

Series 16-81

150 Items - 2 1/2 Hours

74% (111 Correct to Pass)

Insurance Regulation 10% (15 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), .1238(1))

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

Assumed Names (500.1211a)

Continuing Education Requirements (500.1204, .1204c, .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 and Prohibited Insurance Trade Practices (500.1207, .1216, .1239, .1244, .2003, .2006-2014, .2016-2021, .2026, .2029, .2059, .2062)

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

False Information and Advertising (500.2001, .2002, .2005, .2005a, .2007, .2055, .2057, .2064)

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

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

Defamation (500.2007, .2009; 600.2911, .1377(14))

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

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

Rebating (500.2024, .2066, .2069, .2070)

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

Fiduciary Responsibilities (500.1207)

Forgery (500.1239)

Insurance Fraud Regulation (500.2088, .4501, .4503, .4507, .4511; 752.1005)

Consumer Privacy Regulation (500.533; R500.551 -.560)

General Insurance 10.5% (16 items)

Concepts

Risk Management Key Terms

Risk

Exposure

Hazard

Peril

Loss

Methods of Handling Risk

Avoidance

Reduction

Transfer

Elements of Insurable Risks

Adverse Selection

Law of Large Numbers
Insurers
Types of Insurers
Stock Companies
Mutual Companies
Financial Status (Independent Rating Services)
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
Contract of Adhesion
Aleatory Contract
Personal Contract
Unilateral Contract
Conditional Contract
Legal Interpretations affecting Contracts
Ambiguities in a Contract of Adhesion
Reasonable Expectations
Indemnity
Utmost Good Faith
Representations/Misrepresentations
Warranties
Concealment
Fraud
Waiver and Estoppel
Property and Casualty Insurance Basics 20% (30 items)
Principles and Concepts
Insurable Interest
Underwriting
Function
Loss Ratio
Hazards
Physical
Moral
Morale
Negligence
Elements of a Negligent Act
Defenses against Negligence
Absolute Liability
Strict Liability
Vicarious Liability
Causes of Loss (Perils)

Named Perils versus Special (Open) Perils
Direct Loss
Consequential or Indirect Loss
Blanket versus Specific Insurance
Basic Types of Construction
Loss Valuation
Actual Cash Value
Replacement Cost
Functional Replacement Cost
Market Value/Repair Cost
Agreed Value
Stated Amount
Valued Policy
Policy Structure
Declarations
Definitions
Insuring Agreement or Clause
Additional/Supplementary Coverage
Conditions
Exclusions
Endorsements
Common Policy Provisions
Insureds - Named, First Named, Additional
Policy Territory
Cancellation and Nonrenewal
Deductibles
Other Insurance
Nonconcurrency
Primary and Excess
Pro Rata
Contribution by Equal Shares
Limits of Liability
Per Occurrence (Accident)
Per Person
Split
Combined Single
Aggregate - General versus Products - Completed Operations
Property Limits
Restoration/Nonreduction of Limits
Coinsurance
Vacancy or Unoccupancy
Named Insured Provisions
Duties after Loss
Assignment
Abandonment
Insurer Provisions
Liberalization
Subrogation
Salvage
Claim Settlement Options
Duty to Defend
Third-Party Provisions

Standard Mortgage Clause
No Benefit to the Bailee
Role of Applications and Binders in Insurance Transactions
Michigan Laws, Regulations, and Required Provisions
Michigan Property and Casualty Guaranty Association (500.7901-.7949)
Mandatory Fire Policy Provisions (500.2833)
Appraisal (500.2833)
Concealment, Misrepresentation, or Fraud (500.2833)
Federal Terrorism Insurance Program (15 U.S.C. 6701; Public Law 107-297, 109-144, 110-160)
Termination of Authority to Represent Insurer (500.1209)
Essential Insurance Act (500.2101-.2131)
Dwelling Policy 2.5% (4 items)
Characteristics and Purpose
Property Coverages
Coverage A - Dwelling
Coverage B - Other Structures
Coverage C - Personal Property
Coverage D - Fair Rental Value
Other Coverages
General Exclusions
Conditions
Selected Endorsements
Special Provisions - Michigan
Automatic Increase in Insurance
Broad Theft Coverage
Dwelling Under Construction
Personal Liability Supplement
Homeowners Policy 15% (22 items)
Coverage Forms
HO-2 through HO-8
Basic
Broad
Special
Definitions
Section I - Property Coverages
Coverage A - Dwelling
Coverage B - Other Structures
Coverage C - Personal Property
Additional Coverages
Section II - Liability Coverages
Coverage E - Personal Liability
Coverage F - Medical Payments to Others
Additional Coverages
Perils Insured Against
Exclusions
Conditions
Selected Endorsements
Special Provisions - Michigan
Limited Fungi, Wet or Dry Rot, or Bacteria Coverage
Permitted Incidental Occupancies - Residence
Earthquake
Scheduled Personal Property/Personal Articles Floater

Personal Property Replacement Cost
Home Day Care
Business Pursuits
Watercraft
Personal Injury
Home Business Insurance Coverage
Automobile Insurance 15% (22 items)
Laws
Michigan Motor Vehicle Financial Responsibility Law
Required Limits of Liability (RL 257.520)
Required Proof of Insurance (RL 257.518)
Michigan Automobile Insurance Placement Facility (500.3301)
No-Fault Automobile Coverage (500.3101)
Personal Injury Protection (500.3107, .3114)
Property Protection (500.3121)
Residual Liability (500.3131)
Cancellation and Nonrenewal
Grounds (500.3220)
Notice (500.3204, .3224)
Notice of Eligibility In Automobile Insurance Placement Facility (500.3301, .3365)
Rental Vehicle Coverage (500.3009, .3105(2))
Aftermarket Crash Parts Regulation (RL 257.1361-.1364)
Personal Automobile
Definitions
Liability Coverage
Bodily Injury and Property Damage
Supplementary Payments
Exclusions
Medical Payments Coverage
Uninsured/Underinsured Motorists Coverage
Definitions
Bodily Injury
UM/UIM Rejection
Required Limits
Coverage for Damage to Your Automobile
Collision
Other than Collision (Comprehensive)
Deductibles
Transportation Expense
Exclusions
Duties After an Accident or Loss
Selected Endorsements
Amendment of Policy Provisions - Michigan
Towing and Labor Costs
Miscellaneous Type Vehicle
Extended Non-Owned Coverage - Vehicles Furnished or Available for Regular Use - Michigan
Personal Injury Protection Coverage - Michigan
Property Protection Coverage - Michigan
Commercial Automobile
Commercial Automobile Coverage Forms
Business Automobile
Garage

Business Automobile Physical Damage
Truckers
Motor Carrier
Coverage Form Sections
Covered Automobiles
Liability Coverage
Garagekeepers Coverage
Physical Damage Coverage
Exclusions
Conditions
Definitions
Selected Endorsements
Additional Insured - Lessor Endorsement
Mobile Equipment
Michigan Personal Injury Protection (500.3107)
Drive Other Car Coverage
Michigan Property Protection Coverage
Commercial Carrier Regulations
The Motor Carrier Act of 1980
Commercial Package Policy (CPP) 12% (18 items)
Components of a Commercial Policy
Common Policy Declarations
Common Policy Conditions
Interline Endorsements
One or More Coverage Parts
Commercial General Liability
Commercial General Liability Coverage Forms
Bodily Injury and Property Damage Liability
Personal and Advertising Injury Liability
Medical Payments
Exclusions
Supplementary Payments
Who is an Insured
Limits of Insurance
Conditions
Definitions
Occurrence versus Claims-Made
Premises and Operations
Insured Contract
Commercial Property
Commercial Property Conditions Form
Coverage Forms
Building and Personal Property
Condominium Association
Condominium Commercial Unit-Owners
Builders Risk
Business Income
Legal Liability
Extra Expense
Causes of Loss Forms
Basic
Broad

Special
Selected Endorsements
Ordinance or Law
Spoilage
Peak Season Limit of Insurance
Value Reporting Form
Commercial Crime
General Definitions
Burglary
Theft
Robbery
Crime Coverage Forms
Coverages
Employee Theft
Forgery or Alteration
Inside The Premises - Robbery or Safe Burglary of Other Property
Outside the Premises
Computer Fraud
Money Orders and Counterfeit Money
Commercial Inland Marine
Nationwide Marine Definition
Commercial Inland Marine Conditions Form
Inland Marine Coverage Forms
Accounts Receivable
Bailee's Customer
Commercial Articles
Contractors Equipment Floater
Electronic Data Processing
Installation Floater
Jewelers Block
Signs
Valuable Papers and Records
Equipment Breakdown
Equipment Breakdown Protection Coverage Form
Selected Endorsement
Actual Cash Value
Farm Coverage
Farm Property Coverage Form
Coverage A - Dwellings
Coverage B - Other Private Structures
Coverage C - Household Personal Property
Coverage D - Loss of Use
Coverage E - Scheduled Farm Personal Property
Coverage G - Other Farm Structures
Coverage H - Bodily Injury and Property Damage Liability
Coverage I - Personal and Advertising Injury Liability
Coverage J - Medical Payments
Mobile Agriculture Machinery and Equipment Coverage Form
Livestock Coverage Form
Definitions
Causes of Loss (Basic, Broad, and Special)
Conditions

Exclusions
Limits
Farm Liability Coverage Form
Coverage H - Bodily Injury and Property Damage Liability
Coverage I - Personal and Advertising Injury Liability
Businessowners Policy 6% (9 items)
Characteristics and Purpose
Businessowners Section I - Property
Coverage
Exclusions
Limits of Insurance
Deductibles
Loss Conditions
General Conditions
Optional Coverages
Definitions
Businessowners Section II - Liability
Coverages
Exclusions
Who is an Insured
Limits of Insurance
General Conditions
Definitions
Businessowners Section III - Common Policy Conditions
Selected Endorsements
Protective Safeguards
Utility Services - Direct Damage
Utility Services - Time Element
Hired Automobile and Non-Owned Automobile Liability
Workers' Compensation Insurance 5% (8 items)
Workers' Compensation Laws
Michigan Worker's Disability Compensation Act (Ch. 418)
Employer Covered (Required) (418.115)
Covered Injuries (418.301)
Occupational Disease (418.401, .405, .411, .415, .425, .431, .435, .441)
Benefits Provided (418.301, .311, .315, .321, .345, .351)
Second Injury Fund (418.521)
Federal Workers' Compensation Laws
Federal Employer Liability Act (FELA) (45 USC 51-60)
US Longshore and Harbor Workers Compensation Act (33 USC 904)
The Jones Act (46 USC 688)
Workers' Compensation and Employers Liability Insurance Policy
General Section
Part One - Workers' Compensation Insurance
Part Two - Employers Liability Insurance
Part Three - Other States Insurance
Part Four - Your Duties if Injury Occurs
Part Five - Premium
Part Six - Conditions
Selected Endorsement
Premium Computation
Job Classification - Payroll and Rates

Experience Modification Factor
Other Sources of Coverages
Michigan Workers' Compensation Placement Facility
Other Coverages and Options 4% (6 items)
Umbrella/Excess Liability Policies
Personal
Commercial
Specialty Liability Insurance
Errors and Omissions
Professional Liability
Directors and Officers Liability
Fiduciary Liability
Liquor Liability
Employment Practices Liability
Surety Bonds
Principal, Obligee, Surety
Contract Bonds
License and Permit Bonds
Judicial Bonds
Surplus Lines
Definitions and Markets
Licensing Requirements
National Flood Insurance Program
"Write Your Own" versus Government
Eligibility
Coverage
Limits
Deductibles
Other Policies
Boatowners
Alternative Funding Mechanisms
Self-Insured
Risk Retention Groups
Cyber Issues

Items have been updated, effective July 2, 2020, to reflect the 2020 changes to Michigan No-Fault Laws.