

# Virginia State Life, Health and Annuities 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**

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- 1. What action may the Bureau of Insurance take if a license applicant is found to be incompetent or untrustworthy?**
  - A. Issue a temporary license**
  - B. Require additional training**
  - C. Decline to issue the license**
  - D. Provide a warning**
- 2. When is a good health statement typically required from an applicant?**
  - A. At the time of application**
  - B. At policy delivery**
  - C. At the time of renewal**
  - D. At annual assessment**
- 3. An insured, age 67, is covered under a disability income policy. What will the insurer normally require for the insured to continue coverage?**
  - A. The insured must be actively at work for a specified number of hours per week**
  - B. The insured must submit monthly health updates**
  - C. The insured must not have any new health issues**
  - D. The insured must pay a higher premium**
- 4. Which of the following is NOT a benefit under Social Security?**
  - A. Survivorship**
  - B. Unemployment**
  - C. Disability**
  - D. Retirement**
- 5. In the context of life insurance, what does the term 'underwriting' refer to?**
  - A. The process of evaluating risks and determining premiums**
  - B. The cancellation of a policy**
  - C. The collection of premiums from policyholders**
  - D. The calculation of benefits to be paid**

**6. How is the initial premium for an accident and health insurance policy typically handled?**

- A. Paid directly by the insurer**
- B. Paid at the end of the coverage period**
- C. Obtained by the agent and forwarded to the insurer**
- D. Automatically deducted from the insured's bank account**

**7. When would evidence of insurability be required for a person already covered with a variable universal life policy?**

- A. When the premiums are lower than expected**
- B. When the death benefit is decreased**
- C. When the death benefit is increased**
- D. When the policyholder reaches a certain age**

**8. Which power does the State Corporation Commission NOT possess?**

- A. Regulate insurance policy forms**
- B. Prosecute agents who violate state insurance laws**
- C. Issue insurance licenses**
- D. Oversee the financial stability of insurers**

**9. An agent who informs an applicant that there are no exclusions in an insurance policy has engaged in?**

- A. Defamation**
- B. Misrepresentation**
- C. Coercion**
- D. Rebating**

**10. What type of insurance provides coverage for a specified period of time?**

- A. whole life insurance**
- B. term insurance**
- C. universal life insurance**
- D. variable life insurance**

## **Answers**

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

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## **Explanations**

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**1. What action may the Bureau of Insurance take if a license applicant is found to be incompetent or untrustworthy?**

- A. Issue a temporary license**
- B. Require additional training**
- C. Decline to issue the license**
- D. Provide a warning**

When evaluating the qualifications of a license applicant, the Bureau of Insurance is tasked with ensuring that individuals entering the insurance profession possess the necessary competence and trustworthiness. If an applicant is found to be incompetent or untrustworthy, the most appropriate action for the Bureau is to decline to issue the license. This decision is grounded in the need to protect the public and maintain the integrity of the insurance industry. Issuing a temporary license, requiring additional training, or providing a warning would not adequately address the underlying issues of incompetence or untrustworthiness. Such measures do not resolve the concerns regarding the applicant's ability to act in a professional and ethical manner within the industry. Therefore, preventing an unqualified individual from obtaining a license serves as a proactive measure to ensure consumer protection and uphold standards in insurance practices.

**2. When is a good health statement typically required from an applicant?**

- A. At the time of application**
- B. At policy delivery**
- C. At the time of renewal**
- D. At annual assessment**

A good health statement is typically required at the time of policy delivery. This requirement serves as a confirmation that the applicant continues to be in good health prior to the effective date of the insurance coverage. It allows the insurer to assess any changes in the applicant's health status since the time they submitted their application. Requiring a good health statement at policy delivery helps to protect the insurer from potential moral hazard, where an individual might otherwise take advantage of the coverage if their health has deteriorated significantly between application and receipt of the policy. By establishing that the applicant is still in the same health condition as when the policy was applied for, this step ensures the integrity of the underwriting process. Other stages such as at the time of application, renewal, or annual assessment may involve different types of information or documentation, but they do not specifically focus on the good health verification in the context of confirming insurability right before the policy goes into effect.

**3. An insured, age 67, is covered under a disability income policy. What will the insurer normally require for the insured to continue coverage?**

- A. The insured must be actively at work for a specified number of hours per week**
- B. The insured must submit monthly health updates**
- C. The insured must not have any new health issues**
- D. The insured must pay a higher premium**

The correct choice reflects a common requirement in disability income policies, specifically that an insured individual needs to be actively at work for a specified number of hours per week to maintain their coverage. This stipulation is rooted in the nature of disability insurance, which is designed to provide income replacement in the event that the insured is unable to work due to a qualifying disability. Being actively at work implies that the insured is engaged in their usual occupation and earning an income, which serves as a foundation for the policy's intent. If an individual is unable to fulfill the criteria of being actively working, it can put the policy at risk, as the concept of disability income relies on the insured actively participating in the workforce. In contrast to other options, such as submitting monthly health updates or not having any new health issues, these requirements are typically more stringent and can vary from one policy to another. Additionally, the likelihood of needing to pay a higher premium is generally a consequence of altered risk rather than an ongoing requirement to maintain existing coverage. Therefore, being actively at work is a more foundational aspect of maintaining the disability income protection that aligns closely with the operational principles of such insurance plans.

**4. Which of the following is NOT a benefit under Social Security?**

- A. Survivorship**
- B. Unemployment**
- C. Disability**
- D. Retirement**

The correct choice identifies unemployment benefits as not being covered under Social Security. Social Security primarily provides benefits related to retirement, disability, and survivorship to ensure financial support for individuals and their families in specific situations. Retirement benefits are designed to provide income for individuals who have reached the eligible age after years of work, enabling them to maintain a standard of living after they stop working. Disability benefits are available for those who become unable to work due to medical conditions, ensuring they can meet their financial obligations during a time of need. Survivorship benefits support the dependents of deceased workers, helping them cope financially after losing a primary earner. Unemployment insurance, however, is a separate program typically funded by state and federal taxes and specifically designed to provide income assistance to individuals who are temporarily out of work through no fault of their own. It does not fall under the Social Security program, which focuses on the aforementioned social safety net areas, thus highlighting the distinction in functionalities between these benefits.

**5. In the context of life insurance, what does the term 'underwriting' refer to?**

- A. The process of evaluating risks and determining premiums**
- B. The cancellation of a policy**
- C. The collection of premiums from policyholders**
- D. The calculation of benefits to be paid**

In life insurance, underwriting is a critical process that involves assessing the risk of insuring an individual based on various factors such as age, health, occupation, and lifestyle choices. The primary goal of underwriting is to evaluate the level of risk associated with providing coverage to a potential policyholder. This evaluation helps insurers determine the appropriate premiums to charge for the policy. Higher perceived risk may result in higher premiums, while lower risk could lead to lower premiums. Thus, underwriting is essential for balancing the insurer's need to remain profitable while still providing coverage to individuals. The other options focus on different aspects of life insurance. The cancellation of a policy pertains to terminating coverage, which is not part of the risk evaluation process. The collection of premiums refers to the administrative aspect of receiving payments from policyholders and does not involve assessing risk. Lastly, calculating benefits paid relates to the payout process when a claim is made, which occurs after the underwriting phase and is separate from evaluating risk at the outset of the policy.

**6. How is the initial premium for an accident and health insurance policy typically handled?**

- A. Paid directly by the insurer**
- B. Paid at the end of the coverage period**
- C. Obtained by the agent and forwarded to the insurer**
- D. Automatically deducted from the insured's bank account**

In the context of accident and health insurance policies, the handling of the initial premium is generally done through the agent who collects the premium from the policyholder and then forwards it to the insurer. This process establishes the insurer's obligation to provide coverage, as the payment of the premium is a fundamental aspect of the insurance contract. The agent serves as an intermediary, ensuring that the policyholder's payment is processed correctly and that coverage becomes effective, assuming all other underwriting criteria are met. The initial premium must be collected upfront as it reflects the policyholder's commitment to maintaining the insurance coverage. It's important because coverage usually starts as soon as the initial premium is received, unless the policy specifies a later effective date. This method of handling initial premiums is standard practice across the industry to streamline transactions and maintain clear communication between the insurer, the agent, and the insured.

**7. When would evidence of insurability be required for a person already covered with a variable universal life policy?**

- A. When the premiums are lower than expected**
- B. When the death benefit is decreased**
- C. When the death benefit is increased**
- D. When the policyholder reaches a certain age**

In the context of variable universal life insurance policies, evidence of insurability is often required when there is an increase in the death benefit. This is because an increase in coverage represents a higher risk to the insurer, as it exposes them to a larger potential payout in the event of the insured's death. Therefore, insurers typically request evidence of insurability—such as a health examination or other medical information—to assess the current health status of the insured before agreeing to the increased coverage. This requirement serves the dual purpose of protecting the insurance company from unforeseen risks while also ensuring that the insured still meets the underwriting criteria, considering any changes in their health status since the original policy was issued. In contrast, changes such as lower premiums or a decrease in the death benefit generally do not necessitate resubmitting health information because they either represent reduced risk or less coverage. Similarly, reaching a certain age often does not automatically trigger a reevaluation of insurability unless it specifically relates to a policy's terms regarding coverage amount adjustments.

**8. Which power does the State Corporation Commission NOT possess?**

- A. Regulate insurance policy forms**
- B. Prosecute agents who violate state insurance laws**
- C. Issue insurance licenses**
- D. Oversee the financial stability of insurers**

The State Corporation Commission does not have the power to prosecute agents who violate state insurance laws. Instead, the responsibility for prosecution typically falls under the jurisdiction of other entities, such as the state attorney general's office or specific regulatory bodies focused on law enforcement. The role of the State Corporation Commission is more regulatory in nature, focusing on oversight and ensuring compliance with laws and regulations rather than taking direct legal action against individuals. In contrast, the other powers attributed to the State Corporation Commission are central to its function. Regulating insurance policy forms ensures that the policies offered to consumers meet legal standards for clarity and fairness, which helps protect policyholders. Issuing insurance licenses allows the commission to control who can operate in the insurance marketplace, maintaining a standard of professionalism and competence among agents. Overseeing the financial stability of insurers is vital as it ensures that insurers have the necessary resources to pay claims, promoting confidence in the insurance system as a whole. Each of these responsibilities aligns with the commission's role in protecting consumers and ensuring the integrity of the insurance industry within the state.

**9. An agent who informs an applicant that there are no exclusions in an insurance policy has engaged in?**

- A. Defamation**
- B. Misrepresentation**
- C. Coercion**
- D. Rebating**

An agent who tells an applicant that there are no exclusions in an insurance policy has engaged in misrepresentation. This practice is significant because it involves providing false or misleading information concerning the terms of the insurance policy. By omitting or misrepresenting the existence of exclusions, the agent creates a false impression about the coverage, which can lead the applicant to make uninformed decisions based on incomplete or incorrect information. Misrepresentation is a critical concept in the insurance industry, as it can lead to serious consequences for both the agent and the insurer. If a claim were to arise and the insurer denies it based on an exclusion that the applicant was led to believe did not exist, it not only affects the applicant's trust but can also lead to legal ramifications for the agent involved. The other terms are relevant in different contexts: defamation usually relates to false statements harming someone's reputation; coercion involves pressuring someone to act against their free will; and rebating refers to offering incentives like cash back or gifts to induce someone to purchase insurance. However, in this scenario, the misleading statement about the policy exclusions directly aligns with the definition of misrepresentation.

**10. What type of insurance provides coverage for a specified period of time?**

- A. whole life insurance**
- B. term insurance**
- C. universal life insurance**
- D. variable life insurance**

Term insurance is designed to provide coverage for a specified period of time, such as 10, 20, or 30 years. This type of insurance is particularly appealing because it allows individuals to obtain a larger amount of coverage at a lower cost compared to permanent insurance policies. It is ideal for those looking to protect their families or dependents during critical financial periods, such as raising children or paying off a mortgage, without the long-term financial commitment of whole or universal life insurance. In term insurance, if the insured passes away during the term, the beneficiaries receive the death benefit. However, if the term expires and the insured is still alive, the coverage ends, and there is no payout or cash value accumulated. This creates a clear distinction from the other types of life insurance, which typically offer lifelong coverage and may also accumulate cash value over time.

# 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](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://virginia-lifehealthandannuities.examzify.com>**

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

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