

YOUR EXAM CONTENT OUTLINE

for examinations on or after March 1, 2006.

If you do not receive all three pages of this outline, please contact Prometric.

The following outline describes the content of one of the New Hampshire insurance examinations. The outlines are the basis of the examinations. The examination will contain questions on the subjects contained in the outline. The percentages indicate the relative weights assigned to each part of the examination. For example, 10 percent means that 6 questions will be drawn from the section on a 60-question exam, 10 will be drawn on a 100-question exam and 15 will be drawn on a 150-question exam.

New Hampshire Producer's Examination for Credit

Series 12-87

60 questions – One-hour time limit

1.0 Insurance Regulation 10%

1.1 Licensing

- Process (402-J:5, 6)
- Types of licensees
 - Producer (402-J:2, 14)
 - Producer with appointment (402-J:14)
 - Business entity (402-J:6)
 - Financial institutions (406-C:1–19)
 - Resident versus nonresident (402-J:8, 16; Reg 1301.06)
 - Temporary (402-J:11)
- Maintenance and duration
 - Renewal (402-J:7(II–IV))
 - Change of address (402-J:7(VI))
 - Reporting of actions (402-J:17)
 - Assumed names (402-J:10)
- Disciplinary actions
 - Cease and desist order (417:12)
 - Denial, suspension or revocation (402:49; 402-J:12)
 - Penalties and fines (400-A:15(III); 402:42, 48; 402-J:12(IV); 417:10, 13)

1.2 State regulation

- Commissioner's general duties and powers (400-A:3, .15; 417:5, 14)
- Company regulation
 - Producer appointment (402-J:14)
 - Termination of appointment (402-J:15)
- Producer regulation
 - Acting without a license (402-J:3, 13)
 - Commissions (402-J:13)
 - Conversion of funds by producer (402:53)
 - Controlled business (402:74)

- License to transact business (402:12)
- Unfair claim settlement practices (417:4(XV); Reg 1001.01–.16)
- Unfair insurance trade practices
 - Misrepresentation (402:46; 417:4(I, II))
 - Twisting (402:47; 417:4(I))
 - False information and advertising (417:4(III))
 - Defamation (417:4(IV))
 - Boycott, coercion and intimidation (417:4(V))
 - Illegal inducement (417:4(VII))
 - Unfair discrimination (417:4(VIII))
 - Rebating (402:39–41; 417:4(IX))
- Examination of books and records (400-A:37)
- Insurance fraud regulation (400-A:36-b(II); 417:23; RL 638:20)
- Consumer privacy regulation (Reg 3001–3006)

1.3 Federal regulation

- Fair Credit Reporting Act (15 USC 1681–1681d)
- Fraud and false statements (18 USC 1033, 1034)

2.0 General Insurance 9%

2.1 Concepts

- 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

2.2 Insurers

- Types of insurers
 - Stock companies
 - Mutual companies
 - Fraternal benefit societies
 - Reciprocal
 - Lloyd's associations
 - Risk retention groups
 - Surplus lines
- Private versus government insurers
- Authorized versus unauthorized insurers
- Domestic, foreign and alien insurers

Financial status (independent rating services)
Marketing (distribution) systems

2.3 Producers and general rules of agency

Insurer as principal
Producer/insurer relationship
Authority and powers of producers
Responsibilities to the applicant/insured

2.4 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

3.0 Consumer Credit Insurance Basics 40%

3.1 Nature of consumer credit insurance

Parties involved
Debtor/insured
Creditor/beneficiary
Insurer
Advantages for debtors and for creditors
Markets
Banks and savings and loan associations
Credit unions
Finance companies
Credit card companies
Automobile dealers and manufacturers
Retailers
Types of credit covered — closed-end versus open-end

3.2 Coverage characteristics

Group versus individual coverage
Underwriting considerations
Eligibility of groups
Underwriting of the debtor/insured (group and individual)
Evidence of insurability
Premiums
Basis and payment of premiums
Single premium versus monthly outstanding balance

Group policy general provisions

Right to examine (free look)
Grace period (408:16(I); 415:18(I)(p))
Incontestability
(408:10; 408:16(II); 415:18(I)(r))
Entire contract (408:9; 408:16(III); 415:18(I)(a))
Conditions to require evidence of insurability
(408:16(IV); 408-A:5)
Certificate of insurance (408-A:6)

Benefit payments

Effect on insured's debt
Payment of excess benefits

3.3 Regulation

New Hampshire regulation
Approval of policy forms (408-A:7)
Amounts to be insured (408-A:4)
Term of insurance (408-A:5)
Premium rates (408-A:8(I); Reg 1201.19)
Premium refunds (408-A:8(II); Reg 1201.05)
Solicitation
(408-A:11; 408-B:19(1); Reg. 1201.04(b))
Evidence of coverage (408-A:6)
Termination of group policy (Reg 1201.04(e))
Claims processing (408-A:10)
Prohibited transactions
(417:4(XVI); Reg 1201.15)
Federal regulation
Consumer Credit Protection Act (Truth-in-Lending Act)

4.0 Types of Consumer Credit Insurance 41%

4.1 Credit life insurance

Eligibility of the individual insured
Contributory versus non-contributory
Gross coverage versus net payoff coverage
Types of insurance coverages
Decreasing term
Level term
Monthly outstanding balance
Joint credit life
Truncated life
Pre-existing conditions exclusion
Suicide clause

4.2 Credit disability insurance

Eligibility of the individual insured
Qualifying for benefits
Sickness or injury
Definition of disability — own occupation versus any occupation
Total and permanent
Elimination period
Benefit period
Benefit amount
Special types of coverage
Retroactive
Critical period

Common exclusions

Pre-existing conditions

Intentionally self-inflicted injury

Normal pregnancy

4.3 Credit involuntary unemployment insurance

Eligibility of the individual insured

Qualifying for benefits

Definition of involuntary unemployment

Elimination period

Retroactive coverage

Benefit period

Benefit amount

Excluded forms of unemployment

4.4 Other credit insurance

Credit property

Eligibility

Insured event

Benefit conditions

Guaranteed automobile protection (GAP)

Eligibility

Insured event

Benefit conditions

Mortgage guaranty