

Insurance Exam Content Outline

The following outline describes the content of one of the Michigan insurance examinations. The examination will contain questions on the subjects contained in the outline. The percentages indicate the relative weight assigned to each section 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.

Michigan Title Insurance

Series 16-77

60 questions – One-hour time limit

1.0 Insurance Regulation 33% (20 items)

1.1 Licensing

Process (500.1201, .1201a, .1204, .1205, .1206, .1206b, .1240)

Types of licensees (500.1206)

Producer (500.240, .1201, .1201a, .1204, .1205, .1206, .1206b, .1240)

Resident versus nonresident (500.1201, .1201a, .1204, .1204e-.1206b, .1240; R500.635)

Temporary (500.1211b)

Maintenance and duration

Continuation (24.291; 500.1206, .134)

Change of address (500.1206(5), .1238)

Reporting of actions (500.1208b, .1239, .1244, .1246, .1247)

Assumed names (500.1211a)

Disciplinary actions

Cease and desist order (500.1244, .2038)

Suspension, revocation, refusal to issue or renew (500.1200, .1209, .1239, .1379, .2029, .2043)

Penalties and fines (500.1242, .1244, .1379, .2038, .2040, .2064, .2069)

1.2 State regulation

Commissioner's general duties and powers (500.102, .200, .202, .210)

Company regulation

Rates (500.1609, .1615, .1904, .2106, .2403, .2411, .2603)

Forms and exceptions (500.2236)

Producer appointment (500.1208a, .1208b, .1209, .1411)

Termination of appointment (500.1208b, .1209)

Producer regulation

Acting without a license (500.251, .1201a, .1202, .1203)

Prohibited conduct (500.1207, .1216, .2003, .2059, .2062)

Commissions (500.1240, .2011)

Fiduciary capacity (500.1207)

Unfair insurance trade practices (500.1239, .1244, .2003, .2006-.2014, .2016-.2021, .2026, .2029)

Misrepresentation (500.2005, .2005a, .2055, .2057, .2064, .2218)

False information and advertising (500.2001, .2002, .2005, .2005a, .2007, .2055, .2057, .2064)

Defamation (500.2007, .2009; 600.2911; 750.389; R500.662, .1377(14))

Boycott, coercion and intimidation (500.1242, .2012)

Unfair discrimination (500.2019, .2020, .2027, .2082)

Rebating (500.1242, .2024, .2069, .2070)

Illegal inducement (500.2005a, .2024, .2069, .2070; 550.1496)

Examination of books and records (500.249, .222)

Insurance fraud regulation (500.2088, .4501, .4503, .4507, .4509, .4511, .8197; 752.1003, .1005)

Consumer privacy regulation (500.501, .505, .507, .515, .535, .2005a, .4501, .4507, .4509)

1.3 Federal regulation

Fair Credit Reporting Act (15 USC 1681-1681d)

Fraud and false statements (18 USC 1033, 1034)

2.0 Real Property 11% (7 items)

2.1 Concepts, principles and practices

Definition of real property

Types of real property

Title to real property

Marketable title

2.2 Acquisition and transfer of real property

Conveyances

Encumbrances

Adverse possession

Condemnation

Escheats – money and property

Abandonment

Judicial sales

Decedents' estates

Intestate

Testate

Trusts

Types of joint ownership

Tenants in common

Joint tenancy

- Acknowledgments
- Legal capacity of parties
 - Individuals
 - Corporations
 - General partnerships
 - Limited partnerships
 - Fictitious names
 - Trust agreements
 - Limited Liability Company (LLC)

2.3 Legal descriptions

- Types of legal descriptions
- Types of measurements used
- Language of real descriptions
- Interpretation

2.4 Escrow principles

- Escrow terminology
- Types of escrows
- Escrow contracts
- Fiduciary responsibilities of escrow agents

2.5 Recording

- Types of records
- Types of recording systems
- Requirements to record
- Acknowledgments
- Presumptions

3.0 Title Insurance 29% (18 items)

3.1 Title insurance principles

- Risks covered by title insurance
 - Risk of error in public records
 - Hidden off-record title risks
- Entities that can be insured; need for insurance
- Legal forms of ownership
- Interests that can be insured
 - Types of estates
 - Easements
- Title insurance forms
 - Commitments
 - Owner's policy
 - Loan policy
 - Leasehold policies
 - Expanded policies
- Title insurance policy structure and provisions
 - Insuring provisions
 - Schedule A
 - Schedule B — Exceptions from coverage
 - Exclusions from coverage
 - Conditions and stipulations
 - Endorsements

3.2 Title searching techniques

- Hard copy index
- Chain sheet

4.0 Title Exceptions and Procedures for Clearing Title 27% (15 items)

4.1 Principles and concepts

- General exceptions
- Voluntary and involuntary liens
- Federal liens
- Mortgage
- Judgments
- Taxes and assessments
- Surveys
- Condominiums
- Water rights
- Equitable interests
- Attachments
- Executions
- Covenants
- Conditions
- Restrictions

4.2 Special problem areas and concerns

- Acknowledgments
- Mechanic's lien
- Bankruptcy
- Probate
- Good faith
- Foreclosure
- Claims against the title

4.3 Principles of clearing title

- Releases
- Assignments
- Subordinations
- Affidavits
- Reconveyances
- Deeds and land contracts (quit claim, warranty and sheriff's deeds)

4.4 Settlement or closing procedures

- Real Estate Settlement Procedures Act (RESPA)
- Insured closing protection letters