

# 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 common feature of term life insurance?
  - A. It has a cash value component
  - B. It provides coverage for a specified term
  - C. It covers long-term care costs
  - D. It typically has very high premiums
  
2. What is a typical benefit of having group health insurance?
  - A. Lower premiums compared to individual policies
  - B. Higher coverage limits
  - C. Guaranteed issue without health questions
  - D. All of the above
  
3. All of the following are reasons for group insurance termination for dependents EXCEPT?
  - A. The end of the last period for which the employee has made the required premium for dependent coverage passes.
  - B. The overall maximum benefit for major medical benefits is received.
  - C. The dependent reaches age 21.
  - D. The dependent fails to meet the definition of a dependent.
  
4. What does "premium financing" entail?
  - A. The arrangement where a third party finances the life insurance premiums in exchange for the policy's cash value or death benefit
  - B. Using future premiums as collateral for loans
  - C. A payment plan option for policyholders with limited funds
  - D. A way to reduce premium costs for higher benefits
  
5. What does the term 'single premium whole life' refer to?
  - A. A whole life insurance policy that requires monthly payments
  - B. A whole life insurance policy that is paid for with a single lump-sum premium
  - C. A type of term insurance with no cash value
  - D. A temporary insurance policy with flexible premium payments

6. What is the advantage of an open enrollment period to the insured?
- A. Coverage will be provided regardless of the insured's health status
  - B. The insured may change providers as frequently as deemed necessary
  - C. It occurs several times a year for the benefit of the insured
  - D. The premiums for coverage are lower during this period
7. What advantage does the "recurrent disability" provision provide to the insured under a disability income policy?
- A. It eliminates the imposition of an elimination period for a separate disability
  - B. It imposes an elimination period for the disability
  - C. It eliminates the imposition of a second elimination period for the same disability
  - D. It provides the insured with lifetime disability benefits
8. All of the following are true of credit life EXCEPT?
- A. The creditor is the policyowner
  - B. The insured names the beneficiary
  - C. The death benefit cannot exceed the amount of the loan
  - D. The premium payment is included in the loan payment
9. What is a beneficiary in a life insurance policy?
- A. The insurer responsible for the policy
  - B. The person or entity designated to receive the death benefit
  - C. The insured individual
  - D. The agent who sells the policy
10. What is the primary function of a health insurance 'open enrollment' period?
- A. To evaluate the effectiveness of insurance claims
  - B. To allow individuals to sign up for or make changes to their health insurance plans
  - C. To inform policyholders about premium increases
  - D. To measure the quality of care provided

## Answers

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

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## Explanations

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## 1. What is a common feature of term life insurance?

- A. It has a cash value component
- B. It provides coverage for a specified term
- C. It covers long-term care costs
- D. It typically has very high premiums

Term life insurance is specifically designed to provide coverage for a predetermined period known as the "term." This can range from a few years to several decades. During this term, if the insured individual passes away, the policy pays out a death benefit to the beneficiaries. This feature is fundamental to term life insurance, making it distinctly different from other types of life insurance that may have investment components or cash value accumulation. In other types of insurance, such as whole life or universal life, a cash value component is included, which allows the policyholder to build savings over time. However, term life insurance strictly does not have this feature, focusing solely on providing death benefit coverage for the set period without accumulating any cash value. Similarly, term life insurance does not cover long-term care costs, which are typically addressed through separate long-term care insurance policies aimed at helping cover the expenses of ongoing care for chronic illnesses or disabilities. Regarding premiums, term life insurance typically has lower premiums compared to permanent life insurance products. The lower cost can make it an appealing option for many people looking for affordable coverage for a specific time frame based on their needs, such as protecting their family's financial future during critical years like raising children or paying off a mortgage.

## 2. What is a typical benefit of having group health insurance?

- A. Lower premiums compared to individual policies
- B. Higher coverage limits
- C. Guaranteed issue without health questions
- D. All of the above

Group health insurance is often advantageous for several reasons, which is reflected in the answer. One significant benefit is the potential for lower premiums compared to individual policies. When a group is covered under a single policy, the risk is spread across all members, allowing insurers to charge lower rates per person. Additionally, group plans frequently have higher coverage limits. Since these policies are negotiated based on the collective risk of a group, insurers can offer more comprehensive coverage than might be available for individuals. Guaranteed issue without health questions is another crucial advantage of group health insurance. This means that members cannot be denied coverage based on pre-existing conditions or other health factors, making it more accessible and equitable for individuals who might otherwise face barriers to obtaining insurance. Considering all these factors together, the answer encompasses the wide-ranging benefits typically afforded by group health insurance, highlighting its appeal and effectiveness in providing coverage for larger populations.

3. All of the following are reasons for group insurance termination for dependents EXCEPT?
- A. The end of the last period for which the employee has made the required premium for dependent coverage passes.
  - B. The overall maximum benefit for major medical benefits is received.
  - C. The dependent reaches age 21.
  - D. The dependent fails to meet the definition of a dependent.

The rationale behind identifying the option regarding a dependent reaching age 21 as the exception is rooted in the specific definitions and eligibility criteria that insurance policies outline for dependents. Typically, dependents can be covered under a group insurance policy until they reach a certain age, which may vary depending on the policy or state regulations. In many cases, dependents may remain covered up until age 26 in accordance with the Affordable Care Act, which expanded coverage options for young adults. In contrast, the other provided scenarios are standard reasons for insurance termination. For instance, once the employee's premium payments cease, or if the maximum benefit for major medical insurance is exhausted, the dependent's coverage will end. Similarly, if a dependent no longer fits the definition of a dependent – such as changing marital status or no longer being financially reliant on the employee – the coverage can be terminated. Understanding these distinctions is crucial for navigating group insurance policies effectively.

4. What does "premium financing" entail?

- A. The arrangement where a third party finances the life insurance premiums in exchange for the policy's cash value or death benefit
- B. Using future premiums as collateral for loans
- C. A payment plan option for policyholders with limited funds
- D. A way to reduce premium costs for higher benefits

Premium financing involves an arrangement in which a third party, typically a financial institution, provides a loan to pay for life insurance premiums. In return for covering these premiums, the lender is often granted a claim to the policy's cash value or the insurance proceeds (death benefit) should the insured individual pass away. This strategy is commonly employed by individuals who seek substantial insurance coverage but prefer not to tie up their liquid assets or cash reserves in paying premiums upfront. Utilizing premium financing allows policyholders to maintain their liquidity, invest their capital elsewhere, or facilitate the procurement of larger or permanent life insurance policies that might otherwise be financially burdensome. Because the insurance coverage remains in force while loans are repaid (often with interest), this method can be an attractive option for high-net-worth individuals seeking to manage their financial portfolio effectively. This definition accurately captures the essence of premium financing and underscores its purpose and function in life insurance planning. The other choices do not adequately reflect the fundamental nature of premium financing as it pertains to third-party involvement in premium payment and the resulting implications on cash value or death benefit claims.

5. What does the term 'single premium whole life' refer to?

- A. A whole life insurance policy that requires monthly payments
- B. A whole life insurance policy that is paid for with a single lump-sum premium
- C. A type of term insurance with no cash value
- D. A temporary insurance policy with flexible premium payments

The term 'single premium whole life' specifically refers to a whole life insurance policy that is fully funded with a single lump-sum payment at the outset. This means that the policyholder pays one premium, and in return, the policy provides lifelong coverage along with a cash value component that grows over time. This option accurately describes the structure of single premium whole life insurance, which simplifies the payment process since no further premiums are needed after the initial payment. This can be appealing to individuals who prefer to make an upfront investment rather than dealing with ongoing monthly payments. By paying a single premium, the policyholder secures permanent life insurance coverage that continues for their lifetime, assuming the premium is sufficient to cover the cost of the policy and any associated fees. In contrast, other types of policies mentioned would involve various payment structures or terms, making them different from what is outlined in the definition of a single premium whole life policy. The clarity in this definition highlights the unique attributes associated with this form of whole life insurance, emphasizing its permanence and simplicity in payment.

6. What is the advantage of an open enrollment period to the insured?

- A. Coverage will be provided regardless of the insured's health status
- B. The insured may change providers as frequently as deemed necessary
- C. It occurs several times a year for the benefit of the insured
- D. The premiums for coverage are lower during this period

The advantage of an open enrollment period lies in the fact that coverage will be provided regardless of the insured's health status. This means that individuals can obtain insurance without the worry of pre-existing conditions, which typically would either lead to higher premiums or denial of coverage altogether outside this designated period. Open enrollment periods are specifically designed to ensure that all individuals have the opportunity to secure health insurance, promoting access to necessary healthcare services without the barrier of health-based discrimination. This inclusivity helps protect individuals' health and financial stability. Other options suggest benefits like frequent provider changes, several enrollment opportunities throughout the year, or lowered premiums. However, these do not accurately represent the primary intent of open enrollment, which focuses on ensuring access to coverage without health-related restrictions.

7. What advantage does the "recurrent disability" provision provide to the insured under a disability income policy?
- A. It eliminates the imposition of an elimination period for a separate disability
  - B. It imposes an elimination period for the disability
  - C. It eliminates the imposition of a second elimination period for the same disability
  - D. It provides the insured with lifetime disability benefits

The "recurrent disability" provision in a disability income policy is designed to benefit the insured by addressing situations where a previously covered disability arises again. This provision ensures that if an insured individual experiences a recurrence of the same disability within a certain time frame after they have returned to work, they will not have to satisfy a second elimination period. The key advantage is that it simplifies access to benefits for recurring incidents of the same condition, allowing the insured to receive benefits more easily and quickly without facing additional waiting periods. This is particularly relevant for illnesses or injuries that may flare up or become problematic again after a period of recovery. In contrast, an elimination period defines the time the insured must wait before benefits become payable, and having to go through that again would be detrimental to someone who has not fully healed or who faces ongoing issues with the same disability. The recurrent disability provision effectively removes this potential barrier for insureds who find themselves in such situations, making it a significant feature of disability income policies aimed at ensuring adequate support during times of need.

8. All of the following are true of credit life EXCEPT?
- A. The creditor is the policyowner
  - B. The insured names the beneficiary
  - C. The death benefit cannot exceed the amount of the loan
  - D. The premium payment is included in the loan payment

In the context of credit life insurance, it's important to understand the roles of the involved parties and the structure of the insurance itself. In credit life insurance, the creditor (typically a lender) is the policyholder because the insurance is designed to cover the amount of a loan in the event of the borrower's death. This means that the death benefit is typically paid directly to the creditor to settle the outstanding loan balance. The death benefit is limited to the amount of the loan to ensure that the creditor is compensated adequately without exceeding the debt. Furthermore, the premium for this insurance is often rolled into the borrower's loan payments, making it a convenient way for borrowers to pay for this coverage without making separate payments. Given this context, saying the insured names the beneficiary is not accurate. In credit life insurance, the beneficiary is not named by the insured but rather is predetermined as the creditor. Thus, recognizing that the creditor is the one who benefits from the policy confirms that the other statements are consistent with the nature of credit life insurance.

9. What is a beneficiary in a life insurance policy?

- A. The insurer responsible for the policy
- B. The person or entity designated to receive the death benefit
- C. The insured individual
- D. The agent who sells the policy

A beneficiary in a life insurance policy is the person or entity that is designated to receive the death benefit upon the death of the insured individual. This designation is crucial as it ensures that the proceeds of the policy go to the intended recipient, which can be a family member, friend, trust, charity, or any other entity. The beneficiary plays a vital role in the insurance contract, as their designation reflects the policyholder's wishes regarding how the insurance payout should be distributed after their death. This aspect of life insurance is important because it not only provides financial support to the beneficiary but also ensures that the policyholder's intent is honored at the time of their passing. In contrast, the other options refer to different roles in the insurance process: the insurer is the company that issues the policy, the insured individual is the person whose life is covered by the policy, and the agent is the person who sells the policy. None of these roles receive the death benefit, making the definition of a beneficiary distinct and important within the context of life insurance.

10. What is the primary function of a health insurance 'open enrollment' period?

- A. To evaluate the effectiveness of insurance claims
- B. To allow individuals to sign up for or make changes to their health insurance plans
- C. To inform policyholders about premium increases
- D. To measure the quality of care provided

The primary function of a health insurance 'open enrollment' period is to allow individuals to sign up for or make changes to their health insurance plans. This designated timeframe is crucial because it provides a structured opportunity for individuals to enroll in a health insurance plan or to modify their existing coverage according to their current needs. During open enrollment, individuals can assess their health circumstances and choose plans that best fit their medical needs and financial situations without facing penalties or restrictions that typically apply outside of this period, such as pre-existing condition limitations. This period ensures that everyone has access to health insurance coverage, promoting health security and continuity of care. This mechanism plays a significant role in the health insurance system by balancing risk and ensuring that a broad pool of participants can access necessary medical care, contributing to overall public health. Other functions mentioned, such as evaluating claims or informing about premium increases, occur typically outside of this period and do not facilitate direct participation in health insurance choices by consumers.

## 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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