

VIRGINIA HEALTH INSURANCE 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. Who provides benefits on a service basis in health insurance?**
 - A. Insurance brokers
 - B. Service providers
 - C. Employers
 - D. Third-party administrators

- 2. What does a Conditional Assignment entail?**
 - A. A total transfer of ownership rights
 - B. A permanent transfer of policy proceeds
 - C. A partial and temporary transfer of ownership rights
 - D. A reassignment of primary beneficiaries

- 3. What does the term "Annuity Phase" refer to in the context of insurance?**
 - A. The duration before policy issuance
 - B. The payout period for receiving income payments
 - C. The initial investment period
 - D. The cancellation period of an annuity

- 4. Which legislation is designed to prevent employer discrimination based on disability?**
 - A. Employee Retirement Income Security Act
 - B. Age Discrimination in Employment Act
 - C. Americans with Disabilities Act (ADA)
 - D. Occupational Safety and Health Act

- 5. What responsibility does a "Closed Panel" health plan impose on its members?**
 - A. The freedom to choose any healthcare provider
 - B. The requirement to use only specified providers
 - C. The ability to refer themselves to specialists
 - D. The necessity to file claims manually

- 6. Which of the following correctly describes custodial care?**
- A. Care that requires a licensed nurse to administer treatments
 - B. Care provided to assist with activities of daily living (ADLs)
 - C. Emergency medical care provided in a hospital setting
 - D. Care that is strictly performed by professional caregivers only
- 7. What type of care involves individuals receiving assistance outside of their home environment but not requiring 24-hour supervision?**
- A. In-home care
 - B. Nursing home care
 - C. Assisted living services
 - D. Adult day care services
- 8. What does the assignment clause in a life insurance policy allow?**
- A. To transfer ownership of the entire policy
 - B. For automatic premium payments from savings
 - C. To assign rights to another person or entity
 - D. To modify coverage limits
- 9. What defines a Corridor Deductible in comprehensive major medical plans?**
- A. A deductible paid annually regardless of claimed benefits
 - B. A deductible paid before any benefits are recognized
 - C. A deductible paid after the base plan benefits are covered
 - D. A deductible initiated when the insured reaches a specified age
- 10. What are ancillary benefits in a hospital expense plan?**
- A. Benefits covering primary medical procedures only
 - B. Miscellaneous expenses associated with hospital stays
 - C. Only benefits for outpatient and emergency services
 - D. Exclusive coverage for surgical procedures

Answers

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

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Explanations

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1. Who provides benefits on a service basis in health insurance?

- A. Insurance brokers
- B. Service providers**
- C. Employers
- D. Third-party administrators

In health insurance, service providers are the entities that deliver medical services and treatments to patients. These can include hospitals, doctors, clinics, and other healthcare professionals who directly render care to individuals requiring medical attention. The term "service basis" refers to the approach in which benefits are provided based on the actual services rendered; for instance, an insured individual visits a healthcare provider, receives treatment, and then the insurance pays for those specific services according to the coverage details. While insurance brokers assist clients in selecting and purchasing insurance policies and employers might provide health coverage as part of employee benefits, they do not provide the actual medical services themselves. Additionally, third-party administrators handle claims processing and administrative tasks for health plans but do not deliver healthcare services. Hence, recognizing service providers as the entities that offer benefits on a service basis is integral to understanding the functioning of health insurance.

2. What does a Conditional Assignment entail?

- A. A total transfer of ownership rights
- B. A permanent transfer of policy proceeds
- C. A partial and temporary transfer of ownership rights**
- D. A reassignment of primary beneficiaries

A Conditional Assignment involves a partial and temporary transfer of ownership rights from one party to another, usually for a specified period or under certain conditions. This type of assignment enables the assignee (the party receiving the rights) to have control over the policy or its proceeds, but only until the conditions outlined in the assignment are fulfilled or the agreement is terminated. For example, this might occur when a policyholder assigns a life insurance policy to a bank as collateral for a loan. If the policyholder repays the loan, the rights to the policy would revert back to them. This specificity in nature distinguishes Conditional Assignments from other types of assignments, such as a complete or permanent transfer of ownership.

3. What does the term "Annuity Phase" refer to in the context of insurance?

- A. The duration before policy issuance
- B. The payout period for receiving income payments**
- C. The initial investment period
- D. The cancellation period of an annuity

The term "Annuity Phase" specifically refers to the payout period during which an annuitant receives income payments from the annuity. This phase occurs after the accumulation phase, where funds are invested and grow. During the annuity phase, the insurer makes regular payments to the annuitant based on the terms of the contract, providing a stream of income, typically in retirement. This structured payment plan is designed to ensure that the individual has financial support over time, making it a critical component of retirement planning. Understanding this phase is essential for individuals considering annuities as a means to secure their financial future, as it directly impacts how much money they will receive and for how long. In contrast, the other options refer to different aspects of the annuity lifecycle that do not pertain to the actual income distribution phase, such as policy issuance, the initial period of investment, or cancellation terms.

4. Which legislation is designed to prevent employer discrimination based on disability?

- A. Employee Retirement Income Security Act
- B. Age Discrimination in Employment Act
- C. Americans with Disabilities Act (ADA)**
- D. Occupational Safety and Health Act

The Americans with Disabilities Act (ADA) is the legislation specifically designed to prevent discrimination against individuals with disabilities in various areas, including employment. Enacted in 1990, the ADA prohibits employers from discriminating against qualified individuals based on their disabilities and requires them to provide reasonable accommodations to enable these individuals to perform their job duties effectively. The ADA is significant because it recognizes that individuals with disabilities can contribute meaningfully in the workplace if given appropriate opportunities and support. It sets forth guidelines that protect these individuals from being treated unfavorably during hiring, advancement, or any employment-related processes simply due to their disability status. The other options pertain to different areas of discrimination or workplace safety. For example, the Employee Retirement Income Security Act focuses on the protection of employee benefits and pension plans, while the Age Discrimination in Employment Act addresses discrimination based on age. The Occupational Safety and Health Act is aimed at ensuring workplace safety and health standards. These pieces of legislation, while important, do not target discrimination based on disability in the same manner as the ADA.

5. What responsibility does a "Closed Panel" health plan impose on its members?

- A. The freedom to choose any healthcare provider
- B. The requirement to use only specified providers**
- C. The ability to refer themselves to specialists
- D. The necessity to file claims manually

A "Closed Panel" health plan is designed to streamline care and control costs by requiring its members to utilize a specific network of healthcare providers. This means that members are limited to accessing services only from the providers that are part of the plan's network. The intention behind this structure is to create a more coordinated and managed approach to healthcare, helping to ensure that the members receive care that is consistent with the plan's guidelines and cost-effective. Because members are restricted to these designated providers, they generally need to seek care within this closed system, which can lead to lower out-of-pocket costs for services received. This requirement helps the insurance company manage overall healthcare costs while ensuring that members receive care that meets certain quality benchmarks. The other choices revolve around flexibility and decision-making in healthcare that is not characteristic of a "Closed Panel" health plan. Specifically, the inability to choose any provider or self-refer to specialists is a significant factor distinguishing these plans from more open options, such as Preferred Provider Organization (PPO) plans where broader provider access is allowed.

6. Which of the following correctly describes custodial care?

- A. Care that requires a licensed nurse to administer treatments
- B. Care provided to assist with activities of daily living (ADLs)**
- C. Emergency medical care provided in a hospital setting
- D. Care that is strictly performed by professional caregivers only

Custodial care is primarily focused on providing assistance with activities of daily living (ADLs), which include tasks such as bathing, dressing, eating, toileting, and mobility. This type of care does not typically require medical expertise or the specialized skills of licensed healthcare professionals like nurses or doctors. Instead, custodial care is often provided by aides or family members and is essential for individuals who may not need medical treatment but require support to maintain their daily routines and quality of life. The other choices do not align with the definition of custodial care. For instance, care requiring a licensed nurse pertains to skilled nursing care, which involves medical interventions. Emergency medical care provided in a hospital setting also refers to a different category of healthcare, focusing on urgent medical needs rather than ongoing support for daily activities. Lastly, the idea that custodial care must be performed strictly by professional caregivers overlooks the fact that many individuals receive this type of assistance from non-professionals, such as family members or friends who help with everyday tasks.

7. What type of care involves individuals receiving assistance outside of their home environment but not requiring 24-hour supervision?

- A. In-home care
- B. Nursing home care
- C. Assisted living services
- D. Adult day care services**

The correct choice reflects services that provide support for individuals who do not need constant supervision but still require assistance with daily activities. Adult day care services are designed specifically for individuals who may benefit from a structured environment during the day, where they can receive social support, health monitoring, and assistance with personal care tasks while returning home in the evening. This option caters to those who might need help but are capable of living independently outside those hours. It is particularly beneficial for seniors or individuals with disabilities, allowing them to engage socially, participate in activities, and receive necessary care without needing the full-time supervision characteristic of other residential options. In contrast, in-home care typically involves caregivers coming to a person's residence to assist with daily tasks, providing more personalized attention within the home environment. Nursing home care signifies a facility where individuals receive continuous medical attention and support, making it unsuitable for those who don't require 24-hour supervision. Assisted living services are more akin to living arrangements that offer support with daily living in a community setting, also implying that residents have more extended care needs than what adult day care services provide.

8. What does the assignment clause in a life insurance policy allow?

- A. To transfer ownership of the entire policy
- B. For automatic premium payments from savings
- C. To assign rights to another person or entity**
- D. To modify coverage limits

The assignment clause in a life insurance policy specifically allows the policyholder to transfer certain rights or benefits under the policy to another person or entity. This can include designating someone else to receive the death benefit or allowing them to exercise specific rights associated with the policy. This clause is important because it ensures that the policyholder has the flexibility to adjust the policy's benefits according to their needs or wishes, particularly in situations like estate planning or financial arrangements. In this context, transferring ownership of the entire policy, setting up automatic premium payments, or modifying coverage limits typically involve different provisions in the life insurance contract, so those options do not align with the specific powers granted by the assignment clause. The assignment clause primarily focuses on the rights associated with policy benefits, rather than ownership transfers in their entirety or payment mechanisms.

9. What defines a Corridor Deductible in comprehensive major medical plans?

- A. A deductible paid annually regardless of claimed benefits
- B. A deductible paid before any benefits are recognized
- C. A deductible paid after the base plan benefits are covered**
- D. A deductible initiated when the insured reaches a specified age

A Corridor Deductible in comprehensive major medical plans is a specific type of deductible that comes into play after a base plan's benefits have been exhausted. This means that once the initial benefits outlined in the base plan are fully utilized, the corridor deductible must be met before additional benefits from the comprehensive major medical plan are provided. This structure allows for a tiered approach to coverage, where the insured has access to a base level of benefits, and only after those are consumed must they meet the corridor deductible to continue receiving further coverage. The other options do not accurately describe the mechanics of the Corridor Deductible. For example, a deductible that is paid annually without regard to the benefits claimed does not reflect the conditional utilization of benefits specific to the corridor deductible. Similarly, a deductible that is paid before any benefits are recognized or one that is tied to the insured's age does not capture the nature of how a corridor deductible functions, as it specifically refers to the transitional point between base plan coverage and additional major medical coverage.

10. What are ancillary benefits in a hospital expense plan?

- A. Benefits covering primary medical procedures only
- B. Miscellaneous expenses associated with hospital stays**
- C. Only benefits for outpatient and emergency services
- D. Exclusive coverage for surgical procedures

Ancillary benefits in a hospital expense plan refer to the additional services and miscellaneous expenses that support a hospital stay but are not directly tied to the primary medical procedures being performed. These benefits can include costs for items such as ambulance services, room charges, drugs administered during the hospital stay, diagnostic tests, and even rehabilitation services that may be necessary after the initial treatment. In the context of health insurance, including ancillary benefits ensures that patients are covered for a wider range of necessary services that contribute to their overall care during a hospital admission. This comprehensive coverage helps reduce out-of-pocket expenses for patients by covering costs that would otherwise need to be paid separately. Other options represent narrower scopes of coverage and do not reflect the broader intent of ancillary benefits, which aim to address various incidental costs associated with hospitalization.

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://vahealthinsurance.examzify.com>

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

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