

WASHINGTON LIFE AND HEALTH INSURANCE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



Prepare with structure. Pass with confidence



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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 does the automatic premium loan rider do?**
 - A. It allows for cash withdrawals from the policy
 - B. It guarantees permanent insurance coverage
 - C. It borrows from cash value to cover unpaid premiums
 - D. It cancels coverage if premiums are not paid
- 2. What is the minimum waiting period before filing a lawsuit after submitting a claim?**
 - A. 30 days
 - B. 60 days
 - C. 90 days
 - D. 120 days
- 3. In a joint and survivor life annuity, when do the payments cease?**
 - A. When the first annuitant dies
 - B. When both annuitants have died
 - C. At a designated retirement age
 - D. After a specific number of years
- 4. Which dividend option is considered the automatic choice if no other option is selected?**
 - A. Cash dividend option
 - B. Reduced premium option
 - C. Additional paid-up insurance dividend option
 - D. Accumulate at interest option
- 5. What does the human life approach focus on in life insurance?**
 - A. Maximizing the death benefit
 - B. Maintaining the standard of living
 - C. Investing the premiums wisely
 - D. Reducing the duration of the policy

- 6. What is the purpose of the open enrollment period?**
- A. A month in which all eligible employees can enroll in voluntary plans
 - B. A month designated for annual reviews of health insurance plans
 - C. A period for employees to change their existing health plans
 - D. A time when employees must decide on mandatory health coverage
- 7. What does the concept of indemnification imply in insurance?**
- A. Obtaining more value after a loss than what was initially insured
 - B. Being made whole only after a loss, not profiting from it
 - C. Receiving compensation based on potential future earnings
 - D. Being compensated for emotional distress from a loss
- 8. What is a characteristic of a level (fixed) premium annuity?**
- A. It offers flexible premiums with no set benefits
 - B. It requires a single upfront payment
 - C. Regular payments are made to fund retirement
 - D. Payments begin after the annuitant dies
- 9. What does the term "agreement" consist of in a contractual context?**
- A. Contract completion and witness signature
 - B. Offer and consideration
 - C. Offer and acceptance
 - D. Acceptance and fulfillment
- 10. What does a family maintenance policy provide in the event of the breadwinner's death?**
- A. Coverage for funeral expenses only
 - B. A combination of whole life benefits and term coverage
 - C. Only a minimal payout for surviving dependents
 - D. Exclusively a term life benefit

Answers

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

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Explanations

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1. What does the automatic premium loan rider do?

- A. It allows for cash withdrawals from the policy
- B. It guarantees permanent insurance coverage
- C. It borrows from cash value to cover unpaid premiums**
- D. It cancels coverage if premiums are not paid

The automatic premium loan rider is a beneficial feature often attached to life insurance policies with cash value components. This rider ensures that if the policyholder cannot pay the premium, the insurance company automatically borrows from the accumulated cash value of the policy to cover the premium payment. This prevents the policy from lapsing due to non-payment and maintains coverage in force, even during potentially difficult financial times. This function is particularly important as it provides policyholders with a safety net, allowing them to continue their coverage without the immediate need for cash when premium payments are due. It is designed to protect the policyholder's insurance benefits and ensure that their loved ones remain protected under the policy, thus alleviating the stress of potential loss of coverage when faced with financial challenges. In contrast, other options refer to different features or aspects of insurance policies. The choice regarding cash withdrawals pertains to a different mechanism not encapsulated by the automatic premium loan rider, while the options about guaranteeing coverage and canceling coverage due to unpaid premiums address entirely different aspects of policy management.

2. What is the minimum waiting period before filing a lawsuit after submitting a claim?

- A. 30 days
- B. 60 days**
- C. 90 days
- D. 120 days

In the context of insurance claims, the minimum waiting period before filing a lawsuit after submitting a claim is specifically designed to give the insurer adequate time to process the claim and respond to it. In Washington, the law requires a 60-day waiting period. This allows both the insured party and the insurer an opportunity to gather information, resolve potential disputes amicably, and negotiate or clarify any outstanding issues. If a claim is submitted and the insured does not receive an adequate response or resolution within this timeframe, they may then take legal action. This provision is essential for ensuring that both parties have fulfilled their responsibilities and have given themselves a fair chance to resolve the matter without resorting to litigation, which can be time-consuming and costly. The other options reflect waiting periods that exceed the established minimum in Washington law, making them less applicable. Therefore, 60 days is the minimum standard that ensures both parties have a fair chance to address the claim before legal proceedings are initiated.

3. In a joint and survivor life annuity, when do the payments cease?

- A. When the first annuitant dies
- B. When both annuitants have died**
- C. At a designated retirement age
- D. After a specific number of years

In a joint and survivor life annuity, the payments continue to be made until both annuitants have passed away. This type of annuity is designed specifically to provide a stream of income for two individuals, commonly a couple. The structure ensures that if one of the annuitants dies, the other will continue to receive payments, thereby providing financial security for the surviving annuitant. The payments will only cease when both individuals have died, which highlights the primary feature of this annuity. It is particularly beneficial for couples who want to ensure that their survivor will have ongoing income after one of them has passed away. Other options, such as payments ceasing at a designated retirement age or after a specific number of years, do not apply to joint and survivor life annuities, as they are focused on the lives of the annuitants rather than a predetermined timeline. Additionally, the initial payments end when the first annuitant dies does not align with the nature of this product, as it provides for the continuation of payments to the surviving annuitant.

4. Which dividend option is considered the automatic choice if no other option is selected?

- A. Cash dividend option
- B. Reduced premium option
- C. Additional paid-up insurance dividend option**
- D. Accumulate at interest option

The correct answer is that the additional paid-up insurance dividend option is the automatic choice if no other option is selected. This means that when policyholders are given dividends and do not indicate a preference for how those dividends should be used, the insurer will automatically apply the dividends towards purchasing additional paid-up insurance. This option effectively increases the death benefit of the policy without requiring additional premiums from the policyholder. By automatically opting for additional paid-up insurance, policyholders benefit from compounding growth in their policy's value, as this approach increases the overall coverage amount without incurring out-of-pocket costs. This is advantageous for many policyholders who wish to enhance their protection in a cost-effective manner. The other options provided, such as cash dividend, reduced premium, and accumulate at interest, while all valid ways to use dividends, are not automatically selected by the insurer. For instance, cash dividends provide immediate payment to the policyholder, which may not align with long-term insurance growth strategies. Reduced premium options allow policyholders to lower their future premium payments, which could be beneficial but might leave them with less coverage than they initially had. Accumulate at interest options involve the insurer holding the dividends and paying interest on them, but this does not directly enhance the policy's coverage

5. What does the human life approach focus on in life insurance?

- A. Maximizing the death benefit
- B. Maintaining the standard of living**
- C. Investing the premiums wisely
- D. Reducing the duration of the policy

The human life approach focuses on determining the economic value of an individual's life, specifically considering the financial impact that their death would have on their dependents or beneficiaries. It assesses the value of future earnings, expenses, and liabilities, aiming to ensure that loved ones can maintain their standard of living after the policyholder's death. This method emphasizes the quantification of human life in monetary terms and is centered around providing a death benefit that reflects the income potential of the insured, allowing beneficiaries to cover ongoing expenses and maintain their financial stability. In contrast, maximizing the death benefit prioritizes the highest possible payout without necessarily considering the insured's financial situation or the needs of their beneficiaries. Investing the premiums wisely would relate to the management of funds rather than focusing directly on life insurance needs. Reducing the duration of the policy does not align with the core principle of ensuring financial security for dependents, as it may undermine the protection intended for the insured's loved ones.

6. What is the purpose of the open enrollment period?

- A. A month in which all eligible employees can enroll in voluntary plans**
- B. A month designated for annual reviews of health insurance plans
- C. A period for employees to change their existing health plans
- D. A time when employees must decide on mandatory health coverage

The open enrollment period serves as a designated timeframe during which eligible employees can enroll in various health insurance plans without the need for medical underwriting or proof of insurability. This period ensures that employees have the opportunity to choose the coverage that best meets their needs and those of their families, alleviating any potential issues related to pre-existing conditions. During this time, employees can typically sign up for a variety of options offered by their employer, which may include different levels of health coverage or additional voluntary insurance plans that might not be accessible outside of this specific enrollment window. It's an essential aspect of employee benefits as it facilitates access to health insurance for all eligible participants. While other choices refer to important health insurance processes, they do not accurately reflect the primary purpose of the open enrollment period. Annual reviews, changes to existing plans, and decisions on mandatory coverage all occur in different contexts within the overall health insurance landscape but do not encapsulate the core function of the open enrollment timeframe itself.

7. What does the concept of indemnification imply in insurance?

- A. Obtaining more value after a loss than what was initially insured
- B. Being made whole only after a loss, not profiting from it**
- C. Receiving compensation based on potential future earnings
- D. Being compensated for emotional distress from a loss

Indemnification in insurance is fundamentally centered around restoring the insured party to the financial position they were in prior to the loss, without allowing them to gain any profit from that loss. This principle ensures that the compensation provided by the insurer corresponds exactly to the amount of the loss, hence the term "being made whole." When a covered loss occurs, the insurance policy should translate the value of the loss into an equivalent monetary compensation, thereby facilitating the insured to recover their original state. This concept is pivotal in preventing the insured from profiting beyond the limit of their financial loss. In essence, it underscores the ethical commitment of insurance to protect against losses rather than to serve as a source of profit or advantage after a loss incident. Thus, being made whole after a loss accurately captures the essence of indemnification, ensuring that claim settlements reflect actual financial loss rather than excess compensation.

8. What is a characteristic of a level (fixed) premium annuity?

- A. It offers flexible premiums with no set benefits
- B. It requires a single upfront payment
- C. Regular payments are made to fund retirement**
- D. Payments begin after the annuitant dies

A level (fixed) premium annuity is designed to provide a consistent and predictable income stream, which is especially valuable during retirement. This type of annuity involves the payment of regular premiums over time, or it may involve a single premium that establishes the annuity. Regardless of the method of payment, the focus is on creating a fixed income that retirees can rely on. In the context of the options presented, the characteristic of regular payments made to fund retirement reflects the primary purpose of such an annuity. It underscores the idea of providing financial stability through consistent payouts, making it an attractive option for individuals planning their retirement income. The other choices lack the defining features of a level premium annuity. For instance, while some annuities may allow for flexible premiums, a level premium annuity is specifically characterized by a fixed premium structure. An upfront payment is more associated with a single premium annuity rather than defining a level premium style. Lastly, payments typically commence during the annuitant's lifetime rather than after their death, which is more characteristic of certain life insurance products rather than the annuity itself.

9. What does the term "agreement" consist of in a contractual context?

- A. Contract completion and witness signature
- B. Offer and consideration
- C. Offer and acceptance**
- D. Acceptance and fulfillment

In a contractual context, the term "agreement" specifically refers to the combination of an offer and acceptance. An offer is a proposal made by one party to enter into a contract, while acceptance occurs when the other party agrees to the terms of that offer. This mutual consent forms the foundational basis of a contract, indicating that both parties are on the same page regarding the terms and conditions involved. The process of arriving at an agreement is crucial because it establishes the intent of both parties to create a legally binding arrangement. The offer must be clear and specific, and the acceptance must be unequivocal, signaling that the offeree agrees to the terms without modifications. This clarity and mutual agreement ensure that both parties have an understanding of their rights and obligations, leading to the enforceability of the contract. While other elements, such as consideration (the value exchanged between parties) and the fulfillment of contractual terms, are necessary for a complete and enforceable contract, they are not part of the definition of "agreement" itself. Therefore, focusing on the components of offer and acceptance provides a clear understanding of how parties enter into contracts in a legal sense.

10. What does a family maintenance policy provide in the event of the breadwinner's death?

- A. Coverage for funeral expenses only
- B. A combination of whole life benefits and term coverage**
- C. Only a minimal payout for surviving dependents
- D. Exclusively a term life benefit

A family maintenance policy is specifically designed to provide financial support to a family following the death of the primary income earner, commonly referred to as the breadwinner. This type of policy combines features of both whole life and term insurance. Upon the breadwinner's death, the family maintenance policy typically offers a specified death benefit that pays out in a lump sum, akin to whole life insurance, ensuring that beneficiaries receive a permanent financial asset. In addition, it also includes a term life insurance benefit that pays a series of income payments over a designated term, helping to support the family through that immediate period of need. This dual structure aims to provide comprehensive coverage that ensures ongoing financial stability for the family while still building cash value over time. This holistic approach addresses the short-term and long-term financial needs of the dependents, making it a suitable choice for families reliant on the breadwinner's income.

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://walifehealthinsurance.examzify.com>

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

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