

# Wisconsin Accident and Health Insurance Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

**Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.**

**ALL RIGHTS RESERVED.**

**No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.**

**Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.**

**SAMPLE**

# Table of Contents

<b>Copyright</b> .....	<b>1</b>
<b>Table of Contents</b> .....	<b>2</b>
<b>Introduction</b> .....	<b>3</b>
<b>How to Use This Guide</b> .....	<b>4</b>
<b>Questions</b> .....	<b>5</b>
<b>Answers</b> .....	<b>8</b>
<b>Explanations</b> .....	<b>10</b>
<b>Next Steps</b> .....	<b>16</b>

# 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

- 1. In a guaranteed renewable disability income contract, when can the insurance company change premiums?**
  - A. When the Consumer Price Index increases**
  - B. If the insured's occupation changes**
  - C. If the premium for all insureds increases**
  - D. If the premium change applies to specific insured classes**
- 2. Which of the following types of insurers limits the exposures it writes to those of its owners?**
  - A. Restricted insurer**
  - B. Limited insurer**
  - C. Confined insurer**
  - D. Captive insurer**
- 3. Which of these statements is true regarding the exchange of consideration in an insurance contract?**
  - A. Required to be in currency**
  - B. Must be equal**
  - C. Can be unequal**
  - D. Must be certified by the state where the transaction takes place**
- 4. What term describes a false statement made on an insurance application that influences the insurer's decision?**
  - A. Substandard representation**
  - B. Unacceptable risk**
  - C. Material misrepresentation**
  - D. Adverse selection**
- 5. What is the name of the disability coverage that James purchased to cover the business expense of finding a replacement for a disabled employee?**
  - A. Key business coverage.**
  - B. Key maintenance coverage.**
  - C. Key employee coverage.**
  - D. Key employer coverage.**

- 6. What type of insurance benefits are typically less than a worker's previous earnings?**
- A. Full disability.**
  - B. Temporary disability.**
  - C. Partial disability.**
  - D. Total disability.**
- 7. Which of the following statements regarding Medicare and employer group health plans is correct?**
- A. Medicare is primary for all employees**
  - B. Coverage stops at age 65**
  - C. Group coverage can supplement Medicare**
  - D. Medicare is only secondary if the company has over 50 employees**
- 8. Which of the following would likely increase the total monthly benefits an insured receives?**
- A. Additional riders included.**
  - B. Higher monthly premiums.**
  - C. Lower deductible.**
  - D. Extended coverage period.**
- 9. According to the Pregnancy Discrimination Act of 1978, pregnancy should be treated like which type of condition?**
- A. Any other medical disability**
  - B. A suspension**
  - C. An unpaid holiday**
  - D. A pre-existing condition**
- 10. According to HIPAA regulations, which of the following may reduce a medical plan's pre-existing conditions exclusion?**
- A. An improvement in health over the previous three months**
  - B. Any period of prior coverage**
  - C. Any period of treatment in the twelve months prior to enrollment**
  - D. Passing a physical examination**



## **Answers**

SAMPLE

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

SAMPLE

## **Explanations**

SAMPLE

**1. In a guaranteed renewable disability income contract, when can the insurance company change premiums?**

**A. When the Consumer Price Index increases**

**B. If the insured's occupation changes**

**C. If the premium for all insureds increases**

**D. If the premium change applies to specific insured classes**

In a guaranteed renewable disability income contract, the insurance company can change premiums only if the change applies to specific classes of insureds, rather than to individual policyholders. This means that if the insurer decides to raise premiums, it must do so universally across an entire class of insureds based on characteristics such as age, risk category, or other relevant factors. This design ensures that the insured individuals have some level of predictability and protection regarding their premiums, as they know that the increase will not affect them alone but rather everyone in their class. Therefore, the insurance company cannot randomly change premiums for just one specific insured or based on unrelated factors. In contrast, options that mention specific conditions such as the Consumer Price Index or changes in occupation do not directly dictate when premiums can be altered under this type of contract structure. The underlying principle of guaranteed renewal policies is to ensure equitable treatment across similar risk classes, thus maintaining stability for policyholders in their budgeting for insurance costs.

**2. Which of the following types of insurers limits the exposures it writes to those of its owners?**

**A. Restricted insurer**

**B. Limited insurer**

**C. Confined insurer**

**D. Captive insurer**

A captive insurer is designed specifically to limit the risks it underwrites to those of its owners, which typically are businesses or organizations looking to manage their own insurance needs. This structure allows the owners to have more control over the insurance process, tailor coverage to fit their unique risks, and often benefit from any underwriting profits. By insuring only the exposures of its owners, a captive can directly address the specific risks they face. In contrast, other types of insurers do not limit their exposures solely to their owners. For instance, restricted, limited, or confined insurers typically serve a broader market and can underwrite a variety of risks outside those owned by specific individuals or entities. These types of insurers may focus on certain geographic areas or a certain type of coverage but do not specifically confine their risk to the exposures of their owners. Thus, the unique structure and function of captive insurers make them the correct answer in this context.

**3. Which of these statements is true regarding the exchange of consideration in an insurance contract?**

- A. Required to be in currency**
- B. Must be equal**
- C. Can be unequal**
- D. Must be certified by the state where the transaction takes place**

In an insurance contract, the exchange of consideration refers to what each party gives to the other. In most contracts, consideration does not need to be equal in value; instead, what matters is that both parties provide something of value to the transaction. In the case of insurance, the insured typically pays a premium, while the insurer provides coverage or a promise to pay benefits in the event of a specified loss. The amounts can differ significantly based on various factors, including the risk involved and the specifics of the policy. This understanding allows for flexibility in the contract, meaning one party can provide something less tangible (like the risk assumed by the insurer) while the other party offers a monetary payment (the premium). Consequently, the concept that consideration can be unequal is foundational in the functioning of insurance agreements. The other options incorrectly imply restrictions or requirements that do not align with typical practices in insurance contracts. For instance, insisting that consideration must be in currency overlooks the various forms that consideration can take. Similarly, stating that consideration must be equal undermines the very nature of the contractual agreements often entered into, where the value may not fully align but is nonetheless valid as long as each party provides something of worth. Lastly, the idea that consideration must be certified by

**4. What term describes a false statement made on an insurance application that influences the insurer's decision?**

- A. Substandard representation**
- B. Unacceptable risk**
- C. Material misrepresentation**
- D. Adverse selection**

The term that describes a false statement made on an insurance application that influences the insurer's decision is "material misrepresentation." In the context of insurance, a material misrepresentation occurs when an applicant provides information that is false or misleading and that information is significant enough that it would have affected the insurer's evaluation of the risk. When an application contains such misrepresentations, insurers may rely on that incorrect information to underwrite the policy and determine premiums. If the insurer discovers the falsehood after the policy is issued, it may have grounds to rescind the policy or deny a claim. Material misrepresentation can significantly undermine the trust that is foundational to the insurance process, as the contract is based on the accuracy of the information provided. The other terms listed do not capture the essence of this concept as accurately. For instance, "substandard representation" refers more to a quality of an applicant that does not meet standard underwriting guidelines but does not specifically address falsehoods. "Unacceptable risk" typically relates to a scenario where the insurer decides the risk is too high, and "adverse selection" pertains to the phenomenon where individuals with higher risks are more likely to seek insurance, rather than the specific falsehood in the application itself.

**5. What is the name of the disability coverage that James purchased to cover the business expense of finding a replacement for a disabled employee?**

- A. Key business coverage.**
- B. Key maintenance coverage.**
- C. Key employee coverage.**
- D. Key employer coverage.**

The correct answer identifies a specific type of coverage designed to assist businesses in managing risks associated with the loss of key personnel. Key employee coverage provides financial protection to a business in the event that a crucial employee becomes disabled and is unable to perform their role. This type of insurance typically covers the costs associated with finding and training a temporary replacement, which helps to maintain business operations and limit the financial impact of the employee's absence. In this scenario, since James is concerned with covering business expenses related to finding a replacement for a disabled employee, this type of coverage aptly addresses his needs. The other terms may seem similar but do not specifically refer to the insurance designed to cover the financial implications of losing a key employee due to disability, thereby making them less applicable in this context.

**6. What type of insurance benefits are typically less than a worker's previous earnings?**

- A. Full disability.**
- B. Temporary disability.**
- C. Partial disability.**
- D. Total disability.**

Partial disability benefits are typically designed to provide compensation when an individual is unable to perform some or all of their job duties due to an injury or illness, but is not completely unable to work. These benefits are generally calculated as a percentage of the individual's previous earnings, reflecting the reduced capacity to earn income as a result of the disability. This means that the payments will be less than their original earnings since they are only compensating for the portion of their income that is lost due to the disability. In contrast, full disability benefits cater to those who can no longer work at all due to their condition, which may provide a higher compensation equivalent to their pre-disability earnings. Temporary disability benefits can include full or partial payments depending on the severity and duration of the disability; however, when someone qualifies for partial disability, the benefit will typically be less than what they were earning prior to the disability. Total disability generally implies a complete inability to engage in any work, hence those benefits may align more closely with the person's previous earnings or be structured differently based on specific policy terms.

**7. Which of the following statements regarding Medicare and employer group health plans is correct?**

- A. Medicare is primary for all employees**
- B. Coverage stops at age 65**
- C. Group coverage can supplement Medicare**
- D. Medicare is only secondary if the company has over 50 employees**

The statement that group coverage can supplement Medicare is accurate because many individuals choose to maintain their employer-sponsored health plans even after they become eligible for Medicare. In such cases, the employer's group health coverage can work alongside Medicare to help cover costs not fully addressed by Medicare. This provision allows for more comprehensive coverage by filling in the gaps left by Medicare, which typically includes premiums, copayments, deductibles, and services that may not be covered at all. As for the other statements, Medicare is not necessarily primary for all employees; it depends on various factors such as the size of the employer and the employee's age. Additionally, coverage does not simply stop at age 65, as many employer plans continue indefinitely regardless of the employee's age. Lastly, Medicare's status as primary or secondary insurance is based on specific rules influenced by the size of the employer, generally being secondary if there are more than 20 employees and primary for those with fewer employees. Therefore, the role of group health plans as a supplement to Medicare provides important context and value for those eligible for both types of coverage.

**8. Which of the following would likely increase the total monthly benefits an insured receives?**

- A. Additional riders included.**
- B. Higher monthly premiums.**
- C. Lower deductible.**
- D. Extended coverage period.**

The inclusion of additional riders in an insurance policy can significantly enhance the total monthly benefits an insured receives. Riders are supplementary provisions that modify the standard contract by adding benefits or coverage options that are not typically included in the base policy. For instance, a critical illness rider may offer a lump-sum benefit if the insured is diagnosed with a specified illness, while a disability income rider could provide a monthly income replacement if the insured becomes unable to work due to a covered event. By incorporating these riders, the insured can receive not only the standard monthly benefit but also additional financial support tailored to their specific needs or circumstances, thereby increasing the overall benefits. Other factors mentioned, like higher monthly premiums, lower deductibles, or extending the coverage period, either do not directly increase the benefits received per month or may be associated with different considerations within the policy framework. Higher premiums typically correlate with increased coverage or benefits, but unless specifically tied to riders or additional benefits, it does not guarantee an increase in the actual benefit amounts received each month. Similarly, lower deductibles can make it easier to claim benefits, but they do not directly affect the total amount of monthly benefits. An extended coverage period allows benefits to be available for a longer duration but does not necessarily result in a larger

**9. According to the Pregnancy Discrimination Act of 1978, pregnancy should be treated like which type of condition?**

**A. Any other medical disability**

**B. A suspension**

**C. An unpaid holiday**

**D. A pre-existing condition**

The Pregnancy Discrimination Act of 1978 mandates that employers treat pregnancy in the same manner as any other medical disability when it comes to benefits and workplace accommodations. This means that if a woman is temporarily unable to perform her job due to pregnancy-related conditions, she should receive the same treatment, rights, and benefits as someone who has a different medical condition that prevents them from working. This includes ensuring that she has access to the same type of health insurance coverage, leave policies, and job protections as other employees facing medical disabilities. The act aims to eliminate discrimination based on pregnancy, childbirth, or related medical conditions, ensuring that women are not unfairly treated solely due to their pregnancy status. Thus, treating pregnancy like any other medical disability emphasizes the need for equality in how employers manage health-related absences and benefits for all employees, regardless of the specific condition involved.

**10. According to HIPAA regulations, which of the following may reduce a medical plan's pre-existing conditions exclusion?**

**A. An improvement in health over the previous three months**

**B. Any period of prior coverage**

**C. Any period of treatment in the twelve months prior to enrollment**

**D. Passing a physical examination**

A medical plan's pre-existing conditions exclusion can be reduced by any period of prior coverage. Under the Health Insurance Portability and Accountability Act (HIPAA), if an individual has had prior health insurance coverage, that time can often count towards reducing or eliminating the waiting period for coverage of pre-existing conditions when they enroll in a new health plan. This ensures that individuals who transition between plans are not penalized for previous medical conditions that they had before enrolling in the new insurance. This concept is rooted in HIPAA's aim to ease the transition for individuals moving from one health insurance plan to another, thereby helping maintain continuity in healthcare coverage. The length of the prior coverage period is essential, as it can directly affect how long the new plan may exclude coverage for pre-existing conditions. Other choices focus on different aspects of health status or medical exams, which do not specifically address how prior insurance history impacts the treatment of pre-existing conditions under HIPAA regulations.



## 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://wiaccidentandhealthinsurance.examzify.com>**

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