

North Dakota Life and Annuity Insurance Examination

110 Items

Duration 150 minutes

Insurance Regulation (12 items)

Licensing

Process (26.1-26-13.2, 13.3, 15; Reg 45-02-02-02)

Types of licensees (26.1-26-02, 03)

Producers (individual and business entity)(26.1-26-02, 05, 06, 07, 11)

Producer-agent of insured (26.1-26-07)

Producer-agent of insurer (26.1-26-06)

Consultants (26.1-26-35, 41; Reg 45-02-02-09, 10)

Nonresident producers (26.1-26-20,47.1)

Temporary (26.1-26-26)

Maintenance and duration

Renewal of appointments (26.1-26-32;Reg 45-02-02-07)

Termination (26.1-26-31; Reg 45-02-02-12)

Change of address (26.1-26-33; Reg 45-02-02-13)

Reporting of actions (26.1-26-45.1)

Assumed business names (26.1-26-25.1)

Continuing education (26.1-26-31.1; Reg45-02-04-03, 08–11, 13)

Disciplinary actions

Refusal of license (26.1-26-39, 40, 42)

Cease and desist order (26.1-01-03.1;26.1-04-13)

Suspension, revocation and probation (26.1-26-42–46)

Penalties for violations (26.1-01-03.3;26.1-04-13–17; 26.1-26-50, 51)

State Regulation

Commissioner's general duties and powers (26.1-01-03; 26.1-04-09)

Company regulation

Certificate of authority (26.1-02-02)

Solvency (26.1-02-02, 03; 26.1-05-32)

Unfair claims settlement practices (26.1-04-03(9))

Producer regulation

Sharing commissions (26.1-26-04)

Company and agency regulation

Examination of books and records (26.1-03-19.2; 26.1-26-48)

Producer appointment (26.1-26-13.1; Reg 45-02-02-06)

Termination of appointment (26.1-26-34; Reg 45-02-02-06)

Unfair practices

Misrepresentation (26.1-04-03(1), (12), 07)

False advertising (26.1-04-03(1), (2))

Defamation (26.1-04-03(3))

Boycott, coercion and intimidation (26.1-04-03(4), 04)

False financial statements (26.1-04-03(5))

Unfair discrimination (26.1-04-03(7), (11), 05)

Rebating (26.1-04-03(8), 05, 06)

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Prohibited inducements (26.1-04-05, 06)

Twisting (26.1-04-03(1))

Insurance fraud regulation (26.1-02.1-01–11)

North Dakota Laws and Regulations Pertaining to Life Insurance and Annuities (28 items)

Producer and company responsibilities

Solicitation and sales presentations (Ref: Reg 45-04-01-01–07; Reg 45-04-10-01–08))

Advertising (Ref: Reg. 45-04-10-01 through 08)

Life and Health Insurance Guaranty Association (26.1-38.1-16(1))

Illustrations (Ref: Reg. 45-04-05-05(02))

Policy summary (Ref: Reg. 45-04-01-03(7), 45-04-05-05-01)

Buyer's guide (Ref: Reg. 45-04-01-03(01) Appendix, 04))

Field underwriting requirements

Insurable interest (Ref: 26.1-29-09.1)

Notice, consent and disclosure for lab tests including HIV (Reg 45-03-11-01–05)

Company responsibilities

Verification of insurable interest (26.1-29-09.1)

Life insurance disclosure regulation (26.1-33-02)

Guaranty association disclaimer (Ref: 26.1-38.1-16)

Individual life insurance

Standard provisions (Ref: 26.1-33-05)

Entire contract (Ref: 26.1-33-05 (3))

Free look provision (Ref: 26.1-33-02.1)

Payment of premiums (Ref: 26.1-33-05 (1))

Grace period (Ref: 45-04-04-03-03-b-(02))

Reinstatement (Ref: 26.1-33-05 (8))

Incontestability (Ref: 26.1-33-05 (3))

Misstatement of age (Ref: 26.1-33-05 (5))

Statements of the insured (Ref: 26.1-33-05 (4))

Dividend options (Ref: 26.1-33-05 (6))

Loan provisions (Ref: 26.1-33-05 (7))

Nonforfeiture provision (Ref: 26.1-33-18)

Exclusions (Ref: 26.1-33-12)

Suicide no defense (Ref: 26.1-33-37)

Payment of claims and interest (Ref: 26.1-33-05(9), 26.1-33-05(13))

Assignment (Ref: 26.1-33-33)

Prohibited provisions including backdating (Ref: 26.1-33-06)

Group life insurance

Standard provisions (Ref: 26.1-33-11)

Conversion rights (Ref: 26.1-33-12)

Annuities

Free look provision (26.1-34-01.1)

Nonforfeiture provision (26.1-34-02)

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Death claim settlement and interest (26.1-34-01(5))

Federal Laws and Regulations (3 Items)

Fair Credit Reporting Act - Purpose

National Do Not Call List

General Insurance Concepts (8 Items)

Risk

Methods of Handling Risk (Avoidance, Retention, Sharing, Reduction, Transfer)

Elements of Insurable Risks

Definitions (Risk, Hazard, Peril, Loss)

Classifications of Insurers

Mutual, Stock, Fraternal

Admitted, Non-Admitted

Foreign, Domestic, Alien

Elements of a Contract

Consideration

Competent Parties

Legal Purpose

Offer

Acceptance

Authority and Powers of Producers

Express

Implied

Apparent

The Law of Agency

Legal Interpretations Affecting Contracts

Reasonable Expectations - good faith

Indemnity

Good Faith

Fraud

Warranties, Representations, Misrepresentations, and Concealment

Life Insurance Basics (13 Items)

Insurable Interest

Personal Uses of Life Insurance

Survivor Protection

Liquidity

Determining Amount of Personal Life Insurance

Human Life Value Approach

Needs Approach

Business Uses of Life Insurance

Buy-Sell Funding

Key Person

Executive Bonuses

Factors in Premium Determination

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Mortality
Interest
Expense
Premium Frequency
Field Underwriting
 Application Procedures
 Warranties and Representations
Policy Delivery
 Effective Date of Coverage
 Policy Review
 Premium Collection
 Statement of Good Health
Company Underwriting
 Sources of Information
 Classifications of Risk (Preferred, Standard, Substandard, Declined)

Types of Life Insurance Policies (14 Items)

Term Life Insurance
 Level
 Decreasing
 Increasing Term
Whole (Permanent, Ordinary) Life Insurance
 Single Premium
 Continuous Premium
 Limited Payment
 Adjustable Life
Universal Life
Variable Life
Variable Universal
Indexed Universal Life
Specialized Policies
 Joint Life
 Survivorship Life
 Juvenile
Group Life Insurance
 Eligible Groups
 Characteristics of Group Life Insurance

Life Insurance Policy Provisions, Options, and Riders (20 Items)

Standard Life Insurance Provisions
 Ownership
 Assignment
 Right to Examine (Free Look)
 Payment of Premiums
 Grace Period

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Misstatement of Age/Sex
Incontestability
Reinstatement
Entire Contract
Beneficiary Designation Options
 Individuals
 Classes
 Minors
Types of Beneficiaries
 Primary and Contingent
Beneficiary-Related Clauses
 Common Disaster
Settlement Options
 Cash Payment (Lump Sum)
 Interest Only
 Life Income
 Fixed-Period
 Fixed-Amount Installments
 Joint
 Last Survivor
Nonforfeiture Options
 Cash Surrender Value
 Extended Term
 Reduced Paid-Up Insurance
Policy Loan and Withdrawal Options
 Loans
 Automatic Premium Loans
 Withdrawals Partial Surrenders
Dividend Options
 Paid-Up Additions
 Cash Payment (Lump Sum)
 One Year Term
 Reduction of Premium
 Accumulation at Interest
Disability Riders
 Waiver of Premium
 Disability Income Benefit
 Payor Benefit Life
Riders Covering Additional Insureds
 Spouse
 Children
 Family term rider
Riders Affecting Death Benefit Amount

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Accidental Death
Guaranteed Insurability
Cost of Living
Return of Premium
Accelerated (Living) Benefit Provision Rider
Long-Term Care Rider

Policy Exclusions

Annuities (8 Items)

Annuity Principles and Concepts
Accumulation Period versus Annuity Period
Owner, Annuitant, and Beneficiary
Immediate versus Deferred Annuities
Annuity (Benefit) Payment Options
Life Contingency Options
Annuities Certain
Pure Life versus Life with Guaranteed Minimum
Single Life versus Multiple Life
Annuity Products
Fixed Annuities
Equity Indexed Annuities
Variable Annuities
Uses of Annuities
Lump-Sum Settlements
Retirement Income
Long-Term Care Rider
Guaranteed Minimum Withdrawal Benefit (GMWB)

Federal Tax Considerations for Life Insurance (4 Items)

Taxation of Personal Life Insurance and Annuities
Premiums
Dividends
Settlements
Last In First Out (LIFO) and First In First Out (FIFO)
Surrenders and Withdrawals
Modified Endowment Contracts (MECs)