

Series 16-80

150 Items - 2 1/2 Hours

75% (113 Correct to Pass)

Insurance Regulation 11.5% (17 items)

Company Regulation

Producer Appointment (500.1208a, .1208b, .1209, .1411)

Termination of Appointment (500.1208b, .1209)

Producer Regulation

Duties (500.1201a, .1202)

Commissions (500.1240, .2011)

Types of Licensees (500.1206)

Producer (500.240, 500.1201, .1201a, .1204, .1205, .1206, .1206b, .1240)

Counselor (500.1232, .1234, .1236)

Business Entity (500.1201, .1205)

Maintenance and Duration

Change of Name and Address (500.1206(5))

Reporting of Actions (500.1208b, .1239, .1244, .1246, .1247)

Assumed Names (500.1211a)

Continuing Education Requirements (500.1204, .1204c, .1204d, .1204e, .1204f, .1206)

Disciplinary Actions

Cease and Desist Order (500.1244, .2038)

Suspension, Revocation, Refusal to Issue or Renew (500.1200, .1209, .1239, .1244, .1379, .2029, .2043)

Penalties and Fines (500.1242, .1244, .1379, .2038, .2040, .2064, .2069)

Unfair Insurance Trade Practices (500.1239, .1244, .2003, .2006-.2014, .2016-.2021, .2026, .2029)

Misrepresentation (500.2005, .2005a, .2055, .2057, .2064, .2218)

False Information and Advertising (500.2001, .2002, .2005, .2005a, .2007, .2055, .2057, .2064; R500.651-.669; R500.1371-.1387)

Twisting (500.2005(f), .2064(2))

False Statement (500.1015, .2014, .2018, .2055, .2062, .2474, .2666)

Boycott, Coercion, and Intimidation (500.1242, .2012)

Unfair Discrimination (500.2019, .2020, .2027, .2082)

Rebating (500.2024, .2069, .2070)

Illegal Inducement (500.2024, .2066, .2069, .2070)

Fiduciary Responsibilities (500.1207)

Forgery (500.1239)

Insurance Fraud Regulation (500.2088, .4501, .4503, .4507, .4509, .4511, .8197; 752.1003, .1005)

Consumer Privacy Regulation (500.501, .505, .507, .515, .533, .535, .2005a, .4501, .4507, .4509)

General Insurance 10% (15 items)

Concepts

Risk Management Key Terms

Risk

Loss

Methods of Handling Risk

Avoidance

Retention

Sharing

Reduction

Transfer

Elements of Insurable Risks

Adverse Selection

Law of Large Numbers

Insurers

Types of Insurers
Stock Companies
Mutual Companies
Private versus Government Insurers
Financial Status (Independent Rating Services)
Marketing (Distribution) Systems
Producers and General Rules of Agency
Producer/Insurer Relationship
Authority and Powers of Producers
Express
Implied
Apparent
Responsibilities to the Applicant/Insured
Contracts
Elements of a Legal Contract
Offer and Acceptance
Consideration
Competent Parties
Legal Purpose
Distinct Characteristics of an Insurance Contract
Legal Interpretations affecting Contracts
Indemnity
Representations/Misrepresentations
Warranties
Concealment
Fraud
Waiver and Estoppel
Life Insurance Basics 10% (15 items)
Michigan Life Insurance Laws
Insurable Interest (500.2207, .2211)
Regulation of Variable Products (SEC, FINRA, and Michigan) (R500.830-.839, .841-.842; Bul 09-15)
Solicitation and Sales Presentations (500.1371-.1383)
Advertising (R500.1371-.1387)
Life and Health Insurance Guaranty Association (500.7702)
Illustrations
Policy Summary
Buyer's Guides for Life Insurance and Annuities
Replacement (R500.601-.606)
Use and Disclosure of Insurance Information
Selection Criteria and Unfair Discrimination (500.2027)
Personal Uses of Life Insurance
Survivor Protection
Estate Creation
Cash Accumulation
Security
Liquidity
Estate Conservation
Determining Amount of Personal Life Insurance
Human Life Value Approach
Needs Approach
Types of Information Gathered
Determining Lump-Sum Needs

Planning for Income Needs
Business Uses of Life Insurance
Buy-Sell Funding
Key Person
Classes of Life Insurance Policies
Group versus Individual
Permanent versus Term
Participating versus Nonparticipating
Fixed versus Variable Life Insurance and Annuities
Premiums
Premium Payment Mode
Producer Responsibilities
Field Underwriting
Application Procedures including Conditional Receipts
Delivery
Policy Review
Effective Date of Coverage
Premium Collection
Statement of Good Health
Individual Underwriting by the Insurer
Information Sources and Regulation
Application
Producer Report
Attending Physician Statement
Investigative Consumer (Inspection) Report
Medical Information Bureau (MIB)
Medical Examinations and Lab Tests including HIV
Classification of Risks
Preferred
Standard
Substandard
Life Insurance Policies 5% (8 items)
Term Life Insurance
Level Term
Renewable Term
Level Premium Term
Whole Life Insurance
Continuous Premium (Straight Life)
Limited Payment
Single Premium
Graded Premium
Modified Life
Interest Sensitive
Equity Index
Flexible Premium Policies
Adjustable Life
Group Life Insurance
Characteristics of Group Plans
Group Underwriting Requirements
Life Insurance Policy Law
Group Life Conversion to Individual Policy (500.4438)
Universal Life (500.4001, .4037, .4038)

Life Insurance Policy Provisions, Options, and Riders 10% (15 items)

Standard Provisions

Ownership

Assignment

Entire Contract (500.4014)

Modifications

Right to Examine (Free Look) (500.4015, .4073)

Payment of Premiums (500.4010)

Grace Period (500.4012)

Reinstatement (500.4028)

Incontestability (500.4014)

Misstatement of Age Or Gender (500.4018)

Exclusions and Restrictions (500.4046)

Interest on Insurance Proceeds (500.4060)

Beneficiaries

Designation Options

Individuals

Classes

Estates

Minors

Trusts

Succession

Revocable versus Irrevocable

Settlement Options

Cash Payment

Interest Only

Fixed-Period Installments

Fixed-Amount Installments

Life Income

Single Life

Joint and Survivor

Nonforfeiture Options

Cash Surrender Value

Extended Term

Reduced Paid-Up Insurance

Policy Loan and Withdrawal Options

Cash Loans

Automatic Premium Loans

Withdrawals Or Partial Surrenders

Dividend Options

Cash Payment

Reduction of Premium Payments

Accumulation at Interest

One-Year Term Option

Paid-Up Additions

Disability Riders

Waiver of Premium/Waiver of Stipulated Premium (Universal Life)

Waiver of Cost of Insurance

Disability Income Benefit

Payor Benefit Life/Disability (Juvenile Insurance)

Living Benefit Provisions/Riders (500.3928, .3949)

Accelerated

Conditions for Payment
Effect on Death Benefit
Long-Term Care
Conditions for Payment
Effect on Death Benefit
Riders Covering Additional Insureds
Spouse/Other-Insured Term Rider
Children's Term Rider
Family Term Rider
Riders Affecting the Death Benefit Amount
Accidental Death
Guaranteed Insurability
Cost of Living
Return of Premium
Annuities 4% (6 items)
Annuity Principles and Concepts
Accumulation Period versus Annuity Period
Owner, Annuitant, and Beneficiary
Insurance Aspects of Annuities
Immediate versus Deferred Annuities
Single Premium Immediate Annuities (SPIAs)
Deferred Annuities
Premium Payment Options
Nonforfeiture
Surrender and Withdrawal Charges
Death Benefits
Annuity Products
Fixed Annuities
General Account Assets
Interest Rate Guarantees (Minimum versus Current)
Level Benefit Payment Amount
Equity Indexed Annuities
Market Value Adjusted Annuities (Modified Guaranteed Annuities)
Uses of Annuities
Lump Sum Settlements
Qualified Retirement Plans
Group versus Individual Annuities
Personal Uses
Individual Retirement Accounts (IRAs)
Tax-Deferred Growth
Retirement Income
Education Funds
Federal Tax Considerations for Life Insurance, Annuities, and Qualified Plans 3.5% (5 items)
Taxation of Personal Life Insurance
Amounts Available to Policyowner
Cash Value Increases
Dividends
Policy Loans
Surrenders
Amounts Received by Beneficiary
General Rule and Exceptions
Settlement Options

Taxation of Non-Qualified Annuities
Individually-Owned
Accumulation Phase (Tax Issues Related to Withdrawals)
Annuity Phase and the Exclusion Ratio
Distributions at Death
Corporate-Owned
Taxation of individual Retirement Accounts (IRAs)
Traditional IRAs
Contributions and Deductible Amounts
Premature Distributions (including Taxation Issues)
Annuity Phase Benefit Payments
Amounts Received by Beneficiary
Roth IRAs
Contributions and Limits
Distributions
Rollovers and Transfers (IRAs and Qualified Plans)
General Requirements for Qualified Retirement Plans
Taxation of Distributions (Age-Related)
Accident and Health Insurance Basics 10% (15 items)
Definitions
Accidental Injury
Sickness
Principal Types of Losses and Benefits
Loss of Income from Disability
Hospital/Medical Expense
Dental Expense
Long-Term Care Expense/Home Health Care
Classes of Health Insurance Policies
Individual versus Group
Limited versus Comprehensive
Limited Policies
Required Notice to Insured
Types of Limited Policies
Accident-Only
Critical Illness
Hospital Indemnity (income)
Credit Disability
Blanket Insurance (500.3636, .3640, .3650)
Prescription Drugs
Dental
Vision Care
Medicare Supplements
Common Exclusions from Coverage
Producer Responsibilities in Individual and Group Health Insurance
Marketing Requirements
Advertising (R500.651-.658, .660-.668)
Life and Health Insurance Guaranty Association (500.7702)
Sales Presentations
Outline of Coverage (R500.656-.658, .661)
Field Underwriting
Nature and Purpose
Disclosure of Information about Individuals

Application Procedures
Requirements at Delivery of Policy
Common Situations for Errors and Omissions
Individual Underwriting by the Insurer
Underwriting Criteria
Sources of Underwriting Information
Application
Producer Report
Attending Physician Statement
Investigative Consumer Report
Medical Information Bureau (MIB)
Medical Examinations and Lab Tests
Use of Genetic Information (500.3407b)
Unfair Discrimination (500.2020, .2027, .2082)
Classification of Risks
Preferred
Standard
Substandard
Considerations in Replacing Health Insurance
Pre-Existing Conditions (500.3406f, .3607; R500.657)
Benefits, Limitations, and Exclusions
Underwriting Requirements
Producer Liability for Errors and Omissions
Individual Accident and Health Insurance Policy General Provisions 5% (7 items)
Required Provisions
Entire Contract; Changes (500.3407)
Time Limit on Certain Defenses (500.3408)
Grace Period (500.3410)
Reinstatement (500.3411)
Claim Procedures (500.2006, .3412-.3418)
Physical Examinations and Autopsy (500.3420)
Legal Actions (500.1247, 3422)
Right to Examine (Free Look) (500.3409)
Optional Provisions
Change of Occupation (500.3432)
Misstatement of Age (500.2218, .3434)
Other Insurance in this Insurer (500.3436)
Insurance with Other Insurers
Unpaid Premium (500.3446)
Conformity with State Statutes (500.3450)
Illegal Occupation (500.3452)
Other General Provisions
Renewability Clause (500.2213b; R500.658)
Noncancelable
Guaranteed Renewable
Conditionally Renewable
Renewable at Option of Insurer
Disability Income and Related Insurance 5.5% (8 items)
Qualifying for Disability Benefits
Inability to Perform Duties
Own Occupation
Any Occupation

Pure Loss of Income (Income Replacement Contracts)
Presumptive Disability
Requirement to be under Physician Care
Individual Disability Income Insurance
Basic Total Disability Plan
Income Benefits (Monthly Indemnity)
Elimination and Benefit Periods
Waiver of Premium Feature
Coordination with Social Insurance and Workers' Compensation Benefits
Additional Monthly Benefit (AMB)
Social Insurance Supplement (SIS)
Occupational versus Nonoccupational Coverage
At-Work Benefits
Partial Disability Benefit
Residual Disability Benefit
Refund Provisions
Return of Premium
Exclusions
Unique Aspects of Individual Disability Underwriting
Occupational Considerations
Benefit Limits
Group Disability Income Insurance
Short-Term Disability (STD)
Long-Term Disability (LTD)
Business Disability Insurance
Key Person Disability Income
Workers' Compensation
Eligibility
Benefits
Medical Plans 9% (14 items)
Medical Plan Concepts
Specified Coverages versus Comprehensive Care
Benefit Schedule versus Usual/Reasonable/Customary Charges
Insureds versus Subscribers/Participants
Types of Plans
Major Medical Insurance (Indemnity Plans)
Characteristics
Common Limitations
Exclusions from Coverage
Provisions affecting Cost to Insured
Health Maintenance Organizations (HMOs)
General Characteristics
Preventive Care Services
Primary Care Physician (PCP)
Hospital Services
Other Basic Services
Preferred Provider Organizations (PPOs)
General Characteristics
In-Network and Out-of-Network Provider Access
PCP Referral
Indemnity Plan Features
Point-of-Service (POS) Plans

General Characteristics
PCP without Referral
Cost Containment in Health Care Delivery
Utilization Review
Precertification Authorization (Prospective Review)
Concurrent Review
Michigan Eligibility Requirements (Individual and/or Group)
Dependent Child Age Limit (500.2264, .3402, .3406h)
Child Enrollment; Non-Custodial Parents (500.2264, .3406g, .3406h)
Newborn Child Coverage (500.3403)
Adopted Children (500.4426)
Health Insurance Portability and Accountability Act (HIPAA) Requirements
Eligibility
Guaranteed Issue
Pre-Existing Conditions
Creditable Coverage
Renewability
Group Health Insurance 5% (8 items)
Characteristics of Group Insurance
Group Contract
Certificate of Coverage (500.3608)
Experience Rating versus Community Rating
Types of Eligible Groups
Employment-Related Groups
Individual Employer Groups
Associations (Alumni, Professional, Other)
Customer Groups (Depositors, Creditor-Debtor, Other)
Employer Group Health Insurance
Insurer Underwriting Criteria
Characteristics of Group
Plan Design Factors
Administrative Capability
Eligibility for Coverage
Annual Open Enrollment
Employee Eligibility
Dependent Eligibility
Coordination of Benefits Provision (500.3610a; 550.253)
Change of Insurers or Loss of Coverage
Coinsurance and Deductible Carryover
No-Loss No-Gain
Extension of Benefits (500.3607)
Continuation of Coverage under COBRA and Michigan Specific Rules (500.3708)
Conversion Privilege (500.3612)
Small Employer Medical Plans
Definition of Small Employer (500.3701)
Eligibility of Employees (500.3701, .3707)
Renewability (500.3701, .3711)
Dental Insurance 1.5% (2 items)
Indemnity Plans
Choice of Providers
Scheduled versus Nonscheduled Plans
Benefit Categories

Diagnostic/Preventive Services
Basic Services
Major Services
Orthodontics
Combination Plans
Exclusions
Limitations
Predetermination of Benefits
Health Insurance for Senior Citizens and Special Needs Individuals 8% (12 items)
Medicare
Financing and Administration
Part A - Hospital Insurance
Individual Eligibility Requirements
Enrollment
Part B - Medical Insurance
Individual Eligibility Requirements
Enrollment
Coverages and Cost-Sharing Amounts
Part C - Medicare Advantage
Enrollment
Part D - Prescription Drug Insurance
Enrollment
Medicare Supplements (500.3803-.3836, .3838-.3861)
Purpose
Enrollment
Other Options for Individuals with Medicare
Employer Group Health Plans
Disabled Employees
Employees with Kidney Failure
Individuals Age 65 or Older
Medicaid
Benefits
Long-Term Care (LTC) Insurance (500.3901-3955)
Eligibility for Benefits
Levels of Care
Skilled Nursing Care
Intermediate Care
Custodial Care
Home Health Care or Assisted Living (500.3913)
Adult Day Care
Respite Care
Benefit Periods
Benefit Amounts
Optional Benefits
Guarantee of Insurability
Return of Premium
Qualified LTC Plans (State and Federal)
Exclusions
Underwriting Considerations
Michigan Regulations and Required Provisions (500.3901-.3955)
Standards for Marketing (500.3942)
Shopper's Guide (500.3937)

Outline of Coverage (500.3933)
Required Disclosure Provisions (500.3923)
Replacement (500.3917)
Right to Return (500.3943)
Inflation Protection (500.3909)
Federal Tax Considerations for Health Insurance 2% (3 items)
Personally-Owned Health Insurance
Disability Income Insurance
Medical Expense Insurance
Dental Insurance
FSAs, HRAs, and HSAs
Employer Group Health Insurance
Disability Income (STD, LTD)
Benefits Subject to FICA
Accidental Death and Dismemberment
Business Disability Insurance
Key Person Disability Income