

# Your Exam Content Outline

The following outline describes the content of one of the Vermont 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.

## Vermont Producer's Examination for Life Insurance Laws and Regulations Series 14-26

**50 questions – One-hour time limit**

All citations are Vermont Insurance Statutes Title 8, unless otherwise noted. When preceded by "Reg" refer to Vermont Department Regulations, when preceded by "Bul" refer to Vermont Department Bulletins.

### 1.0 Insurance Regulation 29%

#### 1.1 Licensing

- Process (4800; 4813f)
- Types of licensees (4791)
  - Resident (4800(3)(A))
  - Nonresident (4800(3)(B); 4813h)
  - Temporary (4800(3)(D)(ii); 4813k)
- Maintenance and duration
  - Renewal and expiration (4798)
  - Address change (4800(3)(F))
  - Assumed business name (4813j)
  - Reporting of actions (4813o)
  - Continuing education requirements (4800a; Reg 2000-2 Sec 4)
- Disciplinary actions
  - Denial of license (4800(3)(E))
  - Cease and desist order (3661)
  - Suspension, revocation or nonrenewal (4804; 4806)
  - Penalties (3661(a)(2); 4804(d))

#### 1.2 State regulation

- Commissioner's general duties and powers (4726; 4804)
- Company regulation
  - Certificate of authority (3368)
  - Unfair claim settlement practices (4724(9); Reg 79-2 Sec 1-7)
  - Policy forms (3541)
  - Examination of records (3565)
  - Producer appointment (4798(c); 4813l)
  - Termination of appointment (4798(d); 4813m)
- Producer regulation
  - Acting without a license (4793; 4813c)
  - Shared commissions (4796)
  - Trust accounts — anti-commingling (Reg 95-1; 4724(12))
  - Controlled business (4795)

- Duties (4813c)
- Unfair trade practices (4724)
- Misrepresentation (4724(1, 11, 13))
- False advertising (4724(2))
- Defamation (4724(3))
- Boycott, coercion and intimidation (4724(4))
- False financial statements and entries (4724(5))
- Illegal inducement (4724(6))
- Unfair discrimination (4724(7))
- Rebating (4724(8))
- Failure to maintain complaint record (4724(10))
- Failure to act as fiduciary (4724(12); Reg 95-1)
- Unsuitability (4724(16))
- Nondisclosure of fees or charges (4724(14))
- Consumer privacy regulation (IH-2001-01)

#### 1.3 Federal regulation

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

### 2.0 Vermont Laws and Regulations Pertaining to Life Insurance 71%

#### 2.1 Producer and company responsibilities

- Solicitation and sales presentations (Reg 77-2)
  - Advertising
  - Life and Health Insurance Guaranty Association (4151-4185)
  - Illustrations (Reg 98-1)
  - Policy summary (Reg 77-2 Sec 5(A, B), Appendix B)
  - General Rules (Reg 77-2 Sec 6 (B, C, K, L, N, O, P))
  - Buyer's guide (Reg 77-2 Sec 5(A, B), Appendix A)
  - Replacement (Reg 2001-3 Sec 1-10)
- Underwriting
  - Insurable interest (power to contract) (3710)
  - Unfair discrimination (3701)
  - Medical examinations and lab tests including HIV (4724(20); Bul 138)

#### 2.2 Life insurance

- Required provisions (3731)
  - Entire contract (3731(3))
  - Payment of premiums (3731(1))
  - Grace period (3731(2))
  - Reinstatement (3731(9))

- Incontestability (3731(4))
- Misstatement of age (3731(5))
- Payment of claims (3731(10))

Other provisions

- Ownership (3710)
- Assignment (3713(a))
- Representations in applications (3736)

**2.3 Annuities (3855; Reg 88-3, I-2001-03; Bul 129)**

**2.4 Group life insurance**

- Types of plan sponsors (3803-3810a)
- Group underwriting requirements (3816)
- Assignability (3713(a, b))
- Conversion to individual policy (3820-3823)

**2.5 Life settlements (3835-3849; Reg 95-4 Sec 1-15)**

- Life settlement providers
- Life settlement brokers
- Life insurance providers
- Life settlement contract provisions
- Disclosure provisions
- Rules of conduct