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**Introduction**

This bulletin provides you with information about the license examination and application process for becoming licensed by the South Dakota Division of Insurance (Division) to sell or provide insurance services and products in South Dakota.

We wish you well in preparing for your examination and remind you that by law you are required to continue your insurance education after becoming licensed. Please remember, however, that a license is a privilege, not a right or a gift. You must commit yourself from the beginning to comply with the laws and regulations set forth to regulate the insurance industry.

We suggest you keep this bulletin for future reference.

**Overview of Licensing Process**

This handbook provides information about the examination and licensing process for obtaining a resident insurance license. You should read this Licensing Handbook including the examination content outlines prior to taking an exam. If interested in applying for a nonresident license, you can apply online via NIPR at [www.nipr.com](http://www.nipr.com) or an NIPR authorized business partner.

**Licensing Process**

Follow these main steps if you are interested in obtaining an insurance license.

1. Read this handbook to learn about examination and licensing requirements.
2. Register with Prometric and schedule your exam.
   - The easiest way to register and schedule is online at [www.prometric.com/southdakota/insurance](http://www.prometric.com/southdakota/insurance).
3. Review the examination content outlines which can be found at the end of this document. The content outlines in this guide are the basis for the exams.
4. Take the scheduled exam, bringing required identification to the test center.
   - You will receive your results immediately after the exam. If you pass it, go on to step 5. If you do not pass, repeat steps 2 through 4 until you do.
5. Apply for your license online at Sircon’s Compliance Express
   - [https://www.sircon.com/ComplianceExpress/LicenseApplications/index.jsp?1=0&lid=lp_southdakota0&sc=hhhydjzxy&sscrbid=9037&path=southdakota](https://www.sircon.com/ComplianceExpress/LicenseApplications/index.jsp?1=0&lid=lp_southdakota0&sc=hhhydjzxy&sscrbid=9037&path=southdakota)

**To get answers not provided in this handbook**

Visit our Website: [www.prometric.com/southdakota/insurance](http://www.prometric.com/southdakota/insurance)

Frequently Asked Questions are available:

Direct questions about **licensure** to:

**South Dakota Division of Insurance**  
**Department of Labor and Regulation**  
124 S. Euclid Ave, 2nd Floor  
Pierre, SD 57501  
Phone: 605.773.3563  
Email: penney.wagoner@state.sd.us  
Website: [www.dlr.sd.gov/insurance](http://www.dlr.sd.gov/insurance)

Direct all questions and requests for **information about exams** to:

**Prometric**  
**Website:** [www.prometric.com/southdakota/insurance](http://www.prometric.com/southdakota/insurance)  
7941 Corporate Drive  
Nottingham, MD 21236  
Phone: (800) 864-8373  
Fax: (800)347-9242  
TDD User: (800) 790-3926
South Dakota Licensing Requirements

The State of South Dakota issues several types of insurance licenses. Licensing requirements may differ depending on where a candidate lives. This section describes:

- The types of licenses offered and their requirements.
- Licensing requirements for various lines.

The Division of Insurance is empowered by SDCL Title 58 to qualify candidates who wish to operate as insurance Producers as defined in the South Dakota Statutes. Accordingly, the Division has determined that candidates must pass an examination to prove their knowledge of the statutes and regulations affecting the insurance profession and the products and services they will sell to the public. The legislature may make changes to the Code, and administrative rules may be changed at any time. Licensees are expected to be aware of changes in the laws and rules that affect their occupational practice.

To be licensed, you must:

- Pass the required examination(s) for the type of license you are seeking (see chart below); and
- Apply for a license by submitting the appropriate fee and forms (See Page 15).

**Important** Passing an exam does not guarantee that you will be issued a license. Issuance of a license depends on review and approval of all license application materials. See Page 15 for more information on obtaining your license. Please note; you should allow 48 hours for exam results to be uploaded to SIRCON and NIPR before applying.

**Types of Licenses and Requirements**

### New Resident License Requirements

As a new resident, you may pretest and take South Dakota licensing exams in any Prometric test center nationwide before moving to South Dakota.

### Nonresident License Requirements

South Dakota is reciprocal in its licensing of nonresident Producers. This means that South Dakota offers Producers licensed in your state privileges in South Dakota that are exactly similar to those that your state offers South Dakota Producers. It also means that the procedures for qualifying as a nonresident Producer are exactly the same as those that your state uses to qualify South Dakota residents who want to represent insurers in your state. Please contact the Division of Insurance for information on licensing requirements that apply to you. For more information or an application, go to the NIPR website at [www.nipr.com](http://www.nipr.com) or Sircon at [www.sircon.com/southdakota](http://www.sircon.com/southdakota).
The Division grants the licenses listed below. Each license granted is valid only for the line of authority named on the license. The basic requirements for each type of license are shown in this chart.

<table>
<thead>
<tr>
<th>License Line</th>
<th>Exam Series</th>
<th>Other Requirements</th>
</tr>
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<tbody>
<tr>
<td>Life</td>
<td>10-41 or 10-45</td>
<td></td>
</tr>
<tr>
<td>Accident and Health or Sickness</td>
<td>10-42 or 10-45</td>
<td></td>
</tr>
<tr>
<td>Life and Health</td>
<td>10-41 &amp; 10-42 or 10-45</td>
<td></td>
</tr>
<tr>
<td>Restricted to Credit Life and Credit Health</td>
<td>No exam required</td>
<td></td>
</tr>
<tr>
<td>Travel Accident¹</td>
<td>10-42 or 10-45</td>
<td></td>
</tr>
<tr>
<td>Property</td>
<td>10-43</td>
<td></td>
</tr>
<tr>
<td>Casualty</td>
<td>10-44</td>
<td></td>
</tr>
<tr>
<td>Bail Bonds</td>
<td>10-49</td>
<td>-Minimum age of 21&lt;br&gt;-Be South Dakota Resident at least 2 years&lt;br&gt;-Complete the Bail Bonds license application and remit a $30 fee;&lt;br&gt;-Pay a $10 appointment fee;&lt;br&gt;-Provide fingerprints certified by an authorized law enforcement officer;&lt;br&gt;-Submit a credential-size recent photograph (full face);&lt;br&gt;-Complete an Authorization and Release form; and send a $24.00 check or money order payable to the South Dakota Division of Criminal Investigation.</td>
</tr>
<tr>
<td>Crop</td>
<td>10-50</td>
<td>Property and Casualty License will not qualify for Crop</td>
</tr>
<tr>
<td>Personal</td>
<td>10-53</td>
<td></td>
</tr>
<tr>
<td>Title 605-558-1030</td>
<td>Contact SD Abstractors, Board of Examiners</td>
<td></td>
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<tr>
<td>Surplus Lines Broker</td>
<td>No exam required</td>
<td>$2,000 Bond (Residents Only)²&lt;br&gt;$50 Licensing Fee</td>
</tr>
<tr>
<td>Business Entity</td>
<td>No exam required</td>
<td></td>
</tr>
<tr>
<td>Variable Annuities³</td>
<td>No exam required</td>
<td>-Be registered with the Securities Regulation;&lt;br&gt;-Have passed a Series 6, 7, 63 or 66 exam; and&lt;br&gt;-Submit an approved application form.</td>
</tr>
</tbody>
</table>

¹ Not required for producers of common carriers.
² Submit an approved application form –www.sircon.com/southdakota
³ You must be registered with the Securities Regulation, which will require you passing a securities exam. Must be licensed life producer.
Combination Exams

A separate exam is given for each major line of insurance. For your convenience, a combination Life, Accident and Health or Sickness exam and a Property and Casualty exam is also offered. Combination exams allow you to qualify for multiple lines with a single examination.

The combination exam results in one final score. **You must pass the complete exam to qualify for a license. You cannot be licensed for either single line unless you pass the whole exam.**

Bail Bonds License

**Note** If you fail the Bail Bonds exam, you must wait one year before retaking it. There are additional requirements for Professional and Property Bondsmen. (Professional and Property Bondsmen act as their own sureties and provide their own collateral for the bonds they provide.) All Bonds applicants should contact the Division for applications and instructions.
Scheduling Your Exam

Registering and Scheduling Information

Prometric provides computerized testing through its multistate testing network. You may take the exam at any Prometric test center in the United States. Follow the instructions here to register and schedule an appointment.

Testing Accommodations. If you require an Americans with Disabilities Act (ADA) accommodation(s) or English as Second Language (ESL) additional time, see the “Testing Accommodations” section below.

Online

Register and schedule online—it saves time and it's easy!

You can easily register and schedule your exam online at any time using our Internet Registration Service by going to:

2. Click on Create or Login to Your Account to register.
3. Click on Schedule Your Test and follow the prompts.

By fax or mail

You may fax the completed Exam Registration Form found at the end of this handbook to Prometric to (877) 341-9469. You must also include the completed Credit Card Payment Form (Visa, MasterCard or American Express). The cardholder’s signature must be on the Form.

OR

You may mail the completed Exam Registration Form and the appropriate exam fee to the address on the form. When registering by mail, you may pay the exam fee by Visa, MasterCard or American Express, company check, cashier’s check or money order. Personal checks and cash are not accepted.

If paying by credit card, you must also include the completed Credit Card Payment Form (Visa, MasterCard or American Express). The cardholder’s signature must be on the form including a Visa, MasterCard or American Express, company check, cashier’s check or money order.

By phone

If you are unable to schedule online, you may register and schedule your exam by calling (800) 864-8373.

<table>
<thead>
<tr>
<th>Prometric Call Center Hours of Operation</th>
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<tr>
<td>Monday – Friday 8am – 9pm (EST)</td>
</tr>
<tr>
<td>Saturday 8am – 5pm (EST)</td>
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<tr>
<td>Sunday 10am – 4pm (EST)</td>
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</table>

Please have your exam registration form and your credit card information for payment available.
**Note** An exam registration remains valid for 90 calendar days after it has been processed. It will expire without further notice at that time. We recommend that you do not register for your exam until you are ready to take it. If you allowed your exam registration to expire or did not pass your exam, you must re-register. **Another exam registration fee is required.**

**Reschedule and Cancellation**
To reschedule or cancel your existing exam appointment, you must contact Prometric 24 hours prior to the exam appointment date in order to avoid forfeiting your exam fee.

If you change or cancel your appointment without proper notice, you will forfeit your examination fee(s).

**If absent or late for your appointment**
If you miss your appointment, or arrive late and are not allowed to test, you will forfeit your exam fee(s).

**Test Centers**
You may take your exam at any Prometric test center in the United States. A complete list of test center locations may be found by going to http://www.prometric.com/southdakota/insurance. Alternatively, you may call 800.864.8373.

Test center locations are subject to change. Be sure to verify the address of and directions to your destination before you leave for your exam.

**Holidays**
Testing generally does not occur on federal holidays. Additional state holidays may be observed in the state where you schedule the exam appointment.

**Emergency closings**
Severe weather or an emergency could require canceling scheduled exams. If this occurs, Prometric will attempt to contact you by phone; however, you may check for testing site closures by checking our website at https://www.prometric.com/en-us/pages/siteclosure.aspx or calling Prometric at 800.864.8373. If the site is closed, your exam will be rescheduled without a rescheduling fee.

If a test center is open for testing and you choose not to appear for the appointment, you will forfeit the exam fees and must reschedule and pay another exam fee.

**Testing Accommodations**
**ADA Accommodations.** Reasonable testing accommodations are provided to allow candidates with documented disabilities recognized under the ADA an opportunity to demonstrate their skills and knowledge. Prometric makes every effort to provide reasonable testing accommodations that enable all test takers to take examinations.
If you require testing accommodations under the Americans with Disabilities Act (ADA), please complete and submit a Testing Accommodation Request Form online at https://www.prometric.com/en-us/for-test-takers/prepare-for-test-day/pages/arrange-testing-accommodations.aspx, or contact Prometric at (888) 226-9406 to obtain an Accommodation Request Form.

Professional documentation of the disability must be submitted with the Accommodation Request Form to aid Prometric in determining the appropriate testing accommodations. Thirty days’ advance notice is required for all testing arrangements. There is no additional charge for these accommodations.

**ESL Accommodation.** All examinations are given in English. If English is not your primary language, you may qualify for additional time for the test by requesting an ESL Authorization from Prometric. To request an ESL authorization, please submit:

A personal letter requesting the authorization; and

A letter from the English instructor or sponsoring company (on company letterhead), certifying that English is not your primary language.

Please fax documents to 800.347.9242 and allow **three (3) days** for processing. If your request is approved, Prometric may extend the time limit on your examination to time-and-one-half or 150% of the normal time limit. Prometric will inform you by mail whether your request for accommodation is approved. You should not schedule your exam until you have received the confirmation email. Exams scheduled before the ESL request has been approved will not include extra time.
Preparing for Your Exam

Being well prepared can help you pass the exam and save time and possibly money spent retaking it. This section offers:

- Information about study materials.
- An overview of the exam content outlines.

Study Materials

The content outlines in this bulletin are the basis for the exams. Not all questions on the exams will necessarily be covered in your study materials. The content outlines are updated periodically, and outdated study materials may not be consistent with them. Where such discrepancies exist, the outlines take precedence. Make sure your study materials cover the topics in the outlines.

The Division of Insurance does not specify an official study material. You are free to use the materials of your choice to prepare for the examination. Manuals have been prepared by different publishers to assist candidates specifically in preparing for license exams. Agents can order from the following vendors: (or by accessing http://dlr.sd.gov/insurance/producers/prelicensing_study_materials.asp)

<table>
<thead>
<tr>
<th>Vendor Name</th>
<th>Address</th>
<th>Phone</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.D. Bankers of the Dakotas</td>
<td>2601 South Minnesota Avenue, Suite 105-244</td>
<td>877.317.3087</td>
<td><a href="http://www.adbanker.com/dakotas">www.adbanker.com/dakotas</a></td>
</tr>
<tr>
<td>ABLE Incorporated</td>
<td>111 Oak Street, Bonner Springs, KS 66012</td>
<td>800.586.2253</td>
<td>ableincorporated.com</td>
</tr>
<tr>
<td>Independent Insurance Agents of South Dakota</td>
<td>Mailing Address: P.O. Box 327, Pierre, SD 57501 Physical Address: 305 Island Drive Ft. Pierre, SD 57532</td>
<td>605.224.6234</td>
<td><a href="http://www.iiasd.org">www.iiasd.org</a></td>
</tr>
<tr>
<td>Enterprise Training School, Inc.</td>
<td>8600 LaSalle Road</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kaplan Financial Education</td>
<td>332 Front Street, Suite 555, La Crosse, WI 54601</td>
<td>800.824.8742</td>
<td><a href="http://www.kfeducation.com">www.kfeducation.com</a></td>
</tr>
<tr>
<td>National Online Insurance School</td>
<td>111 S.E. 2nd St., Ste. 401, Delray Beach, FL 33444</td>
<td>888.770.3681</td>
<td><a href="http://www.nationalonlineinsuranceschool.com">www.nationalonlineinsuranceschool.com</a></td>
</tr>
<tr>
<td>PreLicense.com, a service of WebCE</td>
<td>1212 E. Arapaho Road, Ste. 200, Richardson, TX 75081</td>
<td>877.488.9310</td>
<td><a href="http://www.prelicense.com">www.prelicense.com</a></td>
</tr>
</tbody>
</table>

Manuals have been prepared by different publishers to assist candidates specifically in preparing for license exams. Agents can order from the following vendors: (or by accessing http://dlr.sd.gov/insurance/producers/prelicensing_study_materials.asp)
South Dakota Statutes. The exams contain sections on South Dakota statutes. In addition to your study material, you may wish to consult the statutes on the Division’s website at www.dlr.sd.gov/insurance under legislation/statutes/rule/bulletins.

Bail Bonds Materials. If you are taking the Bail Bonds exam, suggested study materials include:

- Title 58, Chapter 22 of South Dakota Codified Laws.
- General Insurance outline in the study manuals.
- A bonds manual from the insurer.
- A bail bonds policy.

Content Outlines Overview

The license exam for each type of license consists of questions that test knowledge of topical areas listed in the content outline for that exam. An overview of each exam content outline appears in this bulletin, beginning on page 16. You can view a detailed outline specific to your exam online at www.prometric.com/southdakota/insurance.

Note Do not sit for your exam until you are familiar with all subject areas in the applicable content outline.
Taking Your Exam

Knowing what to expect when taking your exam may help you prepare for it. This section contains:

- An overview of the testing process.
- Regulations that will be enforced at the test center.
- Information about the types of questions.
- A guide to understanding your exam results.
- Information about appeals.

The exam will be administered by computer but you do not need any computer experience or typing skill to take the exam.

Arrival. You should arrive at least 30 minutes before your scheduled exam appointment. This allows time for you to sign in and for staff to verify your identification and documentation.

Identification required. You must present a valid form of identification before you can test. The identification document must:

- Be government-issued (e.g., driver’s license, state-issued identification card, passport or military identification card).
- Contain both a current photo and your signature.
- Have a name that exactly matches the name used to register for the exam (including designations such as “Jr.” and “III”).

Important Failure to provide appropriate identification at the time of the exam is considered a missed appointment. As a result, you will be required to pay another full examination fee before making another appointment. If you cannot provide the identification listed above, contact Prometric before scheduling the appointment to arrange an alternative way to meet this requirement.

Test Center Regulations

Copyrighted questions. All test questions are the property of Prometric Inc. and are protected by copyright. Federal law provides severe civil and criminal penalties for the unauthorized reproduction, distribution, or exhibition of copyrighted materials.

To ensure that all candidates are tested under similar conditions, the following regulations and procedures will be enforced at each test center. Failure to follow any of these security procedures may result in your being disqualified from taking an examination. For more information on Prometric test center regulations, please visit: https://www.prometric.com/en-us/for-test-takers/pages/Test-Center-Security.aspx.

While in the test center, you will be continuously monitored by video. During your examination, you will also be monitored by physical walk-throughs and through an observation window. All testing sessions are video and audio recorded.
2 You must present valid (unexpired) and acceptable ID(s) in order to take your test. (See “Identification required” in the previous section).

3 You will be scanned with a metal detector wand prior to every entry into the test room. If you refuse, you cannot test.

4 You will be required to raise your pants legs above your ankles, empty and turn all pockets inside-out and raise shirt sleeves above your wrists prior to every entry into the test room.

5 You must sign out of the test center roster each time you leave the test room. You must also sign back in and show your ID to the Test Center Administrator (TCA) in order to re-enter the test room.

6 You are prohibited from communicating, publishing, reproducing, or transmitting any part of your test, in any form or by any means, verbal or written, for any purpose.

7 You must not talk to other candidates or refer to their screens, testing materials, or written notes in the test room.

8 You must not use written notes, published materials, or other testing aids.

9 You are allowed to bring soft ear plugs or center-supplied tissues in the test room.

10 Any clothing or jewelry items allowed to be worn in the test room must remain on your person at all times. Removed clothing or jewelry items must be stored in your locker.

11 You must not bring any personal/unauthorized items into the testing room. Such items include but are not limited to outerwear, hats, food, drinks, purses, briefcases, notebooks, pagers, watches, cellular telephones, recording devices, and photographic equipment. Weapons are not allowed at any Prometric test center. You will be asked to empty and turn your pockets inside out prior to every entry into the test room to confirm that you have no prohibited items.

12 You must return all materials issued to you by the test center administrator (“TCA”) at the end of your test.

13 You are not allowed to use any electronic device or phone during breaks.

14 If you have a medical condition that may require you to access food or medicine during your exam session, you must store those items separately from other items you place in the test center locker. You must inform the TCA before you retrieve the food or medicine, and the TCA will observe you obtaining the item from the locker. You are not allowed to access any item other than food or medicine needed for a medical reason.

15 You must conduct yourself in a civil manner at all times when on the premises of the test center. Exhibiting abusive behavior towards the TCA or any other staff member of the test center may result in examination disqualification and criminal prosecution.

16 To protect the privacy of all testers, the TCA will neither confirm nor deny if any particular individual is present or scheduled at the test center.

17 Persons not scheduled to take a test are not permitted to wait in the test center.

Failure to follow any of these security procedures may result in the disqualification of your examination. Prometric reserves the right to audio and videotape any examination session.
For more information on Prometric test center regulations, please visit: [www.prometric.com/en-us/for-test-takers/prepare-for-test-day/documents/TestCenterRegulations.pdf](http://www.prometric.com/en-us/for-test-takers/prepare-for-test-day/documents/TestCenterRegulations.pdf)

**Please note:** Test center administrators are not allowed to answer any questions pertaining to the exam content. If you do not understand a question on the examination, you should answer the question to the best of your ability.

### Question Types

The examination contains four-option multiple choice questions. These questions are designed to be as clear and concise as possible while testing knowledge and comprehension of insurance concepts as well as the application of the insurance concepts. The design of the exam ensures that those who possess the required knowledge of the specific insurance line of authority being tested should perform well on the examination for which they prepared.

### Question Formats

Three different multiple-choice formats are used. Each format is shown in the following examples. An asterisk (*) indicates the correct answer in each sample question.

#### Format 1—Direct question

Which one of the following is a type of health insurance policy designed to replace the wages of an insured who is unable to work due to an accident or sickness?

* 1. Disability Income Insurance Policy
   2. Employer-Sponsored Group Major Medical Policy
   3. Hospital Expense Insurance Policy
   4. Special Risk Policy

#### Format 2—Incomplete sentence

A guaranteed renewable Disability Income Insurance Policy:

* 1. Is renewable at the insured’s option to a specified age
   2. Cannot be canceled by the insured before a specified age
   3. Is guaranteed to have level premiums for the life of the policy
   4. Is renewable at the insurer’s option without restrictions or conditions

#### Format 3—All of the following except

All of the following coverages may be provided under health insurance policies EXCEPT:

1. Medical expense
2. Disability income
3. Workers’ compensation
4. Accidental death and dismemberment

### Experimental Questions

The examination may include some experimental questions that will not be scored. If present, they are distributed throughout the examination and will not be identified as such. These are used to gather statistical information on the questions before they are added to the examination as scored items. These experimental questions will not be counted for or against you in the final examination score.

You will be helping us help future test takers by completing five experimental test questions in your exam. We plan to use the experimental questions on future exams based on your performance.

The questions will:

- be randomly distributed within your test
- will not be counted in your final score
- time spent on the question will not be deducted from your test time
Exam Results

At the end of the exam, the score will be shown on the screen and you will receive a printed score report. The report indicates the overall score and grade, including the numerical percentage of questions answered correctly and whether you passed or failed.

The report also displays the correct percentage in each major section of the exam, as defined by the exam content outline. These section scores are shown to guide you, or your employer and/or trainer, about areas requiring additional preparation for retesting if you do not pass the exam. Even after you pass, you may want to focus on these areas as you begin to provide insurance products and services to the public.

Sample score report

Score Report for Sample, Sarah A.

<table>
<thead>
<tr>
<th>South Dakota Producer Life Examination</th>
<th>Number of Questions</th>
<th>Number Correct</th>
<th>Percent Correct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Total Test Score</td>
<td>100</td>
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<tr>
<td>Insurance Regulation</td>
<td>11</td>
<td>8</td>
<td>73%</td>
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<tr>
<td>General Insurance</td>
<td>10</td>
<td>8</td>
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<tr>
<td>Life Insurance Basics</td>
<td>18</td>
<td>14</td>
<td>78%</td>
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<tr>
<td>Life Insurance Policies</td>
<td>21</td>
<td>17</td>
<td>81%</td>
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<tr>
<td>Life Insurance Provisions, Options and Riders</td>
<td>15</td>
<td>13</td>
<td>87%</td>
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<tr>
<td>Annuities</td>
<td>13</td>
<td>10</td>
<td>77%</td>
</tr>
<tr>
<td>Tax Considerations</td>
<td>7</td>
<td>6</td>
<td>86%</td>
</tr>
<tr>
<td>Qualified Plans</td>
<td>5</td>
<td>4</td>
<td>80%</td>
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</tbody>
</table>

Score: 80%
Grade: Pass
(A total score of 70 percent is required to pass)

Prometric electronically notifies the Division of exam results within 48 hours of the exam date. Note that exam scores are confidential and will be revealed only to you and the Division.

Duplicate score report. You may call or write to Prometric to request a duplicate of your score report for a period of one year after an exam at no cost. Direct any questions or comments about your exam to Prometric.

Appeals Process

Prometric’s goal is to provide a quality examination and a pleasant testing experience for every candidate. If you would like to submit an appeal concerning examination content, registration, scheduling or test administration (testing site procedures, equipment, personnel, etc.), please submit an appeal by visiting www.prometric.com/contactus and clicking on "Request an Appeal".

Once submitted you will receive an email response within 20 days indicating whether your appeal has been approved.
Applying for Your License

This section offers information about:

- Applying for your license.
- Continuing education.

After passing your exam, you should apply for your license electronically online at Sircon at [www.sircon.com/southdakota](http://www.sircon.com/southdakota) or at National Insurance Producers Registry at [www.nipr.com](http://www.nipr.com). After the Division has verified that you have passed the required exam and that you have nothing in your background that should prohibit you from being licensed, the Division will issue the appropriate license. After your license is issued, you will be able to print the license from the Sircon website.

**Note** You must submit your license application within **180 days** of passing the exam. Please note; you should allow 48 hours for exam results to be uploaded to SIRCON and NIPR before applying.

**Producer license.** If you are applying for a Producer license:

- You must qualify by either (a) having taken and passed the appropriate exam within the past 180 days or (b) testing within a year of losing your license.
- Pay fees electronically online at either
  - [www.sircon.com/southdakota](http://www.sircon.com/southdakota)
  - [www.nipr.com](http://www.nipr.com)

If you lose your producer license due to failure to renew or voluntary surrender, you will need to retest within one year after losing your license to be eligible to receive another license.

**Variable Annuity Producers.** If you are applying for these types of producers licenses, you must also:

- Register with the Securities Regulation;
- Pass a Series 6, 7, 63 or 66 exam; and
- Submit the completed state-approved application form, available from your company or apply online on our website at [www.dlr.sd.gov/securities](http://www.dlr.sd.gov/securities).

**Note** Applications that are incomplete, illegible or incorrect will be returned to you unprocessed, which will delay the license issuance. Applications that are found to contain inaccurate or untruthful responses may be denied.

**Continuing Education**

After you are licensed, please check the link on the Division’s website at [www.dlr.sd.gov/insurance](http://www.dlr.sd.gov/insurance) for the most current continuing education requirements and guidelines. Resident and nonresident providers are required to apply to the director for course approval electronically through Sircon at [www.sircon.com/login](http://www.sircon.com/login). Continuing education administrative rules are available at [www.dlr.sd.gov/insurance](http://www.dlr.sd.gov/insurance).
The following outlines give an overview of the content of each of the South Dakota insurance examinations. Each examination will include 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 10 questions will be drawn on a 100-question exam and 15 will be drawn on a 150-question exam. An outline that includes more descriptive subsections for your exam is available online at www.prometric.com/southdakota/insurance.

### South Dakota Producer’s Examination for Life Insurance

#### Series 10-41

100 questions – 2-hour time limit

**Live Date:** March 24, 2017

<table>
<thead>
<tr>
<th>Section</th>
<th>Percentage</th>
<th>Outline</th>
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</table>
| 1.0 Insurance Regulation | 11% | Licensing

1.1 Requirements (58-30-145, 58-30-148)

Types of licensees

Producers (58-30-142, 58-30-175)

Business entities (58-30-149)

Nonresident producers (58-30-159, 58-30-160)

Resident (58-5-17, 58-6-4)

Temporary (58-30-165, 58-30-166)

Maintenance and duration

Renewal/Nonrenewal (58-30-74, 58-30-120, 58-30-121)

Reinstatement, continuation, termination (58-30-112)

Change of name, address, telephone number (58-30-157, 58-30-162)

Assumed business name (58-30-164)

Inactivity due to military service (58-30-155)

Inactivity due to extenuating circumstances (58-30-155)


Disciplinary actions

Cease and desist order (58-4-7)

Suspension, revocation and refusal to issue or renew (58-30-108, 58-30-110, 58-30-167)

Right to hearing (58-30-168)

Penalties and fines (58-4-28.1; 58-30-133, 58-30-167, 58-30-170)

1.2 State regulation

Director’s general duties and powers (58-2-22)

Acts constituting insurance transaction

Negotiate, sell, solicit (58-1-2 (16); 58-30-143 & 144; 58-30-115)

Company regulation

Certificate of authority (58-6-1)

Solvency (58-6-23)

Appointment/termination (58-30-175–192; 58-30-9; 58-30-10)

Unfair claims settlement practices (58-33-67; 58-12-33; 58-12-34)

Policy forms/rates/exceptions (58-11-3; 58-11-13)

Financial requirements

Records maintenance

Commissions, compensations, and fees (58-30-171–175; Bulletin 13-04)

Loans (58-30-140)

Records maintenance (58-30-91; 58-14-30; 58-3-7.4)

Appointment/termination (58-30-180)

Influence of witnesses (58-30-196)

Unfair trade practices

Rebating (58-33-14, 58-33-24, 58-33-25)

Misrepresentation (58-33-5, 58-33-6, 58-33-37)

False advertising (58-33-5, 58-33-56)

Twisting (58-33-8)

Illegal inducement (58-33-11, 58-33-15, 58-33-24)

Boycott, coercion or intimidation (58-33-32)

Notification of suspected fraud (58-33-76, 58-33-77, 58-33-78)

Charges for extra services (58-33-36)

Defamation of insurer (58-33-7)


Acting without a license (58-14-31; 58-30-92)

Larceny (ARSD 20:08:07:27)

Prohibited fees/premiums/extra charges (58-33-35; 58-33-36; Bulletin 13-04)

Examination of books and records (58-3-5; 58-30-91; Reg 20:06:01:05:01)

Producer appointment (58-30-6, 58-30-175)

Termination of appointment (58-30-8, 58-30-180)

Insurance fraud regulation (58-4A-1-17)

Privacy of consumer financial information (ARS R20:06:45:01-26)

1.3 Federal regulation

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

Fraud and false statements (18 USC 1033, 1034)

Other federal regulations (e.g., Do Not Call list) (https://www.donotcall.gov/)

2.0 General Insurance

#### 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
- Indemnity/pay on behalf of

#### 2.2 Insurers

- Types of insurers
- Stock companies
- Mutual companies
- Fraternal benefit societies
- Reciprocals
- Lloyd’s associations
- Self insurers
- Captive insurers
- Surplus lines
- Risk retention groups
- Risk purchasing groups
- Private versus government insurers
- Authorized versus unauthorized insurers
Domestic, foreign and alien insurers
Marketing (distribution) systems
Financial solvency status
(independent rating services)
A.M. Best, Standard and Poor’s, NAIC

2.3 Producers and general rules of agency
Insurer as principal
Producer/insurer relationship
Authority and powers of producers
Express
Implied
Apparent
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 Life Insurance Basics 17%

3.1 Insurable interest (58-10-3-6)
3.2 Personal uses of life insurance
Survivor protection
Estate creation/conservation
Viatical settlement definitions
Cash accumulation
Security
Exemption from creditor claims/probate

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 Classes of life insurance policies
Group versus individual
Permanent versus term
Participating versus nonparticipating
Fixed versus variable life insurance and annuities

3.5 Premiums
Factors in premium determination
Mortality
Interest
Expense
Premium concepts
Net single premium
Gross annual premium
Premium payment mode

3.6 Producer responsibilities
Solicitation and sales presentations
Advertising (Reg Ch. 20:06:10:02-20)
Prohibited advertising of Life and Health Insurance Guaranty Association (58-29C-62)
Illustrations (Reg 20:06:38:01-23)
Policy summary
Buyer’s guide
Guaranty association disclaimer (58-29C-62)
Life insurance policy cost comparison methods
Replacement (20:06:08:49)
Use and disclosure of insurance information
Military sales (58-33-117 through 58-33-130)
Field underwriting
Notice of information practices
Application procedures including backdating of policies, premium collection (58-15-44)
Conditional receipt
Policy delivery
Policy review
Effective date of coverage
Premium collection
Statement of good health
Delivery receipt requirement (58-15-8.2)

3.7 Individual underwriting by the insurer
Information sources and regulation
Application
Producer report
Attending physician statement
Investigative consumer (inspection)
Medical Information Bureau (MIB)
Medical examinations and lab tests including HIV (Bul 87-1)
Selection criteria and unfair discrimination (58-33-12, 12.1, 13.1)
General criteria
Blindness
Age/gender
Genetic testing
Classification of risks
Preferred
Standard
Substandard

4.0 Life Insurance Policies 15%

4.1 Term life insurance
Level term
Annual renewable term
Level premium term
Term-to-65
Decreasing term

4.2 Whole life insurance
Continuous premium (straight life)
Limited
Single premium
Indeterminate

4.3 Flexible premium policies
Universal life
Adjustable life

4.4 Specialized policies
Joint life (first-to-die)
Survivorship/second-to-die
Final expense/pre-need
Juvenile life

4.5 Group life insurance
Characteristics of group plans
Types of plan sponsors
Eligibility
Group underwriting requirements
( HB 1194)
Conversion to individual policy (58-16-39-41)
Continuation

4.6 Credit life insurance (individual versus group)

5.0 Life Insurance Policy Provisions, Options and Riders 12%

5.1 Common provisions
Ownership
Assignment (58-10-6.1; 58-11-36)
Entire contract/modifications (58-15-8)
Right to examine (free look) (58-15-8.1)
Representation in applications and legal action
Payment of premiums (58-15-12)
Grace period (58-15-13)
Reinstatement (58-15-22)
Incontestability (58-15-10)
Misstatement of age/gender (58-15-9)
Medical examination/autopsy
Exclusions (58-15-45)

5.2 Beneficiaries
Designation options
Individuals
Classes
Estates
Minors
Trusts
Charitable organizations
Revocable versus irrevocable
Primary versus contingent
Common disaster clause
Spendthrift
Facility of payment

5.3 Settlement options
Cash payment
Interest only
Fixed-period installments
Fixed-amount installments
Retained assets account
Life income
Single life
Joint and survivor
Straight and life refund
Life/joint life with period certain

5.4 Nonforfeiture options
Cash surrender value
Extended term
Reduced paid-up insurance

5.5 Policy loan and withdrawal options
Cash 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
Paid-up insurance

5.7 Disability riders
Waiver of premium
Waiver of cost of insurance
Universal life
Disability income benefit

5.8 Accelerated (living) and Long Term Care benefits/riders
Conditions for payment
Effect on death benefit
Qualifying events
Disclosure
Exclusions and restrictions

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 and dismemberment
Guaranteed insurability
Cost of living
Return of premium
Long Term Care

6.0 Annuities 20%

6.1 Annuity principles and concepts
Accumulation period versus annuity period
Owner, annuitant and beneficiary
Insurance aspects of annuities
Suitability SDCL 58-33A
Consumer protection (1-11-4.1 & 2)

6.2 Immediate versus deferred annuities
Single premium immediate annuities (SPIAs)
Deferred annuities
Premium payment options
Nonforfeiture
Surrender charges
Death benefits

6.3 Annuity (benefit) payment options
Life contingency options
Pure life versus life with guaranteed minimum
Single life versus multiple life
Installments for a fixed period/amount
Annuities certain (types)
Single premium
Immediate/deferred
Installment/flexible
Variable

6.4 Annuity products/features/aspect
Nonforfeiture
Surrender charges
Death benefits
General/separate account assets
Interest rate guarantees-minimum vs. current
SEC/FINRA/state regulation
Fixed annuities
General account assets
Interest rate guarantees (minimum versus current)
Level benefit payment amount
Market value adjusted/modified guaranteed
Equity indexed annuities

6.5 Uses of annuities
Lump-sum settlements
Qualified retirement plans
Group versus individual annuities
Long term care riders
Personal uses
Individual retirement annuities (IRAs)
Tax-deferred growth
Interest income

7.0 Federal Tax Considerations for Life Insurance and Annuities 10%

7.1 Taxation of personal life insurance
Amounts available to policyowner
Cash value increases
Dividends
Loans
Surrenders
Accelerated benefits
Viatical settlements
Amounts received by beneficiary
General rule and exceptions
Settlement options

Values included in the insured's estate

7.2 Modified endowment contracts (MECs)
Modified endowment versus life insurance
Seven-pay test
Distributions

7.3 Taxation of non-qualified annuities
Individually-owned
Accumulation phase (tax issues related to withdrawals)
Annuity phase and the exclusion ratio
Distributions at death
Corporate-owned

7.4 Taxation of individual retirement annuities (IRAs)
Traditional IRAs
Contributions and deductible amounts
Premature distributions (including taxation issues)
Annuity phase benefit payments
Values included in the annuitant's estate
Amounts received by beneficiary
Roth IRAs
Contributions and limits
Distributions

7.5 Rollovers and transfers (IRAs and qualified plans)

7.6 Section 1035 exchanges

8.0 Qualified Plans 5%

8.1 General requirements

8.2 Federal tax considerations
Tax advantages for employers and employees
Taxation of distributions (age-related)

8.3 Plan types, characteristics and purchasers
Simplified employee pensions (SEPs)
401(k) plans
SIMPLE plans
403(b) tax-sheltered annuities (TSAs)
1.0 Insurance Regulation 6%

1.1 Licensing
Requirements (58-30-145, 148)
Types of licensees
Producers (58-30-142, 175)
Business entities (58-30-149)
Nonresident producers (58-30-159, 160)
Resident (58-5-17; 58-6-4)
Temporary (58-30-165, 166)
Maintenance and duration
Renewal/nonrenewal (58-30-74, 120, 121)
Reinstatement, continuation, termination (58-30-112)
Change of name, address, telephone number (58-30-157, 162)
Assumed business name (58-30-164)
Inactivity due to military service (58-30-155)
Reporting of actions (58-30-193)
Inactivity due to extenuating circumstances (58-30-155)
Disciplinary actions
Cease and desist order (58-4-7)
Suspension, revocation and refusal to issue or renew (58-30-108, 110, 167)
Right to hearing (58-30-168)
Penalties and fines (58-4-28.1; 58-30-133, 167, 170)

1.2 State regulation
Director's general duties and powers (58-2-22)
Acts constituting insurance transaction
Negotiate, sell, solicit (58-1-2(16); 58-30-143 & 144; 58-30-115)
Company regulation
Certificate of authority (58-6-1)
Solvency (58-6-23)
Appointment/termination (58-30-175-192; 58-30-9; 58-30-10)
Unfair claims settlement practices (58-33-67; 58-12-33; 58-12-34)
Policy forms, rates, exceptions (58-11-3; 58-11-13)
Financial requirements (20:08:05:21; 47-31B-411)
Records maintenance (58-2-26)
Producer regulation

2.0 General Insurance 6%

2.1 Concepts
Risk management key terms
Risk
Exposure
Hazard
Peril
Loss
Methods of handling risk
Avoidance
Retention
Sharing
Reduction
Transfer

2.2 Insurers
Types of insurers
Stock companies
Mutual companies
Fraternal benefit societies
Reciprocals
Lloyd's associations
Self-insurers
Captive insurers
Surplus lines
Risk retention groups
Risk purchasing groups
Private versus government insurers
Authorized versus unauthorized insurers
Domestic, foreign and alien insurers
Marketing (distribution) systems
Financial solvency status
(independent rating services)
A.M. Best, Standard and Poor's, NAIC

2.3 Producers and general rules of agency
Insurer as principal
Producer/insurer relationship
Authority and powers of producers
Express
Implied
Apparent
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 Accident and Sickness Basics 18%

3.1 Definitions of perils
Accidental injury
Sickness
3.2 Principal types of losses and benefits
Loss of income from disability
Hospital/Medical expense
Dental expense
Vision expense
Long-term care expense
Home health care

3.3 Classes of policies
Individual versus group
Private versus government
Limited
Self-funded/ERISA
Employer association

3.4 Limited policies
Limited perils and amounts
Required notice to insured
Types of limited policies
Accident-only
Specified (dread) disease
Hospital indemnity (income)
Credit disability
Blanket insurance (teams, passengers, other)
Prescription drugs
Vision care
Medicare supplement
Critical illness
Hearing
Dental
Short-term Medical

3.5 Common exclusions from coverage
Intentionally self-inflicted injuries
War or act of war
Elective cosmetic surgery
Workers compensation
Commission or attempt of a felony
State child health program
Use of illegal intoxicants or narcotics

3.6 Producer responsibilities
Marketing requirements
Advertising (Reg Ch. 20:06:10:02–:20)
Prohibited advertising of Life and Health Insurance Guaranty Association (58-29C-62)
Sales presentations
Guaranty association disclaimer (58-29C-62)
Field underwriting
Nature and purpose
Disclosure of information about individuals
Application procedures
Requirements at delivery of policy (including receipt requirement) (58-17-11.1)
Common situations for errors/omissions
Employee waiver form

3.7 Underwriting by the insurer
Underwriting criteria
Individual

4.0 Individual Insurance Policy General Provisions 12%

4.1 Uniform required provisions
Inconsistent provisions (58-17-13)
Entire contract; changes (58-17-14)
Time limit on certain defenses (58-17-15)
Incontestability (58-17-16)
Grace period (58-17-17)
Renewal (58-17-18)
Reinstatement (58-17-19)
Claim procedures (58-17-21–27)
Physical examinations and autopsy (58-17-28)
Legal actions (58-17-29)
Change of beneficiary (58-17-30)
Preexisting condition exclusions in long-term care and disability policies
Cancellation by insured
Refund upon cancellation
Coordination of benefits

4.2 Uniform optional provisions
Change of occupation (58-17-32)
Misstatement of age or gender (58-17-33)
Unpaid premiums (58-17-37)
Conformity with state statutes (58-17-38)
Illegal occupation (58-17-39)
Intoxicants and narcotics
Other insurance with the insurer

4.3 Other general provisions
Group
Nondiscrimination, group characteristics, plan design (contributory/non-contributory, persistency, administrative capability, state requirements)
Sources of underwriting information
Application
Producer report
Attending physician statement
Investigative consumer (inspection)
Medical Information Bureau (MIB)
Medical examinations and lab tests (including HIV consent) (Bul 87-1)
Classification of risks
Preferred
Standard
Substandard
Tobacco/non-tobacco
Community rating

3.8 Considerations in replacing insurance
Pre-existing conditions
Benefits, limitations and exclusions
Underwriting requirements
Producer liability for errors and omissions

5.0 Disability Income and Related Insurance 5%

5.1 Qualifying for disability benefits
Inability to perform duties
Own occupation
Any occupation
Pure loss of income (income replacement contracts)
Presumptive disability
Requirement to be under physician care
State minimum benefit standards and exclusions

5.2 Individual disability income insurance
Basic total disability plan
Income benefits (monthly indemnity)
Elimination of benefit periods
Waiver of premium feature
Coordination with social insurance
Workers compensation benefits
Additional monthly benefit (AMB)
Social insurance supplement (SIS)
Occupational versus non-occupational coverage
Eligibility and Benefits
At-work benefits
Partial disability benefit
Residual disability benefit
Other provisions affecting income benefits
Cost of living adjustment (COLA) rider
Future increase option (FIO) rider
Relation of earnings to insurance (58-17-34–36)
Other cash benefits
Accidental death and dismemberment
Rehabilitation benefit
Medical reimbursement benefit (nondisabling injury)
Refund provisions
Return of premium
Cash surrender value
Future increase options
Loss-of-time benefit adjustment
Annual renewable term
Change of occupation
Return of premium
Exclusions

Right to examine (free look) (58-17-11)
Insuring clause
Consideration clause (58-17-4)
Inconsistent provisions
Military suspense provision
Subrogation
Renewability clause
Noncancelable
Guaranteed renewable
Conditionally renewable (58-17-82)
Renewable at option of insurer (58-17-9)
Nonrenewable (cancelable, short-term health)
5.3 Unique aspects of individual disability underwriting

- Occupational considerations
- Benefit limits
- Policy issuance alternatives

5.4 Group disability income insurance

- Group versus individual plans
- Short-term disability (STD)
- Long-term disability (LTD)

5.5 Business disability insurance

- Key person disability income
- Disability buy-sell policy

5.6 Social Security disability

- Qualification for disability benefits
- Definition of disability
- Waiting period
- Disability income benefits

5.7 Workers compensation

- Eligibility
- Benefits

6.0 Comprehensive Major Medical Plans 15%

6.1 Medical plan concepts

- Fee-for-service basis versus prepaid basis
- Specified coverages versus comprehensive care
- Benefit schedule versus usual/reasonable/customary charges
- Any provider versus limited choice of providers
- Insureds versus subscribers/participants
- Limited provider choice

6.2 Types of providers and plans

- Major medical insurance (indemnity plans)
- Characteristics
- Common limitations
- Exclusions from coverage
- Provisions affecting cost to insured
- Health maintenance organizations (HMOs)
- General characteristics
- Preventive care services
- Primary care physician versus referral (specialty) physician
- Urgent care
- Emergency care
- Hospital services
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- Preferred provider organizations (PPOs)
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- In and out of network
- Types of parties to the provider contract
- Point-of-service (POS) plans
- Nature and purpose

6.3 Cost containment in health care delivery

- Cost-saving services
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- Alternatives to hospital services
- Urgent care centers
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- Prospective review
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6.4 South Dakota requirements (individual and group)

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- Family coverage (58-17-2)
- Intellectual or physical disability coverage (58-17-30.1)
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- Alcoholism treatment coverage and benefit limitations (58-17-30.5–30.7)
- Coordination of benefits provision

6.5 HIPAA (Health Insurance Portability and Accountability Act) requirements

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- Guaranteed issue
- Pre-existing conditions
- Creditable coverage
- Renewability

6.6 PPACA (Patient Protection and Affordable Care Act)

- On-exchange versus off exchange
- Subsidized vs non subsidized
- Eligibility
- Medicare/Medicaid
- Advance premium tax credits
- Cost sharing reductions
- Essential Health Benefits (EHBs)
- No lifetime/annual limits
- Benchmark plan
- Mental health/substance abuse
- Qualified Health Plan
- Actuarial value
- Levels of coverage (metal tiers)
- Special enrollment periods
- Minimum essential coverage
- Tax penalties
- Hardship exemption
- Catastrophic plan
- Rating structures
- External review
- Qualifying events
- Guaranteed Issue
- No health underwriting
- No pre-existing conditions

6.7 Pre-existing conditions

- No waiting periods
- Guaranteed renewability/re-enrollment
- Dependents
- Age limits
- Dependent continuation
- Emergency care
- Preventive benefits
- Pediatric dental and vision
- Requirements for termination
- Rescission
- Network
- Adequacy
- Design
- Narrow
- Provider Directory
- Formulary
- Marketing
- Summary of benefits and coverage
- Plan brochures
- Federal Marketplace
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7.0 Group Health Insurance 13%

7.1 Characteristics of group insurance

- Group contract
- Certificate of coverage
- Experience rating versus community rating
- Self-funded

7.2 Types of eligible groups

- Employment-related groups
- Individual employer groups
- Multiple-Employer Trusts (METs) or Welfare Arrangements (MEWAs)
- Associations
- Customer groups (depositors, creditor-debtor, other)
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7.3 Marketing

- Advertising
- Regulatory jurisdiction/place of delivery
- Disclosure form

7.4 Employer group health insurance

- Coordination of benefits and subrogation
- Insurer underwriting criteria
- Characteristics of group
- Nondiscrimination
- Plan design factors—contributory/non-contributory
- Persistency factors
- Administrative capability
- State requirements
- Eligibility for coverage
- Annual open enrollment
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8.0 Dental Insurance 3%

8.1 Types of dental treatment
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Preventive
Pediatric dental
Restorative
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Endodontics
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8.2 Indemnity plans
Choice of providers
Scheduled versus nonscheduled plans
Benefit categories
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8.3 Prepaid plan characteristics
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8.4 Utilization Management Review
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8.5 Employer group dental expense
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Failure to provide forms (Reg 20:06:13:44)

Marketing practices prohibited (Reg 20:06:13:58)

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Group plans

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9.3 Other options for individuals with Medicare

Employer group health plans

Disabled employees

Employees with kidney failure

Individuals age 65 and older

Medicaid

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Benefits

Differences

10.0 Long-Term Care (LTC) Insurance 5%

10.1 Benefits

Eligibility for benefits

Levels of care

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Intermediate

Custodial

Home health care

Adult day care

Respite care

Assisted living facilities

Hospice

Benefit periods

LTC partnerships; definitions & Deficit

Reduction Act of 2005 (28-6-37, 38; Reg 20:06:21:76-81)

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Optional benefits

Guarantee of insurability

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10.2 South Dakota Regulations and Required Provisions

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Renewal, cancellation, lapse

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Rate stabilization (Reg 20:06:21:06.01)

11.0 Federal Taxation Treatment of Health Insurance 5%

11.1 Personally-owned health insurance

Disability income insurance

Medical expense insurance

HSAs

Long-term care insurance

11.2 Employer group health insurance

Disability income (STD, LTD)

Medical, dental and vision expense

Long-term care insurance

Accidental death and dismemberment

FSAs - Section 125 plans

11.3 Medical expense coverage for sole proprietors and partners

Characteristics and taxation of medical expense coverage

Definitions

Eligibility

Contribution limits

11.4 Small Business Health Options Program (SHOP)

Tax credit eligibility

Requirements
1.0 Insurance Regulation 10%

1.1 Licensing
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Types of licensees
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Business entities (58-30-149)
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Reinstatement, continuation and termination (58-30-112)
Change of name, address, telephone number (58-30-157, 162)
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1.2 State regulation
Director’s general duties and powers (58-2-22)
Acts constituting insurance transaction
Negotiate, sell, solicit (58-1-2 (16); 58-30-143 & 144; 58-30-115)
Company regulation
Certificate of authority (58-6-1)
Solvency (58-6-23)
Appointment/termination (58-30-175-192:58-30-9; 58-30-10)
Unfair claims settlement practices (58-33-67; 58-12-33; 58-12-34)
Policy forms, rates, exceptions (58-11-3; 58-11-13)
Financial requirements (20:08:05-21; 47-31B-411)
Records maintenance (58-2-26)
Producer regulation
Reporting of felonies and crimes of moral turpitude (58-30-194 ARSD 20:06:18:21)
Commissions, compensations and fees (58-30-171-175; Bulletin 13-04)
Loans (58-30-140)
Records maintenance (58-30-91; 58-14-30; 58-3-7.4)
Appointment/termination (58-30-180)
Influence of witnesses (58-30-196)
Unfair trade practices
Rebating (58-33-14, 24, 25)
Misrepresentation (58-33-5, 6, 37)
False advertising (58-33-5, 56)
Twisting (58-33-8)
Illegal inducement (58-33-11, 15, 24)

South Dakota Producer’s Examination for Property Insurance Series 10-43

100 questions - 2-hour time limit
Live Date: March 24, 2017

2.0 General Insurance 15%

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
Indemnity/pay on behalf of

2.2 Insurers
Types of insurers
- Stock companies
- Mutual companies
- Fraternal benefit societies
- Reciprocals
- Lloyd’s associations
- Self-insurers
- Captive insurers
- Surplus lines
- Risk retention groups
- Risk purchasing groups
- Private versus government insurers
- Authorized versus unauthorized insurers
- Domestic, foreign and alien insurers
- Marketing (distribution) systems
- Financial solvency status (independent rating services)
- A.M. Best, Standard and Poor’s, NAIC

2.3 Producers and general rules of agency
Insurer as principal
Producer/insurer relationship
Authority and powers of producers
Express
Implied
Apparent
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 Property Insurance Basics

3.1 Principles and concepts
Insurable interest
Underwriting
Credit scores
Loss ratio
Rates
Types
Loss costs
Components
Hazards
Physical
Moral
Morale
Causes of loss (perils)
Named perils versus special (open) perils
Direct loss
Consequential or indirect loss
Blanket versus specific insurance
Basic types of construction
Loss valuation
Actual cash value
Replacement cost

3.2 Policy structure
- Declarations
- Definitions
- Insuring agreement or clause
- Additional/supplementary coverage
- Conditions
- Exclusions
- Endorsements

3.3 Common policy provisions
- Insureds — named, first named, additional
- Policy period
- Policy territory
- Cancellation and nonrenewal
- Coinsurance and deductibles
- Other insurance
- Nonconcurrency
- Primary and excess
- Pro rate
- Contribution by equal shares
- Policy limits
- Limits of liability per occurrence or accident
- Limits of liability per person
- Split - Combined single
- Restoration/nonreduction of limits
- Vacancy or unoccupancy
- Named insured provision
- Duties after loss
- Assignment
- Abandonment
- Insurer provisions
- Liberalization
- Subrogation
- Salvage
- Claim settlement options

Market value
Agreed value
Functional replacement
Stated amount
Valued policy
Duty to defend
Third-party provisions
Standard mortgage clause
Loss payable clause
No benefit to the bailee
Additional insured

3.4 South Dakota laws, regulations and required provisions
South Dakota Valued Policy Law (58-10-10)
South Dakota Insurance Guaranty Association (58-29A-54–109)
Cancellation and nonrenewal (58-1-14, 15; 58-33-61)
Binders (58-11-29–31)
Suit against insurer (15-2-13(1))
Federal Terrorism Insurance Program (15 USC 6701; Public Law 109–144, 110–160)
Certificates of Insurance

4.0 Dwelling ('09) Policy 7%

4.1 Characteristics, purpose, definitions, exclusions, eligibility

4.2 Coverage forms — Perils insured against
Basic
Broad
Special

4.3 Property coverages
Coverage A — Dwelling
Coverage B — Other structures
Coverage C — Personal property
Coverage D — Fair rental value
Coverage E — Additional living expense
Other coverages

4.4 General exclusions

4.5 Conditions

4.6 Selected endorsements
Special provisions — South Dakota (DP 01 40)
Automatic increase in insurance (DP 04 11)

4.7 Personal liability supplement

5.0 Homeowners ('11) Policy — Section I 15%

5.1 Coverage forms
HO-2 through HO-6
HO-8

5.2 Definitions, eligibility

5.3 Section I — Property coverages
Coverage A — Dwelling
Coverage B — Other structures
Coverage C — Personal property
Coverage D — Loss of use
Additional coverages

5.4 Perils insured against

5.5 Exclusions

5.6 Conditions

5.7 Selected endorsements
Special provisions — South Dakota (HO 01 40)
Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)
Permitted incidental occupancies — residence premises (HO 04 42)
Earthquake (HO 04 54)
Scheduled personal property (HO 04 61)
Personal property replacement cost (HO 04 90)
Home day care (HO 04 97)

6.0 Commercial Package Policy (CPP) 20%

6.1 Components of a commercial policy
Common policy declarations
Common policy conditions
Interline endorsements
One or more coverage parts

6.2 Commercial property ('07)

6.3 Commercial inland marine
Nationwide marine definition
Commercial inland marine conditions
Inland marine coverage forms
Accounts receivable
Bailee's customers
Commercial articles
Contractors equipment floater
Electronic data processing
Equipment dealers
Installation floater
Jewelers block
Signs
Valuable papers and records
Transportation coverages
Common carrier cargo liability
Motor truck cargo forms
Transit coverage forms
6.4 Equipment breakdown ('11)
Definitions, coverages, exclusions (EB 00 20)
Selected endorsements
Actual cash value (EB 99 59)

6.5 Farm coverage
Farm property coverage forms ('03)
Coverage A — Dwellings
Coverage B — Other private structures
Coverage C — Household personal property
Coverage D — Loss of use
Coverage E — Scheduled farm personal property
Coverage F — Unscheduled farm personal property
Coverage G — Other farm structures
Livestock coverage form
Mobile agricultural machinery and equipment coverage form
Definitions
Causes of loss (basic, broad and special)
Conditions
Exclusions
Limits
Additional coverages

7.0 Businessowners ('10) Policy

7.1 Characteristics and purpose

7.2 Businessowners Section I — Property
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Coverage
Exclusions
Limits of insurance
Deductibles
Loss conditions
General conditions
Optional coverages
Definitions

7.3 Businessowners Section III — Common Policy Conditions

7.4 Selected endorsements
Utility services — direct damage (BP 04 56)
Utility services — time element (BP 04 57)
South Dakota protective safeguards (BP 04 79)

8.0 Other coverages and options

8.1 National Flood Insurance Program
"Write your own" versus government
Eligibility
Coverage
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8.2 Other policies
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8.3 Surplus lines
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Premium tax obligations (58-32-44, 50)
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1.1 Licensing

Requirements (58-30-145, 148)

Types of licensees

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Business entities (58-30-149)

Nonresident producers (58-30-159, 58-30-160)

Resident (58-5-17; 58-6-4)

Temporary (58-30-165, 166)

Maintenance and duration

Renewal/nonrenewal (58-30-74, 120, 121)

Reinstatement, continuation, termination (58-30-112)

Change of name, address, telephone number (58-30-157, 162)

Assumed business name (58-30-164)

Inactivity due to military service (58-30-155)

Reporting of actions (58-30-193)

Inactivity due to extenuating circumstances (58-30-155)


Disciplinary actions

Cease and desist order (58-4-7)

Suspension, revocation and refusal to issue or renew (58-30-108, 110, 167)

Right to hearing (58-30-168)

Penalties and fines (58-4-28.1; 58-30-133, 167, 170)

1.2 State regulation

Director’s general duties and powers (58-2-22)

Acts constituting insurance transaction

Negotiate, sell, solicit (58-1-2 (16); 58-30-143 & 144; 58-30-115)

Company regulation

Certificate of authority (58-6-1)

Solvency (58-6-23)

Appointment/termination (58-30-175-192 58-30-9; 58-30-10)

Unfair claims settlement practices (58-33-67; 58-12-33; 58-12-34)

Policy forms, rates, exceptions (58-11-3; 58-11-13)

Financial requirements (20:08:05:21; 47-31B-411)

Records maintenance (58-2-26)

Producer regulation

Reporting of felonies and crimes of moral turpitude (58-30-194 ARSD 20:06:18:21)

Commissions, compensations and fees (58-30-171-175; Bulletin 13-04)

Loans (58-30-140)

Records maintenance (58-30-91; 58-14-30; 58-3-7.4)

Appointment/termination (58-30-180)

Influence of witnesses (58-30-196)

Unfair trade practices

Rebating (58-33-14, 24, 25)

Misrepresentation (58-33-5, 6, 37)

False advertising (58-33-5, 56)

Twisting (58-33-8)

Illegal inducement (58-33-11, 15, 24)

2.0 General Insurance 10%

2.1 Concepts

Risk management key terms

Risk

Exposure

Hazard

Peril

Loss

Methods of handling risk

Avoidance

Retention

Sharing

Boycott, coercion or intimidation (58-33-32)

Notification of suspected fraud (58-33-76; 58-33-77; 58-33-78)

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Examination of books and records (58-3-5; 58-30-91; Reg 20:06:01:05-.01)

Producer appointment (58-30-6, 175)

Termination of appointment (58-30-8; 58-30-180)

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Privacy of consumer financial information (ARSD 20:06:45:01-26)
Reduction
Transfer
Elements of insurable risks
Adverse selection
Law of large numbers
Reinsurance
Indemnity/pay on behalf of

2.2 Insurers
Types of insurers
Stock companies
Mutual companies
Fraternal benefit societies
Reciprocals
Lloyd’s associations
Self insurers
Captive insurers
Surplus lines
Risk retention groups
Risk purchasing groups
Private versus government insurers
Authorized versus unauthorized insurers
Domestic, foreign and alien insurers
Marketing (distribution) systems
Financial solvency status (independent rating services)
A.M. Best, Standard and Poor’s, NAIC

2.3 Producers and general rules of agency
Insurer as principal
Producer/insurer relationship
Authority and powers of producers
Express
Implied
Apparent
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 Casualty Insurance Basics

3.1 Principles and concepts
Insurable interest
Underwriting
Credit scores
Loss ratio
Rates
Types
Loss costs
Components
Hazard
Physical
Moral
Morale
Negligence
Elements of a negligent act
Defenses against negligence
Damages
Compensatory — special versus general
Punitive
Absolute liability
Strict liability
Vicarious liability

3.2 Policy structure

Declarations
Definitions
Insuring agreement or clause
Additional/supplementary coverage
Conditions
Exclusions
Endorsements

3.3 Common policy provisions
Insureds — named, first named, additional
Policy period
Policy territory
Cancellation and nonrenewal
Coinsurance and deductibles
Other insurance
Nonconcurrency
Primary and excess
Pro rata
Contribution by equal shares
Limits of liability
Per occurrence (accident)
Per person
Aggregate — general versus products — completed operations
Split
Combined single
Named insured provision
Duties after loss
Assignment
Abandonment
Insurer provisions
Liberalization
Subrogation
Duty to defend
Claim settlement options

3.4 South Dakota laws, regulations and required provisions
South Dakota Insurance Guaranty Association (58-29A-54–109)
Cancellation and nonrenewal (58-1-14, 15; 58-20-14; 58-33-61)
Binders (58-11-29-31)
Suit against insurer (58-23-1; 15-2-13(1))
Federal Terrorism Insurance Program (15 USC 6701; Public Law 109–144, 110–160)

4.0 Homeowners (‘11) Policy — Section II 10%

4.1 Coverage forms
HO-2 through HO-6
HO-8

4.2 Definitions, eligibility

4.3 Section II — Liability coverages
Coverage E — Personal liability
Coverage F — Medical payments to others
Additional coverages

4.4 Exclusions

4.5 Conditions

4.6 Selected endorsements
Special provisions — South Dakota (HO 01 40)
Limited fungi, wet or dry rot, or bacteria coverage (HO 04 26, HO 04 27)
Permitted incidental occupancies — residence premises (HO 04 42)
Home day care (HO 04 97)
Business pursuits (HO 24 71)
Watercraft (HO 24 75)
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5.0 Auto Insurance 12%

5.1 Laws
Required limits of liability (32-35-70)
South Dakota Automobile Insurance Plan/Assigned risk (58-11-57)
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Medical
Disability
Accidental death
Conditions and exclusions
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Definitions (58-11-9.1)
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Stacked and non-stacked (58-11-9.7, 9.8, 9.9)
Required limits (58-11-9)
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5.2 Personal (‘05) Auto Policy
Definitions
Liability coverage
Bodily injury and property damage
Supplementary payments
Exclusions
Medical payments coverage
Uninsured motorist coverage
Coverage for damage to your auto
Collision
Other than collision
Deductibles
Transportation expense
Exclusions
Duties after an accident or loss
General provisions
Substitute transportation
Towing and labor
General provisions
Selected endorsements
Amendment of policy provisions — South Dakota (PP 01 65)
Towing and labor costs (PP 03 02)
Extended non-owned coverage (PP 03 06)

5.3 Commercial auto (‘10)
Commercial auto coverage forms
Business auto
Garage
Business auto physical damage
Truckers
Motor carrier
Coverage form sections
Symbols/covered autos
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Garagekeepers coverage
Physical damage coverage
Trailer exchange
Exclusions
Conditions
Definitions
Selected endorsements
Lessor — additional insured and loss payee (CA 20 01)
Mobile equipment (CA 20 15)
Auto medical payments coverage (CA 99 03)
Drive other car coverage (CA 99 10)
Individual named insured (CA 99 17)
Commercial carrier regulations
The Motor Carrier Act of 1980
Endorsement for motor carrier policies of insurance for public liability (MCS-90)

6.0 Commercial Package Policy (CPP) 14%

6.1 Components of a commercial policy
Common policy declarations
Common policy conditions
Interline endorsements
One or more coverage parts
6.2 Commercial general liability ('07)

Commercial general liability coverage forms
Bodily injury and property damage liability
Personal and advertising injury liability
Medical payments
Exclusions
Supplementary payments
Who is an insured
Limits of insurance
Conditions
Definitions
Occurrence versus claims-made
Claims-made features
Trigger
Retroactive date
Extended reporting periods — basic versus supplemental
Claim information
Premises and operations
Products and completed operations
Insured contract

6.3 Commercial crime ('06)

General definitions
Burglary
Theft
Robbery
Crime coverage forms
Commercial crime coverage forms (discovery/loss sustained)
Government crime coverage forms (discovery/loss sustained)

Coverages
Employee theft
Forgery or alteration
Inside the premises — theft of money and securities
Inside the premises — robbery or safe burglary of other property
Outside the premises

6.4 Farm coverage

Farm liability coverage forms ('06)
Coverage H — Bodily injury and property damage liability
Coverage I — Personal advertising injury liability
Coverage J — Medical payments

Definitions
Conditions
Exclusions
Limits
Additional coverages

7.0 Businessowners ('10) Policy — Liability 10%

7.1 Characteristics and purpose

7.2 Businessowners Section II — Liability

Coverages
Exclusions
Limits of insurance
General conditions
Definitions

7.3 Businessowners Section III — Common Policy Conditions

7.4 Selected endorsements

Hired auto and non-owned auto liability (BP 04 04)

8.0 Workers Compensation Insurance 7%

8.1 Workers compensation laws

Types of laws
Compulsory versus elective
South Dakota Workers’ Compensation Law
Exclusive remedy (62-3-2, 62-8-6)
Employment covered (required, voluntary) (62-1-2, 3, 7; 62-3-15, 16, 17)

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Second/subsequent injury fund
Federal workers’ compensation laws
Federal Employer Liability Act (FELA) (45 USC 51–60)
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8.2 Workers compensation and employers liability insurance policy

General section
Part One — Workers compensation insurance
Part Two — Employers liability insurance
Part Three — Other states insurance
Part Four — Your duties if injury occurs
Part Five — Premium
Part Six — Conditions
Voluntary compensation endorsement
Foreign coverage
All states

8.3 Premium computation

Job classification — payroll and rates
Experience modification factor
Premium discounts

8.4 Other sources of coverages

Assigned risk plan (58-20-15)
Self-insured employers and employer groups (62-5-5)

9.0 Other Coverages and Options 7%

9.1 Umbrella/excess liability policies

Personal (DL 98 01)
9.2 Specialty liability insurance
- Errors and omissions
- Professional liability
- Directors and officers liability
- Fiduciary liability
- Liquor liability
- Employment practices liability

9.3 Surplus lines
- NRRA (Non-admitted and Reinsurance Reform Act)
- Definitions and non-admitted markets
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Exam Registration Form
South Dakota Insurance Examinations

To conveniently register online, please go to www.prometric.com/southdakota/insurance.

Print or type clearly and neatly. Incomplete or illegible forms will not be processed.

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<th>First Name</th>
<th>Middle Name</th>
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<th>E-mail address (applications without an email address may experience delays)</th>
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Nottingham, MD 21236
# Credit Card Payment Form

Print or type clearly and neatly. Incomplete or illegible forms will not be processed.

**Card Type (Check One)**
- [ ] MasterCard
- [ ] Visa
- [ ] American Express

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