

# Oklahoma Life Producer 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 happens if a policyholder cancels their whole life insurance policy?**
  - A. They lose all benefits immediately
  - B. They may receive the accumulated cash value
  - C. They are entitled to a refund of all premium payments
  - D. They forfeit future policy benefits but retain some rights
- 2. Which two features of an adjustable life policy remain unchanged?**
  - A. The insured and premium amount
  - B. The policy amount and plan type
  - C. The insured and cash value
  - D. The policy term and premium type
- 3. Which kind of life insurance experiences several increases in premium over the first 5-7 years before leveling out?**
  - A. Limited pay life
  - B. Graded life
  - C. Whole life
  - D. Variable life
- 4. What characteristic does a "variable life insurance" policy offer?**
  - A. Fixed premiums and guaranteed cash value
  - B. The ability to participate in the investment performance of the cash value
  - C. Lifetime coverage with decreasing premiums
  - D. Only a death benefit without cash value
- 5. What is a primary function of a mortality table?**
  - A. To specify claim procedures
  - B. To dictate policy exclusions
  - C. To help insurers set premiums based on life expectancy
  - D. To manage policy cancellation processes
- 6. Which of the following best describes an "income last expense" policy?**
  - A. Coverage for income replacement during retirement
  - B. Insurance that accumulates cash value over time
  - C. Coverage specifically for debts and final expenses
  - D. A policy primarily for children's education funding

- 7. What is a "whole life insurance" policy?**
- A. A policy that lasts until the insured decides to cancel
  - B. A policy with fixed premiums but limited benefits
  - C. A policy that provides coverage for the insured's entire life
  - D. A policy designed for short-term coverage needs
- 8. Why is a securities license required for selling Variable Whole Life policies?**
- A. Due to the fixed nature of premiums
  - B. To oversee the cash value guarantee
  - C. Because of the investment component involved
  - D. To manage death benefit claims
- 9. Which insurance types are commonly classified as permanent individual life insurance?**
- A. Limited, Continuous, Whole
  - B. Whole, Universal, Variable
  - C. Term, Graded, Whole
  - D. Universal, Indexed, Term
- 10. What is the primary benefit of Indexed Universal Life insurance policies?**
- A. Guaranteed loan options
  - B. Cash value accumulation tied to stock market performance
  - C. Fixed interest rates on savings
  - D. Lower premiums compared to traditional policies

## **Answers**

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

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## **Explanations**

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## 1. What happens if a policyholder cancels their whole life insurance policy?

- A. They lose all benefits immediately
- B. They may receive the accumulated cash value**
- C. They are entitled to a refund of all premium payments
- D. They forfeit future policy benefits but retain some rights

*When a policyholder cancels their whole life insurance policy, they may receive the accumulated cash value, which is a key feature of whole life insurance. This type of policy typically builds cash value over time, and a portion of the premiums paid contributes to this cash value. When the policy is canceled, the policyholder is entitled to receive this cash value, assuming there are no outstanding loans against it that need to be repaid first. This cash value can be seen as a savings component of the policy, providing a financial benefit upon cancellation, which can be particularly useful for the policyholder. The cash value reflects the investment aspect of whole life insurance, as these policies are designed not only to provide a death benefit but also to accumulate value over time. While it is true that canceling a policy generally results in the loss of future coverage, the retention of the cash value serves as a significant financial aspect that the policyholder can access. In contrast, refunding all premium payments, or losing all benefits immediately, does not accurately depict the financial rights of the policyholder, as they are entitled to the accumulated cash value at the point of cancellation.*

## 2. Which two features of an adjustable life policy remain unchanged?

- A. The insured and premium amount**
- B. The policy amount and plan type
- C. The insured and cash value
- D. The policy term and premium type

*In an adjustable life policy, two important features remain constant: the insured and the premium amount. The insured refers to the person who is covered by the life insurance policy, and this person typically does not change throughout the life of the policy—unless there are specific contractual provisions allowing for such changes. The premium amount is also a defining characteristic that maintains its consistency in adjustable life policies, especially when it is set at the time of policy purchase. While policyholders can often modify other aspects, such as the death benefit or cash value component, the original insured person and the premium amount remain unchanged, providing stability for the policyholder. Choosing options that involve the policy amount, plan type, or other features could lead to confusion because those elements are specifically designed to be adjustable as per the policyholder's needs. It is this flexibility that defines adjustable life insurance, allowing the insured to adapt to changing financial situations or family circumstances while still keeping some foundational aspects steady.*

**3. Which kind of life insurance experiences several increases in premium over the first 5-7 years before leveling out?**

- A. Limited pay life
- B. Graded life**
- C. Whole life
- D. Variable life

*Graded life insurance is designed with a premium structure that typically starts at a lower rate, which then gradually increases over the first several years of the policy, often for a period of about 5 to 7 years. After this initial period of increases, the premiums then level out and remain consistent for the remainder of the coverage. This type of policy is often appealing to individuals who are looking for lower initial costs while accepting that their premiums will rise in the early years. In contrast, other types of insurance mentioned, such as limited pay life, whole life, and variable life, have different premium structures. Limited pay life insurance often has higher premiums that remain constant as the policyholder pays off the premium over a shorter, predetermined period, while whole life insurance typically has stable premiums from the outset. Variable life insurance allows for a flexible premium payment but does not inherently include the structured increases seen in graded life policies. Therefore, the characteristics of graded life insurance make it the correct choice for a policy experiencing several increases in premiums before stabilizing.*

**4. What characteristic does a "variable life insurance" policy offer?**

- A. Fixed premiums and guaranteed cash value
- B. The ability to participate in the investment performance of the cash value**
- C. Lifetime coverage with decreasing premiums
- D. Only a death benefit without cash value

*A characteristic that distinguishes a "variable life insurance" policy is the ability for policyholders to participate in the investment performance of the cash value. This type of insurance product combines a death benefit with a cash value component that can be allocated to a variety of investment options, such as stocks, bonds, or mutual funds. Because the cash value is tied to the performance of these investments, it can grow at varying rates, often resulting in the potential for higher returns compared to traditional whole life insurance policies, which typically have a fixed cash value growth. This ability to invest in different assets introduces a flexible approach to managing both the death benefit and the cash value components of the policy. As a result, policyholders have the opportunity to increase the value of their investment based on market performance, ultimately impacting the available cash value and potentially the death benefit amount, depending on how the investments perform over time.*

**5. What is a primary function of a mortality table?**

- A. To specify claim procedures
- B. To dictate policy exclusions
- C. To help insurers set premiums based on life expectancy**
- D. To manage policy cancellation processes

*A mortality table is a crucial tool used in the insurance industry to provide statistical data about the likelihood of death at various ages. Its primary function is to help insurers assess risks associated with life insurance policies by determining life expectancy. This information is essential for calculating appropriate premiums so that the insurer can cover future claims while remaining financially stable. By using mortality tables, insurers can estimate how many policyholders are likely to pass away within a specific time frame, allowing them to price their policies accurately. This ensures that the premiums charged reflect the risk of insuring individuals of different ages and health statuses. Therefore, choice C captures the essence of how mortality tables are utilized in setting life insurance premiums based on life expectancy.*

## 6. Which of the following best describes an "income last expense" policy?

- A. Coverage for income replacement during retirement
- B. Insurance that accumulates cash value over time
- C. Coverage specifically for debts and final expenses**
- D. A policy primarily for children's education funding

An "income last expense" policy is specifically designed to cover debts and final expenses that may arise at the end of a policyholder's life. This type of insurance ensures that the beneficiary has the necessary funds to handle costs such as funeral expenses, medical bills, and other debts that the insured may leave behind. The focus of this policy is on addressing immediate financial obligations that can burden loved ones after the insured's passing, rather than serving broader purposes such as income replacement during retirement, accumulating cash value, or funding education. By targeting the coverage of final expenses, this policy helps to alleviate the financial stress on family members during an emotionally difficult time.

## 7. What is a "whole life insurance" policy?

- A. A policy that lasts until the insured decides to cancel
- B. A policy with fixed premiums but limited benefits
- C. A policy that provides coverage for the insured's entire life**
- D. A policy designed for short-term coverage needs

A whole life insurance policy is designed to provide coverage for the insured's entire life, as long as the premiums are paid. This type of policy combines a death benefit with a cash value component that grows over time. The premiums remain consistent throughout the life of the policy, making it predictable for budgeting purposes. One of the distinctive features of whole life insurance is its lifelong coverage, which contrasts with term life insurance that only provides coverage for a specified period. Additionally, whole life policies typically build cash value that the policyholder can access during their lifetime. This contrasts with other types of policies that may provide temporary or limited benefits, such as those with fixed premiums but shorter coverage terms. Overall, whole life insurance is a long-term financial strategy aimed at providing security and financial support to beneficiaries at the time of death.

## 8. Why is a securities license required for selling Variable Whole Life policies?

- A. Due to the fixed nature of premiums
- B. To oversee the cash value guarantee
- C. Because of the investment component involved**
- D. To manage death benefit claims

A securities license is required for selling Variable Whole Life policies primarily because these policies have an investment component that allows policyholders to allocate their premiums into various investment options, such as stocks and bonds. Unlike traditional whole life insurance, which offers a guaranteed death benefit and cash value accumulation, Variable Whole Life policies can fluctuate based on the performance of the underlying investments. This means that they are treated similarly to investment products rather than purely insurance products. The necessity for a securities license ensures that the individual selling these policies has received the proper training and understands the regulations that govern investment products. This license is crucial for protecting consumers by ensuring that those selling these complex financial instruments are knowledgeable about the risks involved in the investments, the potential for loss, and the need for adequate disclosures. Other options do not capture the essence of why a securities license is needed. While the fixed nature of premiums, cash value guarantees, and managing death benefit claims are important aspects of insurance policies, they do not pertain to the regulatory requirements for selling products that include a variable investment component. Thus, the focus on the investment aspect is central to understanding the requirement for a securities license.

**9. Which insurance types are commonly classified as permanent individual life insurance?**

- A. Limited, Continuous, Whole
- B. Whole, Universal, Variable**
- C. Term, Graded, Whole
- D. Universal, Indexed, Term

*The classification of permanent individual life insurance primarily includes Whole, Universal, and Variable life insurance policies. These types of insurance are designed to provide coverage for the insured's entire life, as long as premiums are paid, and they typically include a cash value component that can grow over time. Whole life insurance provides a fixed premium and guaranteed cash value accumulation and death benefit. Universal life insurance offers more flexibility in terms of premium payments and death benefits, allowing policyholders to adjust their coverage as needed. Variable life insurance allows the cash value and death benefit to fluctuate based on the investment performance of selected sub-accounts, offering the potential for growth but also increasing risk. In contrast, options such as Term insurance are intended for temporary coverage and do not build cash value, making them distinct from permanent life insurance products. Graded and Indexed insurance products have their own specific criteria and structures that set them apart from standard definitions of permanent life insurance. By recognizing these characteristics, it's clear that B accurately represents the types of permanent individual life insurance policies.*

**10. What is the primary benefit of Indexed Universal Life insurance policies?**

- A. Guaranteed loan options
- B. Cash value accumulation tied to stock market performance**
- C. Fixed interest rates on savings
- D. Lower premiums compared to traditional policies

*Indexed Universal Life (IUL) insurance policies are designed to provide policyholders with the potential for cash value growth that is tied to the performance of a specific stock market index, such as the S&P 500. This structure allows policyholders to benefit from market gains while still offering a level of protection against losses, as these policies typically have a floor that limits losses. The primary appeal of indexed universal life insurance lies in its ability to provide a hybrid approach to whole life insurance. Unlike traditional whole life policies, which offer fixed cash value growth, an IUL allows for potentially higher returns due to its linkage with stock market indices, making it an attractive option for individuals looking to build cash value over time while also enjoying the inherent protection of a life insurance policy. Policyholders do not directly invest in the stock market; instead, the cash value grows based on the performance of the index, and any interest credited is typically subject to a cap, providing a balance between risk and reward. This contrasts with options that focus solely on guaranteed loan provisions, fixed interest rates, or lower premiums, which do not capture the unique growth potential associated with indexed universal life insurance.*

## 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://oklahomalifeproducer.examzify.com>

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

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