

West Virginia 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

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- 1. Which of the following best describes a contingent beneficiary?**
 - A. Person designated by the insured to receive policy proceeds in the event that the primary beneficiary dies before the insured**
 - B. Person designated by the primary beneficiary's executor to receive policy proceeds**
 - C. Person designated by the state to receive policy proceeds in the event that the primary beneficiary dies**
 - D. Person designated by the insurance company to receive policy proceeds in the event that the primary beneficiary dies**
- 2. What is the purpose of a "rider" in an insurance contract?**
 - A. To amend the terms of the policy for additional coverage**
 - B. To increase the premium amount**
 - C. To reduce the coverage limit**
 - D. To define the policy exclusions**
- 3. Which type of insurance provides coverage for loss or damages to a person's home?**
 - A. Auto insurance**
 - B. Homeowners insurance**
 - C. Travel insurance**
 - D. Life insurance**
- 4. What does 'personal injury protection' (PIP) provide in auto insurance?**
 - A. Coverage for vehicle repair costs regardless of fault**
 - B. Coverage that pays for medical expenses and lost wages regardless of fault**
 - C. Coverage for legal expenses in case of an accident**
 - D. Coverage for vehicle theft and vandalism**
- 5. Which type of agent typically has a wider variety of insurance products to sell?**
 - A. Captive agents**
 - B. Independent agents**
 - C. Broker agents**
 - D. Employee agents**

6. After a hearing, how many days does an insured or insurer have to request a rehearing?

- A. 20
- B. 30
- C. 40
- D. 50

7. What provision in a life insurance policy states that the application is considered part of the contract?

- A. Application provision
- B. Policy Exclusions provision
- C. Entire Contract provision
- D. Incontestability provision

8. What is 'medical payments coverage' in auto insurance?

- A. Coverage that is only available to drivers at fault
- B. Coverage that pays for medical expenses for you and your passengers after an accident
- C. Coverage that pays for vehicle repairs
- D. Coverage that compensates for lost wages after an accident

9. A whole life insurance policyowner does not wish to continue making premium payments. Which of the following enables the policyowner to sell the policy for more than its cash value?

- A. Cash surrender
- B. Life settlement contract
- C. Buy-sell arrangement
- D. 1031 Exchange

10. When recommending an annuity purchase, what type of information is a producer required to gather?

- A. Gender, place of employment, credit score
- B. Credit score, age, health history
- C. Annual income, gender, criminal background
- D. Age, annual income, financial experience

Answers

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

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Explanations

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1. Which of the following best describes a contingent beneficiary?

- A. Person designated by the insured to receive policy proceeds in the event that the primary beneficiary dies before the insured**
- B. Person designated by the primary beneficiary's executor to receive policy proceeds**
- C. Person designated by the state to receive policy proceeds in the event that the primary beneficiary dies**
- D. Person designated by the insurance company to receive policy proceeds in the event that the primary beneficiary dies**

A contingent beneficiary is a person who will receive the policy proceeds in the event that the primary beneficiary is unable to do so, typically due to their passing before the insured. This designation ensures that there is a backup recipient for the policy benefits, allowing the insured to have control over the distribution of the proceeds according to their wishes. This arrangement is common in life insurance policies, where the insured wants to ensure that their intended beneficiaries are taken care of, even if the primary beneficiary dies first. In this context, having contingency planning, such as naming a contingent beneficiary, is important for effectively managing the distribution of assets and ensuring that the proceeds go to a designated person rather than remaining unclaimed or reverted to the estate.

2. What is the purpose of a “rider” in an insurance contract?

- A. To amend the terms of the policy for additional coverage**
- B. To increase the premium amount**
- C. To reduce the coverage limit**
- D. To define the policy exclusions**

A rider in an insurance contract serves to amend the terms of the policy by adding specific provisions or additional coverage. This feature allows policyholders to customize their insurance to better meet their individual needs. For example, a rider may add coverage for certain risks that are not included in the standard policy, such as additional benefits for specific events or protection for particular items. This customization is valuable as it allows policyholders to enhance their coverage without needing to purchase a separate policy. The incorporation of riders supports the flexibility of insurance contracts, enabling policyholders to adjust their coverage in accordance with changes in their life circumstances or needs. The other options, while relevant to aspects of insurance policies, do not accurately describe the primary function of a rider. Riders specifically add or modify coverage rather than just affecting the premium, limiting coverage, or defining exclusions.

3. Which type of insurance provides coverage for loss or damages to a person's home?

- A. Auto insurance**
- B. Homeowners insurance**
- C. Travel insurance**
- D. Life insurance**

Homeowners insurance is specifically designed to provide financial protection against loss or damage to a person's home and its contents. This type of insurance typically covers risks such as fire, theft, vandalism, and certain natural disasters, making it essential for homeowners to safeguard their investment. Additionally, homeowners insurance often includes liability coverage, protecting the insured from personal injury claims or damages that occur on their property. This coverage is crucial because a home is often one of the most significant investments a person can make, and adequate protection can help ensure that homeowners are not left financially vulnerable in the event of unforeseen incidents.

4. What does 'personal injury protection' (PIP) provide in auto insurance?

- A. Coverage for vehicle repair costs regardless of fault**
- B. Coverage that pays for medical expenses and lost wages regardless of fault**
- C. Coverage for legal expenses in case of an accident**
- D. Coverage for vehicle theft and vandalism**

Personal injury protection (PIP) in auto insurance is designed to cover medical expenses and lost wages for the policyholder and passengers, regardless of who was at fault in the accident. This type of coverage provides important financial support in the aftermath of an accident, ensuring that individuals can receive necessary medical treatment without delay and helps to alleviate any potential loss of income due to injuries sustained. PIP is particularly valuable in no-fault states, where the responsibility of paying for injuries does not necessarily depend on who caused the accident. This benefits insured individuals by simplifying the claims process, allowing them to focus on recovery rather than navigating fault disputes. By prioritizing medical costs and wage loss, PIP coverage enhances the financial security and overall well-being of those involved in auto accidents.

5. Which type of agent typically has a wider variety of insurance products to sell?

- A. Captive agents**
- B. Independent agents**
- C. Broker agents**
- D. Employee agents**

Independent agents typically have a wider variety of insurance products to sell because they are not tied to a single insurance company. Instead, they represent multiple insurers, which allows them to offer a broad range of policies and coverage options to their clients. This flexibility enables them to find the best fit for their customers' needs from a diverse selection of options. In contrast, captive agents work exclusively for one insurance company, limiting their ability to provide varied product offerings. Broker agents may also have access to multiple insurers, but their role often focuses on acting as intermediaries rather than direct sales agents. Employee agents, who are salaried employees of an insurance company, similarly face restrictions in terms of the products they can sell. This structural difference ensures that independent agents can cater to a wider array of insurance needs.

6. After a hearing, how many days does an insured or insurer have to request a rehearing?

- A. 20**
- B. 30**
- C. 40**
- D. 50**

In the context of insurance regulation in West Virginia, after a hearing has taken place, both the insured and the insurer are provided with a specific timeframe to request a rehearing. The correct timeframe in this case is 30 days. This is an important aspect of the legal and regulatory process, as it ensures that both parties have an opportunity to appeal or challenge the decisions made during the hearing. Understanding this period is crucial for individuals and entities involved in disputes related to insurance, as it highlights the importance of acting promptly if they wish to contest a decision. Missing this window can result in the finality of the decision, underscoring the necessity for timely action in the appeals process.

7. What provision in a life insurance policy states that the application is considered part of the contract?

- A. Application provision**
- B. Policy Exclusions provision**
- C. Entire Contract provision**
- D. Incontestability provision**

The Entire Contract provision is a crucial aspect of a life insurance policy because it establishes that the policy, along with the application, forms a single legal document. This means that both the policy and the application are integrated, and any representations made in the application are considered binding. This provision ensures that the insurer cannot later claim that other statements or representations made outside of the policy documentation are valid, thus protecting the policyholder's rights and supporting a clear understanding of the coverage provided. This provision also emphasizes that any changes or alterations must be documented and attached to the policy for them to be valid, maintaining the integrity of the original agreement. By including the application as part of the entire contract, any information disclosed in the application can be used by the insurer in evaluating risks and underwriting the policy. In contrast, the other provisions mentioned focus on different aspects of the insurance contract, such as limitations on coverage or conditions related to contesting the policy, rather than the role of the application within the contractual agreement.

8. What is 'medical payments coverage' in auto insurance?

- A. Coverage that is only available to drivers at fault**
- B. Coverage that pays for medical expenses for you and your passengers after an accident**
- C. Coverage that pays for vehicle repairs**
- D. Coverage that compensates for lost wages after an accident**

Medical payments coverage in auto insurance is designed to cover medical expenses resulting from an automobile accident for you and your passengers, regardless of who is at fault. This type of coverage allows policyholders to receive prompt payment for necessary medical treatments such as hospital bills, surgery, and other related medical expenses, ensuring that financial concerns do not hinder immediate medical care following an accident. This coverage is particularly beneficial because it provides peace of mind and financial support during a stressful time, without the need to determine fault immediately. The focus is on the health and well-being of everyone involved rather than apportioning blame, which makes it a vital component of comprehensive auto insurance policies.

9. A whole life insurance policyowner does not wish to continue making premium payments. Which of the following enables the policyowner to sell the policy for more than its cash value?

- A. Cash surrender**
- B. Life settlement contract**
- C. Buy-sell arrangement**
- D. 1031 Exchange**

A life settlement contract allows a policyowner to sell their life insurance policy to a third party for a sum that is typically greater than the policy's cash surrender value. This option is particularly advantageous for those who no longer require the coverage or wish to access more funds than what they would receive through surrendering the policy. In a life settlement, the buyer becomes the new policyowner, takes over the premium payments, and ultimately receives the death benefit upon the policyholder's passing. This transaction provides a potentially significant financial benefit and favors individuals with whole life insurance policies whose market value is higher than the cash value accumulated in the policy. Other options, while related to the management of life insurance, do not serve the purpose of selling a policy for an amount exceeding its cash value. Cash surrender refers simply to returning the policy to the insurer in exchange for its cash value, which is typically lower than what a life settlement could yield. A buy-sell arrangement is a business contract between co-owners to purchase one another's ownership interests under certain conditions, not directly related to selling a life insurance policy. A 1031 Exchange is a tax provision that allows for the exchange of investment properties, which does not pertain to life insurance policies. Therefore, life

10. When recommending an annuity purchase, what type of information is a producer required to gather?

- A. Gender, place of employment, credit score**
- B. Credit score, age, health history**
- C. Annual income, gender, criminal background**
- D. Age, annual income, financial experience**

When recommending an annuity purchase, a producer must gather information that helps assess the customer's financial needs and suitability for the product. The correct choice includes age, annual income, and financial experience, which are crucial factors. Age is relevant because it helps determine the appropriate type of annuity and payout structure. Different age groups have different life expectancies and financial planning needs, impacting the decision-making process for annuity purchases. Annual income is essential for understanding a client's investment capacity and ongoing financial obligations. It assists in ensuring that the annuity product aligns with their income level and long-term financial plans, allowing for a suitable investment strategy. Financial experience is significant because it indicates how knowledgeable the client is about financial products. This insight allows the producer to explain the details of the annuity more effectively and ensures that the product recommended matches the client's level of understanding and comfort. The focus on these three areas is to ensure that the annuity fits the client's overall financial strategy and personal circumstances, which is necessary for responsible and ethical recommendation practices in the insurance industry. Other options might include information that is less relevant or necessary for making an informed annuity recommendation.

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://wvinurance.examzify.com>

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

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