
- A. Flexible Spending Account (FSA)**
 - B. Health Savings Account (HSA)**
 - C. Medical Savings Account (MSA)**
 - D. Retirement Health Account (RHA)**
- 10. How long does an individual must wait before they can file a lawsuit against an insurer?**
- A. 30 days**
 - B. 45 days**
 - C. 60 days**
 - D. 90 days**

Answers

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

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Explanations

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1. What type of insurance is typically designed for coverage off the job?

- A. Workers compensation**
- B. Temporary disability**
- C. Nonoccupational coverage**
- D. Life insurance**

The correct answer is nonoccupational coverage, which is specifically designed to provide insurance benefits for injuries or illnesses that occur outside of the workplace. This type of coverage is crucial for individuals who may be exposed to risks in their personal lives or during activities unrelated to their jobs. Nonoccupational coverage typically encompasses medical expenses, lost wages, and other related benefits for conditions that do not arise from work-related incidents. Workers' compensation, on the other hand, is tailored to address injuries or illnesses that happen while an employee is performing job-related tasks, thus it only applies to workplace occurrences and does not cover off-the-job incidents. Temporary disability insurance commonly refers to benefits for wage loss due to a disability, which can include both work-related and non-work-related injuries, but it is not exclusively designed for coverage off the job. Life insurance, while important for providing financial protection in the event of death, does not pertain to injury or illness coverage. Therefore, nonoccupational coverage stands out as the correct type of insurance for protecting individuals from risks outside their occupational activities.

2. Which type of insurance pays off the balance of a loan at the insured's death?

- A. Credit life**
- B. Whole life**
- C. Term life**
- D. Limited pay**

Credit life insurance is specifically designed to pay off the balance of a loan in the event of the insured's death. This type of policy is often purchased by borrowers and is typically tied to a particular loan or debt, such as a mortgage or car loan. The policy amount corresponds to the outstanding balance owed on the loan, ensuring that if the borrower passes away, their beneficiaries are not left with the financial burden of the debt. In contrast, other types of life insurance, such as whole life and term life, provide different benefits and may not be specifically structured to address loan repayment. Whole life insurance offers lifelong coverage with a cash value component, making it more of a long-term financial planning tool rather than a debt repayment solution. Term life insurance provides coverage for a specified period but does not have the targeted purpose of settling debts, as it pays a death benefit directly to beneficiaries rather than specifically to creditors. Limited pay policies are designed to provide lifetime insurance coverage but require premiums to be paid for a specified period. While they offer benefits, they do not specifically address loan repayment upon the insured's death. Thus, credit life insurance stands out as the correct answer due to its direct relationship with paying off debts in the event of the insured's death.

3. Which type of insurance pays high dollar amounts after the insured meets the deductible?

- A. Basic Medical Coverage**
- B. Accidental Death and Dismemberment Policy**
- C. Major Medical Insurance**
- D. Group Disability Income Policy**

Major Medical Insurance is designed to cover significant healthcare expenses after the insured meets an initial deductible amount. This type of insurance typically involves higher coverage limits and is intended to help individuals manage the costs of serious medical conditions, surgeries, and extended hospital stays. Once the insured pays the deductible, the policy kicks in to cover a large portion, often a substantial percentage, of subsequent medical bills. This makes it particularly advantageous for individuals facing high medical expenses, as it offers substantial financial relief. In contrast, Basic Medical Coverage generally provides limited benefits without the same level of comprehensive coverage seen in Major Medical Insurance. Accidental Death and Dismemberment Policies focus specifically on fatal or debilitating injuries related to accidents rather than broad medical care expenses. Group Disability Income Policies provide income replacement due to disability, rather than directly covering medical costs. Thus, the distinguishing characteristic of Major Medical Insurance is its focus on covering extensive healthcare expenses once the deductible is satisfied, making it the most fitting answer in this context.

4. What type of Medicare plan includes both Part A and Part B?

- A. Medicare Part A**
- B. Medicare Part B**
- C. Medicare Advantage**
- D. Medicare Part D**

The correct answer is Medicare Advantage, also known as Medicare Part C. This type of plan is significant because it combines the benefits of both Medicare Part A (hospital insurance) and Medicare Part B (medical insurance) into a single plan. By enrolling in a Medicare Advantage plan, beneficiaries receive coverage for hospital stays, doctor visits, outpatient care, preventive services, and often additional benefits that are not included in Original Medicare, such as vision, dental, and wellness programs. Medicare Advantage plans are offered by private insurance companies that are approved by Medicare, and these plans must provide at least the same level of coverage as Original Medicare, even though they may have different rules, costs, and coverage limitations. In contrast, Medicare Part A only covers hospital services, while Medicare Part B covers outpatient medical services. Medicare Part D specifically focuses on prescription drug coverage, making Medicare Advantage the only option that encompasses both hospital and medical coverage in one plan. This integration can provide a more cohesive and managed care approach for beneficiaries.

5. Which insurance policy provides whole life and decreasing term coverage for the breadwinner to support a surviving family?

- A. Family income policy**
- B. Family maintenance policy**
- C. Family policy**
- D. Joint life policy**

The family income policy is designed to offer financial protection to a family in the event of the breadwinner's premature death. This policy combines whole life insurance with decreasing term insurance. The whole life component provides a death benefit and builds cash value over time, while the decreasing term portion provides additional coverage that declines over a set period, typically matching the family's needs after the breadwinner's passing. This structure ensures that the family receives a steady income over a specified term while still having the long-term benefits of whole life coverage. In scenarios where the presented options mention other types of policies, they do not fulfill the specific combination of coverage that supports the family during the breadwinner's absence as effectively as a family income policy does. A family maintenance policy, for example, offers both whole life coverage and level term insurance, which does not decrease over time as the family's income needs diminish. A family policy refers to a plan that covers multiple family members under one contract but does not specifically address income replacement. The joint life policy insures two lives under one contract, which primarily focuses on the death benefit of the first insured to pass away, rather than specifically supporting a family's ongoing income needs over time. Thus, the family income policy is the most suitable choice for providing

6. How many hours of education are necessary for obtaining an accident and health insurance license?

- A. 15 hours**
- B. 20 hours**
- C. 25 hours**
- D. 30 hours**

To obtain an accident and health insurance license in Tennessee, an individual needs to complete a total of 20 hours of pre-licensing education. This requirement ensures that prospective agents are well-prepared with the necessary knowledge about insurance principles, practices, and the specific regulations governing accident and health insurance policies. This educational prerequisite is designed to equip future agents with the skills needed to effectively serve clients and navigate the complexities of insurance products. This requirement is reflective of the state's commitment to maintaining a knowledgeable and competent insurance workforce that can uphold consumer protection standards. Furthermore, it underscores the importance of understanding the nuances associated with health and accident insurance products, such as coverage options, policy provisions, and the claims process. By fulfilling the 20-hour education requirement, individuals demonstrate they have gained a foundational understanding essential for responsible and ethical practice in the insurance industry.

7. How much insurance coverage does a substandard risk have if they pay the same premium as a normal risk with a \$20,000 coverage?

A. \$15,000

B. \$20,000

C. \$25,000

D. \$30,000

In the context of insurance underwriting, a substandard risk is classified as an individual whose health or lifestyle presents a greater risk for the insurer than that of a standard risk. When a substandard risk pays the same premium as a standard risk for coverage, they typically receive a reduced coverage amount due to the higher risk associated with their health status. In this scenario, if a substandard risk pays the same premium as a normal risk that is typically linked to \$20,000 of coverage, it's understood that the insurer adjusts the total coverage downward to mitigate potential losses from the higher risk. Hence, a coverage amount of \$15,000 is a logical figure, reflecting a standard reduction for someone categorized as a substandard risk while still maintaining the same premium level. This interpretation aligns with common practices in underwriting, where insurers often issue lower coverage amounts to substandard risks as a compensatory measure against the increased likelihood of claims. The critical point is that the premium does not dictate the coverage level for a substandard risk, which inherently adjusts to account for the perceived risk.

8. Which type of report provides comprehensive information about the financial and moral background of an insurance applicant?

A. Medical Information Report

B. Investigative Consumer Report

C. Consumer Credit Report

D. Insurance Underwriting Report

An Investigative Consumer Report is designed to provide a thorough assessment of an individual's background, including both financial and personal aspects. This type of report goes beyond just credit information and can include details about an applicant's character, reputation, and lifestyle that are gathered from personal interviews or direct queries to associates of the individual. Insurers utilize these reports to evaluate not just financial capabilities but also the perceived moral standing of applicants, which can impact underwriting decisions. In contrast, a Medical Information Report primarily focuses on the individual's health and medical history, making it less comprehensive in terms of overall background. A Consumer Credit Report is specifically centered on credit history and financial behaviors, lacking the broader personal insights provided in an Investigative Consumer Report. Meanwhile, an Insurance Underwriting Report may reference various pieces of information relevant to risk assessment but does not provide the level of personal background detail encompassed in the investigative report. Thus, the Investigative Consumer Report serves as a key tool for insurers looking to form a holistic view of an applicant's suitability.

9. Which type of insurance plan allows for contributions that can be used to pay for non-reimbursed medical expenses?

- A. Flexible Spending Account (FSA)**
- B. Health Savings Account (HSA)**
- C. Medical Savings Account (MSA)**
- D. Retirement Health Account (RHA)**

The correct choice is a Flexible Spending Account (FSA). An FSA is a type of account established by an employer that allows employees to contribute a portion of their earnings, on a pre-tax basis, to pay for qualified medical expenses. These expenses can include not only deductibles and copayments, but also other costs that are not reimbursed by insurance, such as certain over-the-counter medications and health-related items. The key feature of an FSA is that it allows individuals to set aside money specifically for health expenses incurred within the plan year. While there are limits on how much can be contributed annually, money from an FSA can typically be accessed immediately at the start of the plan year, allowing for upfront coverage of medical expenses. In contrast, a Health Savings Account (HSA) is also designed to pay for qualified medical expenses, but it is associated with high-deductible health plans and allows funds to roll over from year to year. A Medical Savings Account (MSA) is similar to an HSA but is typically used by self-employed individuals or small businesses. Lastly, a Retirement Health Account (RHA) is not a widely recognized or specific account type in the same context as the others and often focuses more on health

10. How long does an individual must wait before they can file a lawsuit against an insurer?

- A. 30 days**
- B. 45 days**
- C. 60 days**
- D. 90 days**

In the context of insurance claims, the timeline for when an individual can file a lawsuit against an insurer is typically established by state law and the terms of the insurance policy. In Tennessee, the correct timeframe is 60 days. This period is known as the "waiting period" or "time for suit," allowing the insurer a reasonable amount of time to investigate the claim and respond adequately before legal action is initiated. After this 60-day waiting period, if the claim has not been settled or if the insured has not received a satisfactory response, they may then pursue legal action against the insurer. This provision encourages both parties to engage in a thorough review and attempt resolution without immediately resorting to litigation, promoting fairness and efficiency in the claims process. Understanding this timeframe is crucial for individuals to navigate their rights and options effectively in insurance matters.

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://tennesseelifeandhealthinsurance.examzify.com>

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