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NEW QUESTION: 1
Loans may generally be obtained against the proceeds of a personal life insurance policy, and policy loan proceeds
A. accelerate the benefits under the policy.
B. are not treated as taxable income.
C. are subject to Federal estate tax.
D. generate nontaxable interest income.
Answer: B (LEAVE A REPLY)
Permanent life insurance policies with a cash value (e.g., whole life, universal life) allow policyholders to take loans against the cash value. According to IRS guidelines and standard insurance principles, policy loans are not considered taxable income because they are treated as a debt against the policy's cash value, not as income. However, if the policy lapses or is surrendered with an outstanding loan, the loan amount exceeding the policy's basis may become taxable.
* Option A: Incorrect. Policy loans do not accelerate benefits (e.g., death benefits or living benefits); they reduce the cash value and death benefit until repaid.
* Option B: Correct. Policy loan proceeds are not treated as taxable income, as they are a loan against the policy's cash value.

* Option C: Incorrect. Policy loans are not subject to Federal estate tax unless the policy's death benefit is included in the estate, which is unrelated to the loan itself.
* Option D: Incorrect. Interest on policy loans is not nontaxable; it is charged by the insurer and does not generate income for the policyholder.
This question falls under the Prometric content outline section on "Provisions, Options, Exclusions, Riders, Clauses, and Rights," which includes knowledge of policy loans and their tax implications.
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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 benefits and cash value provisions).
IRS Publication 525 (Taxable and Nontaxable Income, section on life insurance policy loans).

NEW QUESTION: 2
Which of the following BEST describes a waiver of premium clause in a typical disability policy?
A. The waiver of premium benefit pays the policy premium during a disability claim.
B. This clause eliminates any premium being paid for the lifetime of the insured individual.
C. The monthly benefit under the policy is reduced to offset the premium that is no longer being paid.
D. This clause generally begins immediately with the doctor stating that the insured person is completely disabled.
Answer: (SHOW ANSWER)
Thewaiver of premium clausein a disability income policy waives the policy's premiums during a disability claim, ensuring the policy remains in force without the insured having to pay premiums while disabled. This typically begins after the elimination period, as outlined in Oklahoma's health insurance provisions (Title 36
O.S. § 4405).
* Option A: Correct. The waiver of premium pays the policy premium during a disability claim.
* Option B: Incorrect. Premiums are waived only during disability, not for the insured's lifetime.
* Option C: Incorrect. Monthly benefits are not reduced to offset waived premiums.
* Option D: Incorrect. The waiver begins after the elimination period, not immediately upon a doctor's statement.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:

General Knowledge - Accident and Health Insurance).
Oklahoma Insurance Department, Title 36 O.S. § 4405 (health insurance provisions).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 3

In Oklahoma, a foreign insurer is one formed under the laws of

A. Oklahoma.

B. a country other than the United States.

C. another state or government of the United States.

D. Oklahoma or under the laws of a state geographically bordering Oklahoma.

Answer: C (LEAVE A REPLY)

In Oklahoma's Insurance Code (Title 36 O.S. § 105), aforeign insureris defined as an insurance company formed under the laws of another U.S. state or territory. This distinguishes it from adomestic insurer(formed in Oklahoma) and analien insurer(formed in a foreign country).

* Option A: Incorrect. An insurer formed in Oklahoma is a domestic insurer.
* Option B: Incorrect. An insurer from a foreign country is an alien insurer.
* Option C: Correct. A foreign insurer is formed under the laws of another U.S. state or government.
* Option D: Incorrect. Geographic proximity is irrelevant; the definition is based on legal formation.

This question aligns with the Prometric content outline under "State Insurance Statutes, Rules, and Regulations," which covers insurer classifications.

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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section: State- Specific Knowledge - Oklahoma Insurance Statutes).
Oklahoma Insurance Department, Title 36 O.S. § 105 (definitions of insurers).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 4

Modified whole life policies are distinguished by premiums that are

A. lower than typical whole life premiums during the last few years.

B. higher than typical whole life premiums during the last few years.

C. lower than typical whole life premiums during the initial years and then higher thereafter.

D. higher than typical whole life premiums during the initial years and then lower thereafter.

Answer: C (LEAVE A REPLY)

Amodified whole life policyfeatures premiums that arelower than typical whole life premiums during the initial years(e.g., first 3-5 years) to make the policy more affordable early on, thenhigher thereafterto compensate for the initial discount while maintaining lifelong coverage. This is a variation of whole life insurance, as defined in Oklahoma's regulations (Title 36 O.S. § 4002).

* Option A: Incorrect. Premiums do not decrease in the last few years; they increase after the initial period.
* Option B: Incorrect. Premiums are not higher in the last few years compared to typical whole life; they adjust after the initial period.
* Option C: Correct. Premiums are lower initially and higher thereafter.
* Option D: Incorrect. Premiums are not higher initially and lower later; the opposite is true.
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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 (life insurance products).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW 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 (LEAVE A REPLY)
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 havelower ratesper 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.
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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.

NEW QUESTION: 6

A whole life policy payment period is related to an annual premium in which of the following ways?

A. The payment period is not related to the annual premium.

B. The shorter the payment period, the lower the annual premium.

C. The shorter the payment period, the higher the annual premium.

D. The longer the payment period, the higher the annual premium.

Answer: (SHOW ANSWER)

In a whole life insurance policy, thepayment periodrefers to the duration over which premiums are paid (e.g., until age 100, or a limited period like 20 years). A shorter payment period (e.g., 10-pay or 20-pay whole life) requires higher annual premiums because the total cost of the policy is compressed into fewer payments, while a longer payment period (e.g., until age 100) spreads the cost, resulting in lower annual premiums.

* Option A: Incorrect. The payment period directly affects the annual premium amount.
* Option B: Incorrect. A shorter payment period increases, not decreases, the annual premium.
* Option C: Correct. A shorter payment period results in a higher annual premium due to the condensed payment schedule.
* Option D: Incorrect. A longer payment period typically lowers the annual premium, not increases it.

This question aligns with the Prometric content outline under "Life Products," which covers whole life insurance premium structures.

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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 (life insurance products).

Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 7

Accidental death covers death from

A. terminal illness.

B. drowning.

C. infections.

D. self-inflicted wounds.

Answer: (SHOW ANSWER)

Accidental death insurance(or accidental death and dismemberment, AD&D) covers death resulting from accidental bodily injury, independent of illness or intentional acts.Drowningis an example of an accidental cause of death typically covered under such policies.

Exclusions often include death from illness, infections, or self-inflicted injuries, as outlined in standard policy provisions.
* Option A: Incorrect. Terminal illness is a natural cause, not covered by accidental death insurance.
* Option B: Correct. Drowning is an accidental cause of death, covered by AD&D policies.
* Option C: Incorrect. Infections are typically excluded as they are not accidental injuries.
* Option D: Incorrect. Self-inflicted wounds are intentional and excluded from coverage.
This question falls under the Prometric content outline section on "Provisions, Options, Exclusions, Riders, Clauses, and Rights," which covers accidental death coverage.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:
General Knowledge - Accident and Health Insurance).
Oklahoma Insurance Department, Title 36 O.S. § 4001 et seq. (policy provisions).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 8
In a life insurance cash value policy, the automatic premium loan provision authorizes the insurance company to withdraw from the policy's cash values the amount of
A. any outstanding loans from any policies insured with the same insurance company.
B. premiums due if the premium has not been paid by the end of the grace period.
C. premiums needed to terminate the policy.
D. interest owed by the insured on outstanding policy loan amounts not repaid at the policy's maturity date.
Answer: B (LEAVE A REPLY)
Theautomatic premium loan (APL)provision in a life insurance policy with cash value allows the insurer to automatically borrow from the policy's cash value to pay overdue premiums if the policyowner fails to pay by the end of the grace period (typically 31 days, per Title 36 O.S. § 4005). This prevents the policy from lapsing, provided sufficient cash value is available.
* Option A: Incorrect. The APL provision does not cover loans from other policies.
* Option B: Correct. The APL provision authorizes withdrawal to pay premiums due at the end of the grace period.
* Option C: Incorrect. The APL provision prevents termination, not facilitates it.
* Option D: Incorrect. Interest on policy loans is separate and not covered by the APL provision.
This question falls under the Prometric content outline section on "Provisions, Options, Exclusions, Riders, Clauses, and Rights," which covers automatic premium loans.
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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. § 4005 (grace period and related provisions).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 9

Which of the following is a common exclusion from coverage under a medical expense plan?

A. Air travel in a private plane.

B. Injury due to auto accidents.

C. Injury due to recreational sports.

D. Injury caused by repairs or renovations to one's own home.

Answer: A (LEAVE A REPLY)

Medical expense plans often include exclusions for high-risk activities or situations not typically covered under standard health insurance. A common exclusion is injuries or losses resulting fromair travel in a private plane, as this is considered a hazardous activity. Other options, like auto accidents or recreational sports, are generally covered unless specifically excluded, and home repairs are not standard exclusions.
* Option A: Correct. Air travel in a private plane is a common exclusion due to its high-risk nature.
* Option B: Incorrect. Auto accident injuries are typically covered, often coordinated with auto insurance.
* Option C: Incorrect. Recreational sports injuries are usually covered unless the policy specifies otherwise.
* Option D: Incorrect. Injuries from home repairs are not commonly excluded in medical expense plans.

This question falls under the Prometric content outline section on "Provisions, Options, Exclusions, Riders, Clauses, and Rights," which covers health insurance exclusions.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:
General Knowledge - Accident and Health Insurance).
Oklahoma Insurance Department, Title 36 O.S. § 4405 (health insurance policy provisions).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 10

When can an insurer cancel a Medicare supplement plan?

A. At any time.

B. At the enrollment period.

C. On a date specified in the policy.

D. After nonpayment.
Answer: (SHOW ANSWER)
Medicare supplement (Medigap) plans in Oklahoma, as regulated by federal law (42 CFR § 422.74) and state law (Title 36 O.S. § 6217), are guaranteed renewable, meaning insurers cannot cancel them except for specific reasons, such asnonpayment of premiums. Cancellation requires notice to the policyholder, and nonpayment is the primary valid cause.
* Option A: Incorrect. Medigap plans cannot be canceled at any time; they are guaranteed renewable.
* Option B: Incorrect. The enrollment period is for purchasing, not canceling, Medigap plans.
* Option C: Incorrect. Cancellation is not tied to a date specified in the policy unless related to nonpayment.
* Option D: Correct. Insurers can cancel a Medigap plan after nonpayment of premiums.
This question aligns with the Prometric content outline under "Medicare," which covers Medigap policy regulations.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:
General Knowledge - Medicare).
Oklahoma Insurance Department, Title 36 O.S. § 6217 (Medicare supplement insurance).
CMS, 42 CFR § 422.74 (Medigap cancellation rules).

NEW QUESTION: 11
All of the following are Medicare Advantage Plans EXCEPT
A. Preferred Provider Organization (PPO).
B. Health Maintenance Organization (HMO).
C. Private Fee-For-Service (PFFS).
D. Social Security Disability Income (SSDI).
Answer: D (LEAVE A REPLY)
Medicare Advantage (Part C)plans are private health plans approved by Medicare, includingPPOs,HMOs, andPFFSplans, which provide an alternative to Original Medicare.Social Security Disability Income (SSDI) is a federal program providing income support for disabled individuals, not a Medicare Advantage plan.
* Option A: Incorrect. PPO plans are a type of Medicare Advantage plan.
* Option B: Incorrect. HMO plans are a type of Medicare Advantage plan.
* Option C: Incorrect. PFFS plans are a type of Medicare Advantage plan.
* Option D: Correct. SSDI is not a Medicare Advantage plan; it is a disability income program.
This question aligns with the Prometric content outline under "Medicare," which covers Medicare Advantage plans.

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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:
General Knowledge - Medicare).
Oklahoma Insurance Department, Title 36 O.S. § 6217 (Medicare supplement insurance).
CMS, Medicare & You Handbook (Medicare Advantage plans).

NEW QUESTION: 12
Ordinary life insurance should BEST be viewed by the consumer as
A. temporary protection during the policyowner's income-earning years with cash values payable during non-earning periods.
B. an endowment type of policy that provides limited payment type of life insurance based on the level of income earned.
C. a type of policy that provides permanent protection and some flexibility for the lowest total premium outlay.
D. temporary protection for the life expectancy of the policyowner with accumulating cash values throughout the life of the policy.
Answer: C (LEAVE A REPLY)
Ordinary life insurance, often synonymous with whole life insurance, is a type of permanent life insurance that provides coverage for the insured's entire life, as long as premiums are paid. It typically includes a level premium, a guaranteed death benefit, and a cash value component that grows over time. It is designed to offer permanent protection with some flexibility, such as the ability to borrow against the cash value or adjust premiums in certain policies (e.g., universal life).
* Option A: Incorrect. This describes term life insurance, which provides temporary protection during income-earning years. Ordinary life insurance is permanent, and cash values are not specifically
"payable" during non-earning periods but can be accessed.
* Option B: Incorrect. Ordinary life is not an endowment policy (which matures at a specific age) or tied directly to income levels. It is a whole life policy with level premiums.
* Option C: Correct. Ordinary life insurance provides permanent protection and some flexibility (e.g., cash value loans, dividend options in participating policies) with premiums that are generally lower than other permanent products like limited-pay whole life.
* Option D: Incorrect. Ordinary life is not temporary; it provides lifelong coverage. While it accumulates cash value, the protection is permanent, not limited to the policyowner's life expectancy.
This question is part of the Prometric content outline under "Life Products," focusing on the characteristics of ordinary (whole) life insurance.
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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.

NEW QUESTION: 13
Returning part of the commission or giving anything of value to the insured as an inducement to buy a policy is
A. coercion.
B. defamation.
C. rebating.
D. controlled business.
Answer: C (LEAVE A REPLY)
Rebatingis the practice of offering or returning part of a commission, premium, or anything of value to an insured as an inducement to purchase an insurance policy. It is prohibited in Oklahoma under the Unfair Trade Practices Act (Title 36 O.S. § 1204) to ensure fair competition and prevent undue influence.
* Option A: Incorrect. Coercion involves forcing someone to buy insurance, not offering inducements.
* Option B: Incorrect. Defamation is making false statements harming reputation, not related to inducements.
* Option C: Correct. Rebating involves giving value to induce a policy purchase.
* Option D: Incorrect. Controlled business refers to writing insurance primarily for oneself or close associates, not inducements.
This question falls under the Prometric content outline section on "State Insurance Statutes, Rules, and Regulations," which covers unfair trade practices.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section: State- Specific Knowledge - Oklahoma Insurance Statutes).
Oklahoma Insurance Department, Title 36 O.S. § 1204 (unfair trade practices).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 14
The settlement option that allows proceeds to remain with the insurer and the earnings to be paid to the beneficiary on a monthly basis is called
A. interest only.
B. lump sum.
C. fixed period.
D. fixed amount.
Answer: A (LEAVE A REPLY)

Theinterest onlysettlement option allows life insurance proceeds to remain with the insurer, with theearnings (interest) paid to the beneficiary periodically (e.g., monthly). The principal remains intact until another settlement option is chosen or the proceeds are withdrawn, as outlined in Oklahoma's life insurance regulations (Title 36 O.S. § 4001 et seq.).
* Option A: Correct. The interest only option pays earnings to the beneficiary while retaining the proceeds.
* Option B: Incorrect. Lump sum pays the entire proceeds at once.
* Option C: Incorrect. Fixed period pays principal and interest over a set time.
* Option D: Incorrect. Fixed amount pays a set amount until proceeds are exhausted.
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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. (life insurance settlement options).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 15
How will covered expenses be paid if an insured has a scheduled dental policy?
A. All expenses will be paid after the insured's deductible is paid.
B. The insurer will pay a percentage of each expense.
C. Benefits will be limited to a specific maximum dollar amount per procedure.
D. After the deductible is paid, benefits will be paid in a lump sum directly to the insured.
Answer: C (LEAVE A REPLY)
Ascheduled dental policyprovides coverage based on a predetermined schedule of benefits, which lists specific maximum dollar amounts payable for each dental procedure (e.g., $100 for a filling, $500 for a crown). This contrasts with comprehensive dental plans that may pay a percentage of expenses or cover all costs after a deductible.
* Option A: Incorrect. Scheduled dental policies do not pay all expenses after a deductible; they limit payments to scheduled amounts.
* Option B: Incorrect. Paying a percentage of expenses is typical of comprehensive dental plans, not scheduled policies.
* Option C: Correct. Benefits are limited to a specific maximum dollar amount per procedure, as defined in the schedule.
* Option D: Incorrect. Benefits are not paid as a lump sum directly to the insured; they are paid per procedure up to the scheduled limit.
This question aligns with the Prometric content outline under "Health Providers and Products," which covers dental insurance structures.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:

General Knowledge - Accident and Health Insurance).
Oklahoma Insurance Department, Title 36 O.S. § 6060.3 (health insurance provisions, including dental).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 16
In conjunction with an Oklahoma insurance producer or adjuster license renewal, which one of the following is a continuing education requirement?
A. 12 hours annually.
B. 18 hours every 2 years.
C. 24 hours every 2 years.
D. 26 hours every 3 years.
Answer: C (LEAVE A REPLY)
Oklahoma requires insurance producers and adjusters to complete24 hours of continuing education (CE) every 2 years for license renewal, including 3 hours of ethics and 2 hours of legislative updates, as specified in Title 36 O.S. § 1435.29 and O.A.C. 365:25-3-1.
* Option A: Incorrect. 12 hours annually is not the requirement.
* Option B: Incorrect. 18 hours every 2 years is insufficient.
* Option C: Correct. 24 hours every 2 years is the CE requirement.
* Option D: Incorrect. 26 hours every 3 years is not the standard.
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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. § 1435.29; O.A.C. 365:25-3-1 (continuing education).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 17
Backdating on a life insurance policy is the practice of

A. reinstating a lapsed policy.
B. excluding medical coverage for preexisting medical conditions.
C. accepting the premium after the expiration of the grace period.
D. making the policy effective on an earlier date than the present.
Answer: D (LEAVE A REPLY)
Backdatinga life insurance policy involves setting the policy's effective date earlier than the current date, often to secure a lower premium based on the insured's younger age at the earlier date. This requires the policyowner to pay premiums for the backdated period, as permitted under Oklahoma insurance practices (Title 36 O.S. § 4001 et seq.).
* Option A: Incorrect. Reinstating a lapsed policy involves restoring coverage after a lapse, not changing the effective date.
* Option B: Incorrect. Excluding preexisting conditions applies to health insurance, not backdating life insurance.
* Option C: Incorrect. Accepting late premiums relates to the grace period, not backdating.
* Option D: Correct. Backdating makes the policy effective on an earlier date.
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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. (life insurance policy provisions).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 18
Which of the following is NOT a key factor in underwriting life insurance?
A. Age.
B. Family history.
C. Tobacco use.
D. Marital status.
Answer: D (LEAVE A REPLY)
Life insurance underwriting assesses risk based on factors likeage(affects mortality risk),family history (indicates hereditary conditions), andtobacco use(increases health risks), as outlined in Oklahoma's underwriting practices (Title 36 O.S. § 1204).Marital statusis not a key factor, as it has minimal impact on mortality risk, though it may be noted for beneficiary or financial planning purposes.
* Option A: Incorrect. Age is a key underwriting factor.
* Option B: Incorrect. Family history is a key underwriting factor.
* Option C: Incorrect. Tobacco use is a key underwriting factor.
* Option D: Correct. Marital status is not a key underwriting factor.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:
General Knowledge - Underwriting).
Oklahoma Insurance Department, Title 36 O.S. § 1204 (insurance business conduct).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 19
An insured receives a notice from the insurer that the policy has been cancelled in the middle of the term.
Which of the following policies did the insured MOST likely have?
A. Optionally renewable.
B. Term.
C. Conditionally renewable.
D. Cancelable.
Answer: D (LEAVE A REPLY)
Acancelablehealth insurance policy allows the insurer to cancel the policy at any time during the term with proper notice, typically for reasons like non-payment or fraud, as permitted under Oklahoma's regulations (Title 36 O.S. § 4405). Other policy types, like optionally renewable (insurer can refuse renewal at term end), conditionally renewable (renewal subject to conditions), or term (fixed duration), do not typically allow mid- term cancellation.
* Option A: Incorrect. Optionally renewable policies can be non-renewed at term end, not cancelled mid- term.
* Option B: Incorrect. Term policies (life or health) run for a fixed period and are not typically cancelled mid-term.
* Option C: Incorrect. Conditionally renewable policies restrict renewal, not mid-term cancellation.
* Option D: Correct. A cancelable policy allows mid-term cancellation by the insurer.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:
General Knowledge - Accident and Health Insurance).
Oklahoma Insurance Department, Title 36 O.S. § 4405 (health insurance provisions).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 20
One area in which errors are commonly made on life insurance applications and for which the incontestable clause does NOT apply is
A. occupation.
B. age.
C. education level.

D. state of residence.
Answer: B (LEAVE A REPLY)
Theincontestable clausein life insurance policies, mandated in Oklahoma (Title 36 O.S. § 4004), prevents the insurer from contesting the policy after a specified period (typically 2 years) except for non-payment of premiums. However, errors inageor sex on the application are an exception; insurers can adjust the death benefit or premiums to reflect the correct age, even after the incontestable period, as these errors affect the policy's pricing. Other factors like occupation, education, or residence do not typically have this exception.
* Option A: Incorrect. Errors in occupation are contestable within the 2-year period but not after.
* Option B: Correct. Errors in age are not covered by the incontestable clause and can lead to adjustments.
* Option C: Incorrect. Education level is not typically material to life insurance underwriting.
* Option D: Incorrect. State of residence errors are not an exception to the incontestable clause.
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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. § 4004 (incontestability provision).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 21
The insured is dissatisfied with the handling of a claim. How long does the insured have to bring a lawsuit against the insurer?
A. 1 year
B. 3 years
C. 5 years
D. 7 years
Answer: C (LEAVE A REPLY)
Under Oklahoma's statute of limitations for insurance contracts (Title 12 O.S. § 95), an insured has5 yearsto bring a lawsuit against an insurer for breach of contract, such as dissatisfaction with claim handling, unless the policy specifies a shorter period (minimum 1 year per Title 36 O.S. § 3617).
* Option A: Incorrect. 1 year is the minimum allowed by policy terms, not the general statute.
* Option B: Incorrect. 3 years applies to some torts, not insurance contracts.
* Option C: Correct. The statute of limitations is 5 years for insurance contract disputes.
* Option D: Incorrect. 7 years exceeds the standard limitation period.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section: State- Specific Knowledge - Oklahoma Insurance Statutes).
Oklahoma Insurance Department, Title 12 O.S. § 95 (statute of limitations); Title 36 O.S. § 3617 (policy limitations).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 22
Credit and accident disability plans are designed to
A. replace an employee's income.
B. help an insured pay off a loan in the event of an accident or sickness.
C. pay medical and dental premiums for the insured.
D. pay for legal actions against the insured.
Answer: B (LEAVE A REPLY)
Credit and accident disability insuranceis designed to make loan payments or pay off a loan balance if the insured becomes disabled due to an accident or sickness, ensuring financial obligations are met. This is a specialized product in Oklahoma (Title 36 O.S. § 4101 et seq.).
* Option A: Incorrect. Income replacement is the purpose of disability income insurance, not credit disability.
* Option B: Correct. The plan helps pay off a loan during disability.
* Option C: Incorrect. Paying medical or dental premiums is not the purpose of credit disability insurance.
* Option D: Incorrect. Legal actions are unrelated to credit disability plans.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:
General Knowledge - Accident and Health Insurance).
Oklahoma Insurance Department, Title 36 O.S. § 4101 et seq. (credit insurance).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 23
A policyowner purchased a whole life policy. How long after purchase can the policyowner borrow against the cash value of the policy?
A. never
B. 1 year
C. 2 years
D. 3 years
Answer: B (LEAVE A REPLY)
Whole life insurance policies accumulate cash value over time, which policyowners can borrow against.

Typically, cash value begins to accrue immediately, but sufficient value for a loan is often available after1 year, depending on the policy's terms and premium payments. Oklahoma law (Title 36 O.S. § 4029) requires nonforfeiture benefits, including access to cash value, but does not specify a minimum time; insurer practices generally allow loans after 1 year when cash value is meaningful.
* Option A: Incorrect. Policyowners can borrow against cash value once it accumulates.
* Option B: Correct. Loans are typically available after 1 year, as cash value is sufficient.
* Option C: Incorrect. 2 years is not a standard requirement; loans are often available sooner.
* Option D: Incorrect. 3 years is excessive; most policies allow loans earlier.
This question falls under the Prometric content outline section on "Provisions, Options, Exclusions, Riders, Clauses, and Rights," which covers cash value loans.
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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 benefits).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 24
An insured with a major medical policy has a per cause deductible of $100. Over the course of the year, the insured visits the doctor's office three times for injuries. Excluding the premium, what is the MINIMUM amount the insured MUST pay for the year if each visit costs $200?
A. $100
B. $200
C. $300
D. $500
Answer: C (LEAVE A REPLY)
Aper cause deductiblemeans the insured pays a $100 deductible for each separate medical condition or cause of treatment. The insured visits the doctor three times for injuries, each costing $200. Assuming each visit is for adifferent injury(to calculate the minimum amount, we consider the maximum number of deductibles), the insured pays a $100 deductible per visit (3 visits × $100 = $300). If the policy includes coinsurance (not specified but common in major medical policies), additional costs may apply, but the question asks for the minimum amount, which is the total deductibles for three separate causes.
Calculation:
* Visit 1: $100 deductible (first injury).
* Visit 2: $100 deductible (second injury).
* Visit 3: $100 deductible (third injury).

* Total: $100 × 3 = $300.
If all visits were for the same injury, only one $100 deductible would apply, but the question implies separate causes to reach the minimum of $300.
* Option A: Incorrect. $100 assumes one deductible for a single cause, not three visits.
* Option B: Incorrect. $200 does not account for three separate deductibles.
* Option C: Correct. $300 reflects a $100 deductible for each of three separate injuries.
* Option D: Incorrect. $500 exceeds the minimum, possibly including coinsurance not specified.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:
General Knowledge - Accident and Health Insurance).
Oklahoma Insurance Department, Title 36 O.S. § 6060.3 (health insurance policy provisions).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 25
In addition to the application, MIB, or consumer reports, underwriters can acquire information from all of the following EXCEPT
A. medical questionnaires.
B. attending physician statements.
C. physical examinations.
D. genetic testing.
Answer: D (LEAVE A REPLY)
Underwriters use various sources to assess an applicant's risk, including the application, Medical Information Bureau (MIB) reports, consumer reports, medical questionnaires, attending physician statements (APS), and physical examinations, as permitted under Oklahoma's underwriting practices (Title 36 O.S. § 1204).
However,genetic testingis generally restricted or prohibited for life and health insurance underwriting due to federal and state laws, such as the Genetic Information Nondiscrimination Act (GINA) of 2008, which limits the use of genetic information in health insurance decisions.
* Option A: Incorrect. Medical questionnaires are a standard underwriting tool.
* Option B: Incorrect. Attending physician statements provide medical history and are commonly used.
* Option C: Incorrect. Physical examinations are often required for underwriting.
* Option D: Correct. Genetic testing is typically not allowed for underwriting due to legal restrictions.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:

General Knowledge - Underwriting).
Oklahoma Insurance Department, Title 36 O.S. § 1204 (insurance business conduct).
Genetic Information Nondiscrimination Act (GINA), 42 U.S.C. § 2000ff et seq.
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 26
When would a supplemental attending physician's statement be appropriate for life or health insurance purposes?
A. As a matter of routine when the applicant signs the life insurance application.
B. At the request of the insurance company without knowledge or approval of the applicant.
C. At the request of the insurance applicant to be submitted with the life insurance application.
D. At the request of the insurance company when it could affect the underwriting decision but with the consent of the applicant.
Answer: D (LEAVE A REPLY)
Asupplemental attending physician's statement (APS)is requested by the insurer during underwriting when additional medical information is needed to assess the applicant's risk, particularly if it could affect the underwriting decision. Oklahoma regulations (Title 36 O.S. § 1204) and HIPAA require the applicant's consent for obtaining medical records, ensuring privacy and transparency.
* Option A: Incorrect. An APS is not routine; it's requested based on specific needs.
* Option B: Incorrect. The applicant's consent is required for medical information requests.
* Option C: Incorrect. Applicants typically do not request an APS; insurers do.
* Option D: Correct. An APS is appropriate when requested by the insurer with the applicant's consent for underwriting purposes.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:
General Knowledge - Underwriting).
Oklahoma Insurance Department, Title 36 O.S. § 1204 (insurance business conduct).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 27
The type of insurance used to indemnify a firm for the loss of earnings brought about by the death or disability of an officer or other significant employee is
A. business continuation life.
B. business overhead.
C. key person.
D. employee welfare.
Answer: (SHOW ANSWER)

Key person insuranceis a life or disability insurance policy purchased by a business to protect against financial loss due to the death or disability of a critical employee or officer (e.g., a CEO or top salesperson).
The business is the policyowner and beneficiary, receiving the death benefit or disability payments to offset lost earnings or replacement costs.
* Option A: Incorrect. Business continuation life typically refers to buy-sell agreements, not key person coverage.
* Option B: Incorrect. Business overhead insurance covers ongoing business expenses during an owner's disability, not key employees.
* Option C: Correct. Key person insurance indemnifies a firm for losses due to a key employee's death or disability.
* Option D: Incorrect. Employee welfare plans focus on employee benefits, not indemnifying the firm for losses.
This question aligns with the Prometric content outline under "Life Products," which covers business insurance products.
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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 (life insurance products).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 28
When a life insurance or annuity replacement policy is sold, the policyowner has a right to return the policy for a full refund of premium within
A. 3 days.
B. 7 days.
C. 14 days.
D. 20 days.
Answer: (SHOW ANSWER)
Oklahoma regulations (O.A.C. 365:10-3-16) provide afree-look periodfor life insurance or annuity replacement policies, allowing the policyowner to return the policy for afull refund of premiumwithin20 daysfrom receipt. This extended period for replacements (compared to 10 days for non-replacement policies) ensures consumers can review the new policy and compare it to the replaced one.
* Option A: Incorrect. 3 days is too short for the free-look period.
* Option B: Incorrect. 7 days is not the required timeframe.
* Option C: Incorrect. 14 days is shorter than the replacement free-look period.
* Option D: Correct. The free-look period for replacement policies is 20 days.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:
General Knowledge - Considerations in Replacing Insurance).
Oklahoma Insurance Department, O.A.C. 365:10-3-16 (replacement regulations).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 29
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 (LEAVE A REPLY)
Arideris 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.
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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.

NEW QUESTION: 30
The Oklahoma Insurance Commissioner is elected to office and has all of the following powers and duties EXCEPT
A. authority to conduct hearings.
B. enact legislation dealing with insurance.
C. responsibilities to adopt reasonable rules and regulations.
D. jurisdiction over complaints against anyone engaged in the insurance business in Oklahoma.

Answer: (SHOW ANSWER)
TheOklahoma Insurance Commissioner, an elected official under Title 36 O.S. § 301, has powers including conducting hearings, adopting rules and regulations, and overseeing complaints against insurance entities.
However,enacting legislationis a function of the Oklahoma Legislature, not the Commissioner, who can only propose or influence legislation.
* Option A: Incorrect (is a duty). The Commissioner can conduct hearings on insurance matters.
* Option B: Correct (is not a duty). Enacting legislation is a legislative function, not the Commissioner's role.
* Option C: Incorrect (is a duty). The Commissioner adopts rules and regulations.
* Option D: Incorrect (is a duty). The Commissioner has jurisdiction over insurance-related complaints.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section: State- Specific Knowledge - Oklahoma Insurance Statutes).
Oklahoma Insurance Department, Title 36 O.S. § 301 (Commissioner powers and duties).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 31
Upon receipt of notice of claim, the insurance company will furnish to the claimant such forms for filing proof of loss within how many days?
A. 10
B. 15
C. 20
D. 30
Answer: B (LEAVE A REPLY)
Under Oklahoma's Insurance Code (Title 36 O.S. § 1250.4), upon receiving notice of a claim, an insurer must furnish the claimant with forms for filing proof of loss within15 days. This ensures timely processing of claims and compliance with fair claims settlement practices.
* Option A: Incorrect. 10 days is not the required timeframe.
* Option B: Correct. Insurers must provide forms within 15 days.
* Option C: Incorrect. 20 days exceeds the statutory requirement.
* Option D: Incorrect. 30 days is too long under Oklahoma law.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:
General Knowledge - Accident and Health Insurance).
Oklahoma Insurance Department, Title 36 O.S. § 1250.4 (claims settlement practices).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 32
Premiums paid by the insured for personally owned disability income insurance are
A. not tax deductible.
B. tax deductible.
C. partially tax deductible.
D. tax deferred.
Answer: (SHOW ANSWER)
According to IRS guidelines (Publication 502), premiums paid by an individual for personally owned disability income insurancearenot tax deductibleas medical expenses or otherwise, unlike certain health insurance premiums. However, benefits received from such policies are generally tax-free if the insured paid the premiums with after-tax dollars.
* Option A: Correct. Premiums for personally owned disability insurance are not tax deductible.
* Option B: Incorrect. Premiums are not deductible for disability income insurance.
* Option C: Incorrect. There is no partial deduction for these premiums.
* Option D: Incorrect. Tax deferral applies to certain investment products, not disability premiums.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:
General Knowledge - Accident and Health Insurance).
IRS Publication 502 (Medical and Dental Expenses).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 33
Transacting insurance includes any of the following EXCEPT
A. selling insurance.
B. preliminary negotiations.

C. delivering insurance contracts.
D. gathering prospective buyer information.
Answer: (SHOW ANSWER)
Under Oklahoma's Insurance Code (Title 36 O.S. § 1435.2),transacting insuranceincludes activities such as soliciting or selling insurance, engaging in preliminary negotiations for insurance contracts, and delivering insurance contracts or collecting premiums.Gathering prospective buyer information(e.g., lead generation) is not considered transacting insurance unless it involves direct solicitation or negotiation.
* Option A: Incorrect (is transacting). Selling insurance is a core part of transacting insurance.
* Option B: Incorrect (is transacting). Preliminary negotiations are included in transacting insurance.
* Option C: Incorrect (is transacting). Delivering insurance contracts is part of transacting insurance.
* Option D: Correct (is not transacting). Gathering prospective buyer information alone does not constitute transacting insurance.
This question falls under the Prometric content outline section on "State Insurance Statutes, Rules, and Regulations," which covers the definition of transacting insurance.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section: State- Specific Knowledge - Oklahoma Insurance Statutes).
Oklahoma Insurance Department, Title 36 O.S. § 1435.2 (definition of transacting insurance).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 34
On an individual insurance application, which of the following signatures is NOT required?
A. Applicant.
B. Insured if different from the applicant.
C. The producer.
D. The insurer.
Answer: D (LEAVE A REPLY)
An individual insurance application typically requires signatures from theapplicant(the person applying for the policy), theinsured(if different from the applicant, e.g., a parent applying for a child), and theproducer(to certify the information provided). Theinsurerdoes not sign the application, as their acceptance is indicated by issuing the policy, per Oklahoma's insurance application processes (Title 36 O.S. § 1435.2).
* Option A: Incorrect. The applicant's signature is required to confirm the application details.
* Option B: Incorrect. The insured's signature is required if they are not the applicant.
* Option C: Incorrect. The producer's signature is required to verify the application process.

* Option D: Correct. The insurer's signature is not required on the application.
This question falls under the Prometric content outline section on "Underwriting," which covers application requirements.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:
General Knowledge - Underwriting).
Oklahoma Insurance Department, Title 36 O.S. § 1435.2 (producer responsibilities).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 35
As a form of level premium permanent insurance, ordinary life insurance accumulates a reserve that eventually
A. equals the face amount of the policy.
B. results in a dividend payment to the policyowner.
C. ceases to earn interest or grow in a positive earnings direction.
D. requires mandatory cash value distributions.
Answer: (SHOW ANSWER)
Ordinary life insurance, synonymous with whole life insurance, is a level premium permanent insurance product that accumulates a cash value (or reserve) over time. By design, the cash value grows and, at the policy's maturity (typically age 100 or 121, depending on the policy), equals the face amount of the policy, at which point the policy endows (pays out the face amount to the policyowner if the insured is still alive).
* Option A: Correct. The cash value (reserve) in a whole life policy eventually equals the face amount at maturity.
* Option B: Incorrect. Dividends are paid only in participating policies, not all whole life policies, and are not guaranteed.
* Option C: Incorrect. The cash value continues to earn interest or grow, typically at a guaranteed rate, until maturity.
* Option D: Incorrect. There are no mandatory cash value distributions; policyowners can choose to access the cash value.
This question aligns with the Prometric content outline under "Life Products," which covers the cash value accumulation in whole life insurance.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:
General Knowledge - Life Insurance).
Oklahoma Insurance Department, Title 36 O.S. § 4029 (nonforfeiture benefits and cash value).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 36
What is the term used when exchanging a new policy for one already in force?
A. Replacement.
B. Enhancement.
C. Conversion.
D. Renewal.
Answer: (SHOW ANSWER)
Replacementrefers to the act of terminating an existing insurance policy and purchasing a new one, often with the same or a different insurer. This is regulated in Oklahoma under O.A.C. 365:10-3-16 to protect consumers from misleading practices, requiring disclosures and suitability assessments.
* Option A: Correct. Replacement is the term for exchanging a new policy for an existing one.
* Option B: Incorrect. Enhancement is not a standard insurance term for this process.
* Option C: Incorrect. Conversion refers to changing a policy type (e.g., term to whole life) without replacing it.
* Option D: Incorrect. Renewal extends an existing policy, not exchanges it for a new one.
This question aligns with the Prometric content outline under "Considerations in Replacing Insurance," which covers replacement regulations.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:
General Knowledge - Considerations in Replacing Insurance).
Oklahoma Insurance Department, O.A.C. 365:10-3-16 (replacement regulations).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 37
Spouses want to purchase a life insurance policy that will pay benefits at the death of the first spouse. This is an example of a
A. joint life policy.
B. variable life policy.
C. universal life policy.
D. survivorship life policy.
Answer: A (LEAVE A REPLY)
Ajoint life policy(also called a first-to-die policy) covers two or more individuals (e.g., spouses) and pays the death benefit upon the death of the first insured. This contrasts with asurvivorship life policy(second-to-die), which pays after both insureds die. Joint life policies are used for purposes like mortgage protection or family income needs (Title 36 O.S. § 4002).
* Option A: Correct. A joint life policy pays benefits at the first spouse's death.

* Option B: Incorrect. A variable life policy is a permanent policy with investment options, not tied to joint coverage.
* Option C: Incorrect. A universal life policy is flexible permanent insurance, not specifically joint.
* Option D: Incorrect. A survivorship life policy pays after both spouses die.
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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 (life insurance products).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 38
An insured individual who just turned 67 years old is still working and is a member of the group health insurance plan provided by his employer, which has 18 insured employees. In this case, Medicare will MOST likely
A. act as the primary insurer and pay claims up to the limit of the policy.
B. act as a secondary insurer and pay claims not completely covered by the group health insurance.
C. not cover any claims to protect against overinsurance.
D. require the individual to cancel his group insurance.
Answer: B (LEAVE A REPLY)
For individuals aged 65 or older who are still working and covered by an employer's group health plan, Medicare's role depends on the employer's size. For employers with fewer than 20 employees (as in this case with 18 employees), Medicare is typically theprimary payer, and the group health plan is secondary.
However, if the individual is actively working and enrolled in the group plan, the group plan is primary, and Medicare acts as thesecondary payer, covering claims not fully paid by the group plan, as per Medicare Secondary Payer (MSP) rules.
* Option A: Incorrect. The group health plan is primary for active employees, not Medicare.
* Option B: Correct. Medicare acts as the secondary insurer, paying claims not fully covered by the group plan.
* Option C: Incorrect. Medicare does cover claims as a secondary payer, not denying them to prevent overinsurance.
* Option D: Incorrect. Medicare does not require cancellation of group insurance; individuals can maintain both.
This question aligns with the Prometric content outline under "Medicare," which covers Medicare's coordination with group health plans.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:

General Knowledge - Medicare).
Oklahoma Insurance Department, Title 36 O.S. § 6217 (Medicare supplement insurance).
Medicare Secondary Payer Rules, 42 CFR § 411.100 et seq.

NEW QUESTION: 39
One advantage of a whole life insurance policy is that it offers
A. Liberal underwriting guidelines.
B. Initial lower premiums.
C. Variable premium amounts.
D. Permanent coverage.
Answer: (SHOW ANSWER)
Awhole life insurance policyprovidespermanent coveragefor the insured's entire life, as long as premiums are paid, along with a guaranteed death benefit and cash value accumulation. This is a key advantage over term life, which is temporary. Whole life premiums are typically higher than term life, and underwriting guidelines or premium flexibility depend on the insurer, not the product itself.
* Option A: Incorrect. Underwriting guidelines vary by insurer, not by policy type.
* Option B: Incorrect. Whole life has higher initial premiums compared to term life.
* Option C: Incorrect. Whole life typically has fixed premiums, unlike universal life, which offers variable premiums.
* Option D: Correct. Permanent coverage is a primary advantage of whole life insurance.
This question falls under the Prometric content outline section on "Life Products," which covers the benefits of whole life insurance.
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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 (life insurance products).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 40
An example of a false financial statement is which one of the following?
A. An insurance producer published an untrue newspaper advertisement about another producer.
B. An insurance producer posts information about a profitable insurer going bankrupt.
C. An insurance producer hands out flyers about another producer's criminal past.
D. An insurance producer mails out hateful postcards about a local insurer.
Answer: B (LEAVE A REPLY)
Afalse financial statementin the context of insurance refers to a misrepresentation of an insurer's financial condition, such as falsely claiming insolvency or bankruptcy, which is

prohibited under Oklahoma's Unfair Trade Practices Act (Title 36 O.S. § 1204). This can mislead consumers and harm the insurer's reputation.
Option B directly involves a false claim about an insurer's financial status.
* Option A: Incorrect. An untrue advertisement about another producer is defamation or misrepresentation, not a financial statement.
* Option B: Correct. Posting false information about an insurer's bankruptcy is a false financial statement, violating Oklahoma law.
* Option C: Incorrect. Flyers about a criminal past are defamatory but not related to financial statements.
* Option D: Incorrect. Hateful postcards are unprofessional but do not constitute a false financial statement.
This question is part of the Prometric content outline under "State Insurance Statutes, Rules, and Regulations," which covers unfair trade practices.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section: State- Specific Knowledge - Oklahoma Insurance Statutes).
Oklahoma Insurance Department, Title 36 O.S. § 1204 (unfair trade practices).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 41
Term life insurance differs from permanent life insurance in that MOST often, term life insurance
A. accumulates a much smaller cash value.
B. has a longer premium payment period.
C. remains in force for a specific period of time.
D. is automatically renewable at the end of the term period.
Answer: C (LEAVE A REPLY)
Term life insuranceprovides coverage for a specific period (e.g., 10, 20 years) and does not accumulate cash value, unlikepermanent life insurance(e.g., whole life), which provides lifelong coverage with cash value.
Term policies may be renewable, but this is not automatic unless specified, and premium payment periods are shorter than permanent policies (Title 36 O.S. § 4002).
* Option A: Incorrect. Term life accumulates no cash value, not a smaller amount.
* Option B: Incorrect. Term life has a shorter premium payment period than permanent life.
* Option C: Correct. Term life remains in force for a specific period, unlike lifelong permanent coverage.
* Option D: Incorrect. Renewal is not automatic; it depends on the policy's terms.
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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 (life insurance products).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 42

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 (LEAVE A REPLY)

Thecommon disaster provisionin a life insurance policy addresses situations where the insured and primary beneficiary die in the same accident. It typically includes a survivorship clause, presuming thebeneficiary outlived the insuredfor 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.

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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.

NEW QUESTION: 43

An accelerated death benefit provision allows a portion of the death benefits to be paid to the insured prior to death if the insured

A. becomes disabled.

B. has a terminal illness.

C. has reached retirement age.

D. has a dependent with a serious illness.

Answer: B (LEAVE A REPLY)

Anaccelerated death benefit (ADB)provision, regulated in Oklahoma (Title 36 O.S. § 4051), allows an insured with aterminal illness(typically with a life expectancy of 12-24 months) to receive a portion of the life insurance death benefit before death. This provides funds for medical or personal expenses during the insured's lifetime.

* Option A: Incorrect. Disability may trigger other riders (e.g., waiver of premium), not ADB.
* Option B: Correct. A terminal illness qualifies for accelerated death benefits.
* Option C: Incorrect. Reaching retirement age does not trigger ADB.
* Option D: Incorrect. A dependent's illness is not a qualifying condition for ADB.

This question falls under the Prometric content outline section on "Provisions, Options, Exclusions, Riders, Clauses, and Rights," which covers accelerated death benefits.

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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. § 4051 (accelerated benefits).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 44

Misrepresenting the advantages and benefits of a new policy to induce replacement of an existing policy is

A. rebating.
B. twisting.
C. defamation.
D. forfeiting.

Answer: B (LEAVE A REPLY)

Twistingis the unethical practice of using misrepresentation or incomplete information to persuade an insured to replace an existing policy with a new one, often to their detriment. It is prohibited under Oklahoma's Unfair Trade Practices Act (Title 36 O.S. § 1204) to protect consumers from deceptive sales practices.

* Option A: Incorrect. Rebating involves offering a portion of the premium or other inducements to purchase insurance.
* Option B: Correct. Twisting involves misrepresenting benefits to induce policy replacement.
* Option C: Incorrect. Defamation is making false statements harming someone's reputation, not policy replacement.
* Option D: Incorrect. Forfeiting is not a term related to policy replacement practices.

This question aligns with the Prometric content outline under "State Insurance Statutes, Rules, and Regulations," which covers unfair trade practices.

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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section: State- Specific Knowledge - Oklahoma Insurance Statutes).
Oklahoma Insurance Department, Title 36 O.S. § 1204 (unfair trade practices).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 45

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

A. 3

B. 5

C. 7

D. 10

Answer: B (LEAVE A REPLY)

Oklahoma insurance law requires licensed insurance producers to maintain records of insurance transactions for a minimum of5 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.

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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.

NEW QUESTION: 46

Failure of an insurance producer to complete the continuing education requirements may result in

A. an additional 20 continuing education hours the following year.

B. a felony conviction.

C. nonrenewal of license.

D. revocation of license.

Answer: C (LEAVE A REPLY)

Oklahoma requires insurance producers to complete 24 hours of continuing education (CE) every 2 years, including 3 hours of ethics and 2 hours of legislative updates (Title 36 O.S. § 1435.29; O.A.C. 365:25-3-1).

Failure to meet CE requirements results innonrenewal of the license, as the Oklahoma Insurance Department will not renew until CE is completed. Revocation or felony charges apply to more serious violations (e.g., fraud), not CE non-compliance.

* Option A: Incorrect. There is no provision for additional CE hours as a penalty; CE must be completed for renewal.
* Option B: Incorrect. CE failure is not a felony; it's an administrative issue.
* Option C: Correct. Nonrenewal of the license occurs if CE requirements are not met.

* Option D: Incorrect. Revocation is for severe violations, not CE non-compliance.
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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. § 1435.29; O.A.C. 365:25-3-1 (continuing education).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 47
Which of the following is an Unfair Claims Settlement Practices Act under Oklahoma law?
A. knowingly misrepresenting to a claimant pertinent facts or policy provisions that relate to coverage.
B. failing to interview all involved parties within 45 days of the filing of proof of loss forms.
C. not maintaining an audit trail of premium history and claim transactions.
D. failing to maintain complete policy notes involving claims.
Answer: A (LEAVE A REPLY)
The Oklahoma Unfair Claims Settlement Practices Act, under Title 36 O.S. § 1250.5, defines practices that constitute unfair or deceptive acts in the settlement of insurance claims. Knowingly misrepresenting pertinent facts or policy provisions related to coverage to a claimant is explicitly listed as an unfair practice, as it misleads policyholders and undermines fair claim handling.
* Option A: Correct. Misrepresenting facts or policy provisions is an unfair claims settlement practice under Oklahoma law.
* Option B: Incorrect. There is no specific 45-day requirement to interview parties in the Act; timelines relate to acknowledging or settling claims.
* Option C: Incorrect. Maintaining an audit trail is a best practice but not explicitly an unfair claims settlement practice.
* Option D: Incorrect. Incomplete policy notes are not specifically cited as an unfair practice under the Act.

This question aligns with the Prometric content outline under "State Insurance Statutes, Rules, and Regulations," which covers unfair claims practices.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section: State- Specific Knowledge - Oklahoma Insurance Statutes).
Oklahoma Insurance Department, Title 36 O.S. § 1250.5 (Unfair Claims Settlement Practices Act).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 48
The change of beneficiary provision states that the insured has the right to change the beneficiary unless the beneficiary is
A. uninsurable.
B. irrevocable.
C. power of attorney.
D. deceased.
Answer: (SHOW ANSWER)
Thechange of beneficiary provisionallows the policyowner (often the insured) to change the beneficiary at any time unless the beneficiary is designated asirrevocable. An irrevocable beneficiary cannot be changed without their consent, as specified in Oklahoma's life insurance regulations (Title 36 O.S. § 4001 et seq.).
* Option A: Incorrect. Insurability of the beneficiary does not affect the right to change them.
* Option B: Correct. An irrevocable beneficiary cannot be changed without their consent.
* Option C: Incorrect. Power of attorney affects legal authority, not beneficiary changes.
* Option D: Incorrect. A deceased beneficiary can be replaced without restriction.
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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.

NEW QUESTION: 49
Under the unpaid premium Uniform Optional Provision, if there is an unpaid premium at the time a health claim becomes payable, then the
A. claim is denied.
B. policy is cancelled.
C. premium is deducted from the claim.
D. claim is delayed until payment of the premium.
Answer: C (LEAVE A REPLY)

Theunpaid premium Uniform Optional Provisionin health insurance policies, as recognized in Oklahoma (Title 36 O.S. § 4405), allows the insurer to deduct any unpaid premiums from a claim payment if a claim becomes payable while premiums are overdue. This ensures the policy remains in force and the claim is paid, net of the owed premium.
* Option A: Incorrect. The claim is not denied; the premium is deducted from the payment.
* Option B: Incorrect. The policy is not cancelled; the unpaid premium is addressed via the claim.
* Option C: Correct. The unpaid premium is deducted from the claim payment.
* Option D: Incorrect. The claim is not delayed; the premium is settled with the claim payment.

This question falls under the Prometric content outline section on "Provisions, Options, Exclusions, Riders, Clauses, and Rights," which covers health insurance policy provisions.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:
General Knowledge - Accident and Health Insurance).
Oklahoma Insurance Department, Title 36 O.S. § 4405 (health insurance provisions).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 50
Which type of life insurance policy is written under a single contract for both spouses in which it is payable upon the first death?
A. dual capacity
B. family term
C. whole
D. joint
Answer: (SHOW ANSWER)
Ajoint life policy(first-to-die) covers both spouses under a single contract and pays the death benefit upon the first spouse's death, as defined in Oklahoma's life insurance regulations (Title 36 O.S. § 4002). This is often used for financial protection needs like mortgages.
* Option A: Incorrect. "Dual capacity" is not a standard life insurance term.
* Option B: Incorrect. Family term covers dependents but is not specific to first-to-die spousal coverage.
* Option C: Incorrect. Whole life is a permanent policy type, not inherently joint.
* Option D: Correct. A joint life policy pays on the first spouse's death.

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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 (life insurance products).

Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 51

All of the following are DISADVANTAGES of replacing an older health policy EXCEPT

A. proving insurability.

B. a new contestability period.

C. preexisting conditions.

D. the old policy does not meet policyowner's needs.

Answer: D (LEAVE A REPLY)

Replacing an older health insurance policy involves terminating an existing policy and purchasing a new one, which can have disadvantages such as proving insurability (new underwriting), a new contestability period (typically 2 years for misstatements), and potential exclusions for preexisting conditions under the new policy, as regulated in Oklahoma (O.A.C. 365:10-3-16). However, if the old policy no longer meets the policyowner' s needs, replacing it is an advantage, not a disadvantage.

* Option A: Incorrect (is a disadvantage). Proving insurability may result in higher premiums or denial.
* Option B: Incorrect (is a disadvantage). A new contestability period restarts the insurer's ability to contest claims.
* Option C: Incorrect (is a disadvantage). Preexisting conditions may face new exclusions or waiting periods.
* Option D: Correct (is not a disadvantage). Replacing a policy that doesn't meet needs is a benefit of replacement.

This question aligns with the Prometric content outline under "Considerations in Replacing Insurance," which covers the implications of policy replacement.

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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:

General Knowledge - Considerations in Replacing Insurance).

Oklahoma Insurance Department, O.A.C. 365:10-3-16 (replacement regulations).

Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 52

What is the focus of major medical insurance?

A. Providing preventative care.

B. Reducing costs by using in-network facilities.

C. Providing coverage for hospitalization expenses.

D. Providing care to the needy.

Answer: C (LEAVE A REPLY)

Major medical insuranceis designed to cover significant healthcare expenses, particularly those related to hospitalization, surgeries, and other high-cost medical services. It focuses

on providing comprehensive coverage for catastrophic or major medical events, as opposed to routine or preventive care, which may be covered to a lesser extent or through separate plans.
* Option A: Incorrect. Preventive care is often included but is not the primary focus of major medical insurance.
* Option B: Incorrect. Using in-network facilities reduces costs but is a feature of managed care plans, not the core focus of major medical insurance.
* Option C: Correct. The focus of major medical insurance is covering hospitalization and other major expenses.
* Option D: Incorrect. Providing care to the needy is associated with programs like Medicaid, not private major medical insurance.
This question falls under the Prometric content outline section on "Health Providers and Products," which covers the characteristics of major medical insurance.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section:
General Knowledge - Accident and Health Insurance).
Oklahoma Insurance Department, Title 36 O.S. § 6060.3 (health insurance policy provisions).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 53
When you purchase an annuity, you are purchasing a
A. guaranteed income.
B. whole life policy.
C. disability insurance policy.
D. universal life policy.
Answer: A (LEAVE A REPLY)
Anannuityis a financial product purchased from an insurer that provides a stream of income, typically for retirement, in exchange for a lump sum or periodic payments. The primary purpose is to guarantee income, often for the annuitant's lifetime or a specified period, as outlined in Oklahoma's regulations for life insurance products (Title 36 O.S. § 4002).
* Option A: Correct. An annuity provides guaranteed income, either fixed or variable, based on the contract terms.
* Option B: Incorrect. A whole life policy is a type of life insurance, not an annuity.
* Option C: Incorrect. Disability insurance covers income loss due to disability, not guaranteed income.
* Option D: Incorrect. A universal life policy is a flexible life insurance product, not an annuity.

This question falls under the Prometric content outline section on "Life Products," which covers annuities and their features.
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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.

NEW QUESTION: 54
All of the following describe a whole life policy EXCEPT
A. a policy of $1,000 minimum.
B. provides coverage for the life of the policyholder.
C. premiums are payable until death.
D. provides a death benefit only.
Answer: A (LEAVE A REPLY)
A whole life insurance policy is a type of permanent life insurance that provides coverage for the insured's entire life, as long as premiums are paid. It typically includes a level premium, a guaranteed death benefit, and a cash value component that accumulates over time. There is no regulatory requirement in Oklahoma or standard insurance practice that mandates a minimum face amount of $1,000 for whole life policies, making this statement incorrect.
* Option A: Correct (as the exception). Whole life policies do not require a $1,000 minimum face amount; insurers set minimums based on their underwriting guidelines, often higher.
* Option B: Incorrect (describes whole life). Whole life provides lifelong coverage, as per its definition.
* Option C: Incorrect (describes whole life). Premiums are typically payable until death or age 100, depending on the policy.
* Option D: Incorrect (describes whole life). While whole life provides a death benefit, it also accumulates cash value, but the phrasing "death benefit only" is misleading as it implies no cash value, which is not the exception here.
This question aligns with the Prometric content outline under "Life Products," which covers the characteristics of whole life insurance.
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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.

NEW QUESTION: 55

A form of an accelerated death benefit is a

A. home care benefit.

B. nonforfeiture extended term benefit.

C. terminal illness settlement benefit.

D. cost of living benefit.

Answer: C (LEAVE A REPLY)

Anaccelerated death benefit (ADB)provision allows an insured to receive a portion of the life insurance death benefit before death under specific conditions, such as aterminal illness. Theterminal illness settlement benefitis a form of ADB, providing funds for medical or personal needs, as regulated in Oklahoma (Title 36 O.S. § 4051).

* Option A: Incorrect. A home care benefit relates to long-term care, not ADB.
* Option B: Incorrect. A nonforfeiture extended term benefit is a policy lapse option, not an ADB.
* Option C: Correct. A terminal illness settlement benefit is a type of accelerated death benefit.
* Option D: Incorrect. A cost of living benefit adjusts benefits for inflation, not an ADB.

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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. § 4051 (accelerated benefits).

Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.

NEW QUESTION: 56

The act of using misrepresentation to induce an insured person to terminate an existing policy and purchase a new policy is referred to as

A. twisting.

B. subrogation.

C. rebating.

D. churning.

Answer: A (LEAVE A REPLY)

Twistingis the unethical practice of using misrepresentation or incomplete information to persuade an insured to terminate an existing policy and purchase a new one, often to the insured's detriment. It is prohibited under Oklahoma's Unfair Trade Practices Act (Title 36 O.S. § 1204). This differs fromchurning(replacing policies for commission without benefit to the insured) orrebating(offering inducements to purchase).

* Option A: Correct. Twisting involves misrepresentation to induce policy replacement.
* Option B: Incorrect. Subrogation is the insurer's right to recover payments from a third party.

* Option C: Incorrect. Rebating is offering a portion of the premium or other inducements to purchase insurance.
* Option D: Incorrect. Churning involves excessive policy replacements for commissions, not necessarily misrepresentation.

This question is part of the Prometric content outline under "State Insurance Statutes, Rules, and Regulations," which covers unfair trade practices.
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Prometric Oklahoma Life, Accident, and Health or Sickness Producer Exam Content Outline (Section: State- Specific Knowledge - Oklahoma Insurance Statutes).
Oklahoma Insurance Department, Title 36 O.S. § 1204 (unfair trade practices).
Standard insurance study guides (e.g., Kaplan, ExamFX) for Oklahoma producer licensing.