

OHIO LIFE INSURANCE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE

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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. Term life insurance is best described as:**
 - A. A permanent insurance plan
 - B. An insurance policy with cash value
 - C. A temporary insurance coverage for specific needs
 - D. A type of investment vehicle
- 2. What is the grace period for industrial life insurance policies?**
 - A. 21 days
 - B. 28 days
 - C. 30 days
 - D. 31 days
- 3. What happens when a policyholder fails to pay their premium on time and has APL?**
 - A. The policy is cancelled immediately
 - B. The policy lapses, and the benefit is lost
 - C. The cash value is borrowed to cover the premium
 - D. The premium payment is postponed
- 4. What must an agent do if a life insurance policy is backdated by one month?**
 - A. Obtain one month's premium from the applicant
 - B. Obtain two months' premiums from the applicant
 - C. Notify the insurer of the backdated policy
 - D. Adjust the premium amount accordingly
- 5. What is the payment structure for a 20 pay life or 30 pay life policy?**
 - A. Payments are made for the lifetime of the insured
 - B. Payments are made over a shorter specified period
 - C. Payments are due only once at issue
 - D. Payments are made only if the insured is under a certain age

- 6. What is the main advantage of a joint life annuity?**
- A. Increased payments upon the first party's death
 - B. Guaranteed payout for both parties' lifetimes
 - C. Flexibility of changing beneficiaries
 - D. Higher total returns compared to individual annuities
- 7. What type of options safeguard the accumulated cash value in an insurance policy?**
- A. Settlement options
 - B. Nonforfeiture options
 - C. Dividend options
 - D. Cash value options
- 8. What is a key characteristic of an endowment policy?**
- A. Matures at a predetermined age selected by the client
 - B. Offers lower premiums than whole life insurance
 - C. Has a cash value that accumulates slower than term life insurance
 - D. Only provides coverage until a specified amount is paid
- 9. What does "per stripes" mean in terms of beneficiary designations?**
- A. It refers to a single beneficiary
 - B. It means benefits will not be distributed
 - C. It refers to the bloodline passing a deceased beneficiary's share to heirs
 - D. It means the insurance company will choose the beneficiaries
- 10. What is a common feature of Group Life Insurance regarding coverage provisions?**
- A. It allows changes at any time without restrictions
 - B. No individual can receive more than 50% of the coverage amount
 - C. Coverage is provided only to immediate family members
 - D. Conversion to individual coverage must occur within 60 days

Answers

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

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Explanations

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1. Term life insurance is best described as:

- A. A permanent insurance plan
- B. An insurance policy with cash value
- C. A temporary insurance coverage for specific needs**
- D. A type of investment vehicle

Term life insurance is accurately described as a temporary insurance coverage for specific needs because it provides a straightforward death benefit for a designated period, often ranging from one to thirty years. During this term, if the insured individual passes away, the beneficiaries receive the death benefit, but if the insured survives the term, no benefit is paid out. This type of policy does not build cash value, which distinguishes it from permanent insurance plans that offer lifelong coverage and investment components. Additionally, term life insurance is designed specifically for needs like income replacement or covering short-term financial obligations, rather than serving as a long-term investment strategy. Its simplicity and affordability make it an ideal choice for individuals seeking cost-effective protection for a limited duration tied to specific financial responsibilities.

2. What is the grace period for industrial life insurance policies?

- A. 21 days
- B. 28 days**
- C. 30 days
- D. 31 days

The grace period for industrial life insurance policies is typically 28 days. This is a crucial feature of such policies as it offers policyholders a specific timeframe after the premium due date during which they can still make their payment without facing a lapse in coverage. If the premium is paid within this 28-day grace period, the policy remains in force and the insured is protected without interruption. Understanding the concept of a grace period is important because it helps individuals manage their policies effectively. If a payment is missed, the grace period ensures that the policyholder is not immediately penalized or left without coverage, allowing them a reasonable time to rectify the situation without losing their insurance benefits. Knowing the specific duration of the grace period for different types of policies is essential for both policyholders and insurance agents to communicate effectively regarding the terms of coverage.

3. What happens when a policyholder fails to pay their premium on time and has APL?

- A. The policy is cancelled immediately
- B. The policy lapses, and the benefit is lost
- C. The cash value is borrowed to cover the premium**
- D. The premium payment is postponed

When a policyholder has an Automatic Premium Loan (APL) feature in their policy and fails to pay their premium on time, the cash value of the policy is used to cover the premium automatically. APL is designed to prevent the policy from lapsing due to missed premium payments. This feature allows the insurer to take out a loan against the policy's cash value to cover the unpaid premium, ensuring that the coverage remains in force even if the policyholder forgets or is unable to pay the premium on the due date. While this results in the policy being active, it also means that the amount borrowed will decrease the cash value and the death benefit until it is repaid, potentially making it a financial consideration for the policyholder in the future. In contrast, the other scenarios involve more immediate or severe consequences that would occur without an APL, such as immediate cancellation or lapsing of the policy, which would not apply here due to the protective nature of APL.

4. What must an agent do if a life insurance policy is backdated by one month?

- A. Obtain one month's premium from the applicant
- B. Obtain two months' premiums from the applicant**
- C. Notify the insurer of the backdated policy
- D. Adjust the premium amount accordingly

When a life insurance policy is backdated by one month, the insurance company requires the agent to obtain two months' premiums from the applicant. This is necessary because the backdating effectively extends the effective date of the coverage one month into the past, which means the insurer is at risk for that additional month of coverage even though the applicant is paying premiums starting from the current date. By collecting both the current month's premium and the previous month's premium, the insurer ensures that the coverage is paid for the entirety of the backdated period, protecting both the insurer's interests and ensuring that the policyholder has continuous coverage from the intended date.

5. What is the payment structure for a 20 pay life or 30 pay life policy?

- A. Payments are made for the lifetime of the insured
- B. Payments are made over a shorter specified period**
- C. Payments are due only once at issue
- D. Payments are made only if the insured is under a certain age

In a 20 pay life or 30 pay life policy, the payment structure is designed to allow policyholders to pay premiums over a specified, limited period of years—either 20 or 30 years, respectively. This means that the insured pays premiums for only those designated years, after which the policy is fully paid up, and no further premiums are required. This approach can be particularly appealing for individuals who want to ensure that their life insurance is fully funded by a certain age, often aligning premium payments with their earning years or other financial milestones. Once the specified payment period ends, the policy remains in force for the lifetime of the insured, with the death benefit guaranteed regardless of whether additional premiums are paid after that period. This structure provides a sense of financial security and can be advantageous for estate planning or for individuals who prefer not to have ongoing premium obligations as they reach retirement age.

6. What is the main advantage of a joint life annuity?

- A. Increased payments upon the first party's death
- B. Guaranteed payout for both parties' lifetimes**
- C. Flexibility of changing beneficiaries
- D. Higher total returns compared to individual annuities

A joint life annuity is designed to provide a steady stream of income for two individuals for as long as either of them is alive. This structure ensures that the payments continue until the death of the last surviving party, which is why the guaranteed payout for both parties' lifetimes is the primary advantage. This feature is particularly beneficial for couples or individuals who want to ensure financial security over the lifetimes of both parties. The setup alleviates the concern that one person could outlive their financial resources, as it guarantees that the annuity payments persist regardless of which individual passes away first. This can be an essential aspect for planning retirement finances, especially for spouses or partners who rely on each other's income. In contrast, the other choices do not encapsulate the main benefit of a joint life annuity. Increased payments upon the first party's death may occur in different types of structuring, but it isn't a standard feature of joint life annuities. Flexibility in changing beneficiaries typically applies to life insurance policies rather than annuities, and while some annuities might have higher returns, the fundamental strength of a joint life annuity lies in its longevity and reliability in payouts for both individuals.

7. What type of options safeguard the accumulated cash value in an insurance policy?

- A. Settlement options
- B. Nonforfeiture options**
- C. Dividend options
- D. Cash value options

Nonforfeiture options are designed to protect the accumulated cash value in a life insurance policy. These options ensure that if a policyholder decides to discontinue premium payments or surrenders the policy, they do not lose the cash value that has built up over the years. Instead, nonforfeiture options provide alternative benefits that allow the policyholder to retain some value from their policy. For instance, if a policyholder stops paying premiums but has built up cash value, they may be able to choose to have the policy continue as a reduced paid-up insurance policy, use the cash value to purchase term insurance, or receive a cash surrender value. These provisions are crucial for providing policyholders with flexibility and financial stability, as they can still access some benefits even if they can no longer maintain the original policy structure. In contrast, settlement options relate to how the death benefit is paid out to beneficiaries rather than the accumulation of cash value. Dividend options pertain to the distribution of dividends from participating policies, which may enhance cash value but do not directly protect it. Cash value options are more general and don't specifically address the nonforfeiture provisions that ensure the protection of accumulated cash value.

8. What is a key characteristic of an endowment policy?

- A. Matures at a predetermined age selected by the client**
- B. Offers lower premiums than whole life insurance
- C. Has a cash value that accumulates slower than term life insurance
- D. Only provides coverage until a specified amount is paid

An endowment policy is designed to provide a payout, known as the endowment benefit, either upon the maturity of the policy at a specific age or upon the death of the insured, whichever occurs first. This key characteristic makes option A correct, as the policy matures at a predetermined age set by the policyholder, leading to a guaranteed benefit after a certain period. Endowment policies differ from other types of life insurance in various ways. For example, whole life insurance typically offers lifelong coverage with premiums that are generally higher due to its cash value accumulation and death benefit extended over the insured's lifetime. In contrast, term life insurance provides coverage for a limited period and does not accumulate a cash value, hence the accumulation is not slower or faster; it simply does not exist in this type of policy. Furthermore, option D inaccurately describes an endowment policy. While it provides coverage linked to the payment of a benefit, it is not limited only to a specified amount; rather, it is structured to ensure a payout upon maturity or death within the policy's terms.

9. What does "per stripes" mean in terms of beneficiary designations?

- A. It refers to a single beneficiary
- B. It means benefits will not be distributed
- C. It refers to the bloodline passing a deceased beneficiary's share to heirs**
- D. It means the insurance company will choose the beneficiaries

The term "per stirpes" is a legal concept commonly used in estate planning, including beneficiary designations. It refers to how an inheritance or benefit is distributed among the descendants of a deceased beneficiary. Specifically, it means that if a named beneficiary passes away before the policyholder, their share of the benefits will be divided equally among their children or direct descendants. This ensures that the deceased beneficiary's portion is preserved within the bloodline and passed down, maintaining the intended distribution among family members. In the context of life insurance and beneficiary designations, choosing "per stirpes" ensures that each branch of the family receives an equitable share, even if one of the branches has lost a member. This method allows for a straightforward transfer of benefits, minimizing potential disputes among heirs and adhering to the wishes of the policyholder. This option aligns with how many people wish to ensure their assets are distributed fairly according to family lineage, ensuring that wealth remains within the family line.

10. What is a common feature of Group Life Insurance regarding coverage provisions?

- A. It allows changes at any time without restrictions
- B. No individual can receive more than 50% of the coverage amount**
- C. Coverage is provided only to immediate family members
- D. Conversion to individual coverage must occur within 60 days

The correct answer highlights a common provision related to Group Life Insurance plans, which typically allows for a conversion option for participants when they leave the group. This provision states that members who are covered under a group plan have the right to convert their group life insurance policy into an individual policy without having to provide evidence of insurability, usually within a specified timeframe—commonly 60 days. Group Life Insurance is designed to provide coverage to a group of people, commonly employees under a single employer, and generally features certain standardized rules for administration. The limitations on the amount of coverage that any one individual can receive are in place to prevent disproportionately high payouts to single individuals that would not reflect the risk pool of the group. This helps maintain the insurance principle of spreading risk evenly among many members in the group. As for the other options, they don't align with the standard provisions of Group Life Insurance. For example, the option about allowing changes at any time without restrictions does not account for the typical structured policies governing the plan. The provision mentioning that coverage is only for immediate family members misrepresents how group plans function, as they aim to provide coverage to active members of the group rather than only their family members. Finally, while conversion is indeed a key feature,

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:

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

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