

Your Exam Content Outline

The following outline describes the content of one of the New York 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.

New York Life Insurance Agent/Broker Examination Series 17-51

100 questions - 2-hour time limit
Live Date- September 20, 2018

1.0 Insurance Regulation 10%

1.1 Licensing

Process (2103(d-i))

Definitions

Producer definition (2101(k))

Who should be licensed (2101(k))

Home state (2101(l))

Negotiate (2101(m))

Sell (2101(n))

Solicit (2101(o))

Types of licensees

Agents (2101(a, k); 2103; Reg 6, Part 22.2; Reg 7, Part 23.2)

Brokers (2101(c, h, k); 2104)

Consultants (2107)

Adjusters (2101(g), 2108)

Nonresident (2101(d, e); 2103(g)(5, 11); 2136)

Business entities (2101(p), 2103(i)(2))

Temporary (2109; Regs 9, 18, 29, Part 20.1)

Maintenance and duration

Renewal (2103(j); Reg 5, Part 21.2)

Continuing education (2132)

Assumed names (2102(f))

Change of address (all addresses, including email) (2134; Reg 5, Part

21.4; Reg 6, Part 22.3; Reg 7, Part 23.4)

Reporting of actions (2110(i)(j))

Disciplinary actions

Hearings-Notice and Process (2405, 2406, Financial Services 305)

Suspension, revocation, and nonrenewal (2110)

Penalties (2127, 109)

1.2 State regulation

Superintendent's general duties and powers (2404, Financial Services 201, 202, 301)

Company regulation

Certificate of authority (1102 (a-b))

Solvency (307)

Unfair claim settlement practices (2601; Reg 64, Part 216.3 - 216.6)

Appointment of agent (2112(a-c))

Termination of agent appointment (2112(d); Regs 9, 18, 29, Part 20.2)

Unfair and prohibited practices

Misrepresentation (2123; Reg 64, Part 216.3)

False advertising (2603)

Defamation of insurer (2604)

Unfair discrimination (2606-2608, 2612)

Rebating (2324, 4224)

Licensee regulation

Controlled business (2103(i))

Sharing commissions (2121, 2128)

Fiduciary responsibility (2120; Regs 9, 18, 29, Parts 20.3, 20.4)

License display (Reg 125, Part 34.5)

Commissions and compensation
(2102(e), 2114–2116, 2119; Reg 9, 18,
29, Part 20.6; Reg 194, Part 30)

Termination responsibilities of
producer (2112)(g)

Examination of books and records (2404;
Reg 152, Parts 243.0 to 243.3)

Insurance Frauds Prevention Act (401-405,
Financial Services 403-405)

Aiding Unauthorized Insurer (2117)

Prohibitions (403)

Reporting (405)

Consumer privacy regulation (Reg 169, Parts
420.0 to 420.4)

Producer Compensation Transparency (Reg
194, Parts 30.1 to 30.5)

Cyber Security Requirements for Financial
Services Companies (Reg 23)

1.3 Federal regulation

Fair Credit Reporting Act (15 USC 1681a–
1681d)

Fraud and false statements including 1033
waiver (18 USC 1033, 1034)

2.0 General Insurance 10%

2.1 Concepts

Risk management key terms

Risk (pure and speculative)

Exposure

Hazard (physical, moral, morale)

Peril

Loss

Methods of handling risk

Avoidance

Retention

Sharing

Reduction

Transfer (by contractual liability or
insurance contract)

Elements of insurable risks

Adverse selection

Law of large numbers

Reinsurance

2.2 Insurers

Types of insurers

Stock companies

Mutual companies

Fraternal benefit societies

Private versus government insurers

Admitted versus nonadmitted insurers

Domestic, foreign and alien insurers

Financial status (independent rating services)

Marketing (distribution) systems

2.3 Agents and general rules of agency

Insurer as principal

Agent/insurer relationship

Authority and powers of agents

Express

Implied

Apparent

Responsibilities to the applicant/insured

2.4 Contracts

Elements of a legal contract

Offer and acceptance

Consideration

Competent parties

Legal purpose

Characteristics of insurance contracts

Contract of adhesion

Aleatory contract

Personal contract

Unilateral contract

Conditional contract

Legal concepts and interpretations affecting
contracts

Indemnity

Utmost good faith

Representations/misrepresentations
(3105)

Warranties (3106)

Rescission

Concealment

Fraud
Waiver and estoppel

3.0 Life Insurance Basics 19%

3.1 Insurable interest (3205)

3.2 Personal uses of life insurance

Survivor protection
Estate creation
Cash accumulation
Liquidity
Estate conservation

3.3 Determining amount of personal life insurance

Human life value approach
Needs approach
Types of information gathered
Determining lump-sum needs
Planning for income needs

3.4 Business uses of life insurance

Buy-sell funding
Key person
Business continuation

3.5 Differences in life insurance policies

Group versus individual
Permanent versus term
Participating versus nonparticipating
Fixed versus variable life
Regulation of variable products (SEC, FINRA, and New York) (4240; Reg 47, Part 50.3; Reg 77, Part 54.3)

3.6 Factors in premium determination

Mortality, Investment Return, and Expense
Mode of premium

3.7 Licensee responsibilities

Solicitation and sales presentations
Advertising (2122)
Life Insurance Company Guaranty Corporation (7718)
Policy summary (3209; Reg 74, Part 53-2.2)

Buyer's guide (3209; Reg 74, Part 53-2.6)
Suitability in Life Insurance and Annuities (Reg. 187 224.2- 224.4)
Illustrations (Reg 74, Parts 53-3.1 to 53-3.6)
Replacement (2123(a)(2, 3); Reg 60, Parts 51.1 to 51.8)
Use and disclosure of insurance information
Use of Senior-Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities (Reg 199, Part 225)

Field underwriting

Application procedures including backdating of policies (3208)

Delivery

Policy review
Effective date of coverage
Premium collection
Statement of good health
Amendments

3.8 Individual underwriting by the insurer

Information sources and regulation
Application
Agent report
Attending physician statement
Investigative consumer (inspection) report
Medical Information Bureau (MIB)
Medical examinations and lab tests including HIV (2611)
Selection criteria and unfair discrimination
Classification of risks
Preferred
Standard
Substandard
Declined

4.0 Life Insurance Policies 20%

4.1 Term life insurance

Level term
Renewable term

Convertible term
Level premium term

4.2 Whole life insurance

Continuous premium (straight life)
Limited payment
Single premium

4.3 Flexible premium policies

Universal life

4.4 Specialized policies

Joint life (first-to-die)
Survivorship life (second-to-die)
Life insurance on minors (3207(b))
Fixed (equity) indexed life

4.5 Group life insurance

Characteristics of group plans
Types of plan sponsors
Group underwriting requirements
Conversion to individual policy (3220)

4.6 Credit life insurance (individual versus group)

5.0 Life Insurance Policy Provisions, Options and Riders 20%

5.1 Required provisions (3203)

Ownership
Assignment
Entire contract (3203(a)(4), 3204)
Right to examine (free look) (3203(a)(11))
Payment of premiums
Grace period (3203(a)(1))
Reinstatement (3203(a)(10))
Incontestability (3203(a)(3))
Misstatement of age (3203(a)(5))
Exclusions (3203(b, c))
Statements of the applicant (3204)
Proof of Death

5.2 Beneficiaries

Designation options
Individuals
Classes (per stirpes/per capita)

Estates
Minors
Trusts

Succession
Revocable versus irrevocable
Common disaster clause

5.3 Settlement options

Cash payment
Interest only
Fixed-period installments
Fixed-amount installments
Life income
Single life
Joint and survivor
Spendthrift clause

5.4 Nonforfeiture options

Cash surrender value (net cash value)
Extended term
Reduced paid-up insurance

5.5 Policy loan and withdrawal options

Policy loans
Automatic premium loans
Withdrawals or partial surrenders

5.6 Dividend options

Cash payment
Reduction of premium payments
Accumulation at interest
One-year term option
Paid-up additions

5.7 Disability riders

Waiver of premium
Waiver of cost of insurance
Disability income benefit
Payor benefit life/disability (juvenile insurance)

5.8 Accelerated (living) benefit provisions/riders (3230)

Conditions for payment
Effect on death benefit

5.9 Riders covering additional insureds

- Spouse/other-insured term rider
- Children's term rider
- Family term rider

5.10 Riders affecting the death benefit amount

- Accidental death
- Guaranteed insurability
- Cost of living
- Return of premium
- Term rider

6.0 Annuities 10%

6.1 Annuity principles and concepts

- Accumulation period versus annuity period
- Owner, annuitant and beneficiary
- Insurance aspects of annuities

6.2 Required provisions (3219, 4220, 4223)

6.3 Immediate versus deferred annuities

- Single premium immediate annuities (SPIAs)
- Deferred annuities
 - Premium payment options
 - Nonforfeiture
 - Surrender and withdrawal charges
 - Death benefits

6.4 Annuity (benefit) payment options

- Life contingency options
 - Pure or straight life versus life with guaranteed minimum
 - Single life versus multiple life
- Annuities certain (types)

6.5 Annuity products

- Fixed annuities
- General account assets
- Interest rate guarantees (minimum versus current)
- Level benefit payment amount
- Fixed (equity) indexed annuities
- Differences in variable annuity products and licensing requirements

6.6 Personal Uses of annuities

- Tax-deferred growth
- Retirement income
- Guaranteed Minimum Withdrawal Benefit (GMWB)
- Education funds

7.0 Federal Tax Considerations for Life Insurance and Annuities 5%

7.1 Taxation of personal life insurance

- Amounts available to policyowner
 - Cash value increases
 - Dividends
 - Policy loans
 - Surrenders

- Amounts received by beneficiary
 - Settlement options

7.2 Rollovers and transfers (IRAs and qualified plans)

7.3 Section 1035 exchanges

8.0 Qualified Plans 4%

8.1 General requirements

- Defined contribution versus defined benefit plan

8.2 Plan types, characteristics and purchasers

- Self-employed plans (Keogh plans)
- SIMPLE
- SEP
- 401k
- 457

9.0 Life Settlement 2%

9.1 Definitions (7802)

- Life Settlement Contract (7802(k)(1)(2)(3))
- Life Settlement Broker (7802(j), 2101(v))
- Business of Life Settlement (7802(c)(1))
- Financing transaction (7802(f))
- Owner (7802(n))
- Life expectancy (7802(i))

9.2 Broker License Requirements (2137; 2102(a)(1))

9.3 Advertising (7809)

9.4 Privacy (7810)

HIPAA

Personal & Financial information privacy

9.5 Prohibited Practices (7814)

9.6 Stranger-originated life insurance (7815)

Insurable interest provisions

Trust owned policies