

# Oregon Life and Health 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. 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**

**2. If a business wants to make sure it will be able to cover losses due to the disability of its top employee, the business should get which type of insurance?**

- A. Key person disability income**
- B. Group health insurance policy**
- C. Health Savings Account (HSA)**
- D. Business overhead expense**

**3. What is an agent's fiduciary responsibility?**

- A. The obligation to act in the best interest of clients and uphold ethical standards in transactions**
- B. The duty to maximize profits for the insurance company**
- C. The right to make decisions on behalf of the clients without consultation**
- D. The obligation to provide all information regardless of its relevance**

**4. Which type of insurance would typically cover the monthly expenses of a business in case of a key employee's disability?**

- A. Key person disability income**
- B. Group health insurance**
- C. Long-term care insurance**
- D. Life insurance**

**5. What constitutes a 'loss of income' rider?**

- A. An additional premium that increases overall coverage limits**
- B. An option that provides cash to the policyholder for lost wages due to injury or illness**
- C. A clause that automatically renews the policy if income decreases**
- D. A provision that adds beneficiaries in the event of job loss**

**6. Which of the following is NOT a typical type of Long-Term Care coverage?**

- A. Residential care.**
- B. Home health care.**
- C. Child day care.**
- D. Skilled nursing care.**

**7. What is 'assignment' in life insurance?**

- A. The temporary suspension of a policy's coverage**
- B. The legal transfer of a policy's benefits from one individual to another**
- C. The renewal of an insurance policy**
- D. A method of assigning policy costs to beneficiaries**

**8. Medicare Part A services do NOT include which of the following?**

- A. Private Duty Nursing**
- B. Post hospital Skilled Nursing Facility Care**
- C. Hospitalization**
- D. Hospice Care**

**9. An insured purchases a non-participating whole life policy. This policy includes all of the following EXCEPT:**

- A. Permanent protection**
- B. Cash and loan values**
- C. Dividends**
- D. A premium calculated closely to the cost of the insurance**

**10. What is the primary purpose of life insurance?**

- A. To provide financial protection to beneficiaries upon the policyholder's death**
- B. To accumulate savings for retirement**
- C. To pay for healthcare expenses during the insured's life**
- D. To offer liability coverage for policyholders**

## **Answers**

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

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## **Explanations**

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## 1. 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.

## 2. If a business wants to make sure it will be able to cover losses due to the disability of its top employee, the business should get which type of insurance?

- A. Key person disability income**
- B. Group health insurance policy**
- C. Health Savings Account (HSA)**
- D. Business overhead expense**

To protect itself from the financial repercussions of losing a key employee due to disability, a business should indeed consider a key person disability income insurance policy. This type of insurance specifically addresses the situation where a crucial employee, often a leader or a highly skilled individual, is unable to work due to a disability. It provides financial compensation to the business, which can help cover expenses or losses incurred during this difficult period. This form of insurance is vital because the absence of a key person can lead to significant operational and financial challenges, and having this coverage ensures that the business has the funds necessary to maintain stability while it manages the situation. The indemnity provided can be used for various purposes, such as hiring a temporary replacement or covering lost revenue. In contrast, group health insurance policies are designed to provide health benefits to a group of employees, rather than specifically addressing the financial needs of the business when a key person becomes disabled. Health Savings Accounts (HSAs) serve to help individuals save for medical expenses and are more personal financial tools than business-oriented solutions. Business overhead expense insurance typically focuses on covering the expenses that continue even if the business owner is unable to work, rather than the specific loss encountered due to a key employee's disability. Therefore, a key person

### 3. What is an agent's fiduciary responsibility?

- A. The obligation to act in the best interest of clients and uphold ethical standards in transactions**
- B. The duty to maximize profits for the insurance company**
- C. The right to make decisions on behalf of the clients without consultation**
- D. The obligation to provide all information regardless of its relevance**

An agent's fiduciary responsibility is fundamentally rooted in the obligation to act in the best interest of clients and uphold ethical standards in transactions. This means that agents must prioritize their clients' needs and interests above their own financial gain or the interests of the insurance companies they represent. They must provide clients with honest and accurate information, maintain confidentiality, and avoid conflicts of interest. This responsibility ensures that clients can trust their agents to provide guidance and recommendations that truly benefit them, rather than serving the agent's or insurer's interests. Upholding such ethical standards is crucial in building and maintaining long-term relationships between agents and clients, as well as in fostering trust in the insurance profession overall.

### 4. Which type of insurance would typically cover the monthly expenses of a business in case of a key employee's disability?

- A. Key person disability income**
- B. Group health insurance**
- C. Long-term care insurance**
- D. Life insurance**

Key person disability income insurance is specifically designed to provide financial protection to a business in the event that a key employee becomes disabled and is unable to work. This type of insurance helps cover the ongoing expenses of the business, such as payroll, rent, and operational costs, during the period that the key employee is unable to contribute. This type of coverage is essential for businesses that rely heavily on the skills, knowledge, and relationships of specific individuals. By having a policy in place, the company can maintain stability and mitigate the financial impact of losing a crucial team member, ensuring that the business can continue to operate smoothly. The other options do not specifically address this need. Group health insurance primarily covers medical expenses for employees but does not provide income to cover business operational costs. Long-term care insurance is aimed at covering the costs associated with assisted living or nursing home care, and life insurance provides a death benefit rather than compensation for disability. Thus, key person disability income insurance is the most appropriate choice for businesses looking to protect themselves against the financial consequences of a key employee's disability.

## 5. What constitutes a 'loss of income' rider?

- A. An additional premium that increases overall coverage limits
- B. An option that provides cash to the policyholder for lost wages due to injury or illness**
- C. A clause that automatically renews the policy if income decreases
- D. A provision that adds beneficiaries in the event of job loss

A 'loss of income' rider is specifically designed to provide financial support to the policyholder by offering cash benefits for lost wages due to injury or illness. This rider is particularly important for those who rely on their income to meet daily living expenses, as it ensures they have a safety net during periods when they are unable to work. The provision typically outlines the amount and duration of benefits the insured will receive, making it a vital addition to a health or disability insurance policy. The other choices do not accurately describe a loss of income rider. The first choice refers to an additional premium that increases coverage limits, which does not specifically address income loss. The third option discusses a renewal clause based on income decrease, which is unrelated to the concept of compensating for lost wages. Lastly, adding beneficiaries in the event of job loss doesn't align with the primary function of a loss of income rider, which is to provide cash flow rather than modify beneficiary designations.

## 6. Which of the following is NOT a typical type of Long-Term Care coverage?

- A. Residential care.
- B. Home health care.
- C. Child day care.**
- D. Skilled nursing care.

Long-Term Care (LTC) coverage is designed to provide assistance with the activities of daily living (ADLs) for individuals who have chronic illnesses, disabilities, or cognitive impairments. This type of insurance typically covers services that assist individuals in maintaining their quality of life when they can no longer perform certain tasks independently. Residential care, home health care, and skilled nursing care all fall within the realm of typical Long-Term Care services. Residential care provides assistance to individuals in facilities designed to support their daily living needs, while home health care involves professional services delivered at home, such as skilled nursing services, therapy, and assistance with daily tasks. Skilled nursing care is provided in a nursing facility and involves round-the-clock medical care from licensed nurses. Child day care, however, is not considered a typical type of Long-Term Care coverage. It addresses the needs of children and provides temporary care for them while parents or guardians are at work or busy with other responsibilities. This service does not align with the needs of adults requiring long-term support due to health-related challenges. Thus, it stands out as the option that does not fit within standard Long-Term Care coverage provisions.

## 7. What is 'assignment' in life insurance?

- A. The temporary suspension of a policy's coverage**
- B. The legal transfer of a policy's benefits from one individual to another**
- C. The renewal of an insurance policy**
- D. A method of assigning policy costs to beneficiaries**

The term 'assignment' in life insurance refers to the legal transfer of a policy's benefits from one individual to another. This means that the policyowner can designate another person or entity to receive the benefits of the insurance policy. Assignments are often used in situations like securing a loan, where a policyowner can assign the policy to a lender as collateral, ensuring that the lender receives the benefits if the policyowner passes away. This concept is central to understanding how life insurance can be part of various financial planning strategies and legal arrangements. For instance, if an individual wants to guarantee that a certain sum will be paid to a specific person or entity, they can execute an assignment to make that arrangement legally binding. The other choices involve concepts not aligned with the definition of assignment in life insurance. While they concern different aspects of policy management, they do not capture the essence of what it means to assign a policy. Understanding this legal transfer of benefits is crucial for both policyholders and beneficiaries in navigating their rights and responsibilities regarding life insurance.

## 8. Medicare Part A services do NOT include which of the following?

- A. Private Duty Nursing**
- B. Post hospital Skilled Nursing Facility Care**
- C. Hospitalization**
- D. Hospice Care**

Medicare Part A primarily covers inpatient hospital stays, skilled nursing facility care after hospitalization, hospice care, and some home health care. However, it does not cover private duty nursing services. Private duty nursing typically involves around-the-clock care and is generally not considered a medically necessary service under Medicare Part A. Instead, these services often fall outside the scope of what is covered, as they are seen as personal or custodial care rather than skilled nursing care. This makes private duty nursing an excluded service under Medicare Part A, highlighting why this answer is correct. In contrast, the other choices listed—post-hospital skilled nursing facility care, hospitalization, and hospice care—are all included under Medicare Part A benefits, as they pertain directly to medically necessary hospital and post-hospital services.

**9. An insured purchases a non-participating whole life policy. This policy includes all of the following EXCEPT:**

- A. Permanent protection**
- B. Cash and loan values**
- C. Dividends**
- D. A premium calculated closely to the cost of the insurance**

A non-participating whole life policy is designed to provide permanent life insurance coverage without the policyholder participating in the insurer's profits through dividends. As such, the policy will not pay dividends to the insured; this is a fundamental characteristic of non-participating policies. On the other hand, permanent protection refers to the lifelong coverage that these policies offer, ensuring that the insured is protected for as long as premiums are paid. Cash and loan values are features of whole life insurance, allowing the policyholder to accumulate savings that can be borrowed against or redeemed upon cancellation of the policy. Finally, the premium is typically set at a level that reflects the cost of the insurance and the benefits it provides, ensuring that the premium payments remain stable over time. Therefore, the absence of dividends in a non-participating policy clearly highlights why that choice stands out as the exception in the details of the features included with this type of insurance.

**10. What is the primary purpose of life insurance?**

- A. To provide financial protection to beneficiaries upon the policyholder's death**
- B. To accumulate savings for retirement**
- C. To pay for healthcare expenses during the insured's life**
- D. To offer liability coverage for policyholders**

The primary purpose of life insurance is to provide financial protection to beneficiaries upon the policyholder's death. This type of insurance ensures that, in the event of the policyholder's passing, their loved ones receive a financial payout, often referred to as a death benefit. This payout can help cover various expenses that may arise, such as funeral costs, outstanding debts, mortgage payments, and day-to-day living expenses, thus providing peace of mind and financial security for the beneficiaries left behind. In contrast, accumulating savings for retirement is primarily the function of retirement accounts and investment vehicles, not life insurance. While some life insurance products have a cash value component that can serve as savings, the main focus remains on providing monetary support upon death. Paying for healthcare expenses during the insured's life pertains more to health insurance rather than life insurance, as health insurance is designed to cover medical costs. Lastly, liability coverage is typically associated with property and casualty insurance rather than life insurance, as it protects against claims resulting from injuries or damage to other people or property.

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

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

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