

**Wisconsin Life: General and State  
Series 22-01  
100 questions – 2-hour time limit**

**July 15, 2022**

**1.0 Insurance Regulation 35% (35 Items)**

**1.1 Licensing**

Purpose (*ch. 628*)

Persons required to be licensed

*Ref: s. 618.41, ch. 628, s. 628.02(1),*

*s. 628.02(3), s. 628.02(4), s. 628.02(4g), s. 628.02(4m), s. 628.02(4p), s. 628.02(5),*

*s. 628.03, s. 628.04, s. 628.49,*

*s. 632.69(1)(b) and (c),*

*s. 632.69(2), s. Ins 6.58, s. Ins 42.01, s. Ins 42.03, s. Ins 47*

License Requirements

*Ref: ch. 26, s. 628.03, s. 628.04, s. 628.04(2), s. 628.34, s. 628.51, 632.69(1)(b) and (c), 632.69(2), s. Ins 6.59, s. Ins 6.59(4)(a),*

*s. Ins 6.59(4)(c)*

Record keeping, maintenance, and duration

Renewal

Continuing education requirements

Reinstatement

Assumed name

Change of address or telephone number

Reporting of actions

*Ref: s. 601.42, s. 628.04, s. 628.08, s. 628.09, s. 628.09(6), s. 628.11, s. Ins 6.57, s. Ins 6.61, s. Ins 6.63(3), s. Ins 28.04(1)(a),*

*s. Ins 28.04(1)(f), s. Ins 28.04(2)(a),*

*s. Ins 28.04(2)(b), s. Ins 28.06(6)*

Disciplinary actions

License termination, suspension, or revocation

Monetary forfeiture (fines)

*Ref: s. 601.31, s. 601.64, s. 628.10(1),*

*s. 628.10(2), s. 628.10(3), s. 628.345(1)(b), s. 628.345(2), s. 628.345(3)(a),*

*s. 628.345(3)(d), s. 628.345(3)(e),*

*s. 628.345(3)(f), s. Ins 6.63*

**1.2 State Regulation**

Commissioner's general duties and powers

Duties

*Ref: s. 601.41, s. 601.42*

Hearings

*Ref: ch. 227, s. 227.12, s. 601.41, s. 601.62, s. 601.64, s. 628.10, s. Ins 6.59*

Penalties

*Ref: s. 601.64, s. 601.65*

Wisconsin Insurance Security Fund

*Ref: ch. 227, s. 227.12, s. 601.41, s. 601.41(4), s. 601.42, s. 601.42(4), s. 601.62, s. 601.62(5), s. 601.64, s. 601.64(2), s. 601.64(3),*

*s. 601.64(3)(d), s. 601.64(4), s. 601.65,*

<i>s. 628.10, s. 628.10(2)(b), s. Ins 6.59, ch. 646</i>
Company regulation
Solvency
Responsibilities of the insurer
Rates
Use of Policy forms
Readability
Producer appointments/terminations
Unfair claims, methods, and practices
Notice of right to file complaint
<i>Ref: s. 628.11, s. 628.40, s. 631.20,</i>
<i>s. 631.20(3), s. 631.22, s. 631.28, s. Ins 6.07, s. Ins 6.11, s. Ins 6.11(3), s. Ins 6.55,</i>
<i>s. Ins 6.55(4)(b), s. Ins 6.57, s. Ins 6.85</i>
Producer regulation
Fiduciary and trust account responsibilities
Place of business/records maintenance
Compensation of agents
<i>Ref: ch. 626 subch. IV</i>
Controlled business
<i>Ref: s. 628.51</i>
Shared commissions
<i>Ref: s. 628.61</i>
Proper exchange of business
<i>Ref: s. 628.32, s. 628.51, s. 628.61, s. Ins 6.66</i>
Marketing practices
Misrepresentation
<i>Ref: s. 628.34 (1)</i>
False advertising
<i>Ref: s. 628.34 (1)</i>
Rebating
<i>Ref: s. 628.34 (2)</i>
Unfair discrimination
<i>Ref: s. 628.34 (3)</i>
Boycott, coercion, or intimidation
<i>Ref: s. 628.34 (4)</i>
Illegal inducement
<i>Ref: ch. 20, s. 628.34,</i>
<i>s. Ins 6.54, s. Ins 6.55,</i>
<i>s. Ins 6.67, s. Ins 6.68</i>
Examination of records
<i>Ref: s. 601.43, s. 601.43(1)(b), s. 601.43(1)(c), s. 601.43(2)(a), s. 601.45, s. 601.49,</i>
<i>s. Ins 16.01, s. Ins 26.10, s. Ins 26.10(3),</i>
<i>s. Ins 28.10, s. Ins 28.10(3)</i>
General statutes, rules, and regulations affecting insurance contracts
Definitions
Specific knowledge
Misrepresentation/Warranties

<i>Ref: s. 628.34</i>
Knowledge and acts of the agent
<i>Ref: s. 628.40</i>
Certificates of Insurance
<i>Ref: s. 628.34, ch. 631, s. 631.08, s. 631.09,</i>
<i>s. 631.11, s. 631.28, ch. 632</i>
Regulation of specific clauses in insurance contracts
Cancellation
<i>Ref: s. 631.36</i>
Renewal/Nonrenewal
<i>Ref: s. 631.36</i>
Notice of proof of loss
<i>Ref: s.631.81</i>
Payment of claims
<i>Ref s. 628.46, s. 631.36, s. 631.43, s. 631.48, s. 631.81, s. 632.36(1-2), s. Ins 6.11, s. Ins 6.77</i>
Privacy of Consumer Information
<i>Ref: s. 610.70, s. Ins 25</i>
<b>1.3 Federal Regulation</b>
Fair Credit Reporting Act (15 USC 1681–1681d)
Fraud and false statements (18 USC 1033, 1034)
<b>1.4 Wisconsin statutes, rules, and regulations pertinent to life insurance and annuities</b>
Policy provisions
Required provisions
Variable contract
Contestability
Assignment
Designation of beneficiary
<i>Ref: s. 632.44, s. 632.45, s. 632.46,</i>
<i>s. 632.46(3), s. 632.47, s. 632.48, s. 632.56,</i>
<i>s. Ins 2.13(12m)</i>
Marketing methods and practices
Policy replacement
Disclosure
Unfair practices
Life insurance and annuities
Proposal
Policy summary
Advertising
Suitability of annuity sales to consumers
<i>Ref: s. 601.42, s. 628.34, s. 628.34(1)</i>
<i>s. 628.34(9), s. 628.347(1)(e),</i>
<i>s. 628.347(2)(a), s. 628.347(2)(b),</i>
<i>s. 628.347(2)(dm),</i>
<i>s. 628.347(3m), s. 628.347(4), s. 628.347(4m),</i>
<i>s. 628.347(5), s. 628.347(7), s. 628.347(8),</i>
<i>s. 631.95, s. 632.41 – s. 632.695,</i>

<i>s. 632.69(1)(j), s. Ins 2.03, s. Ins 2.07,</i>
<i>s. Ins 2.07(3)(i), s. Ins 2.07(4), s. Ins 2.07(5), s. Ins 2.07(6), s. Ins 2.07(7), s. Ins 2.09,</i>
<i>s. Ins 2.09(6), s. Ins 2.13(12m), s. Ins 2.14,</i>
<i>s. Ins 2.15, s. Ins 2.16, s. Ins 2.17,</i>
<i>s. Ins 6.54, s. Ins 6.55, s. Ins 6.60(2),</i>
<i>s. Ins 6.61, s. Ins 6.67, s. Ins 6.68, s. Ins 6.90, ch. 20</i>
Life insurance illustration
<i>Ref: s. Ins 2.14, s. Ins 2.17</i>
Interstate insurance product regulation compact
<i>Ref: s. 601.58</i>
<b>2.0 General Insurance 10% (10 Items)</b>
<b>2.1 Concepts</b>
Risk management key terms
Risk
Exposure
Hazard
Peril
Loss
Methods of handling risk
Avoidance
Retention
Sharing
Reduction
Transfer
Elements of insurable risks
Adverse selection
Law of large numbers
Reinsurance
<b>2.2 Insurers</b>
Types of insurers
Stock companies
Mutual companies
Fraternal benefit societies
Reciprocal
Lloyd's associations
Risk retention groups
Private versus government insurers
Admitted versus nonadmitted insurers
Domestic, foreign and alien insurers
Financial status (independent rating services)
Marketing (distribution) systems
<b>2.3 Producers and general rules of the agency</b>
Insurer as principal
Producer/insurer relationship
Authority and powers of producer
Express
Implied

Apparent
The law of agency
Responsibilities to the applicant/insured
<b>2.4 Contracts</b>
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
<b>3.0 Life Insurance Basics 10% (10 Items)</b>
<b>3.1 Insurable Interest</b>
<b>3.2 Personal uses of life insurance</b>
Survivor protection
Estate creation
Cash accumulation
Liquidity
Estate conservation
<b>3.3 Life settlements (including stranger originated life insurance) Ref: s. 632.69</b>
<b>3.4 Determining amount of personal life insurance</b>
Human life value approach
Needs approach
Types of information gathered
Determining lump-sum needs
Planning for income needs
<b>3.5 Business uses of life insurance</b>
Buy-sell funding
Key person
Executive bonuses
Deferred compensation funding
Split dollar plans
Change of insured provision

<b>3.6 Classes of life insurance policies</b>
Group versus individual
Ordinary versus industrial (home service)
Permanent versus term
Participating versus nonparticipating
<i>Ref: s. 632.62(1), 632.62(2), 632.62(4)</i>
Fixed versus variable life insurance and annuities including regulation of variable products
<b>3.7 Premiums</b>
Factors in premium determination
Mortality
Interest
Expense
Premium concepts
Net single premium
Gross annual premium
Premium payment mode
<b>3.8 Licensee responsibilities</b>
Solicitation and sales presentations
Advertising
Wisconsin Insurance Security Fund
Illustrations
Policy summary
Buyer's guide
Need for variable license to recommend termination
Suitability
Life insurance policy cost comparison methods
Replacement
Use and disclosure of insurance information
Field underwriting
Notice of information practices
Application procedures
Warranties and Representatons
Policy Delivery
Policy review
Effective date of coverage
Premium collection
Statement of good health
<b>3.9 Individual underwriting by the insurer</b>
Information sources and regulation
Application
Licensee report
Attending physician statement
Investigative consumer (inspection) report
Medical Information Bureau (MIB)
Medical examinations and lab tests (including HIV consent)
<i>Ref: s. 631.90, s. Ins 3.53</i>

Selection criteria and unfair discrimination
Classification of risks
Preferred
Standard
Substandard
Declined
<b>4.0 Life Insurance Policies 12% (12 Items)</b>
<b>4.1 Term life insurance</b>
Level term
Annual renewable term
Level premium term
Decreasing term
Increasing term
<b>4.2 Whole life insurance</b>
Continuous premium (straight life)
Limited payment
Single premium
<b>4.3 Flexible premium policies</b>
Adjustable life
Universal life
<b>4.4 Specialized policies</b>
Joint life (first-to-die)
Juvenile life
<b>4.5 Group life insurance</b>
Characteristics of group plans
Types of plan sponsors
Group underwriting requirements
Conversion to individual policy
<b>5.0 Life Insurance Policy Provisions, Options and Riders 14% (14 Items)</b>
<b>5.1 Standard provisions</b>
Ownership
Assignment
Entire contract
Modifications
Right to examine (free look)
Payment of premiums
Grace period
Reinstatement
Incontestability
Misstatement of age and gender
Policy Exclusions
Suicide exclusion
Medical examination; autopsy
Prohibited provisions including backdating
<b>5.2 Beneficiaries</b>
Designation options
Individuals

Classes
Estates
Minors
Trusts
Primary
Contingent
Beneficiary-Related Clauses
Revocation at Divorce 30-3-5
Succession
Revocable versus irrevocable
Common disaster clause
Spendthrift clause
<b>5.3 Settlement options</b>
Cash payment
Interest only
Fixed-period installments
Fixed-amount installments
Life income
Single life
Joint and survivor
<b>5.4 Nonforfeiture options</b>
Cash surrender value
Extended term
Reduced paid-up insurance
<b>5.5 Policy loan and withdrawal options</b>
Cash loans
Automatic premium loans
Withdrawals or partial surrenders
<b>5.6 Dividend options</b>
Cash payment
Reduction of premium payments
Accumulation at interest
One-year term option
Paid-up additions
<b>5.7 Disability riders</b>
Waiver of premium
Waiver of cost of insurance
Disability income benefit
Payor benefit life/disability (juvenile insurance)
<b>5.8 Accelerated (living) benefit provision/rider</b>
Qualifying events
Disclosure
Effect of benefit payment
Long-Term Care Rider
<b>5.9 Riders covering additional insureds</b>
Spouse/other-insured term rider
Children's term rider

Family term rider
<b>5.10 Riders affecting the death benefit amount</b>
Accidental death
Guaranteed insurability
Cost of living
Return of premium
<b>6.0 Annuities 10% (10 Items)</b>
<b>6.1 Annuity principles and concepts</b>
Accumulation period versus annuity period
Owner, annuitant and beneficiary
Insurance aspects of annuities
<b>6.2 Immediate versus deferred annuities</b>
Single premium immediate annuities (SPIAs)
Deferred annuities
Premium payment options
Nonforfeiture
Surrender charges
Death benefits
<b>6.3 Annuity (benefit) payment options</b>
Ref: s.632.435(1)(a)
Life contingency options
Pure life versus life with guaranteed minimum
Single life versus multiple life
Annuities certain (types)
<b>6.4 Annuity products</b>
Fixed annuities
General account assets
Interest rate guarantees (minimum versus current)
Level benefit payment amount
Indexed annuities
Market value adjusted annuities
Guaranteed living benefit riders
Variable annuities
<b>6.5 Uses of annuities</b>
Lump-sum settlements
Qualified retirement plans including group versus individual annuities
Personal uses
Individual retirement annuities (IRAs)
Tax-deferred growth
Retirement income
Education funds
Long-Term Care Rider
<b>7.0 Federal Tax Considerations for Life Insurance and Annuities 5% (5 items)</b>
<b>7.1 Taxation of personal life insurance</b>
Amounts available to policyowner
Cash value increases
Premiums

Dividends
Policy loans
Surrenders
Amounts received by beneficiary
General rule and exceptions
Settlement options
Values included in insured's estate
<b>7.2 Modified endowment contracts (MECs)</b>
Modified endowment versus life insurance
Seven-pay test
Distributions
<b>7.3 Taxation of non-qualified annuities</b>
Individually-owned
Accumulation phase (tax issues related to withdrawals)
Annuity phase and the exclusion ratio
Distributions at death
Values included in the annuitant's estate
Amounts received by beneficiary
Corporate-owned
<b>7.6 Section 1035 exchanges</b>
<b>7.4 Taxation of individual retirement accounts (IRAs)</b>
Traditional IRAs
Contributions and deductible amounts
Premature distributions (including taxation issues)
Roth IRAs
Contributions and limits
Distributions
<b>7.5 Rollovers and transfers (IRAs and qualified plans)</b>
<b>8.0 Qualified Plans 4% (4 Items)</b>
<b>8.1 General requirements</b>
<b>8.2 Federal tax considerations</b>
Tax advantages for employers and employees
Taxation of distributions (age-related)
<b>8.3 Plan types, characteristics and purchasers</b>
Simplified employee pensions (SEPs)
Self-employed plans (HR 10 or Keogh plans)
Profit-sharing and 401(k) plans
SIMPLE plans
403(b) tax-sheltered annuities (TSAs)