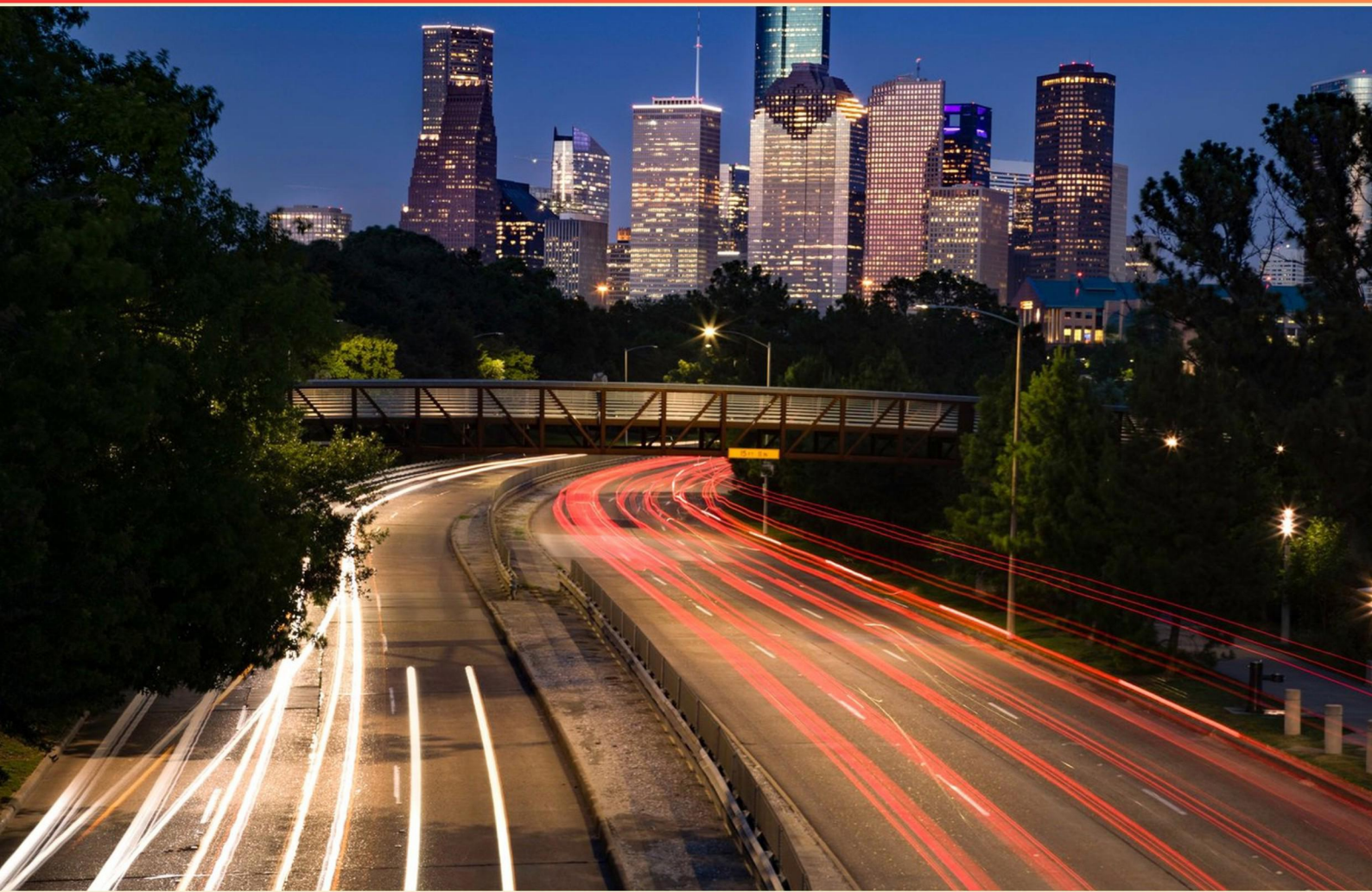


TEXAS GENERAL LINES – LIFE, ACCIDENT, AND HEALTH INSURANCE (LAH05) PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE

<https://txgenlineslah05.examzify.com>



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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. Straight Life Annuity is best described as...**
 - A. A plan that continues payments to a beneficiary after death
 - B. An annuity that pays a guaranteed stream of income but ceases payments upon the death of the annuitant
 - C. An annuity whose payments increase to match inflation
 - D. Annuity that returns premiums at death
- 2. The two-year period to contest information provided on an accident and health application begins on the date the insurer dates the policy.**
 - A. on the date that the policy is issued
 - B. on the date the application is dated
 - C. on the date that the insurer dates the policy
 - D. when the claim is filed
- 3. Are dividends guaranteed by insurers?**
 - A. Yes
 - B. No
 - C. Only for participating policies
 - D. Only guaranteed under certain conditions
- 4. Why are illustrations used in life policy marketing?**
 - A. Illustrations show potential benefits.
 - B. Illustrations mislead buyers about returns.
 - C. Illustrations replace underwriting.
 - D. Illustrations determine policy eligibility.
- 5. Which characteristic is required of an applicant for an insurance agent license?**
 - A. Honesty, trustworthiness, and reliability
 - B. Wealth and social connections
 - C. Sports achievement
 - D. Technical proficiency only

- 6. How long is a typical grace period after the due date?**
- A. 10 days
 - B. 15 days
 - C. 30 days
 - D. 60 days
- 7. An applicant's signature on a life insurance application is required to attest that statements on the application are accurate to the best of the applicant's knowledge.**
- A. to attest that statements on the application are accurate to the best knowledge
 - B. to designate beneficiaries
 - C. to authorize policy loan
 - D. to commit to premium payments
- 8. An applicant for an insurance agent license must be what?**
- A. Competent and Experienced
 - B. Wealthy
 - C. Licensed in another line
 - D. Honest, trustworthy, and reliable
- 9. What is the effect of a waiver of premium rider?**
- A. The premiums are increased during disability.
 - B. The death benefit increases during disability.
 - C. The insurer waives premiums during disability, preserving the policy.
 - D. The policy becomes terminable on death.
- 10. Equity Indexed Life Insurance is tied to an equity index with a minimum rate of accumulation. If the index gains exceed the minimum return, what happens to the cash value?**
- A. The death benefit increases proportionally with the index
 - B. The cash value is guaranteed to stay flat
 - C. The cash value mirrors the index gains
 - D. The premiums are reset annually

Answers

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

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Explanations

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1. Straight Life Annuity is best described as...

- A. A plan that continues payments to a beneficiary after death
- B. An annuity that pays a guaranteed stream of income but ceases payments upon the death of the annuitant**
- C. An annuity whose payments increase to match inflation
- D. Annuity that returns premiums at death

A Straight Life annuity focuses on providing income for the lifetime of the person who purchases it. The payments are guaranteed for as long as the annuitant lives, and they stop when the annuitant dies. There is no provision to continue payments to a beneficiary after death, and no return of premiums at death. This is why it best fits the description of a guaranteed stream of income that ceases upon the annuitant's death. Other features described in different options—continuing payments to a beneficiary, inflation-adjusted payments, or returning premiums at death—belong to other types of annuities or rider options, not the Straight Life arrangement.

2. The two-year period to contest information provided on an accident and health application begins on the date the insurer dates the policy.

- A. on the date that the policy is issued
- B. on the date the application is dated
- C. on the date that the insurer dates the policy**
- D. when the claim is filed

The contestability period starts when the policy is dated by the insurer—the issue date. This is the moment the contract goes into effect and the insurer's underwriting risk begins, so misstatements or omissions on the application can be reviewed and contested during the first two years. It does not start from the application date, the policy's issuance in general, or when a claim is filed. After two years, the policy is typically incontestable (except for fraud or nonpayment, depending on state rules).

3. Are dividends guaranteed by insurers?

- A. Yes
- B. No**
- C. Only for participating policies
- D. Only guaranteed under certain conditions

Dividends are not guaranteed by insurers. In life insurance, a dividend is a distribution from a participating company's excess earnings, based on the insurer's actual financial performance. They can be paid in cash, used to reduce premiums, or purchase additional paid-up insurance, but there is no promise they will be paid each year. Even for participating policies, dividends depend on factors like investment returns and mortality experience, so they can vary or be zero in some years. Nonparticipating policies don't pay dividends at all.

4. Why are illustrations used in life policy marketing?

- A. Illustrations show potential benefits.
- B. Illustrations mislead buyers about returns.
- C. Illustrations replace underwriting.
- D. Illustrations determine policy eligibility.

Illustrations are a marketing tool that helps you see how a life policy could perform. They lay out projected benefits—like the death benefit and any cash value—under a chosen set of assumptions (premium payments, credited interest, expenses, and other factors). This lets you compare policies side by side and understand how values might grow over time. Keep in mind, those figures aren't guaranteed and actual results can differ. Illustrations don't replace underwriting or determine eligibility; underwriting still decides whether you qualify and at what premium.

5. Which characteristic is required of an applicant for an insurance agent license?

- A. Honesty, trustworthiness, and reliability
- B. Wealth and social connections
- C. Sports achievement
- D. Technical proficiency only

Licensing to sell insurance hinges on character and fitness. Boards require an applicant to demonstrate good moral character, including honesty, trustworthiness, and reliability, because an agent will handle clients' money, explain policy terms, and bind contracts. If honesty or integrity are lacking, there's a risk of misrepresentation or mismanagement that can harm consumers and erode trust in the industry. Wealth, social connections, or sports achievements don't determine fitness for licensure, and while technical knowledge matters, it doesn't replace the need for trustworthy character.

6. How long is a typical grace period after the due date?

- A. 10 days
- B. 15 days
- C. 30 days
- D. 60 days

A grace period is the window after the premium due date during which the policy stays in force even if the payment hasn't been received yet. For most life and health policies with monthly premiums, that grace period is 30 days. During this time you can still pay the overdue premium and keep coverage active; if the premium isn't paid by the end of the grace period, the policy can lapse, though claims incurred during the period are typically handled according to the policy terms and state laws. The 30-day length strikes a balance between giving the policyholder time to arrange payment and protecting the insurer from extended nonpayment.

7. An applicant's signature on a life insurance application is required to attest that statements on the application are accurate to the best of the applicant's knowledge.

A. to attest that statements on the application are accurate to the best knowledge

B. to designate beneficiaries

C. to authorize policy loan

D. to commit to premium payments

The key idea is that the applicant's signature on a life insurance application serves as a certification that the information provided is true to the best of the applicant's knowledge. This signature creates a representation that the underwriter relies on when assessing risk and deciding whether to issue the policy. If any statements are false or misleading and material to the risk, the insurer may deny a claim or even cancel the policy later. Designating beneficiaries, authorizing a policy loan, and committing to premium payments are handled through separate actions or forms. Beneficiary designation determines who receives the death benefit; loan authorization relates to borrowing from the policy's cash value; and committing to premium payments is a contractual obligation of the policy owner. Therefore, the attestation purpose of the signature is to confirm the accuracy of statements to the best of the applicant's knowledge.

8. An applicant for an insurance agent license must be what?

A. Competent and Experienced

B. Wealthy

C. Licensed in another line

D. Honest, trustworthy, and reliable

Licensing focuses on character and integrity. Regulators require an applicant to be honest, trustworthy, and reliable because agents handle clients' money, give recommendations, and must comply with laws and regulations. This foundation protects the public from fraud and misrepresentation and supports ethical conduct in the industry. While competence and experience matter for performing duties, they are demonstrated through exams and continuing education, not the primary licensing gatekeeper. Wealth has no bearing, and being licensed in another line isn't required to obtain a new license. So the essential requirement is honesty, trustworthiness, and reliability.

9. What is the effect of a waiver of premium rider?

A. The premiums are increased during disability.

B. The death benefit increases during disability.

C. The insurer waives premiums during disability, preserving the policy.

D. The policy becomes terminable on death.

The idea being tested is how a waiver of premium rider protects a policy when the insured can't pay due to disability. With this rider, if you become totally disabled, the insurer waives the policy premiums for the period of the disability, so the policy stays in force even though you're not paying. The coverage and death benefit otherwise remain the same; you simply don't have to pay the premiums while disabled, and you resume paying if you recover or the rider ends. This keeps the policy from lapsing just because you can't afford premiums during a disability. Why the other ideas don't fit: the rider doesn't increase premiums, it doesn't raise the death benefit, and it doesn't make the policy terminable on death. Its purpose is to preserve the policy by waiving premiums during disability.

10. Equity Indexed Life Insurance is tied to an equity index with a minimum rate of accumulation. If the index gains exceed the minimum return, what happens to the cash value?

- A. The death benefit increases proportionally with the index
- B. The cash value is guaranteed to stay flat
- C. The cash value mirrors the index gains**
- D. The premiums are reset annually

In equity-indexed life insurance, the cash value earns interest tied to the performance of an equity index, but there's a guaranteed minimum rate (a floor). When the index performs better than that floor, the excess gains are credited to the cash value according to the policy's crediting method (often with a cap and a participation rate). So, if the index gains exceed the minimum return, the cash value increases in line with those index gains, rather than staying flat or being reset by premiums.

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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://txgenlineslah05.examzify.com>

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

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