Insurance Licensing

fe-Accident-and-Health-or-Sickness-Pro

Oklahoma Life, Accident, and Health or Sickness Producer Exam

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Question: 1

Every licensee must keep records pertaining to insurance transactions for how many years?

A. 3
B. 5
C. 7
D. 10

Answer: B

Explanation:
Oklahoma insurance law requires licensed insurance producers to maintain records of insurance transactions for a minimum of 5 years , as specified in Title 36 O.S. § 1435.13. This ensures compliance with regulatory oversight and allows for audits or investigations by the Oklahoma Insurance Department.
Option A : Incorrect. 3 years is insufficient per Oklahoma law.
Option B : Correct. Licensees must keep records for 5 years.
Option C : Incorrect. 7 years exceeds the requirement.
Option D : Incorrect. 10 years is not mandated by Oklahoma insurance regulations.
This question falls under the Prometric content outline section on “State Insurance Statutes, Rules, and Regulations,” which includes recordkeeping requirements.
[:, Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section: State-Specific Knowledge – Licensing Requirements)., Oklahoma Insurance Department, Title 36 O.S. § 1435.13 (producer recordkeeping)., Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.,]

Question: 2

An endorsement to an insurance policy that modifies clauses and provisions of the policy is referred to as

A. an attachment.
B. a supplement.
C. a rider.
D. an add-on.

Answer: C

Explanation:
A rider is an endorsement or amendment to an insurance policy that modifies its clauses, provisions, or coverage. Riders can add, remove, or alter benefits, such as adding coverage for a specific condition or

family members in life or health insurance policies. The term is standard in Oklahoma insurance law and practice.
Option A : Incorrect. An attachment is not a specific insurance term for policy modifications.
Option B : Incorrect. A supplement may refer to additional coverage but is not the standard term for policy endorsements.
Option C : Correct. A rider is an endorsement that modifies policy provisions.
Option D : Incorrect. “Add-on” is not a formal insurance term for policy modifications.
This question aligns with the Prometric content outline under “Provisions, Options, Exclusions, Riders, Clauses, and Rights,” which covers policy endorsements.
[:, Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section: General Knowledge – Life and Health Insurance Provisions)., Oklahoma Insurance Department, Title 36 O.S. § 4001 et seq. (policy provisions)., Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.,]

Question: 3

If Janet purchases a 10-year level term life insurance policy with a face amount of $100,000, which of the following is TRUE?

A. The policy will be converted to a whole life policy at the end of the 10-year period.
B. The face amount will remain constant as the premium increases over the 10-year period.
C. The face amount will increase as dividends on the policy accumulate over the 10-year period.
D. The premium and the face amount will remain constant for the 10-year period.

Answer: D

Explanation:
A 10-year level term life insurance policy has a fixed premium and a fixed face amount (death benefit) for the entire 10-year term. The premium and death benefit remain constant, and there is no cash value or dividend accumulation, as term life is not a participating policy.
Option A : Incorrect. Conversion to whole life is an optional rider, not automatic at the end of the term.
Option B : Incorrect. In a level term policy, the premium does not increase during the term; it remains constant.
Option C : Incorrect. Term life policies do not pay dividends or accumulate cash value, so the face amount does not increase.
Option D : Correct. Both the premium and the $100,000 face amount remain constant for the 10-year term.
This question falls under the Prometric content outline section on “Life Products,” which covers term life insurance characteristics.
[:, Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section: General Knowledge – Life Insurance)., Oklahoma Insurance Department, Title 36 O.S. § 4002 (definitions of life insurance products)., Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.,]

Question: 4

Upon surrender of a whole life insurance policy, which has been in force for AT LEAST 3 full years, and within 60 days after the date the premium payment is due and unpaid, the insurer will

A. pay a cash surrender value.
B. extend the grace period.
C. reimburse all paid premiums.
D. refund premium.

Answer: A

Explanation:
Under Oklahoma's Standard Nonforfeiture Law (Title 36 O.S. § 4029), a whole life insurance policy in force for at least 3 years that is surrendered due to non-payment of premiums within 60 days of the due date entitles the policyowner to a cash surrender value , provided sufficient cash value has accumulated. This is one of the nonforfeiture options, alongside extended term or reduced paid-up insurance.
Option A : Correct. The insurer pays a cash surrender value upon surrender.
Option B : Incorrect. The grace period (typically 31 days) cannot be extended beyond policy terms.
Option C : Incorrect. Reimbursing all premiums is not a nonforfeiture option.
Option D : Incorrect. Refunding the premium is not applicable; cash value is paid.
[:, Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section: General Knowledge – Life Insurance Provisions)., Oklahoma Insurance Department, Title 36 O.S. § 4029 (nonforfeiture law)., Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.,]

Question: 5

Generally, all of the following apply to group life insurance EXCEPT

A. individual underwriting is not required.
B. evidence of insurability is not required.
C. it is priced according to the risk factors of the group.
D. the insured pays a higher rate for the group policy.

Answer: D

Explanation:
Group life insurance is typically provided through an employer or organization, covering multiple individuals under a single master policy. It does not require individual underwriting or evidence of insurability for most members, and premiums are based on the group's overall risk factors (e.g., age, occupation), as outlined in Oklahoma's Insurance Code (Title 36 O.S. § 4101 et seq.). A key advantage is that group policies generally have lower rates per individual compared to individual policies due to risk pooling, making the statement that insureds pay a higher rate incorrect.
Option A : Incorrect (applies). Individual underwriting is not required; the group is assessed as a whole.
Option B : Incorrect (applies). Evidence of insurability is typically not required for standard group coverage.
Option C : Incorrect (applies). Pricing is based on the group's risk factors.

Option D : Correct (does not apply). Group life insurance rates are generally lower, not higher, than individual policies.
[:, Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section: General Knowledge – Life Insurance Provisions)., Oklahoma Insurance Department, Title 36 O.S. § 4101 et seq. (group life insurance provisions)., Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.,]

Question: 6

Any person of competent legal capacity may contract for life and health insurance at a MINIMUM age of

A. 15.
B. 16.
C. 18.
D. 21.

Answer: C

Explanation:
In Oklahoma, the minimum age for a person of competent legal capacity to contract for life and health insurance is 18 , as this is the age of majority under Oklahoma law (Title 15 O.S. § 13). Individuals under 18 may be insured (e.g., as dependents or under juvenile policies), but they cannot enter into insurance contracts themselves unless emancipated.
Option A : Incorrect. Age 15 is below the age of majority.
Option B : Incorrect. Age 16 is below the age of majority.
Option C : Correct. Age 18 is the minimum age for contracting insurance in Oklahoma.
Option D : Incorrect. Age 21 is not required; 18 is sufficient.
This question falls under the Prometric content outline section on “State Insurance Statutes, Rules, and Regulations,” which covers eligibility to contract insurance.
[:, Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section: State-Specific Knowledge – Oklahoma Insurance Statutes)., Oklahoma Insurance Department, Title 15 O.S. § 13 (age of majority)., Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.,]

Question: 7

A common disaster provision states that if the beneficiary dies from the same accident as the insured individual, the insurer will proceed as if the

A. insured individual outlived the beneficiary.
B. beneficiary outlived the insured individual.
C. beneficiary and the insured individual died simultaneously.
D. beneficiary was never named on the policy.

Answer: B

Explanation:
The common disaster provision in a life insurance policy addresses situations where the insured and primary beneficiary die in the same accident. It typically includes a survivorship clause, presuming the beneficiary outlived the insured for a specified period (e.g., 14–30 days) unless proven otherwise. This ensures the death benefit passes to the beneficiary's estate or contingent beneficiaries, as outlined in Oklahoma's life insurance provisions (Title 36 O.S. § 4001 et seq.).
Option A : Incorrect. The provision does not assume the insured outlived the beneficiary.
Option B : Correct. The insurer proceeds as if the beneficiary outlived the insured.
Option C : Incorrect. Simultaneous death is addressed differently under the Uniform Simultaneous Death Act, not the common disaster provision.
Option D : Incorrect. The provision does not treat the beneficiary as unnamed.
[:, Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section: General Knowledge – Life Insurance Provisions)., Oklahoma Insurance Department, Title 36 O.S. § 4001 et seq. (beneficiary provisions)., Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.,]

Question: 8

One advantage of an individual term life insurance policy is

A. Premiums will decrease as insured ages.
B. Death benefits always remain level.
C. Initial costs are lower.
D. It offers a cash value.

Answer: C

Explanation:
Term life insurance provides coverage for a specific period at a lower premium cost compared to permanent insurance, such as whole life. The primary advantage is its affordability, making it suitable for individuals needing significant coverage with lower initial costs. Unlike whole life, term life does not accumulate cash value, and premiums typically increase upon renewal as the insured ages.
Option A : Incorrect. Premiums for term life do not decrease as the insured ages; they increase at renewal due to higher risk.
Option B : Incorrect. While death benefits in level term policies remain constant during the term, this is not the primary advantage compared to lower costs.
Option C : Correct. Term life has lower initial costs, making it more affordable for the same coverage amount compared to permanent insurance.
Option D : Incorrect. Term life does not offer a cash value, a feature of permanent insurance.
This question aligns with the Prometric content outline under "Life Products," which covers the characteristics and advantages of term life insurance.
[:, Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section: General Knowledge – Life Insurance)., Oklahoma Insurance Department, Title 36 O.S. § 4002 (definitions of life insurance products)., Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.,]

Question: 9

A newly hired employee gives his enrollment form to his employer, but due to an administrative error, it is never forwarded to the insurance company. The error is detected 3 months later. What will happen if the clerical error provision is in effect?

A. The employee will have to wait until the next open enrollment period to enroll in the plan.
B. The employee will be allowed to submit a new enrollment form and will be enrolled as of the date the new form is accepted.
C. The employee will be allowed to submit an enrollment form and all past due premiums, and will be retroactively insured.
D. The employer will be required to pay the past due premiums.

Answer: C

Explanation:
The clerical error provision in group health insurance policies is designed to protect employees from losing coverage due to administrative mistakes made by the employer or insurer. According to Oklahoma insurance regulations and standard group health insurance practices, if a clerical error results in an employee not being enrolled, the provision allows the error to be corrected by retroactively enrolling the employee, provided any past due premiums are paid. This ensures the employee is insured as if the error had not occurred, covering any claims that would have been eligible during the period of the error.
The Oklahoma Life, Accident, and Health or Sickness Producer Study Guide specifies that under the clerical error provision, "an employee who was eligible for coverage but was not enrolled due to an administrative error can be retroactively enrolled upon correction of the error, with coverage effective from the original eligibility date, provided all required premiums are paid." This aligns with option C, which states the employee will be allowed to submit an enrollment form and all past due premiums, and will be retroactively insured.
[References:, Oklahoma Life, Accident, and Health or Sickness Producer Study Guide, Section on Group Health Insurance Provisions., Oklahoma Insurance Department Regulations, Title 36, Article 36 (Insurance).,]

Question: 10

The type of annuity in which all payments cease upon the death of an annuitant is referred to as a

A. terminal annuity.
B. finite annuity.
C. refund annuity.
D. life annuity.

Answer: D

Explanation:

A life annuity (or straight life annuity) pays periodic payments to the annuitant until their death, at which point all payments cease, with no further benefits to beneficiaries. This contrasts with other annuity types, such as refund or joint-life annuities, which may continue payments or provide refunds.
Option A : Incorrect. “Terminal annuity” is not a standard insurance term.
Option B : Incorrect. “Finite annuity” is not a recognized annuity type.
Option C : Incorrect. A refund annuity provides a refund or continued payments to a beneficiary if the annuitant dies early.
Option D : Correct. A life annuity ceases payments upon the annuitant’s death.
This question falls under the Prometric content outline section on “Life Products,” which covers annuities and their features.
[:, Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section: General Knowledge – Life Insurance)., Oklahoma Insurance Department, Title 36 O.S. § 4002 (definitions of life insurance products, including annuities)., Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing., , ,]

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