

Your Exam Content Outline

The following outline describes the content of one of the North Dakota 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.

North Dakota Examination for Consumer Credit Insurance Series 13-61

60 questions (plus 5 unscored items)
70 minute time limit

1.0 Insurance Regulation 10% (6 Items)

1.1 Licensing

Process (26.1-26-13.2, 13.3, 15; Reg 45-02-02-02)

Types of licensees (26.1-26-03)

Producers (individual and business entity) (26.1-26-02, 05, 06, 07, 11)

Producer-agent of insured (26.1-26-07)

Producer-agent of insurer (26.1-26-06)

Consultants (26.1-26-35, 41; Reg 45-02-02-09, 10)

Nonresident producers (26.1-26-20, 47.1)

Temporary (26.1-26-26)

Maintenance and duration

Renewal of appointments (26.1-26-32; Reg 45-02-02-07)

Termination (26.1-26-31; Reg 45-02-02-12)

Change of address (26.1-26-33; Reg 45-02-02-13)

Reporting of actions (26.1-26-45.1)

Assumed business names (26.1-26-25.1)

Continuing education (26.1-26-31.1; Reg 45-02-04-03, 08-11, 13)

Disciplinary actions

Refusal of license (26.1-26-39, 40, 42)

Cease and desist order (26.1-01-03.1; 26.1-04-13)

Suspension, revocation and probation (26.1-26-42-46)

Penalties for violations (26.1-01-03.3; 26.1-04-13-17; 26.1-26-50, 51)

1.2 State regulation

Commissioner's general duties and powers (26.1-01-03; 26.1-04-09)

Company regulation

Certificate of authority (26.1-02-02)

Solvency (26.1-02-02, 03; 26.1-05-32)

Unfair claims settlement practices (26.1-04-03(9))

Producer regulation

Sharing commissions (26.1-26-04)

Company and agency regulation

Examination of books and records (26.1-03-19.2; 26.1-26-48)

Producer appointment (26.1-26-13.1; Reg 45-02-02-06)

Termination of appointment (26.1-26-34; Reg 45-02-02-06)

Unfair practices

Misrepresentation (26.1-04-03(1), (12), 07)

False advertising (26.1-04-03(1), (2))

Defamation (26.1-04-03(3))

Boycott, coercion and intimidation (26.1-04-03(4), 04)

False financial statements (26.1-04-03(5))

Unfair discrimination (26.1-04-03(7), (11), 05)

Rebating (26.1-04-03(8), 05, 06)

Prohibited inducements (26.1-04-05, 06)

Twisting (26.1-04-03(1))

Insurance fraud regulation (26.1-02.1-01-11)

Consumer information privacy regulation (26.1-02-27; Reg 45-14-01-01-25)

1.3 Federal regulation

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

Fraud and false statements (18 USC 1033, 1034)

2.0 General Insurance 10% (6 Items)

2.1 Concepts

Risk management key terms

Risk

Exposure

Hazard

Peril

Loss

Methods of handling risk

Avoidance

Retention

Sharing

Reduction

Transfer

Elements of insurable risks

Adverse selection

Law of large numbers

Reinsurance

2.2 Insurers

Types of insurers

Stock companies

Mutual companies

Fraternal benefit societies

Reciprocal or inter-insurance exchanges

Risk retention groups

Lloyd's associations

Purchasing groups

Private versus government insurers

Authorized versus unauthorized insurers

Domestic, foreign and alien insurers

Financial status (independent rating services)

Marketing (distribution) systems

2.3 Producers and general rules of agency

Insurer as principal

Producer/insurer relationship

Authority and powers of producers

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 Consumer Credit Insurance Basics 40% (24 Items)

3.1 Nature of consumer credit insurance

Parties involved

Debtor/insured

Creditor/beneficiary

Insurer

Advantages for debtors and for creditors

Markets

Banks and savings and loan associations

Credit unions

Finance companies

Credit card companies

Automobile dealers and manufacturers

Retailers

Types of credit covered (closed-end versus open-end)

3.2 Coverage characteristics

Group versus individual coverage

Underwriting considerations

Eligibility of groups

Underwriting of the debtor/insured (group and individual)

Evidence of insurability

Duration of coverage (loan period versus truncated)

Premiums

Basis and payment of premiums

Single premium versus monthly outstanding balance

Group policy general provisions

Right to examine (free look) (26.1-37-07(7))

Grace period (26.1-33-11(1); 26.1-36-05(1))

Incontestability (26.1-33-11(2); 26.1-36-05(2))

Entire contract (26.1-33-11(3); 26.1-36-05(3))

Conditions to require evidence of insurability (26.1-33-11(4); 26.1-36-05(4))

Certificate of insurance (26.1-37-07(3))

Benefit payments

Effect on insured's debt

Payment of excess benefits

3.3 Regulation

North Dakota regulation

Approval of policy forms (26.1-30-19)

Amounts to be insured (26.1-37-05)

Term of insurance (26.1-37-06)

Premium rates (26.1-37-08; Reg 45-07-01.1-03, 04, 05, 06, 07)

Premium refunds (26.1-37-08, 26.1-37-06, 08(2); Reg 45-07-01.1-08)

Disclosure requirements (26.1-37-07(1)(2))

Coercion of debtors (26.1-04-04)

Choice of insurer (26.1-37-14)

Life and Health Insurance Guaranty Association (26.1-38.1-16(1))

Evidence of coverage (26.1-37-07)

Claims processing (26.1-37-13)

Federal Consumer Credit Protection Act (Truth-in-Lending Act) (15 USC 1601)

4.0 Types of Consumer Credit Insurance 40% (24 Items)

4.1 Credit life insurance

Eligibility and guaranteed issue amount (Reg 45-07-01.1-04(2)(c, d))

Gross coverage versus net payoff coverage

Types of insurance coverages

Decreasing term

Level term

Monthly outstanding balance

Joint credit life

Exclusions allowed (Reg 45-07.01.1-04(2)(a))

War or act of war

Suicide

Pre-existing condition

Terminal illness

4.2 Credit disability insurance

Eligibility and guaranteed issue amount (Reg 45-07-01.1-05(5)(d, e, g))

Qualifying for benefits

Sickness or injury

Definition of disability (own occupation versus any occupation)

Total and permanent (Reg 45-07-01.1-05(5)(c))

Elimination period (retroactive versus nonretroactive)

Benefit period (loan period versus critical period)

Benefit amount

Common exclusions (Reg 45-07-01.1-05(5)(a))

Pre-existing conditions

Intentionally self-inflicted injury

Normal pregnancy

War or act of war

4.3 Credit property insurance

Eligibility

Insured event (Reg 45-07-01.1-07(2))

Benefit conditions

4.4 Credit involuntary unemployment insurance

Eligibility of the individual insured (Reg 45-07-01.1-06(3))

Qualifying for benefits (Reg 45-07-01.1-06(2))

Definition of involuntary unemployment

Elimination period

Retroactive coverage

Benefit period

Benefit amount (Reg 45-07-01.1-06(2)(b))

Excluded forms of unemployment (Reg 45-07-01.1-06(2)(a))

4.5 Guaranteed automobile protection (GAP) insurance

Eligibility

Insured event

Benefit conditions