

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 Legal Expense Insurance Series 13-64

60 questions (plus 5 unscored items)

70 minute time limit

1.0 Insurance Regulation 20% (12 Items)

1.1 Licensing

Authority (26.1-19-10)

Resident producers)

Process (26.1-26-13.1–13.3, 15; Reg 45-02-02-02, 05)

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)

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)

Certificate of authority (26.1-19-04–06)

Sponsor's powers (26.1-19-07)

Contracts (26.1-19-08)

Examination of books and records (26.1-19-14)

Violations (26.1-19-16)

Unfair practices

False or misleading information (26.1-19-11(1))

Nonrenewal of coverage (26.1-19-11(2))

Prohibited terms (26.1-19-11(3))

Infringement of professional judgment (26.1-19-09)

Complaint system (26.1-19-12)

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

1.3 Federal regulation

Fraud and false statements (18 USC 1033, 1034)

2.0 General Insurance 12% (7 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 Nature of Legal Expense Coverage Plans 68% (41 Items)

3.1 General legal terms

Civil action

Criminal action

Defendant

Defense

Docket

Felony

Misdemeanor

Plaintiff

Pleading

Proceeding

Prosecution

Respondent

3.2 Legal issues

Independent judgment of lawyers

Overriding duty to client-insured

Legal code of ethics

Client confidences

Attorney conflicts of interest

Multiple clients

Family disputes

Requirement of disclosure

Plan members versus plan sponsor

3.3 Provider systems and design

Closed panels

Open panels

Modified open panels

3.4 Types of plans

Administrators

Insurance company plans
Legal Service Organization (LSO) (26.1-19-01-18)

Legal expense plans (26.1-43-01-03)

Individual

Group

Referral and discount plans

Access plans

Comprehensive plans

3.5 Persons covered

Policyholder/participant/member/named insured

Spouse

Dependents

Others

3.6 Enrollment basis

Cafeteria plans

Group enrollment
(contributory/noncontributory)

3.7 Basis of payment and claims service

Indemnity contract versus prepaid legal services

Usual, customary and reasonable fees

Single fee arrangement

Capitation

Proofs of claim

Coordination of benefit

3.8 Potential benefits

Consultation

Advice/assistance

Phone contact

Document review and preparation

Negotiation

Consumer matters

Defense

Criminal

Civil

Administrative hearings

3.9 Limitations on coverages provided

Deductibles

Dollar amount

Waiting periods

Maximum dollar coverage

Per coverage

Per hour

Per document

Per annum

Fully covered or fully insured

Territory (state, national and international)

Period covered by payment of premium

3.10 Possible exclusions

Plaintiff actions

Pre-existing conditions

Business legal matters

Class actions, interventions and amicus curiae filings

Preparing and filing tax returns

Judgments, penalties and fines

Filing fees, court costs and court reporter fees

Legal benefits available from another legal benefit

Matters for which a contingency fee is charged

Alcohol-related or drug-related traffic violations

Duplication of services

Employment related

Intra-family disputes