

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)

Prohibited inducements (26.1-04-05, 06)

North Dakota Life and Annuity Insurance Examination

110 Items

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Twisting (26.1-04-03(1))

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

Consumer information privacy regulation (26.1-02-27; Reg 45-14-01-01–25)

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)

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

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Federal Laws and Regulations (3 Items)

Fair Credit Reporting Act - Purpose

18 United States Code (USC) Sections 1033 and 1034 - Purpose (Letter of Written Consent)

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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110 Items

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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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110 Items

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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)