

**Oregon Producer's Examination for
Life Insurance
Series 12-01**

100 questions – Two-hour time limit

Insurance Regulation 8% (8 items)

Licensing

Purpose

Process (ORS 744.058, .059, .062)

Types of licensees

Producers (ORS 744.052, .053, 731.104)

Consultants (ORS 744.605, .609, .626; OAR 836-071-0150)

Adjusters (ORS 744.531)

Nonresidents (ORS 744.063)

Temporary (ORS 744.073)

Maintenance and duration

Renewal and nonrenewal (ORS 744.072, .074) OAR 836-071-0146)

Continuing education requirements (ORS 744.072(4); OAR 836-071-0215 to 0250)

Reinstatement (ORS 744.018, .072(6))

Assumed business name (ORS 744.028(2), .068)

Change of address or telephone number (ORS 744.068)

Reporting of actions (ORS 744.089(1), (2);)

Suitability (OAR 836-080-0090; OAR 836-080-0170 to 0190)

Replacement (OAR 836-080-0001 to 0043)

Disciplinary actions

Cease and desist orders (ORS 731.252)

License probation, suspension, revocation or refusal to issue or renew (ORS 744.074)

Civil penalty (ORS 731.988)

Criminal penalty (ORS 731.992)

State regulation

Director's enforcement authority (ORS 731.256)

Director's inquiries (ORS 731.296)

Company regulation

Producer appointment (ORS 744.078)

Termination of appointment (ORS 744.079, .081)

Unfair claim settlement practices (ORS 746.230; OAR 836-080-0205 to 0250)

Producer regulation

Fiduciary and trust account responsibilities (ORS 744.083; OAR 836-074-0020 to 0050)

Place of business/records maintenance (ORS 744.068)

Controlled business (ORS 746.065, .160)

Commissions (ORS 744.076, .077; OAR 836-071-0269–0277)

Fees (ORS 744.076, .077; OAR 836-071-0260 to 0277)

Unfair trade practices

Misrepresentation (ORS 746.075, .100)

False advertising (ORS 746.110; OAR 836-080-0155)

Rebating (ORS 746.045)

Unfair discrimination (ORS 746.015; OAR 836-081-0005, 0010, 0020, 0030)

Illegal inducement (ORS 746.035)

Examination of records (ORS 744.068(2, 3))

Privacy of Consumer Information (ORS 746.600, .620, .630, .665; OAR 836-080-0501 to 836-080-0551)
Federal Laws and Regulations 3% (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 7% (7 items)
Risk
Definitions (e.g., risk, hazard, peril, loss)
Methods of handling risk (e.g., avoidance, retention, sharing, reduction, transfer)
Elements of insurable risks
Classifications of insurers
Mutual, stock
Admitted, non-admitted
Foreign, domestic, alien
Authority and powers of producer
Express
Implied
Apparent
The Law of Agency
Elements of a contract
Offer
Acceptance
Consideration
Competent parties
Legal purpose
Legal interpretations affecting contracts
Reasonable expectations - good faith
Indemnity
Good faith
Warranties, representations, misrepresentations, and concealment
Fraud
Life Insurance Basics 20% (20 items)
Insurable interest (ORS 743.040, .038, .044)
Personal uses of life insurance
Survivor protection
Liquidity
Life settlements (ORS 744.318., .321, .323, .326,.328; OAR 836-014-0200–0330)
Determining amount of personal life insurance
Human life value approach
Needs approach
Business uses of life insurance
Buy-sell funding
Key person (ORS 743.228)
Executive bonuses
Factors in premium determination
Mortality
Interest
Expense
Premium frequency

Types of life insurance policies (ORS 731.102, .170)
Group and individual (ORS 731.150, 743.303,)
Permanent, term, variable and annuities (ORS 731.156, 743.245)
Fixed versus variable life insurance and annuities including regulation of variable products (SEC, FINRA, and Oregon) (ORS 733.220)
Solicitation and sales presentations (OAR 836-051-0005–0020)
Advertising (ORS 746.075, .110, .115)
Oregon Life and Health Insurance Guaranty Association (ORS 734.750–.890)
Association (ORS 743.351)
Illustrations (OAR 836-051-0500–0600)
Replacement (ORS 746.085; OAR 836-080- 0001–to 0043)
080-0430)
Field underwriting
Application procedures
Warranties and representations
Policy delivery
Policy review
Effective date of coverage
Premium collection
Statement of good health
Company underwriting
Sources of information
Application (ORS 743.039, .318)
Medical examinations and lab tests (including HIV consent) (OAR 836-050-0250)
Selection criteria and unfair discrimination (OAR 836-081-0005, 0010)
Sexual orientation prohibited (OAR 836-050-0240)
Medical and lifestyle questions (OAR 836-050-0245)
Prohibited discrimination (ORS 746.015)
Evidence of insurability (ORS 743.321)
Incontestability (ORS 743.315)
Suitability in the sale of life insurance (OAR 836-080-0090)
Classifications of risk (preferred, standard, substandard, declined)
Types of Life Insurance Policies 20% (20 items)
Term life insurance
Level
Decreasing
Increasing term
Whole (permanent, ordinary) life insurance
Continuous premium
Limited payment
Single premium
Adjustable life
Universal life
Variable life
Variable universal
Indexed universal life
Specialized policies
Joint life
Juvenile life

Survivorship Life
Group life insurance
Eligible groups
Characteristics of group life insurance
Conversion to individual policy(ORS 743.333–.339)
Incontestability (ORS 743.315)
Evidence of Insurability (ORS 743.321)
Misstatement of Age (ORS 743.324)
Payments under the policy (ORS 743.327)
Termination of individual coverage (ORS 743.333)
Continuing coverage (ORS 743.356)
Prohibited sales practices (ORS 743.348)
Policies issued to trustees of certain funds (ORS 743.354)
Life Insurance Policy Provisions, Options and Riders 25% (25 items)
Standard life insurance provisions
Ownership
Assignment (ORS 743.043)
Entire contract (ORS 743.174)
Right to examine (free look)
Payment of premiums (ORS 743.162)
Grace period (ORS 743.165)
Reinstatement (ORS 743.171)
Incontestability (ORS 743.168, .315)
Misstatement of age/sex (ORS 743.180)
Prohibited provisions including backdating (ORS 743.225)
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
Fixed-period
Fixed-amount installments
Life income
Joint
Last survivor
Nonforfeiture options (ORS 743.204 to .210)
Cash surrender value
Extended term
Reduced paid-up insurance
Policy loan and withdrawal options
Loans
Automatic premium loans
Withdrawals partial surrenders

Uses of dividends (ORS 743.183)
Interest rate (ORS 743.187)
Dividend options
Cash payment (lump sum)
Reduction of premium
Accumulation at interest
One-year term
Paid-up additions
Disability riders
Waiver of premium
Disability income benefit
Payor benefit life
Accelerated (living) benefit provision/rider (ORS 743.154; OAR 836-051-0300–0380, 836-052–0646)
Qualifying events
Disclosure
Effect of benefit payment
Riders covering additional insureds
Spouse
Children
Family term rider
Riders affecting the death benefit amount
Accidental death
Guaranteed insurability
Cost of living
Return of premium
Accelerated (living) benefit provision rider
Long-term care rider
Policy exclusions
Annuities 11% (11 items)
Annuity principles and concepts
Accumulation period versus annuity period
Owner, annuitant and beneficiary
Suitability in the sale of annuities (OAR 836-080-0090)
Immediate versus deferred annuities
Annuity (benefit) payment options
Life contingency options
Pure life versus life with guaranteed minimum
Single life versus multiple life
Annuities certain
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 6% (6 items)

Taxation of personal life insurance and annuities
Dividends
Settlements
Values included in insured's estate
Premiums
Last In First Out (LIFO) and First In First Out (FIFO)
Surrenders and withdrawals
Modified endowment contracts (MECs)