

Oregon Life and Health Insurance Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of questions,

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Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	6
Answers	9
Explanations	11
Next Steps	17

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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

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!

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Questions

- 1. What is a "statement of health" in a life insurance application?**
 - A. An overview of the applicant's financial status**
 - B. An applicant's declaration of their current health status**
 - C. A summary of the applicant's medical history**
 - D. A document from a health professional**
- 2. What characterizes a "whole life participating policy"?**
 - A. A policy that covers only death benefits**
 - B. A whole life policy that might pay dividends based on performance**
 - C. A term life policy with limited coverage**
 - D. A whole life policy with adjustable premiums**
- 3. The benefits in Medical Expense Insurance are?**
 - A. Taxable**
 - B. Nonexistent**
 - C. Taxed when they reach \$25,000 per year**
 - D. Received income tax free by the individual**
- 4. What is a 'policyholder'?**
 - A. An insurance agent selling policies**
 - B. The individual or entity that owns an insurance policy**
 - C. The beneficiary of an insurance policy**
 - D. A third party involved in claims**
- 5. What type of insurance is typically associated with "long-term care" coverage?**
 - A. Life insurance**
 - B. Disability insurance**
 - C. Health insurance**
 - D. Property insurance**

- 6. Which type of insurance provides coverage for lost income due to disability?**
- A. Disability income insurance**
 - B. Temporary disability insurance**
 - C. Health insurance**
 - D. Life insurance**
- 7. An individual purchases a life insurance policy and lists his parents as the beneficiaries. What type of beneficiary designation does the policy have?**
- A. Irrevocable.**
 - B. Contingent.**
 - C. Primary.**
 - D. Revocable.**
- 8. What happens to the face amount of a whole life policy if the insured reaches the age of 100?**
- A. The cash value and the face amount are paid to the insured**
 - B. The face amount is paid to the insured**
 - C. It is paid to the insured's estate and the policy is terminated**
 - D. It is paid to the beneficiary in full**
- 9. Which entity regulates insurance companies in Oregon?**
- A. The Oregon Department of Insurance**
 - B. The Oregon Division of Financial Regulation**
 - C. Oregon Insurance Bureau**
 - D. The Financial Services Authority of Oregon**
- 10. What is the impact of the term "assignment" in relation to Medicare?**
- A. It refers to a doctor's agreement**
 - B. It indicates full payment of claims**
 - C. It allows for additional fees**
 - D. It creates immediate estate value**

Answers

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

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Explanations

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1. What is a "statement of health" in a life insurance application?

- A. An overview of the applicant's financial status**
- B. An applicant's declaration of their current health status**
- C. A summary of the applicant's medical history**
- D. A document from a health professional**

A "statement of health" in a life insurance application serves as an applicant's declaration of their current health status. This statement typically requires the applicant to provide honest answers regarding their health conditions, habits, and any existing medical issues. This information is crucial for the underwriting process, as it helps the insurer assess the risk associated with the applicant and determine the premiums or coverage options. Providing accurate health information allows the insurer to evaluate the likelihood of making a claim and to ensure that the premium reflects the applicant's risk profile. Therefore, this statement plays a vital role in the underwriting and risk assessment processes that are fundamental to life insurance. The other options, while related to aspects of the application process, do not accurately define the statement of health. An overview of financial status pertains more to income and assets, a summary of medical history would include past medical events but not necessarily the current health condition, and a document from a health professional might provide clinical insight but is not what the applicant submits directly. All these angles emphasize different aspects of the application but do not encapsulate the specific purpose of the statement of health.

2. What characterizes a "whole life participating policy"?

- A. A policy that covers only death benefits**
- B. A whole life policy that might pay dividends based on performance**
- C. A term life policy with limited coverage**
- D. A whole life policy with adjustable premiums**

A whole life participating policy is characterized by the potential to pay dividends to policyholders based on the company's financial performance. These dividends are typically a return of excess premiums or profits that the insurer has generated. Policyholders of participating whole life policies can benefit from this feature, as it not only provides guaranteed death benefits but also has the opportunity for cash value accumulation through dividends. The nature of this policy contrasts with others that might focus solely on providing death benefits or have adjustable premiums. In the case of term life policies, they provide protection for a limited time period without accumulating cash value or dividends. Thus, the nature of a participating whole life policy is distinct and essential for policyholders seeking both security and potential financial growth through dividends.

3. The benefits in Medical Expense Insurance are?

- A. Taxable
- B. Nonexistent
- C. Taxed when they reach \$25,000 per year
- D. Received income tax free by the individual**

In the context of Medical Expense Insurance, the benefits received by an individual are generally considered to be income tax-free. This means that when a policyholder files a claim and receives reimbursement for medical expenses under such insurance, the amount received is not subject to federal income tax. This provision is significant as it allows individuals to cover their healthcare costs without the burden of tax implications, effectively providing them with a financial advantage when managing medical expenses. The tax-free nature of these benefits is grounded in federal tax laws that recognize the importance of medical coverage as essential for individuals, thereby promoting access to health care without additional financial liabilities. This tax exemption is designed to ease the financial burden on policyholders, encouraging more individuals to seek medical insurance and utilize necessary health care services without the concern of incurring tax liabilities on the benefits received.

4. What is a 'policyholder'?

- A. An insurance agent selling policies
- B. The individual or entity that owns an insurance policy**
- C. The beneficiary of an insurance policy
- D. A third party involved in claims

The term 'policyholder' refers specifically to the individual or entity that owns an insurance policy. This person or organization is the one who has entered into a contract with the insurance company and is responsible for paying the premiums associated with that policy. As the owner, the policyholder has specific rights concerning the policy, including the ability to make changes to it, cancel it, or designate beneficiaries. In contrast, other roles such as an insurance agent, beneficiary, or third party involved in claims do not hold ownership over the insurance policy itself. An insurance agent facilitates the sale of the policy but does not own it; the beneficiary is designated to receive benefits under the policy but does not have ownership rights; and a third party may be involved in the claims process but does not have an ownership stake either. Understanding the distinction between these roles is crucial for clarity in insurance terminology and for comprehending the responsibilities and rights associated with an insurance policy.

5. What type of insurance is typically associated with "long-term care" coverage?

- A. Life insurance**
- B. Disability insurance**
- C. Health insurance**
- D. Property insurance**

Long-term care insurance is primarily considered a type of health insurance. This coverage is specifically designed to provide financial assistance for individuals who need long-term care services due to chronic illness, disability, or aging. It focuses on covering the costs associated with services that help with daily living activities, such as bathing, dressing, and eating, which typically are not paid for by standard health insurance plans or Medicare. Health insurance generally encompasses a broad scope of health-related expenses, covering medical costs and treatment for illnesses and hospital stays, but long-term care insurance specifically fills the gap for those needing assistance over an extended period. This specialized form of coverage is essential for preserving assets and ensuring that individuals can receive the necessary care without significant financial burden, especially as they age or if they develop chronic health conditions.

6. Which type of insurance provides coverage for lost income due to disability?

- A. Disability income insurance**
- B. Temporary disability insurance**
- C. Health insurance**
- D. Life insurance**

Disability income insurance is designed specifically to replace a portion of a person's income if they become unable to work due to a disability or medical condition. This type of policy can help individuals maintain their financial stability by providing monthly benefits that are typically based on their pre-disability earnings. In contrast, temporary disability insurance may cover short-term disabilities, but it does not provide comprehensive protection for long-term income loss. Health insurance focuses on covering medical expenses rather than income replacement, while life insurance primarily pays out a benefit to beneficiaries upon the policyholder's death, not to replace lost income due to disability. Therefore, disability income insurance is the most appropriate option for coverage of lost income due to a disabling condition.

7. An individual purchases a life insurance policy and lists his parents as the beneficiaries. What type of beneficiary designation does the policy have?

A. Irrevocable.

B. Contingent.

C. Primary.

D. Revocable.

In the scenario where an individual purchases a life insurance policy and lists his parents as beneficiaries, the most accurate classification for this beneficiary designation is revocable. A revocable beneficiary designation allows the policyholder to change the beneficiaries at any time during their lifetime without needing the consent of the current beneficiaries. This flexibility is essential for many policyholders, as circumstances can change over time, such as marital status, financial dependencies, or changes in family dynamics. In contrast, an irrevocable beneficiary designation would lock in the named beneficiaries, preventing the policyholder from making any changes without their consent, which is not applicable in this case. A contingent beneficiary is someone designated to receive the benefits only if the primary beneficiary is unable to do so, which does not apply here as the parents are directly listed. While the primary beneficiary designation refers to the first in line to receive benefits upon the insured's passing, the specification of parents alone does not inherently classify them as either primary or contingent without further context regarding whether there are multiple beneficiaries or additional designations. Thus, the designation of the parents as beneficiaries can indeed be classified as revocable, giving the policyholder significant leeway to make adjustments if needed.

8. What happens to the face amount of a whole life policy if the insured reaches the age of 100?

A. The cash value and the face amount are paid to the insured

B. The face amount is paid to the insured

C. It is paid to the insured's estate and the policy is terminated

D. It is paid to the beneficiary in full

In a whole life insurance policy, if the insured reaches the age of 100, the policy matures, and the face amount is paid out to the insured. This outcome reflects the inherent design of whole life policies, which are intended to provide insurance coverage for the lifetime of the insured. When the insured lives to the maturity age, they are entitled to receive the death benefit as they have essentially lived beyond the period for which the company anticipated having to pay a death claim. While some policies might offer other cash values or options upon maturity, the key point is that the insured receives the face amount directly. This feature underscores the policy's commitment to financial security throughout the insured's lifetime, ensuring that the coverage holds value regardless of when the policy matures due to the insured reaching 100 years of age.

9. Which entity regulates insurance companies in Oregon?

- A. The Oregon Department of Insurance**
- B. The Oregon Division of Financial Regulation**
- C. Oregon Insurance Bureau**
- D. The Financial Services Authority of Oregon**

The Oregon Division of Financial Regulation is the correct answer as it is the state agency responsible for overseeing and regulating insurance companies in Oregon. This division operates under the Department of Consumer and Business Services to ensure that companies comply with state laws and regulations. Its responsibilities include protecting consumer rights, ensuring the financial health of insurance companies operating in Oregon, and providing education about insurance products. This regulatory body plays a vital role by monitoring not only the pricing and practices of insurance providers but also by implementing consumer protection measures that ensure policies meet the legal standards set forth by the state. Such oversight helps maintain a stable and safe insurance market for Oregon residents. Other entities mentioned have different roles or functions. The Oregon Department of Insurance, while sounding like a plausible choice, does not exist as a separate regulatory agency in the state; regulation falls under the Division of Financial Regulation. The Oregon Insurance Bureau typically refers to industry groups rather than a regulatory agency. Lastly, the Financial Services Authority of Oregon does not exist; various financial regulations may be encompassed under the Division of Financial Regulation, but this specific authority is not recognized in the context of Oregon insurance regulation.

10. What is the impact of the term "assignment" in relation to Medicare?

- A. It refers to a doctor's agreement**
- B. It indicates full payment of claims**
- C. It allows for additional fees**
- D. It creates immediate estate value**

The term "assignment" in relation to Medicare refers to a doctor's agreement to accept what Medicare pays as full payment for covered services. When a healthcare provider accepts Medicare assignment, they agree to bill Medicare directly for the services they provide to patients. This means they cannot charge the patient more than the Medicare-approved amount for that service. This system is in place to help control healthcare costs and to ensure that beneficiaries are not overcharged for medical services. When providers accept assignment, it simplifies the billing process for the patient, who then is only responsible for any deductible or coinsurance amounts, rather than the potentially higher fees a non-participating provider might charge. The other options do not accurately capture the meaning of "assignment" within the context of Medicare. It does not indicate full payment of claims in a general sense or create immediate estate value, nor does it allow for additional fees, as accepting assignment typically prevents providers from charging additional amounts for covered services.

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://orlifeandhealth.examzify.com>

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